

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Financial Statements with Independent
Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Notice to Reader

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.

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Statements

For the year 2025 (from January 1, 2025 to December 31, 2025), the Company required to be included in the consolidated financial statements pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the parent-subsidary consolidated financial statements in accordance with IFRS 10 endorsed by the Financial Supervisory Commission, and all relevant information to be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the aforementioned parent-subsidary consolidated financial statements. Therefore, no separate consolidated financial statements of affiliated enterprises were prepared.

Sincerely,

Company Name: Billion Electric Co., Ltd.

Chairman: Cheng-Chien Chen

Date: March 12, 2026

Independent Auditors' Report

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

Opinions

We have audited the consolidated financial statements of Billion Electric Co., Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretation developed by the International Financial Statements Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and standards on Auditing Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

The key audit matters refer to the most important matters regarding the audit of the consolidated financial statements of the Group for the year of 2025 according to our professional judgment. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion. As such, we do not express a separate opinion on these matters. The key audit matters of the consolidated financial statements of the Group are as follows:

I. Authenticity of recognition of operating revenue from top ten new customers.

For the accounting policy regarding the recognition of operating revenue, please refer to Note 4(17)—Recognition of revenues of the consolidated financial statements; for disclosure of relevant information about operating revenue, please refer to Note 6(26)—Revenue from Contracts with Customers of the consolidated financial statements.

Explanation of key audit matters:

The principal source of income of the Group and its subsidiaries accounted for using the equity method are the sales revenue of products, construction contract revenue and service revenue. A portion of the income is derived from primary customers added in the current year, which has a significant impact on the overall financial statement and its main risk is whether the income actually occurs. Thus, we prioritize operating revenue in the audit of the financial statements.

How the matter was addressed in our audit:

1. Understand the aforementioned internal control of operating revenue for sales customers and evaluate and test the effectiveness of its design and execution.
2. Obtain the aforementioned list of sales customers and assess whether the relevant background, transaction amount and credit limit are reasonable for the size of the company.
3. Take a copy of income invoice of the above sales customer as reference and select an appropriate sample, verify the external shipping documents, investigate the recipient, receivable condition and transaction condition, whether there are no significant abnormalities, to ensure the authenticity of the operating revenue.
4. The details of the income after the accounting period shall be checked for significant depreciation to confirm whether there are any significant abnormalities in revenue recognition.

II. Recognition of Profit or Loss from Construction Contracts

For the accounting policy on revenue recognition of construction contracts, please refer to Note 4(17) "Revenue recognition" of the consolidated financial statements. For accounting estimates and uncertainties in assumptions related to the recognition of construction contract revenue, please refer to Note 5(1) of the consolidated financial statements. For the details of contract revenue, please refer to note 6(26) "Revenue from customer contracts" of the consolidated financial statements.

Explanation of key audit matters:

A portion of the Group's business is derived from construction contracts signed with customers. The recognition of revenue from such contracts involves significant estimates and judgments, such as total contract costs, the percentage of completion, and additional revenue from contract modifications related to cost considerations. Management's subjective judgments may result in changes to multiple estimates, which could impact the profit or loss recognized in the consolidated financial statements of the Group. Therefore, the profit or loss from construction contracts is a key area of focus in our audit of the consolidated financial statements.

How the matter was addressed in our audit:

1. Performed tests on the effectiveness of internal controls related to the recognition of construction contract revenue and costs.
2. Selected samples of significant contracts and conducted interviews with management to understand specific contract terms and associated risks.
3. Examined management's approval process and supporting documents related to the estimation of total contract costs and the percentage of completion. Additionally, assessed the ratio of actual costs incurred to the estimated total contract costs.
4. For completed projects, selected samples and reviewed external supporting documents to evaluate the recognition and settlement of revenue and costs.

Other Matters

Billion Electric Co., Ltd. has prepared its parent company only financial statements as of and for the years ended December 31, 2025, and 2024, on which we have issued an unqualified opinion.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

The responsibility of management is to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), Interpretation and Standing Interpretations, approved and ratified by the Financial Supervisory Commission (FSC), and to maintain necessary internal control in connection with the preparation of the consolidated financial statements, to ensure that the consolidated financial statements are free from material misrepresentation due to fraud or error.

During the preparation of the consolidated financial statements, the management has the responsibilities to assess the ability of the Group to continue operation, disclosing relevant matters and adopting a going concern basis of accounting, unless the Management intends to liquidate the Group or cease operations, or there is no practicable alternative save for liquidation or cease operation.

The governance bodies (including the Audit Committee) of the Group are responsible in overseeing the process of the financial reporting.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may result from fraud or error. An amount is considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also executed the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risks; obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of the internal controls relevant to the audit to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. On the basis of the verified evidence obtained, it is concluded whether there is significant uncertainty as to the appropriateness of adopting a continuing operating accounting basis for management and the events or circumstances that may cause material doubt as to the ability of the Group to continue operating. If we reckon that material uncertainties exist in the events or conditions, we are obliged to include in our audit report, a reminder that draws the attention of users of the consolidated financial statements to relevant disclosures contained therein, or to modify our audit opinion when such disclosures are considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Group to no longer be able to continue operating.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and its fair representation of the underlying transactions and events.
6. Obtain sufficient and appropriate verification evidence of the financial information of the Group's constituent entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Group.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identified during our audit).

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Group for the year 2025. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Certified Public Accountants Firm

March 12, 2026

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT\$ Thousand

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets:						Current Liabilities:					
1100	Cash and cash equivalents (Notes 6(1) and (29))	\$ 540,932	19	660,036	17	2100	Short-term borrowings (Notes 6(18), (29) and (32))	\$ 30,000	1	262,855	7
1110	Financial assets at fair value through profit or loss - current (Notes 6(2) and (29))	3,449	-	3,126	-	2110	Short-term notes and bills payable (Notes 6(17), (29) and (32))	-	-	79,914	2
1136	Financial assets at amortized cost - current (Notes 6(4) and (29), and 8)	111,913	4	124,886	3	2130	Contract liabilities - current (Notes 6(26) and 7)	156,499	6	684,212	18
1140	Contract asset- current (Notes 6(26) and 7)	53,717	2	192,149	5	2150	Notes payable (Notes 6(29))	-	-	227	-
1150	Net notes receivable (Notes 6(5), (26) and (29))	3,608	-	10,034	-	2170	Accounts payable (Note 6(29))	94,507	3	106,436	3
1170	Net accounts receivable (Notes 6(5), (26) and (29))	97,758	4	129,073	3	2200	Other payables (Note 6(29) and (32))	102,626	4	91,259	2
1180	Net accounts receivable – related parties (Notes 6(5), (26), (29) and 7)	61,833	2	-	-	2230	Current tax liabilities	10,462	-	19,007	-
1200	Other receivables (Notes 6(6) and (29))	37,600	1	15,456	-	2280	Lease liabilities - current (Notes 6(20), (29) and (32))	14,102	-	15,061	-
1210	Other receivables - related parties (Notes 6(6), (29) and 7)	8,300	-	-	-	2320	Current portion of long-term liabilities (Notes 6(19), (29) and (32))	-	-	24,671	1
1220	Current tax assets	7,439	-	7,034	-	2300	Other current liabilities	49,600	2	11,626	-
130X	Inventories (Note 6(7))	239,669	8	286,767	7		Total Current Liabilities	457,796	16	1,295,268	33
1470	Other current assets (Note 6(16))	57,505	2	46,986	1	Non-current Liabilities:					
1482	Contract performance costs - current (Note 6(26))	157,081	6	848,227	22	2540	Long-term borrowings (Notes 6(19), (29) and (32))	-	-	1,389	-
	Total Current Assets	1,380,804	48	2,323,774	58	2570	Deferred income tax liabilities (Note 6(22))	19,922	-	30,583	1
Non-Current Assets:						2580	Lease liabilities - non-current (Notes 6(20), (29) and (32))	49,807	2	58,767	2
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6(3) and (29))	12,132	-	66,017	2	2640	Net defined benefit liabilities - non-current (Note 6(21))	475	-	9,377	-
1535	Financial assets at amortized cost - non-current (Notes 6(4), (29) and 8)	379,647	13	389,119	10	2645	Guarantee deposits received	23,414	1	6,482	-
1550	Investment accounted for using equity method (Note 6(8))	53,120	2	24,315	1	2600	Other liabilities – non-current	1,391	-	-	-
1600	Property, plant, and equipment (Note 6(12), (32) and 8)	680,170	24	835,455	22		Total Non-Current Liabilities	95,009	3	106,598	3
1755	Right-of-use assets (Note 6(13) and (32))	61,099	2	71,779	2		Total Liabilities	552,805	19	1,401,866	36
1760	Investment property (Note 6(14))	57,382	2	20,981	1	Equity (Note 6(23)) :					
1780	Intangible assets (Note 6(15))	6,041	-	53,038	1	3110	Ordinary shares capital	1,301,006	46	1,155,328	30
1840	Deferred income tax assets (Note 6(22))	33,725	2	21,593	1	3140	Advance receipts for ordinary shares	178	-	4,713	-
1900	Other non-current assets (Note 6(16))	86,220	3	75,229	2			1,301,184	46	1,160,041	30
1955	Contract performance costs – non-current (Note 6(26))	97,183	4	-	-	3200	Capital surplus	704,643	25	692,146	19
	Total Non-Current Assets	1,466,719	52	1,557,526	42		Retained earnings:				
						3310	Legal reserve	227,462	8	227,462	6
						3320	Special reserve	38,678	1	40,765	1
						3350	(Accumulated deficit) Unappropriated earnings	(63,818)	(2)	45,533	1
								202,322	7	313,760	8
						Other equity:					
						3410	Exchange differences on translating the financial statements of foreign operations	(142)	-	5,240	-
						3420	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(38,743)	(1)	(34,616)	(1)
								(38,885)	(1)	(29,376)	(1)
						3500	Treasury shares	(24,677)	(1)	(25,057)	(1)
							Total equity attributable to owners of the Company	2,144,587	76	2,111,514	55
						36XX	Non-controlling interests	150,131	5	367,920	9
							Total Equity	2,294,718	81	2,479,434	64
Total Assets		\$ 2,847,523	100	3,881,300	100		Total Liabilities and Equity	\$ 2,847,523	100	3,881,300	100

(Please refer to the notes attached to the consolidated financial statements.)

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

		2025		2024	
		Amount	%	Amount	%
4000	Operating Revenue (Note 6(26), 7 and 14)	\$ 2,108,555	100	2,023,935	100
5000	Operating Costs (Note 6(7), (12), (13), (15), (21) and 12)	1,742,276	83	1,609,740	80
	Operating Gross Profit	366,279	17	414,195	20
5910	Less: Unrealized Profit on Sales	3,591	-	-	-
	Realized Operating Gross Profit	362,688	17	414,195	20
	Operating Expenses (Notes 6(5), (12), (13), (15), (20), (21), (24) , (27) and 12):				
6100	Sales expenses	116,695	6	142,828	7
6200	Administrative expenses	214,054	10	194,297	9
6300	Research and development expenses	95,683	4	93,534	5
6450	Expected credit impairment losses	4,163	-	3,211	-
	Total Operating Expenses	430,595	20	433,870	21
	Net Operating Loss	(67,907)	(3)	(19,675)	(1)
	Non-operating Revenue and Expenses (Notes 6(8), (11), (12), (14), (15), (20), (28), (29) and 12):				
7100	Interest income	20,351	1	35,773	1
7010	Other income	76,234	3	21,580	1
7020	Other gains and losses	(164,471)	(8)	22,377	1
7050	Financial costs	(5,100)	-	(12,673)	-
7060	Share of profit or loss of associates recognized under equity method	(2,888)	-	(2,729)	-
	Total Non-operating Income and Expenses	(75,874)	(4)	64,328	3
7900	Net Income (Loss) Before Tax	(143,781)	(7)	44,653	2
7950	Less: Income tax Expense (Note 6(22))	2,556	-	27,745	1
8200	Net Income (Loss) for the Period	(146,337)	(7)	16,908	1
8300	Other Comprehensive Income (Notes 6(21), (22), (23) and (29)):				
8310	Items That Will not Be Reclassified Subsequently to Profit or Loss				
8311	Re-measurement of defined benefit plan	7,294	-	3,115	-
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	327	-	(9,593)	-
8349	Less: Income tax related to non-reclassified items	1,459	-	623	-
	Total of Items That Will not Be Reclassified to Profit or Loss	6,162	-	(7,101)	-
8360	Items That May Be Subsequently Reclassified Subsequently to Profit or Loss				
8361	Exchange differences on translating the financial statements of foreign operations	(7,264)	-	15,646	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	(1,642)	-	2,836	-
	Total of Items That May Be Subsequently Reclassified to Profit or Loss	(5,622)	-	12,810	-
8300	Other Comprehensive Income for the Year	540	-	5,709	-
8500	Total Comprehensive Income for the Year	(\$ 145,797)	(7)	22,617	1
	Net Income (Loss) Attributable to:				
8610	Owners of the parent company	(\$ 121,398)	(6)	(24,753)	(1)
8620	Non-controlling interests	(24,939)	(1)	41,661	2
		(\$ 146,337)	(7)	16,908	1
	Total Comprehensive Income Attributable to:				
8710	Owners of the parent company	(\$ 120,947)	(6)	(20,174)	(1)
8720	Non-controlling interests	(24,850)	(1)	42,791	2
		(\$ 145,797)	(7)	22,617	1
	Loss per Share (NT\$) (Note 6(25))				
9750	Basic Loss per Share	\$ (1.06)		(0.22)	
9850	Diluted Loss per Share	\$ (1.06)		(0.22)	

(Please refer to the notes attached to the consolidated financial statements.)

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	Equity Attributable to Owners of the Parent Company												
	Share Capital			Retained Earnings				Other Equity Items					
	Capital Stock - Common Shares	Advance Receipts for Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficit) Unappropriated Retained Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity Attributable to Owners of the Company	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
Net profit (Loss) for the year ended December 31, 2024	-	-	-	-	-	(24,753)	(24,753)	-	-	-	(24,753)	41,661	16,908
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	2,492	2,492	11,346	(9,259)	-	4,579	1,130	5,709
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	(22,261)	(22,261)	11,346	(9,259)	-	(20,174)	42,791	22,617
Earnings appropriation and distribution:													
Provision of legal reserve	-	-	-	7,174	-	(7,174)	-	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	(42,298)	(42,298)	-	-	-	(42,298)	-	(42,298)
Reversed special reserve	-	-	-	-	(16,109)	16,109	-	-	-	-	-	-	-
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	(2,672)	-	-	(2,382)	(2,382)	-	-	-	(5,054)	(27,312)	(32,366)
Share-based payment transactions	840	4,713	2,122	-	-	-	-	-	-	-	7,675	79	7,754
Advance receipts for ordinary shares turned share capital	297	(297)	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	157,729	157,729
Balance as of December 31, 2024	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
Net loss for the year ended December 31, 2025	-	-	-	-	-	(121,398)	(121,398)	-	-	-	(121,398)	(24,939)	(146,337)
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	5,835	5,835	(5,382)	(2)	-	451	89	540
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	(115,563)	(115,563)	(5,382)	(2)	-	(120,947)	(24,850)	(145,797)
Appropriation and distribution of retained earnings:													
Reversed special reserve	-	-	-	-	(2,087)	2,087	-	-	-	-	-	-	-
Difference between consideration and carrying amount from acquisition or disposal of equity interests in subsidiaries	-	-	(5,256)	-	-	-	-	-	-	-	(5,256)	(24,260)	(29,516)
Share-based payment transactions	605	178	654	-	-	-	-	-	-	380	1,817	7	1,824
Transfer of advance receipts for share capital to share capital	4,713	(4,713)	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests by issuing new shares	140,360	-	17,099	-	-	-	-	-	-	-	157,459	(157,459)	-
Disposal of equity investments at FVOCI	-	-	-	-	-	4,125	4,125	-	(4,125)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,227)	(11,227)
Balance as of December 31, 2025	\$ 1,301,006	178	704,643	227,462	38,678	(63,818)	202,322	(142)	(38,743)	(24,677)	2,144,587	150,131	2,294,718

(Please refer to the notes attached to the consolidated financial statements.)

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	2025	2024
Cash Flows From Operating Activities:		
Net Income (Loss) Before tax for the Year	(\$ 143,781)	44,653
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expenses	64,677	58,834
Amortization expense	9,442	7,604
Expected credit impairment loss	4,163	3,211
Net gain on financial assets measured at fair value through profit and loss	(457)	(2,075)
Interest expenses	5,100	12,673
Interest income	(20,351)	(35,773)
Dividend income	(297)	(27)
Remuneration cost for share-based payment	11,335	1,063
Share of loss of associates recognized under equity method	2,888	2,729
Gains from disposal of property, plant and equipment	(338)	-
Profit from disposal of subsidiary	(1,066)	-
Unrealized profit on sales	3,591	-
Unrealized foreign exchange loss (gain)	23,012	(33,734)
Gain from modification of lease contracts	-	(14)
Impairment loss on non-financial assets	133,975	27,892
Total adjustments to reconcile profit and loss	235,674	42,383
Net changes related to operating assets/liabilities:		
Financial assets at fair value through profit or loss	18	32,779
Contract assets	139,582	(123,173)
Notes receivable	6,426	6,946
Accounts receivable	23,710	(7,440)
Accounts receivable - related parties	(59,508)	-
Other receivables	(31,773)	3,137
Other receivables from related parties	(300)	-
Inventories	46,552	50,674
Other current assets	(14,606)	14,529
Contract performance costs	596,603	(28,914)
Contract liabilities - current	(532,230)	100,122
Notes payable	(227)	(1,782)
Accounts payables	(9,978)	(81,285)
Other payables	(2,538)	(6,662)
Provision for liabilities	-	(9,318)
Other current liabilities	41,314	(3,623)
Net defined benefit liabilities	(3,067)	(4,299)
Other non-current liabilities	1,391	-
Adjustments:	437,043	(15,926)
Cash inflow from operating activities	293,262	28,727
Interests received	21,906	36,372
Interests paid	(5,205)	(12,755)
Income tax paid	(32,533)	(39,890)
Net Cash Inflow From Operating Activities	277,430	12,454

(Please refer to the notes attached to the consolidated financial statements.)

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	2025	2024
Cash Flows From Investing Activities:		
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	\$ 54,212	-
Acquisition of financial assets at amortized cost	-	(62,472)
Disposal of financial assets measured at amortized cost	20,750	-
Acquisition of investments using the equity method	(34,190)	-
Disposal of subsidiaries	49,703	-
Acquisition of properties, plant and equipment	(19,733)	(164,628)
Disposal of properties, plant and equipment	4,380	-
Increase in other receivables from related parties	(8,000)	-
Acquisition of intangible assets	(514)	(2,886)
Cash inflow from merger	-	27,615
Acquisition of investment properties	-	(10,884)
Increase in other non-current assets	(70,226)	(40,867)
Dividends received	297	182
Net Cash Outflow From Investing Activities	(3,321)	(253,940)
Cash Flows From Financing Activities:		
Increase in short-term borrowings	621,914	99,155
Decrease in short-term borrowings	(854,769)	-
(Decrease) Increase in short-term notes payable	(79,914)	50,016
Proceeds from long-term borrowings	-	7,900
Repayments of long-term debt	(26,060)	(46,535)
Increase in guarantee deposits received	16,932	4,393
Payment of lease liabilities	(16,574)	(14,734)
Issuance of cash dividends	-	(42,298)
Employee stock options exercised	1,063	7,442
Treasury shares acquired by employees	380	-
Acquisition of equity of subsidiaries	(32,704)	(34,767)
Disposal of equity of subsidiaries (no loss of control over the subsidiaries)	3,188	2,400
Changes in non-controlling interests	(11,227)	(11,940)
Net Cash (Outflow) Inflow From Financing Activities	(377,771)	21,032
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(15,442)	30,830
Decrease in Cash and Cash Equivalents for the Current Period	(119,104)	(189,624)
Cash and Cash Equivalents at the Beginning of the Year	660,036	849,660
Cash and Cash Equivalents at the End of the Year	\$ 540,932	660,036

(Please refer to the notes attached to the consolidated financial statements.)

Billion Electric Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Billion Electric Co., Ltd. (the “Company”) was incorporated on March 26, 1973. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design, manufacture and sales of electronic components, integrated digital service network (ISDN), broadband communication CPE devices and system (ADSL), and broadband router (Router), self-generated renewable energy, and energy technology services.

2. Approval Dates and Procedures of the Financial Statements

The consolidated financial statements were approved by the board of directors and authorized for issue on March 12, 2026.

3. New Standards, Amendments and Interpretations Adopted

- (1) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

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

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “ Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

- (2) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on the consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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”
- (3) The impact of IFRS Accounting Standards issued by the IASB but not yet effective 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
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standards introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information, for users, and will affect all entities ● A more structured income statement under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined “operating profit” subtotal and a requirement for all for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

Standards or Interpretations	Content of amendment	Effective Date Issued by IASB
	financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.	
	● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Group is evaluating the impact of its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

4. Summary of Significant Accounting Policies

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of Compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission.

(2) Basis of Preparation

1. Basis of Measurement

Except for the following important items in the balance sheet, the consolidated financial statements are prepared on the basis of historical costs:

- (1) Financial assets measured at fair value through profit or loss measured at fair value.
- (2) Financial assets at fair value through other comprehensive income are measured at fair value.
- (3) Net defined benefit liabilities are determined by deducting the present value of benefit obligations from the fair value of pension fund assets.

2. Functional Currency and Presentation Currency

Each entity of the Group uses the currency of the primary economic environment in which it operates as its functional currency. The consolidated financial statements are presented in NT\$, the functional currency of the Company. All financial information expressed in NT\$ is expressed in thousands of NT\$.

(3) Basis of Consolidation

1. Principles of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared by the Company and entities controlled by the Company (i.e., subsidiaries). When the Company is exposed to or entitled to variable returns from participation in an investee and has the ability to influence such returns through its power over such Investee, the Company controls such individual.

The financial reports of the subsidiary shall be included in the consolidated financial statements from the date on which control of the subsidiary is acquired until the date on which the control is lost. Transactions, balances and any unrealized gains and losses between consolidated companies have been completely eliminated in the preparation of consolidated financial statements. The total consolidated profit and loss of a subsidiary is attributable to the owner of the Company even if it becomes a loss balance.

Changes in the Group's ownership interests in subsidiaries have not resulted in the loss of the controller of the subsidiaries, which is treated as an equity transaction with the owners. The difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributable to the owners of the Company.

When the Group loses control of the subsidiary, the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary will be excluded in the consolidated financial statements according to the carrying amount of the loss of control date, and the retained investment of the former subsidiary will be re-measured at the fair value of the loss of control date. The profit or loss on disposal is the difference between the following two: (1) The sum of the fair value of the consideration received and the fair value of the retained investment in the former subsidiary at the date of control, and (2) the sum of the carrying amount of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests at the date of loss of control. All amounts related to the subsidiary previously recognized in other comprehensive income and loss are accounted for on the same basis as the Group would be required to apply if it were to dispose of the related assets or liabilities directly.

2. List of subsidiaries in the consolidated financial statements

The subsidiaries included in these consolidated financial statements are:

Name of the Investment Company	Subsidiary	Nature of Business	% of Ownership		Remarks
			December 31, 2025	December 31, 2024	
The Company	BEC Technologies Inc. (BEC Technologies)	Sales businesses of telecommunication related products	91.76%	91.76%	
The Company	Billion Watts Technologies Co., Ltd. (Billion Watts)	Solar and energy storage solution services, power plant operation and management services, etc.	100.00%	62.14%	Note 1
The Company	Billion Energy Storage Technologies Inc. (Billion Energy Storage)	Energy storage sales business	100.00%	100.00%	
The Company	Pacific Solar Limited (Pacific)	International investment	-%	100.00%	Note 2
The Company	Billion EVC Technologies Co., Ltd. (Billion EVC)	Distribution services for solar power plant equipment and EV charger	51.00%	51.00%	
The Company	Billion Electric Holding Co., Ltd. (Billion Electric Holding)	Investment company	100.00%	100.00%	
The Company	Billion EV Charging Technologies Co., Ltd. (Billion EV Charging)	Community charging station and energy storage supply services, etc.	100.00%	100.00%	Note 3
The Company	Billion Kai Co., Ltd. (Billion Kai)	Design, manufacturing, construction and sales business of solar power plants	100.00%	100.00%	
The Company	Billion Electric Japan Co., Ltd. (Billion Electric JP)	Energy storage sales business	-%	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%	Note 5
The Company	Billion Sun Energy Storage Technologies Inc. (Billion Sun Energy Storage)	Energy Storage Sales	-%	100.00%	Note 6

Name of the Investment Company	Subsidiary	Nature of Business	% of Ownership		Remarks
			December 31, 2025	December 31, 2024	
BEC Technologies Inc.	BEC International, LLC (BEC International)	International investment	100.00%	100.00%	
BEC Technologies Inc.	Avantek Systems PTE. LTD (AVANTEK SYSTEMS)	Cloud Software Hosting Services	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%	
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd. (Sheng Chuang Energy)	Energy service 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 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 Holding 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: In the first quarter of 2025, the Company disposed of 25 thousand shares, resulting in a decrease in its ownership interest from 62.14% to 61.98%. Subsequently, in December 2025, the Company acquired the remaining 38.02% equity interest from non-controlling interests through the issuance of new shares, resulting in an increase in its ownership interest from 61.98% to 100%.
- Note 2: Pacific was incorporated in March 2020 and was dissolved and completed its liquidation procedures in November 2025.
- 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 December 31, 2025, the Company's ownership interest remained at 100%.
- Note 4: Billion Electric JP was established in January 2024. In March 2025, the Group carried out an organizational restructuring, under which the 100% equity interest previously held by the Company was transferred to Billion Watts Technologies Co., Ltd., which now holds 100% of the equity interest.
- Note 5: NoonSpare Technology Co., Ltd. was established in October 2018. The Company acquired a 49.89% equity interest in April 2024. Subsequently, in the first quarter of 2025, the Company acquired an additional 2,415 thousand shares and disposed of 36 thousand shares, and in the second quarter disposed of 115 thousand shares, resulting in an increase in its ownership interest from 49.89% to 58.58%.
- Note 6: The Group adjusted its organizational structure in August 2024, and transferred its 100% equity 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. to dispose of its 100% equity interest in Billion Sun Energy Storage Technologies Inc., and the share transfer was completed in April 2025. Please refer to Note 6(11) for details.
- Note 7: In July 2025, Billion Watts Technologies Co., Ltd. entered into a share transfer agreement with a non-related party to dispose of 80% of its equity interest in Sheng Chuang Energy Co., Ltd., and the share transfer was completed in September 2025.

The ownership interest decreased from 100% to 20%, resulting in the loss of control over Sheng Chuang. Please refer to Note 6(11) for details.

Note 8: In January 2025, Billion Watts Technologies Co., Ltd. acquired a 100% equity interest in BW AU and further increased its capital by AUD 1,032 thousand in July 2025.

Note 9: In January 2025, the Group acquired a 100% equity interest in AU Holding. As of December 31, 2025, the Group has not yet made any capital contribution.

Note 10: In February 2025, the Group acquired a 100% equity interest in Billion Energy, and Billion Electric JP further increased its capital by JPY 5,000 thousand in November 2025.

Note 11: In March 2025, the Group acquired a 100% equity interest in BL Anakie. Subsequently, in July 2025, the Group conducted a joint capital increase with a non-related party, resulting in a decrease in its ownership interest from 100% to 30.8% and the loss of control over BL Anakie and its subsidiary, BL Anakie Solar Nominees. Please refer to Note 6(11) for details.

3. Subsidiaries not Listed in the Consolidated Financial Statements: None.

(4) Foreign Currency

1. Foreign Currency Transactions

Foreign currency transactions are converted into functional currency at the exchange rate of the trading day. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items in foreign currencies are converted into functional currency at the exchange rate on that day. The exchange differences arising from conversion are usually recognized in profit or loss.

2. Foreign Operating Institutions

The assets and liabilities of foreign operating institutions are converted into NT\$ at the exchange rate on the reporting date; the amount of income and expenses are converted into NT\$ at the average exchange rate for the current period, and the resulting exchange difference is recognized in other comprehensive income.

When the disposal of a foreign operating institution results in loss of control or significant impact, the cumulative exchange difference associated with the foreign operating institution is fully reclassified as profit or loss. When part of the disposal includes subsidiaries of foreign operating institutions, the relevant cumulative exchange difference is pro rata re-attributed to non-controlling interests.

For the monetary receivable or payable items of foreign operating institutions, if there is no settlement plan and it is impossible to pay off in the foreseeable future, the exchange gains and losses arising therefrom shall be regarded as part of the net investment in the foreign operating institution and recognized in other comprehensive income.

(5) Criteria for Classification of Current and Non-current Assets and Liabilities

Assets that meet one of the following conditions are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be realized in its normal operating period or is intended to be sold or consumed.
2. The asset is held primarily for the purpose of trading.
3. The asset is expected to be realized within twelve months after the reporting period.
4. The asset is cash or cash equivalents (as defined in IAS 7), unless there are restrictions on the exchange or use of the asset to meet liabilities at least twelve months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities, and all other liabilities that are not current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled during the normal operating period.
2. The liability is held primarily for the purpose of trading.
3. The liability is due for settlement within twelve months after the reporting period.
4. Does not have the right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

(6) Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time and have an insignificant risk of value change. Time deposits that meet the aforementioned definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are listed in the cash equivalents.

(7) Financial Instruments

Accounts receivable is originally recognized at the time of generation. All other financial assets and financial liabilities are recognized initially when the Group becomes a party to the contractual terms of the financial instrument. Financial assets (other than accounts receivable that do not include significant financial components) or financial liabilities that are not measured at fair value through profit or loss are originally measured at fair value plus transaction costs that are directly attributable to the acquisition or issue. Accounts receivable, excluding significant financial components, are originally measured at the transaction price.

1. Financial Assets

Where the purchase or sale of financial assets conforms to customary transactions, the Group shall consistently adopt the accounting treatment on the transaction date for all purchases and sales of financial assets classified in the same manner.

Financial assets at the time of initial recognition are classified as: financial assets measured at the amortized cost, equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. Only when the Group changes its business model for managing financial assets, it will reclassify all affected financial assets from the first day of the next reporting period.

(1) Financial Assets at Amortized Cost

Financial assets are measured at amortized cost when they meet the following conditions at the same time and are not designated as measured at fair value through profit or loss:

- The financial asset is held under the operating model for the purpose of collecting contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on a specific date, which are exclusively the payment of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost by the original recognized amount plus or minus the accumulated amortization amount calculated using the effective interest method, adjusting for any allowance for losses. Interest income, exchange gains and losses on impairment are recognized in profit or loss. When derecognized, the gain or loss is included in the profit or loss.

(2) Financial Assets at Fair Value Through Other Comprehensive Income

Debt instrument investments that meet the following conditions at the same time, and are not designated as measured at fair value through profit or loss, are measured at fair value through other comprehensive income:

- The financial asset is held under the operating model for the purpose of collecting contractual cash flows and selling.
- The contractual terms of the financial asset give rise to cash flows on a specific date, which are exclusively the payment of principal and interest on the principal amount outstanding.

The Group holds part of the accounts receivable under the business model for the purpose of collecting contractual cash flow and selling, so these accounts are measured at fair value through other comprehensive income. However, it is listed under the accounts receivable.

Upon initial recognition, the Group may make an irrevocable choice to report the subsequent fair value of investment in equity instruments not held for trading in other comprehensive income. The aforementioned choices are made on an instrument-by-instrument basis.

Investments in debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and losses and impairment losses are recognized in profit or loss, and the remaining net gains or losses are recognized in other comprehensive income. At the time of derecognition, the accumulated other comprehensive income amount is reclassified to profit and loss.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents the recovery of part of the investment cost) is recognized in profit or loss. The remaining net profit or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date when the Group has the right to receive dividends (usually the ex-dividend date).

(3) Financial Assets at Fair Value Through Profit or Loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss, including derivative financial assets. At the time of original recognition, in order to eliminate or significantly reduce the improper accounting ratio, the Group may irrevocably designate financial assets that meet the conditions of measuring at amortized cost or at fair value through other comprehensive income as the financial assets measured at fair value through profit or loss.

These assets are subsequently measured at fair value and their net profit or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Assess Whether the Contractual Cash Flows Are Exclusively Payment of Principal and Interest on the Outstanding Principal Amount

For the purpose of evaluation, the principal is the fair value of a financial asset at the time of initial recognition, and the interest is composed of the following considerations: the time value of money, the credit risk related to the principal amount outstanding in a specific period, other basic lending risks and costs and profit margin.

To evaluate whether the contractual cash flow is exclusively the payment of the principal and the interest on the principal amount outstanding, the Group considers the terms of the financial instrument contract, including evaluating whether the financial asset contains a contractual term that can change the timing or amount of

the contractual cash flow such that it does not meet this condition. In the evaluation, the Group considers:

- Any contingencies that change the timing or amount of contractual cash flow.
- The terms of the contractual coupon rate that may be adjusted, including the characteristics of the variable rate.
- Prepayment and deferral features.
- The Group's right of claim is limited to the terms (e.g., non-recourse characteristics) of cash flows derived from a particular asset.

(5) Impairment of Financial Assets

The Group's financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, other receivables, deposits and other financial assets, etc.), contract assets, debt instrument investments measured at fair value through other comprehensive income, and expected credit losses on contract assets are recognized as allowance for losses.

The following financial assets are measured in terms of the amount of expected credit losses for 12 months, and the rest are measured in terms of the amount of expected credit losses for the duration:

- Debt securities are determined to have low credit risk at the reporting date.
- The credit risk of other debt securities and bank deposits (i.e., the risk of default during the expected duration of the financial instrument) has not increased significantly since the original recognition.

The allowance for losses on accounts receivable and contract assets is measured by the amount of expected credit losses during the duration.

When determining whether the credit risk has increased significantly since the original recognition, the Group considers reasonable and substantiated information (obtainable without excessive cost or investment), including qualitative and quantitative information, and analysis based on the Group's historical experience, credit assessment and forward-looking information.

If the contract payment is overdue for more than 90 days, or the borrower is unlikely to fulfill its credit obligations and pay the full amount to the Group, the Group considers the financial asset to be in default, unless there is reasonable and probative information showing that a later benchmark for default is more appropriate.

If the credit risk rating of a financial instrument is equivalent to the "Investment Grade" defined globally (the investment grade BBB- of Standard & Poor's, the

investment grade Baa3 of Moody's, or the investment grade twA of Taiwan Ratings, or higher), the credit risk of the debt security is considered low by the Group.

Expected credit losses during the duration refers to expected credit losses arising from all possible defaults during the expected duration of a financial instrument.

The 12-month expected credit loss refer to expected credit losses arising from possible default events of a financial instrument within twelve months after the reporting date (or a shorter period, if the expected duration of the financial instrument is shorter than twelve months).

The longest period for measuring expected credit losses is the longest contractual period over which the Group is exposed to credit risk.

The expected credit loss is a probability-weighted estimate of credit loss during the expected duration of a financial instrument. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the cash flows that the Group would receive under the contract and the cash flows that the Group expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

The Group assesses whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income are credit-impaired at each reporting date. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable information on the following matters:

- Significant financial difficulties of the borrower or issuer.
- Breach of contract, such as delay or overdue for more than 90 days.
- The Group makes concessions to the borrower that would not otherwise be considered by the Group for economic or contractual reasons related to the borrower's financial difficulties.
- The borrower is likely to file for bankruptcy or other financial reorganizations.
- Disappearance of an active market for the financial asset as a result of financial difficulties.

An allowance for losses on financial assets carried at amortized cost is deducted from the asset's carrying amount. The allowance for losses on investments in debt instruments at fair value through other comprehensive income is adjusted in profit or loss and recognized in other comprehensive income (without reducing the carrying amount of the asset).

When the Group cannot reasonably expect to recover all or part of the financial assets, it will directly reduce the total carrying value of its financial assets. For corporate accounts, the Group analyzes the timing and amounts of write-offs individually on the basis of whether it is reasonably expected to be recoverable. The Group does not expect a significant reversal of the amount written off. However, written-off financial assets are still enforceable to comply with the Group's procedures for recovering overdue amounts.

(6) Derecognition of Financial Assets

The Group will derecognize the financial assets only when the contractual rights derived from the cash flows of the assets terminate, or when the financial assets have been transferred and almost all the risks and rewards of ownership of the assets have been transferred to other enterprises, or when almost all the risks and rewards of ownership have neither been transferred nor retained and control of the financial assets has not been retained.

If the Group enters into transactions to transfer financial assets, if it retains all or substantially all the risks and rewards of ownership of the transferred assets, it will continue to be recognized them in the balance sheet.

2. Financial Liabilities and Equity Instruments

(1) Classification of Liabilities or Equity

The debts and equity instruments issued by the Group are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

(2) Equity Transactions

An equity instrument is any contract that recognizes the Group's residual equity after deducting all of its liabilities from its assets. Equity instruments issued by the Group are recognized at the amount equal to the consideration received less the direct issue costs.

(3) Treasury Shares

When repurchasing the equity instruments recognized by the Company, the consideration paid (including the direct attributable cost) is recognized as a decrease in equity. Repurchased shares are classified as treasury shares. Subsequent sales or reissue of treasury shares, the amount received is recognized as an increase in equity, and the surplus or loss resulting from the transaction is recognized in capital reserve or retained earnings (if the capital reserve is insufficient to offset).

(4) Financial Liabilities

Financial liabilities are classified as amortized cost.

(5) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when the contractual obligations have been fulfilled, cancelled or expired. When the terms of a financial liability are modified and there is a significant difference in the cash flow of the modified liability, the original financial liability shall be derecognized, and a new financial liability shall be recognized at fair value based on the modified terms.

When a financial liability is derecognized, the difference between its carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(8) Inventories

Inventories are measured at cost or net realizable value, whichever is lower. Costs include acquisition, production or processing costs and other costs incurred to bring them to the location and state where they are available, and are calculated using the weighted average method.

Net realizable value is the balance of the estimated selling price under normal operating conditions less the estimated cost to complete the required investment and the estimated cost to complete the sale.

(9) Investment in Associates

Associates are Consolidated companies that have significant influences on their financial and operating policies but are not controlled or jointly controlled.

The Group adopts the equity method for the equity of associates. By using the equity method, the original acquisition is recognized on the basis of cost, and the investment cost includes the cost of the transaction. The carrying amount of an investment in an associate includes the goodwill identified at the time of the original investment, less any accumulated impairment losses.

The consolidated financial statements include the amount of the profit and loss of each investment associates and other comprehensive income recognized by the Group based on the proportion of equity from the date of significant influence to the date of loss of significant influence, after making adjustments consistent with the Group's accounting policies. When changes in equity of associates in non-profit or loss and other comprehensive income do not affect the Group's shareholding ratio, the Group will recognize the changes in equity attributable to the Group under the shares of the associates in the capital reserve according to the shareholding ratio.

Unrealized gains and losses arising from transactions between the Group and associates are recognized in the financial statements of the associates only to the extent unrelated to the investor's interest in the associates. When the share of losses of an affiliate that shall be recognized proportionally by the Group is equal to or exceeds its interest in the affiliate, it ceases to recognize its losses, and only recognizes additional losses and related liabilities to the extent that statutory obligations, presumptive obligations or payments have been made on behalf of the invested company.

The Group ceases to use the equity method as of the date when it has no investment in associates any longer, and the difference between the fair value of the retained equity and the disposal price measured at fair value and the carrying amount of the investment on the date when the equity method is ceased is recognized in the current profit or loss. For all amounts previously recognized in other comprehensive income related to the investment, the basis of accounting treatment is the same as that must be followed if the related assets or liabilities are directly disposed of by the associate, that is, if the gains or losses previously recognized in other comprehensive income are reclassified as gain or loss (or retained earnings) when the relevant assets or liabilities are disposed of, when the enterprise stops using the equity method, the profit or loss is reclassified from equity to gain or loss (or retained earnings). If the Group's ownership interests in associates decreases, but the equity method continues to apply, the Group will reclassify the profit or loss related to the reduction of the ownership interests that have previously been recognized in other comprehensive income according to the above-mentioned reduction.

When the associates issue new shares, if the Group fails to subscribe in proportion to its shareholding, thereby causing a change in the shareholding ratio and an increase or decrease in the net equity value of the investment, its capital reserve and the investment using the equity method shall be adjusted based on the increase or decrease; if this adjustment is to offset the capital reserve, but the balance of the capital reserve generated by the investment using the equity method is insufficient, its difference will be debited to retained earnings. However, if the Group does not subscribe in proportion to its shareholding, thereby reducing its ownership interests in the associates, the amount previously recognized in other comprehensive income related to the associates is reclassified in proportion to the reduction, and its accounting treatment is based on the same basis as that required for the direct disposal of related assets or liabilities by the associates.

(10) Property, Plant, and Equipment

1. Recognition and Measurement

Property, plant and equipment items are measured at cost minus the accumulated depreciation and any accumulated impairment. Costs include expenditures that can be directly attributable to the acquisition of assets, as well as purchases of real estate, plant and equipment denominated in foreign currency, and software purchased to integrate the functions of related equipment as part of the capitalization of such equipment.

When the service life of a material component of property, plant and equipment is different, it is treated as a separate item (the main component) of property, plant and equipment.

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent Costs

Subsequent expenditures are capitalized only when their future economic benefits are likely to flow into the Group.

3. Depreciation

Depreciation is calculated based on the cost of an asset minus its residual value and is recognized in profit or loss using a straight-line method within the estimated service life of each component.

The estimated service life for the current period and the comparative period is as follows:

- (1) Auxiliary Equipment of Housing and Building: 1 to 55 years.
- (2) Machinery: 3 to 20 years.
- (3) Transportation Facilities: 3 to 5 years
- (4) Office Equipment: 3 to 5 years
- (5) Other Equipment: 2 to 20 years

The depreciation method, service life and residual value are reviewed by the Group at each reporting date and adjusted as necessary.

(11) Investment Property

Investment properties refer to properties held for rent-earning or asset appreciation or both, rather than for normal business sale, production, provision of goods or services, or administrative purposes. The investment property is originally measured at cost, and subsequently measured at cost minus accumulated depreciation and accumulated impairment, and its depreciation method, service life and residual value shall be handled according to the regulations for property, plant and equipment.

Gain or loss on disposal of investment property (calculated as the difference between the net disposal price and the carrying amount of the item) is recognized in profit or loss.

Rental income from investment property is recognized in other income on a straight-line basis during the lease period. The lease incentive given is also recognized in the lease income during the lease period.

(12) Rental

The Group evaluates whether a contract is or contains a lease on the date of its conclusion, and if the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract is or contains a lease.

1. Lessee

The Group recognizes the right-of-use assets and lease liabilities on the lease commencement date, and the right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability, adjusts any lease payments made on or before the lease commencement date, and adds up the original direct costs incurred and the estimated costs of dismantling and removing the underlying asset and restoring the underlying asset and its location, minus any lease incentives collected.

The right-of-use asset is subsequently depreciated by the straight-line method from the beginning of the lease to the expiration of the service life of the right-of-use asset or the expiration of the lease term. In addition, the Group periodically assesses whether the right-of-use assets are impaired and disposes of any impairment losses that have occurred, and adjusts the right-of-use assets in the event that the lease liabilities are re-measured.

Lease liabilities are original measurements of the present value of lease benefits unpaid on the date of commencement of the lease. If the implied interest rate of the lease is easy to determine, the discount rate is the interest rate, and if it is not easy to determine, the Group's incremental borrowing rate is used. In general, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include:

- (1) Fixed payments, including in-kind fixed payments.
- (2) For variable lease payments that depend on an index or rate, the index or rate on the lease commencement date is used for the original measurement.
- (3) The amount of the residual value guarantee expected to be paid.
- (4) The exercise price or penalty payable when it is reasonably certain that the purchase option or lease termination option will be exercised.

The lease liability is subsequently accrued interest using the effective interest method, and its amount is remeasured when:

- (1) (Here is a change in future lease payments due to changes in the index or rate used to determine lease payments.
- (2) There is a change in the amount of residual value margin expected to be paid.
- (3) There is a change in the valuation of the underlying asset purchase option.

- (4) There is a change in the estimate of whether to exercise the extension or termination option, which changes the assessment of the lease term.
- (5) There are modifications of the subject, scope or other terms of the lease.

When the lease liability is remeasured due to the aforementioned change in the index or rate used to determine the lease payment, change in the residual value guarantee amount, and change in the evaluation of the purchase, extension or termination options, the carrying value of the right-of-use asset is adjusted accordingly, and when the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between it and the remeasurement amount of the lease liability is recognized in profit or loss.

The Group presents the right-of-use assets and lease liabilities that do not meet the definition of investment property in the balance sheet as separate items.

Where an agreement contains lease and non-lease components, the Group allocates the consideration in the contract to the individual lease components on a relative stand-alone price basis. However, when leasing land and buildings, the Group chooses to treat the lease component and the non-lease component as a single lease component without distinguishing the non-lease components.

For short-term leases and low-value asset leases for office and other equipment leases, the Group chose not to recognize the right-of-use assets and lease liabilities, but to recognize the relevant lease payments in expenses based on a straight-line basis during the lease period.

The Group chooses to adopt a practical expedient approach for all rental concessions that meet all of the following conditions, and does not evaluate whether it is a lease modification:

- (1) Rent concessions incurred as a direct result of the COVID-19 epidemic.
- (2) The change in the lease payment results in the modified lease consideration being almost the same or smaller than the lease consideration before change.
- (3) Any reduction in lease payments will only affect payments that were due before June 30, 2022.
- (4) No other terms and conditions of the lease have materially changed.

Under the practical expedient method, when rental concessions lead to changes in lease payments, the changes are recognized in profit or loss when the event or circumstance that initiates rental concessions occurs.

2. Lessor

The transaction in which the merged company is the lessor is to classify the lease contract on the date of conclusion according to whether it transfers almost all the risks and rewards attached to the ownership of the underlying asset. If so, it is classified as a finance lease, otherwise it is classified as an operating lease. At the time of evaluation, the Group considers relevant specific indicators including whether the lease period covers the main part of the economic life of the underlying asset.

If the Group is a sublease lessor, it handles master lease and sublease transactions separately, and evaluates the classification of sublease transactions based on the right-of-use assets generated by the master lease. If the master lease is a short-term lease and a recognized exemption applies, the sublease transaction should be classified as an operating lease.

Where the agreement includes lease and non-lease components, the Group shall apportion the consideration in the contract according to the provisions of IFRS 15.

(13) Intangible Assets

1. Recognition and Measurement

Goodwill, patents, trade secrets software and contracts arising from the acquisition of a subsidiary are measured at cost less the accumulated impairment losses.

Expenditures related to research activities are recognized as profit or loss when incurred.

Development expenditures are capitalized only when they are reliably measurable, the technical or commercial feasibility of the product or process has been achieved, future economic benefits are likely to flow to the Group, and the Group intends and has sufficient resources to complete the development and use or sell the asset. Other development expenses are recognized in profit or loss when incurred. After initial recognition, the capitalized development expenditure is measured at its cost minus the accumulated amortization and accumulated impairment.

The Group's acquisition of other intangible assets with a finite useful life is measured at cost, less accumulated amortization and accumulated impairment losses.

2. Subsequent Expenditures

Subsequent expenditures are capitalized only to the extent that they increase the future economic benefits of the related specific asset. All other expenditure is recognized in profit or loss as incurred, including internally developed goodwill and branding.

3. Amortization

Except for goodwill, amortization is calculated as the cost of the asset minus the estimated residual value and is recognized in profit or loss using the straight-line method from the time the intangible asset is ready for use over its estimated service life.

The estimated service life for the current period and the comparative period is as follows:

Computer System and Software: 2 to 10 years

Patents and Trade Secrets Software: 7 years

Contracts: 3.75 years

The amortization method, service life and residual value of intangible assets are reviewed by the Group at each reporting date and adjusted as necessary.

(14) Impairment of Non-financial Assets

At each reporting date, the Group assesses whether there is any indication that the carrying amount of non-financial assets (other than inventories, contract assets, and deferred income tax assets) may be impaired. If there is any indication, the recoverable amount of the asset is estimated.

For the purposes of impairment testing, a group of assets whose cash inflows are largely independent of those of other individual assets or groups of assets is the smallest identifiable group of assets. The goodwill acquired by business merger is apportioned to each cash-generating unit or group of cash-generating units that are expected to benefit from the synergies of the merger.

The recoverable amount is the higher of an individual Asset's or cash-generating unit's fair value less costs of disposal and its value in use. In assessing the use value, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses are recognized if the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount.

Impairment losses are recognized immediately in profit or loss for the current period, and firstly reduce the carrying amount of the cash-generating unit's apportioned goodwill, and then reduce the carrying amount of each asset in proportion to the carrying amount of other assets in the unit.

Goodwill impairment losses shall not be reversed. Non-financial assets other than goodwill are reversed only to the extent that they do not exceed the carrying amount (less depreciation or amortization) determined when the asset is not recognized in the impairment loss in the previous year.

(15) Government subsidies

The Group recognizes government grants related to the development of energy storage systems as non-operating income when the grant, which is not subject to conditions, becomes receivable. For other asset-related grants, the Group recognizes the grant at fair value as deferred income when it is reasonably assured that the conditions attached to the government grant will be met and when the grant becomes receivable. The deferred income is then recognized as non-operating income over the useful life of the asset on a systematic basis. Government grants that compensate the Group for incurred expenses or losses are recognized in profit or loss on a systematic basis in the same period as the related expenses.

(16) Provisions

The recognition of liability provision means that there is a current obligation due to past events, so that the Group will likely need the outflow of resources with economic benefits in the future to pay off the obligation, and the amount of the obligation can be reliably estimated. The liability provision is discounted at a pre-tax discount rate that reflects the current market's evaluation of the time value of money and the specific risk of the liability, and the amortization of the discounted amount is recognized in interest expenses.

The reserve for guaranteed liabilities is recognized at the time of sale of goods or services and is weighted according to the probability associated with historical warranty information and all possible outcomes.

(17) Recognition of Revenues

1. Revenue From Contracts with Customers

Revenues are measured by the consideration to which goods or services are transferred and to which they are expected to be entitled. The Group recognizes revenue when the control of goods or services is transferred to the customer and the performance obligations are met. The Group's main revenues are explained as follows:

(1) Product Sales Revenue

Product sales revenue comes from the sale of products such as electronic components, power supply units, transformers, ISDN cards, ADSL cards and solar power plant equipment. Except that the solar plant equipment is recognized as revenue when the products arrive at the location designated by the customer, the Group recognizes the remaining products as revenue and accounts receivables at the time of shipment, when the customer has the right to fix the price and use of the products and has the primary responsibility for resale of such products, and bears the risk of obsolescence of the products. Advance receipts for product sales are recognized as contractual liabilities before the product is shipped or delivered to the customer's designated location.

No revenue is recognized during material processing as control of the processed products is not transferred.

(2) Project Income

The Group is engaged in the site development business of solar photovoltaic power system and the engineering contracting business of solar photovoltaic power system construction and other related services. As the assets are gradually controlled by the customer during the construction process, the revenue is gradually recognized over time based on the proportion of the cost incurred to date to the estimated total contract cost. The contract is a fixed consideration in which the client pays a fixed amount of money over an agreed period of time. The Group recognizes revenues only to the extent that there is a high probability that no material reversal will occur in the cumulative revenues; If the amount of recognized revenue has not been requested, it is to recognize the contract assets and transfer the contract assets to accounts receivable when there is no unconditional right to the consideration.

If it is not possible to reasonably measure the degree of completion of the performance obligations of the works contract, the contract income is recognized only to the extent of expected recoverable costs.

A liability reserve for onerous contract shall be recognized when the Group anticipates that the cost of fulfilling the obligations of a construction contract will inevitably exceed the economic benefits expected from the contract.

If circumstances change, the estimates of revenue, costs and degree of completion will be revised, and the resulting changes will be reflected in profit or loss during the period when management is made aware of the changes.

(3) Service Revenue

The Group provides project management consultancy and maintenance services and recognizes related income in the financial reporting period for the provision of services. Fixed-price contracts recognize revenue based on the proportion of services actually rendered to the total services as of the reporting date, which is determined by the percentage of services performed to the total services due to be performed. Under a fixed price contract, the client pays a fixed amount of money over an agreed period of time.

(4) Revenue From Sale of Electricity

Recognized when power is transferred to the electrical substation at Taiwan Power Company's terminal.

2. Cost of Customer Contracts

Contract Performance Costs

If the costs incurred in fulfilling a customer contract are not covered by other standards (IAS 2 “Inventory”, IAS 16 “Property, Plant and Equipment” or IAS 38 “Intangible Assets”), the Group will only recognize such costs in assets when they are directly related to the contract or a clearly identifiable prospective contract, will generate or strengthen resources that will be used to meet (or continue to meet) performance obligations in the future, and are expected to be recoverable.

General and administrative costs, costs of wasted materials, labor or other resources used to perform the contract but not reflected in the contract price, costs associated with fulfilled (or partially satisfied) performance obligations, and costs related to the situation that is indistinguishable from non-fulfilled performance obligations or fulfilled (or partially satisfied) performance obligations are recognized in expenses when incurred.

(18) Employee Benefits

1. Defined Contribution Plans

Contribution obligations to defined contribution pension plan are recognized in expenses during the period of service performed by the employee.

2. Defined Benefit Plans

The net obligation of the Group to the defined benefit plan is calculated by converting the future benefit amount earned by the employee’s service in the current or previous period into the present value of each benefit plan, and deducting the fair value of any plan assets.

The defined benefit obligation is actuarially assessed annually by a qualified actuary using the projected unit credit method. When the results of the calculation are favorable to the Group, the recognized assets are limited to the present value of any economic benefits that can be obtained either through refunds from the plan or reductions in future contributions. The calculation of the present value of economic benefits takes into account any minimum funding requirements.

The re-measurement of net defined benefit liabilities, including actuarial gains and losses, return on plan assets (excluding interest), and any changes in the asset cap impact (excluding interest) are recognized immediately in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense of net defined benefit liabilities using the net defined benefit liabilities and discount rate determined at the beginning of the annual reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

Changes in benefits associated with prior service costs or curtailment benefits or losses arising from plan modifications or curtailments are recognized immediately in profit or loss. The Company recognizes the repayment gains and losses of the defined benefit plan at the time of the repayment.

3. Other Long-Term Employee Benefits

The Group's net obligations for other long-term employee benefits are calculated by converting the future benefits earned by employees for providing services in the current or previous periods into the present value. The re-measured amount is recognized in profit or loss as it arises.

4. Short-Term Employee Benefits

Short-term employee benefit obligations are recognized in expense when services are provided. If the Group has a current statutory or constructive payment obligation due to the past service provided by the employee, and the obligation can be reliably estimated, the amount is recognized in liabilities.

(19) Major Management Transactions Share-Based Payment Transactions

In the share-based payment agreement for equity delivery, the fair value on the grant date is used to recognize the expense and increase the relative equity during the vesting period of the reward. The recognized expenses are adjusted according to the amounts of rewards that are expected to meet the service conditions and non-market vesting conditions; and the final recognized amount is measured based on the amounts of rewards that meet the service conditions and non-market vesting conditions at the vesting date.

The non-vesting conditions of the share-based payment rewards have been reflected in the measurement of the fair value of the share-based payment date, and the difference between the expected and actual results does not need to be verified and adjusted.

The fair value amount of the cash-delivered share appreciation rights that should be paid to employees is recognized in expenses and increases the relative liability during the period when the employee can obtain compensation unconditionally. The liability is remeasured against the fair value of the share appreciation rights at each reporting date and delivery date, and any changes are recognized in profit or loss.

Employee stock options granted by the Company to employees of its subsidiaries for settlement of the Company's equity instruments are treated as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the grant date and recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus - employee stock options.

(20) Income Tax

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 assets are realized or the liabilities are settled.

The income tax includes the current income tax and the deferred income tax. Current income tax and deferred income tax shall be recognized in profit or loss, except for those related to business merger, directly recognized in equity or other items related to comprehensive income.

The current income tax includes the estimated income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustment to the previous year's income tax payable or tax refund receivable.

The amount is the best estimate of the amount expected to be paid or collected at the statutory or substantive legislative rates at the reporting date.

The deferred income tax is recognized by measuring the temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and their tax base. Temporary differences arising from the following situations are not recognized in deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business merger, and that does not affect accounting profit and taxable income (loss) at the time of the transaction.
2. Temporary differences arising from investment in subsidiaries, associates and joint venture equity, in which case the Group can control the timing of the reversal of the temporary difference and it is very likely that the reversal will not occur in the foreseeable future.

The unused tax loss and unused income tax deduction carried forward and the deductible temporary differences are recognized in deferred income tax assets to the extent that there is a high probability that future taxable income will be available for use. They shall be re-evaluated at each reporting date, and the relevant income tax benefit shall be reduced within the scope where it is not likely to be realized; or the original reduced amount shall be reversed within the scope where it is very likely that there will be sufficient taxable income.

The deferred income tax is measured at the tax rate when the temporary difference is expected to reverse, and is based on the statutory tax rate or substantive legislative tax rate at the reporting date.

The Group may only offset the deferred income tax assets and liabilities when the following conditions are met at the same time:

1. It has the legally enforceable right to offset the current income tax assets against current income tax liabilities; and
2. The deferred income tax assets and liabilities are related to one of the following taxpayers whose income tax is levied by the same tax authority:
 - (1) The same taxpayer; or
 - (2) Different taxpayers, but each subject intends to settle current income tax liabilities and assets on a net basis, or realize assets and settlement simultaneously, in each future period in which the significant amount of deferred income tax assets is expected to be recovered and deferred income tax liabilities are expected to be settled.

(21) Business Merger

The Group adopts the acquisition method for each business merger, and the goodwill is measured at the fair value of the consideration transferred on the acquisition date, including the amount attributable to any non-controlling interests in the acquiree, minus the net amount of identifiable assets acquired and assumed measured (usually fair value). If the balance after deduction is negative, the Group will reassess whether all acquired assets and all assumed liabilities have been correctly identified before recognizing the bargain purchase benefit in profit or loss.

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

(22) Earnings per Share

The Group presents basic and diluted earnings per share attributable to holders of ordinary shares of the Group. The basic earnings per share of the Company are the profit or loss attributable to the holders of ordinary shares of the Company, divided by the weighted average number of ordinary shares outstanding in the current period. Diluted earnings per share are calculated after adjusting for the effect of all potential diluted ordinary shares by the gain or loss attributable to holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding.

(23) Segment Information

An operating division is an integral part of a Group engaged in activities that may generate revenue and incur expenses. The results of all operating divisions are periodically reviewed by the main operating decision maker of the Group to determine the allocation of resources to the division and to evaluate its performance. Separate financial information is provided for each operating division.

5. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

The Management must make judgments about the future (including climate-related risks and opportunities) 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.

The management continues to review estimates and underlying assumptions to ensure they align with the Group's risk management and climate-related commitments. Changes in estimates are recognized in the period of the change and are deferred into affected future periods.

The uncertainties in the following assumptions and estimates present significant risks that could lead to substantial adjustments to the carrying amounts of assets and liabilities in the next financial year. Relevant information is as follows:

Revenue Recognition

The Group recognizes contract revenue based on the progress of construction contracts over time, measured by the ratio of contract costs incurred to date to the estimated total contract costs. The Group estimates the total contract costs considering factors such as the nature of the projects, expected construction duration, project scope, construction processes, methods, and expected subcontracting costs. Any changes in the assumptions underlying these estimates could result in significant adjustments to the estimated amounts.

6. Explanation of Significant Accounts

(1) Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Petty Cash	\$ 875	543
Bank Deposits	305,306	361,226
Time Deposits	44,649	69,857
Re-Purchase Bonds	<u>190,102</u>	<u>228,410</u>
	<u>\$ 540,932</u>	<u>660,036</u>

For disclosure of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to Note 6(29).

(2) Financial Assets at Fair Value Through Profit or Loss - Current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets at fair value through profit or loss:		
Non-derivative financial assets		
Foreign Listed Stock	\$ 1,453	1,367
Fund Beneficiary Certificate	<u>1,996</u>	<u>1,759</u>
Total	<u>\$ 3,449</u>	<u>3,126</u>

For the amount recognized in profit or loss upon remeasurement at fair value, please refer to Note 6(29).

(3) Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity Instruments Measured at Fair Value Through Other Comprehensive Income:		
Shares of Domestic Emerging Stock Companies	\$ 5,197	-
Shares of Domestic Unlisted Companies	<u>6,935</u>	<u>66,017</u>
Total	<u><u>\$ 12,132</u></u>	<u><u>66,017</u></u>

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

On August 29, 2025 and September 4, 2025, the Group disposed of domestic equity instruments designated at FVOCI for operational planning purposes. The fair value at the disposal dates amounted to NT\$54,212 thousand, and the cumulative gain on disposal totaled NT\$4,125 thousand. Accordingly, the aforementioned cumulative gain was transferred from other equity to retained earnings.

(4) Financial Assets at Amortized Cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current		
Time Deposits	\$ 88,342	86,526
Restricted Bank Deposits	<u>23,571</u>	<u>38,360</u>
	<u><u>\$ 111,913</u></u>	<u><u>124,886</u></u>
Non-Current		
Restricted Bank Deposits	<u><u>\$ 379,647</u></u>	<u><u>389,119</u></u>

Please refer to Note 8 for the details of long-term and short-term borrowings and financing limit guarantees by the Group on December 31, 2025 and 2024.

(5) Notes Receivable and Accounts Receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes Receivable	\$ 3,608	10,034
Accounts Receivable	105,156	133,734
Accounts Receivable - Related Parties	61,833	-
Less: Loss Allowance	(<u>7,398</u>)	(<u>4,661</u>)
	<u><u>\$ 163,199</u></u>	<u><u>139,107</u></u>

The Group applies the simplified approach to estimate expected credit losses for all notes receivable and accounts receivable, that is, using lifetime expected credit losses for measurement. For this purpose, these notes receivable and accounts receivable are grouped based on shared credit risk characteristics that represent the customers' ability to pay all amounts due in accordance with contractual terms, and forward-looking information has been incorporated.

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

	December 31, 2025		
	Carrying Amounts of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Ratio	Allowance Lifetime Expected Credit Losses
Not overdue	\$ 141,921	0.06%	111
1 to 30 days past due	9,118	0.78%	71
31 to 60 days past due	6,681	3.82%	255
61 to 90 days past due	6,761	12.50%	845
Over 90 days past due	<u>6,116</u>	100%	<u>6,116</u>
	<u>\$ 170,597</u>		<u>7,398</u>

	December 31, 2024		
	Carrying Amounts of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Ratio	Allowance Lifetime Expected Credit Losses
Not overdue	\$ 139,107	0%	-
Over 121 days past due	<u>4,661</u>	100%	<u>4,661</u>
	<u>\$ 143,768</u>		<u>4,661</u>

The statement of loss changes in allowance for notes and accounts receivable of the Group is as follows:

	2025	2024
Beginning Balance	\$ 4,661	1,895
Admitted Impairment Loss	4,163	3,211
The Amount Written off During the Year		
Because it Is not Recoverable	(1,244)	(622)
Foreign Currency Translation (Gains) Losses	(182)	177
Ending Balance	<u>\$ 7,398</u>	<u>4,661</u>

On December 31, 2025 and 2024, no notes receivable and accounts receivable of the Group have been provided as collateral.

(6) Other Receivables

	December 31, 2025	December 31, 2024
Other Receivables - Loans to Related Parties	\$ 8,000	-
Other Receivables - Related Parties	300	-
Payments on Behalf of Others Receivables	167,523	174,745
Business Tax Refund Receivable	893	3,889
Interest Receivable	1,179	2,736
Power Trading Collections on Behalf of Others	33,740	-
Other	1,788	8,831
Less: Loss Allowance	(167,523)	(174,745)
	<u>\$ 45,900</u>	<u>15,456</u>

The movements in the loss allowance for the Group's other receivables are as follows:

	2025	2024
Beginning Balance	\$ 174,745	163,659
Foreign Currency Conversion Gains and Losses	(7,222)	11,086
Ending Balance	<u>\$ 167,523</u>	<u>174,745</u>

For additional credit risk information, please refer to Note 6 (29).

(7) Inventories

	December 31, 2025	December 31, 2024
Raw Materials	\$ 18,285	32,819
Products in Process	21,559	8,913
Finished Products	28,666	42,699
Merchandise Inventory	171,159	202,336
	<u>\$ 239,669</u>	<u>286,767</u>

Detailed statement of operating costs is as follow:

	2025	2024
Transfer of Inventory Sales	\$ 1,602,336	1,577,194
Loss on Inventory Write-Down	86,206	1,979
Inventory Obsolescence Losses	6,976	324
Operating Costs of Solar Power Plant and Energy Storage	50,349	30,243
Total	<u>\$ 1,745,867</u>	<u>1,609,740</u>

On December 31, 2025 and 2024, no inventory of the Group has been provided as collateral.

(8) Investment Accounted for Using Equity Method

The Group's associates accounted for using the equity method are individually immaterial. The aggregate financial information of these associates is as follows, representing the amounts included in the Group's consolidated financial statements:

	December 31, 2025	December 31, 2024
Aggregate carrying amount of interests in individually immaterial associates at the end of the period	<u>\$ 53,120</u>	<u>24,315</u>
	2025	2024
Share attributable to the Group:		
Net loss for the period	(\$ 2,888)	(2,729)
Other comprehensive income	-	-
Total comprehensive income	(\$ 2,888)	(2,729)

1. Guarantee

On December 31, 2025 and 2024, the Group's investments under the equity method are not provided as collateral.

(9) Acquisition of Subsidiaries and Non-Controlling Interests

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%	\$ 188,370

The main types of consideration transferred, the assets acquired and liabilities assumed at the acquisition date, and the amounts of goodwill recognized 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	\$ 188,370

2. 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	92,722
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 borrowings	(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	\$ 338,610

3. Goodwill

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

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

(10) Change of Ownership Interest in Subsidiaries

1. The changes in the Group's ownership interests in subsidiaries that did not result in a loss of control in 2025 are as follows:

In March 2025, the Group disposed of 25 thousand shares of Billion Watts Technologies Co., Ltd. at a price of NT\$40 per share, totaling NT\$1,000 thousand, resulting in a decrease in its ownership interest from 62.14% to 61.98%. Subsequently, in December 2025, the Group acquired the remaining 38.02% equity interest from non-controlling interests through the issuance of new shares, resulting in an increase in its ownership interest from 61.98% to 100%.

In March 2025, the Group repurchased 2,415 thousand shares of NoonSpare Energy Technology Co., Ltd. from non-controlling interests at a price of NT\$13.54 per share, totaling NT\$32,704 thousand. In the same month, the Group disposed of 36 thousand shares at a price of NT\$14.49 per share, totaling NT\$522 thousand, resulting in an increase in its ownership interest from 49.89% to 59.02%. Subsequently, in April 2025, the Group disposed of 115 thousand shares at a price of NT\$14.49 per share, totaling NT\$1,666 thousand, resulting in a decrease in its ownership interest from 59.02% to 58.58%.

2. The changes in the Group's ownership interests in subsidiaries that did not result in a loss of control in 2024 are as follows:

In March 2024, the Group repurchased 2,000 thousand shares of Billion EV Charging Technologies Co., Ltd. from the original shareholders, totaling NT\$17,794 thousand, resulting in an increase in its ownership interest from 60.00% to 100%.

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

In April 2024, the Group repurchased 6 thousand and 7 thousand shares of Billion Watts Technologies Co., Ltd. from employees at prices of NT\$40 and NT\$48 per share, respectively, totaling NT\$586 thousand, resulting in an increase in its ownership interest 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 NT\$40 per share, totaling NT\$1,400 thousand, resulting in a decrease in its ownership interest from 59.74% to 59.51%.

In September 2024, the Group repurchased 69 thousand shares from employees at a price of NT\$40 per share, totaling NT\$2,740 thousand, resulting in an increase in its ownership interest from 59.51% to 59.92%.

In October 2024, the Group repurchased 340 thousand shares from employees at a price of NT\$40 per share, totaling NT\$13,590 thousand, resulting in an increase in its ownership interest from 59.52% to 62.13%.

In December 2024, the Group repurchased 1 thousand shares from employees at a price of NT\$40 per share, totaling NT\$58 thousand, resulting in an increase in its ownership interest from 62.13% to 62.14%.

(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 date on April 1, 2025. The Group disposed of its entire equity interest in its subsidiary, Billion Sun Energy Storage Technologies Inc., for NT\$46,815 thousand and lost control over it. The resulting gain on disposal of NT\$13 thousand has been included in “Other gains and losses” in the consolidated statement of comprehensive income.

In March 2025, the Group acquired a 100% equity interest in BL Anakie Solar Pty Ltd. Subsequently, in July 2025, the Group and a non-related party jointly increased the capital of BL Anakie Solar Pty Ltd., resulting in a decrease in the Group’s ownership interest from 100% to 30.8% and the loss of control. The resulting gain on disposal of NT\$895 thousand 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 date on September 9, 2025. The Group disposed of 80% of its equity interest in its subsidiary, Sheng Chuang Energy Co., Ltd., for NT\$8,000 thousand and lost control over it. The resulting gain on disposal of NT\$158 thousand has been included in “Other gains and losses” in the consolidated statement of comprehensive income.

1. Carrying amount of net assets at the date of loss of control

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

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

	<u>Billion Sun Energy Storage Technologies Inc.</u>	<u>Sheng Chuang Energy Co., Ltd.</u>
Consideration received in cash	\$ 46,815	8,000
Less: cash and cash equivalents at the date of loss of control	(3,819)	(1,293)
	<u>\$ 42,996</u>	<u>(6,707)</u>

(12) Property, Plant, and Equipment

Changes in the cost, depreciation and impairment loss of the Group's property, plant and equipment are as follows:

	Land	Building	Machinery and Equipment	Transportation Facilities	Office Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
Costs:								
Balance as of January 1, 2025	\$340,260	219,494	184,745	7,113	37,931	326,746	-	1,116,289
Addition	-	-	4,288	553	2,914	13,397	-	21,152
Disposal	-	-	(20,010)	(638)	(541)	(13,071)	-	(34,260)
Reclassification	-	(42,955)	4,975	-	-	1,902	-	(36,078)
Effect of changes in currency exchange rate	(638)	(2,606)	-	(61)	(364)	-	-	(3,669)
Balance as of December 31, 2025	<u>\$339,622</u>	<u>173,933</u>	<u>173,998</u>	<u>6,967</u>	<u>39,940</u>	<u>328,974</u>	<u>-</u>	<u>1,063,434</u>
Balance as of January 1, 2024	\$200,288	164,783	89,211	6,890	33,917	304,003	-	799,092
Addition	100,916	31,164	5,890	-	999	21,351	3,958	164,278
Disposal	-	(861)	(27)	-	(378)	(18,094)	-	(19,360)
Reclassification	38,074	20,409	280	-	97	6,232	(3,958)	61,134
Acquisition by merger	-	-	89,391	109	2,756	13,337	-	105,593
Effect of changes in currency exchange rate	<u>982</u>	<u>3,999</u>	<u>-</u>	<u>114</u>	<u>540</u>	<u>(83)</u>	<u>-</u>	<u>5,552</u>
Balance as of December 31, 2024	<u>\$340,260</u>	<u>219,494</u>	<u>184,745</u>	<u>7,113</u>	<u>37,931</u>	<u>326,746</u>	<u>-</u>	<u>1,116,289</u>
Depreciation and impairment losses								
Balance as of January 1, 2025	\$ -	73,447	57,982	5,958	31,406	112,041	-	280,834
Depreciation	-	7,959	12,682	498	2,661	22,832	-	46,632
Disposal	-	-	(19,018)	(174)	(525)	(10,501)	-	(30,218)
Reclassification	-	(5,844)	-	-	-	-	-	(5,844)
Impairment losses	-	-	9,875	-	-	82,965	-	92,840
Effect of changes in currency exchange rate	<u>-</u>	<u>(569)</u>	<u>-</u>	<u>(75)</u>	<u>(336)</u>	<u>-</u>	<u>-</u>	<u>(980)</u>
Balance as of December 31, 2025	<u>\$ -</u>	<u>74,993</u>	<u>61,521</u>	<u>6,207</u>	<u>33,206</u>	<u>207,337</u>	<u>-</u>	<u>383,264</u>
Balance as of January 1, 2024	\$ -	62,157	38,388	5,519	27,805	75,164	-	209,033
Depreciation	-	5,422	10,132	319	2,410	24,559	-	42,842
Disposal	-	(861)	(27)	-	(378)	(18,094)	-	(19,360)
Reclassification	-	5,891	37	(183)	10	245	-	6,000
Impairment loss	-	-	-	-	-	27,892	-	27,892
Acquisition by merger	-	-	9,452	189	1,052	2,274	-	12,967
Effect of changes in currency exchange rate	<u>-</u>	<u>838</u>	<u>-</u>	<u>114</u>	<u>507</u>	<u>1</u>	<u>-</u>	<u>1,460</u>
Balance as of December 31, 2024	<u>\$ -</u>	<u>73,447</u>	<u>57,982</u>	<u>5,958</u>	<u>31,406</u>	<u>112,041</u>	<u>-</u>	<u>280,834</u>
Carrying value:								
December 31, 2025	<u>\$339,622</u>	<u>98,940</u>	<u>112,477</u>	<u>760</u>	<u>6,734</u>	<u>121,637</u>	<u>-</u>	<u>680,170</u>
December 31, 2024	<u>\$340,260</u>	<u>146,047</u>	<u>126,763</u>	<u>1,155</u>	<u>6,525</u>	<u>214,705</u>	<u>-</u>	<u>835,455</u>

1. Impairment Losses

The Group's subsidiary, 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.

In 2025, the Group reassessed the site. As no revenue has been generated since September 2024 and, after discussions with the original equipment manufacturer, the likelihood of restoring the site to operational condition was considered low, the remaining carrying amount of NT\$18,760 thousand was fully impaired.

In 2025, due to the reconfiguration of production lines, certain equipment became idle, and impairment losses of NT\$12,984 thousand were recognized, which were included in "Other gains and losses."

In 2025, due to changes in supply and demand in the energy storage market, the recoverable amount of certain energy storage sites was assessed to be lower than their carrying amounts. Accordingly, impairment losses of NT\$61,096 thousand were recognized and included in "Other gains and losses."

2. Provided as collateral

Information on the properties pledged as collateral by the Group for long-term borrowings and credit facilities as of December 31, 2025 and 2024 is disclosed in Note 8.

(13) Right-Of-Use Assets

Changes in the cost and depreciation of land, building, and transport equipment leased by the Group are as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportation Facilities	Office Equipment	Total
Costs of right-of-use assets:						
Balance as of January 1, 2025	\$ 14,705	79,869	987	13,207	251	109,019
Addition	-	2,453	-	4,202	-	6,655
Decrease	-	(959)	(143)	(5,577)	(251)	(6,930)
Balance as of December 31, 2025	<u>\$ 14,705</u>	<u>81,363</u>	<u>844</u>	<u>11,832</u>	<u>-</u>	<u>108,744</u>
Balance as of January 1, 2024	\$ 13,042	58,606	352	11,765	251	84,016
Addition	1,663	24,655	987	2,383	-	29,688
Acquisition by merger	-	-	-	518	-	518
Decrease	-	(3,392)	(352)	(1,459)	-	(5,203)
Balance as of December 31, 2024	<u>\$ 14,705</u>	<u>79,869</u>	<u>987</u>	<u>13,207</u>	<u>251</u>	<u>109,019</u>
Depreciation of right-of-use assets:						
Balance as of January 1, 2025	\$ 3,656	24,787	424	8,137	236	37,240
Depreciation	1,471	11,081	458	4,310	15	17,335
Decrease	-	(959)	(143)	(5,577)	(251)	(6,930)
Balance as of December 31, 2025	<u>\$ 5,127</u>	<u>34,909</u>	<u>739</u>	<u>6,870</u>	<u>-</u>	<u>47,645</u>
Balance as of January 1, 2024	\$ 2,400	17,426	293	5,365	153	25,637
Depreciation	1,256	9,724	483	4,015	83	15,561
Acquisition by merger	-	-	-	216	-	216
Decrease	-	(2,363)	(352)	(1,459)	-	(4,174)
Balance as of December 31, 2024	<u>\$ 3,656</u>	<u>24,787</u>	<u>424</u>	<u>8,137</u>	<u>236</u>	<u>37,240</u>
Carrying value:						
December 31, 2025	<u>\$ 9,578</u>	<u>46,454</u>	<u>105</u>	<u>4,962</u>	<u>-</u>	<u>61,099</u>
December 31, 2024	<u>\$ 11,049</u>	<u>55,082</u>	<u>563</u>	<u>5,070</u>	<u>15</u>	<u>71,779</u>

(14) Investment Property

Investment property includes land, buildings held by the Group. The lease period of investment property under lease is from two to five years and the lessees do not have a preferential purchase right at the expiration of the lease period.

The details of changes of the Group's investment properties are as follows:

	Land	Buildings and Construction	Total
Costs:			
Balance as of January 1, 2025	\$ 5,319	18,390	23,709
Reclassification	-	42,955	42,955
Balance as of December 31, 2025	<u>\$ 5,319</u>	<u>61,345</u>	<u>66,664</u>
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 December 31, 2024	<u>\$ 5,319</u>	<u>18,390</u>	<u>23,709</u>
Depreciation:			
Balance as of January 1, 2025	\$ -	2,728	2,728
Depreciation	-	710	710
Reclassified	-	5,844	5,844
Balance as of December 31, 2025	<u>\$ -</u>	<u>9,282</u>	<u>9,282</u>
Balance as of January 1, 2024	\$ -	8,296	8,296
Depreciation	-	323	323
Reclassified	-	(5,891)	(5,891)
Balance as of December 31, 2024	<u>\$ -</u>	<u>2,728</u>	<u>2,728</u>
Carrying amount:			
December 31, 2025	<u>\$ 5,319</u>	<u>52,063</u>	<u>57,382</u>
December 31, 2024	<u>\$ 5,319</u>	<u>15,662</u>	<u>20,981</u>
Fair value:			
December 31, 2025			<u>\$ 200,340</u>
December 31, 2024			<u>\$ 60,151</u>

The fair value of investment properties has not been evaluated by independent evaluators, and is only evaluated by the management of the Company with reference to the existing lease contracts and the market evidence of the transaction price of neighboring similar property.

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

(15) Intangible assets

Details of the cost, amortization and impairment losses of the Group's intangible assets 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
Reclassification	-	-	1,800	-	1,800
Balance as of December 31, 2025	<u>\$ 19,429</u>	<u>20,000</u>	<u>21,045</u>	<u>10,200</u>	<u>70,674</u>
Balance as of January 1, 2024	\$ -	-	13,772	-	13,772
Addition	-	-	2,886	-	2,886
Acquisition by merger	19,429	20,000	2,219	10,200	51,848
Disposals	-	-	(146)	-	(146)
Balance as of December 31, 2024	<u>\$ 19,429</u>	<u>20,000</u>	<u>18,731</u>	<u>10,200</u>	<u>68,360</u>
Amortization and impairment losses:					
Balance as of January 1, 2025	\$ -	2,143	11,139	2,040	15,322
Amortization	-	2,857	3,865	2,720	9,442
Impairment losses	19,429	15,000	-	5,440	39,869
Balance as of December 31, 2025	<u>\$ 19,429</u>	<u>20,000</u>	<u>15,004</u>	<u>10,200</u>	<u>64,633</u>
Balance as of January 1, 2024	\$ -	-	7,864	-	7,864
Amortization	-	2,143	3,421	2,040	7,604
Disposals	-	-	(146)	-	(146)
Balance as of December 31, 2024	<u>\$ -</u>	<u>2,143</u>	<u>11,139</u>	<u>2,040</u>	<u>15,322</u>
Carrying value:					
December 31, 2025	<u>\$ -</u>	<u>-</u>	<u>6,041</u>	<u>-</u>	<u>6,041</u>
December 31, 2024	<u>\$ 19,429</u>	<u>17,857</u>	<u>7,592</u>	<u>8,160</u>	<u>53,038</u>

Goodwill acquired by the Group is tested for impairment annually. The goodwill is allocated to the cash-generating unit of NoonSpare Energy Technology Co., Ltd., and the recoverable amount is determined based on value in use. The value in use is calculated based on the estimated cash flows derived from the financial forecasts of the cash-generating unit for the next five years. The calculations were performed using discount rates of 12.07% and 10.71% for 2025 and 2024, respectively, to reflect the specific risks of the cash-generating unit.

In 2025, the Group assessed the impairment of goodwill and other intangible assets and recognized impairment losses of NT\$39,869 thousand on goodwill and other intangible assets of a subsidiary. The impairment was primarily attributable to the cash-generating unit's future operating performance being lower than expected, resulting in the recoverable amount of the cash-generating unit being lower than its carrying amount. The aforementioned impairment losses were included in "Other gains and losses."

(16) Other Current Assets and Other Non-Current Assets

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current		
Prepayments for purchases	\$ 18,593	3,681
Prepaid expenses	31,861	13,776
Tax credit carried forward	6,634	18,086
Other	<u>417</u>	<u>11,443</u>
Total	<u>\$ 57,505</u>	<u>46,986</u>
Non-Current		
Prepaid equipment	\$ 226	9,930
Refundable Deposits	83,994	64,802
Long-term prepaid expenses	-	497
Other	<u>2,000</u>	<u>-</u>
Total	<u>\$ 86,220</u>	<u>75,229</u>

(17) Short-Term Notes and Bills Payable

The short-term notes payable of the Group are as follows:

	<u>December 31, 2024</u>		
	<u>Guaranty or Acceptance Institution</u>	<u>Interest Rate Range</u>	<u>Amount</u>
Commercial paper payable	Taiwan Finance Corporation	1.92%	\$ 20,000
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.09%	30,000
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation	1.95%	30,000
Less: Discount on short-term notes and bills payable			(<u>86</u>)
Total			<u>\$ 79,914</u>

(18) Short-Term Borrowings

The Short-term borrowings of the Group are as follows:

	December 31, 2025	December 31, 2024
Secured Bank Loans	\$ -	198,055
No Secured Bank Loans	<u>30,000</u>	<u>64,800</u>
Total	<u>\$ 30,000</u>	<u>262,855</u>
Unused Limit	<u>\$ 1,300,366</u>	<u>893,301</u>
Interest Rate Range	<u>2.17%-2.5%</u>	<u>1.98% 3.176%</u>

Please refer to Note 8 for details of the Group's pledge of assets for bank loans.

(19) Long-Term Loans

	December 31, 2024			
	Currency	Interest Rate (%)	Maturity Year	Amount
Secured bank loans	NTD	3.95%	2025	\$ 13,437
No secured bank loans	NTD	2.17% 2.82%	2025-2026	12,623
Less: Part due within 1 year				(24,671)
Total				<u>\$ 1,389</u>
Unused limit				<u>\$ 12,100</u>

Please refer to Note 8 for details of the Group's pledge of assets for bank loans.

(20) Lease Liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 14,102</u>	<u>15,061</u>
Non-Current	<u>\$ 49,807</u>	<u>58,767</u>

For maturity analysis, please refer to Note 6(29) Financial Instruments.

The amounts recognized to profit and loss are as follows:

	2025	2024
Interest Expense on Lease Liabilities	<u>\$ 1,399</u>	<u>1,393</u>
Changes in Lease not Included in the Measurement of Lease Liabilities	<u>\$ 494</u>	<u>503</u>
Short-Term Rental Expense	<u>\$ 8,252</u>	<u>15,752</u>
Charges on Low-Value Leasehold Assets (Excluding Low-Value Leases on Short-Term Leases)	<u>\$ 389</u>	<u>568</u>

The amounts recognized in the cash flow statement are as follows:

	2025	2024
Total Cash Outflows from Leases	<u><u>\$ 27,108</u></u>	<u><u>32,950</u></u>

1. Rental of Building and Transport Equipment

The Group leases the land for energy storage project, and the lease period is nine years and six months to ten years and seven months.

The Group leases houses and building roofs for the construction of solar power plants for a period of twenty years.

The Group leases houses, buildings and transportation equipment for general operating activities, usually for a period of one to ten years.

2. Other Leases

The Group leases office equipment, etc., and such leases are short-term and low-value leases. The Group chooses to apply the exemption recognition provisions instead of recognizing the relevant right-of-use assets and lease liabilities.

(21) Employee Benefits

1. Defined Benefit Plans

The adjustment between the present value of welfare obligations and the fair value of plan assets determined by the Group is as follows:

	December 31, 2025	December 31, 2024
Present Value of Defined Benefit Obligations	\$ 7,312	25,599
Fair Value of Plan Assets	(6,837)	(16,222)
Net Defined Benefit Liabilities	<u><u>\$ 475</u></u>	<u><u>9,377</u></u>

(1) Plan Assets Composition

The pension funds allocated by the Group under the Labor Standard Method shall be under the overall management of the Labor Fund Utilization Bureau of the Ministry of Labor (hereinafter referred to as Labor Fund Bureau). According to the “Measures for the Preservation and Utilization of the Income and Expenditure of the Labor Pension Fund”, the minimum return of the annual distribution of the final accounts of the fund shall not be less than the return calculated on the two-year fixed deposit rate of the local bank.

As of the reported date, the balance of the special account of the Bank of Taiwan for labor retirement reserve of the Group is \$6,837 thousand. For information on the asset management of the Labor Pension Fund, including the fund yield and fund asset allocation, please refer to the website of the Labor Fund Utilization Bureau of the Ministry of Labor.

(2) Changes in Present Value of Defined Benefit Obligations

The present value changes of the Group's benefit obligations are determined as follows:

	<u>2025</u>	<u>2024</u>
The present value of the benefit obligation is determined as of January 1	\$ 25,599	35,733
Current service cost and interest	391	539
Long-service bonuses	75	(176)
Remeasurements of the net defined benefit liability		
Actuarial losses (gains) arising from changes in financial assumptions	82	(396)
Actuarial gains of experience adjustment	(6,026)	(933)
Benefits to be paid	(<u>12,809</u>)	(<u>9,168</u>)
The present value of the benefit obligation is determined as of December 31	<u>\$ 7,312</u>	<u>25,599</u>

(3) Changes in Fair Value of Plan Assets

The changes in the fair value of the assets of the Group's defined benefit plan are as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets as of January 1	\$ 16,222	19,565
Interest income	251	254
Remeasurements of the net defined benefit liability		
Return on planned assets (excluding current interest)	1,350	1,786
Amount already allocated to the plan	155	1,324
Benefits to be paid	(<u>11,141</u>)	(<u>6,707</u>)
Fair value of plan assets as of December 31	<u>\$ 6,837</u>	<u>16,222</u>

(4) Expenses Recognized as Profit or Loss

Details of costs and expenses reported by the Group for 2025 and 2024 are as follows:

	2025	2024
Current Service Cost	\$ -	81
Net Interest on net Defined Benefit Liabilities	<u>140</u>	<u>204</u>
	<u>\$ 140</u>	<u>285</u>
	2025	2024
Operating Costs	\$ 29	54
Sales Expenses	15	36
Administrative Expenses	62	54
Research and Development Expenses	<u>34</u>	<u>141</u>
	<u>\$ 140</u>	<u>285</u>

(5) Re-Measurement of net Definable Benefit Liabilities Recognized as Other Comprehensive Income

The cumulative pre-tax re-measurement of the Group's net defined benefit liabilities to other comprehensive income and loss is as follows:

	2025	2024
Accumulated Balance as of January 1	\$ 18,860	15,745
Recognized in the Current Period	<u>7,294</u>	<u>3,115</u>
Accumulated Balance as of December 31	<u>\$ 26,154</u>	<u>18,860</u>

(6) Actuarial Assumptions

The significant actuarial assumptions used by the Group to determine the present value of its benefit obligations at the close of financial reporting date are as follows:

	December 31, 2025	December 31, 2024
Discount Rate	1.44%	1.55%
Rate of Future Wage Increases	1.50%	1.50%

The Group expects to make a provision of \$157 thousand to the defined benefit plan for one year after the reporting date of 2025.

The weighted average duration of defined benefit plans was 8.7 years.

(7) Sensitivity Analysis

The impact of changes in the major actuarial assumptions applicable on December 31, 2025 and 2024 on the determination of the present value of benefit obligations is as follows:

	Impacts on Present Value of Defined Benefit Obligation	
	Assumed Reduction	Assumed Addition
December 31, 2025		
Discount rate (change 0.50%)	\$ 310	(289)
Future salary (change 0.50%)	(288)	305
December 31, 2024		
Discount rate (change 0.50%)	\$ 808	(767)
Future salary (change 0.50%)	(764)	796

The above sensitivity analysis is based on the analysis of the effect of changes in a single hypothesis when other hypotheses remain constant. In practice, many assumptions may change in tandem. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liability of the balance sheet.

The methods and assumptions used in the preparation of sensitivity analysis in this period are the same as in the previous period.

2. Defined Contribution Plans

The defined contribution plan of the Group, companies in Taiwan shall be made to the employees' pension Individual account of the Labor Insurance Bureau at the rate of 6% of the employees' monthly wages as stipulated in the employees' Pension Ordinance. There is no statutory or constructive obligation to pay any additional amount once the contributions have been made to the Bureau of Labor Insurance under this plan.

The subsidiary of the Group, BEC Technologies Inc. has a defined contribution retirement plan that provides for a percentage of employees' salaries to be contributed to their pensions.

Subsidiaries in other regions make their contributions in accordance with the local laws and regulations.

The pension expenses under the Group's determinate Pension Scheme for 2025 and 2024 are \$10,825 thousand and \$11,096 thousand respectively, which have been allocated to the relevant authorities.

(22) Income Tax

1. Income tax expense

The income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current Income Tax Expense		
Generated in the Current Period	\$ 25,366	23,261
Adjust the Current Income Tax of the Previous Period	(200)	2,411
	<u>25,166</u>	<u>25,672</u>
Deferred Income Tax (Benefits) Expenses		
Occurrence and Reversal of Temporary Differences	(26,516)	2,073
Changes in Previously Recognized Tax Losses	3,906	-
	<u>(22,610)</u>	<u>2,073</u>
Income Tax Expense	<u>\$ 2,556</u>	<u>27,745</u>

The income tax expense (benefits) of the Group as recognized under other comprehensive income and loss is as follows:

	<u>2025</u>	<u>2024</u>
Items not Reclassified to Profit or Loss:		
Re-Measurement of Defined Benefit Plan	<u>\$ 1,459</u>	<u>623</u>
Items That May Be Subsequently Reclassified to Profit or Loss:		
Exchange Differences on Translating the Financial Statements of Foreign Operations	<u>(\$ 1,642)</u>	<u>2,836</u>

Adjustment of the relationship between income tax expense and pre-tax net profit (loss) of the Group is as follows:

	<u>2025</u>	<u>2024</u>
Net Profit (Loss) Before Tax	<u>(\$ 143,781)</u>	<u>44,653</u>
Income Tax Based on the Domestic Tax Rate of the Company's Location	(\$ 28,756)	8,931
Recognition of Previously Unrecognized Tax Losses	-	(948)
Unrecognized Deferred Tax Asset on Current Tax Loss	13,090	18,705
Tax Effect of Permanent Differences	(3,612)	(6,981)
Changes in Temporary Differences not Recognized	15,463	5,578
Early Overvaluation (Underestimate)	(200)	274
Additional Income Tax on Undistributed Earnings	2,517	2,450
Effect of Different Tax Rates on the Consolidated Entities	148	(264)
Changes in Previously Recognized Tax Loss Carryforwards	<u>3,906</u>	<u>-</u>
Income Tax Expense	<u>\$ 2,556</u>	<u>27,745</u>

2. Deferred Income tax Assets and Liabilities

(1) Deferred Income Tax Liabilities Are Not Recognized

As of December 31, 2025 and 2024, the temporary differences relating to investments in subsidiaries have not been recognized as deferred tax liabilities, because the Group is able to control the timing of the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future. The related amounts are as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 2,839</u>	<u>=</u>
Amount not recognized as deferred tax liabilities	<u>\$ 567</u>	<u>=</u>

(2) Deferred Income Tax Assets Are Not Recognized

	2025	2024
Expected Credit Impairment Losses	\$ 159,960	159,960
Impairment Losses	88,488	13,234
Loss Carry Forward	42,129	30,875
Deductible Temporary Difference	<u>902</u>	<u>-</u>
	<u>\$ 291,479</u>	<u>204,069</u>

(3) Recognized Deferred tax Assets and Liabilities

Changes in deferred tax assets and liabilities are as follows:

Deferred Income Tax Assets

	2025		
	Beginning Balance	(Debit)/Credit Income Statement	(Debit)/Credit in Other Comprehensive Income Statements
Defined benefit pension plan	\$ 2,481	(3)	(1,459)
Unrealized gross profit on sales	2,166	610	-
Loss on inventory write-down	5,280	16,203	-
Unrealized loss on exchange	228	40	-
Loss carryforward	11,438	(7,256)	-
Unrealized warranty provision	-	450	-
Impairment loss	-	3,517	-
Bad debt loss	-	30	-
	<u>\$ 21,593</u>	<u>13,591</u>	<u>(1,459)</u>
			<u>33,725</u>

2024

	Beginning Balance	(Debit)/Credit Income Statement	(Debit)/Credit in Other Comprehensive Income Statements	Acquisition by merger	Ending Balance
Defined benefit pension plan	\$ 3,312	(208)	(623)	-	2,481
Unrealized gross margin	2,741	(575)	-	-	2,166
Loss on inventory write-down	8,895	(5,892)	-	2,277	5,280
Unrealized loss on exchange	785	(1,175)	-	618	228
Loss carryforward	-	7,533	-	3,905	11,438
	<u>\$ 15,733</u>	<u>(317)</u>	<u>(623)</u>	<u>6,800</u>	<u>21,593</u>

Deferred Income Tax Liabilities

2025

	Beginning Balance	Debit/(Credit) Income Statement	Debit/(Credit) in Other Comprehensive Income Statements	Ending Balance
Income from foreign investment	\$ 20,937	(3,600)	-	17,337
Exchange differences on translating the financial statements of foreign operations	3,049	-	(1,642)	1,407
Unrealized gain on exchange	6,597	(5,419)	-	1,178
	<u>\$ 30,583</u>	<u>(9,019)</u>	<u>(1,642)</u>	<u>19,922</u>

2024

	Beginning Balance	Debit/(Credit) Income Statement	Debit/(Credit) in Other Comprehensive Income Statements	Ending Balance
Income from foreign investment	\$ 25,775	(4,838)	-	20,937
Exchange differences on translating the financial statements of foreign operations	213	-	2,836	3,049
Unrealized gain on exchange	3	6,594	-	6,597
	<u>\$ 25,991</u>	<u>1,756</u>	<u>2,836</u>	<u>30,583</u>

3. The income tax returns of the Company and its subsidiaries have been assessed by the tax authorities as follows:

Company Name	Assessed Year
The Company	2023
Billion Watts Technologies Co., Ltd.	2023
Billion Power System Technologies Inc.	2023
Billion Energy Storage Technologies Inc.	2023
Billion EV Charging Technologies Co., Ltd.	2023
Billion EVC Technologies Co., Ltd.	2023
Billion Kai Co., Ltd.	2023
NoonSpare Energy Technology Co.,Ltd.	2023
Billion Electric Holding Co., Ltd.	2023
BEC Technologies Inc. Taiwan Branch	Not yet assessed; 2024 is the year of establishment.

(23) Capital and Other Equity

1. Issue of Common Stock

As of December 31, 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 130,101 thousand shares and 115,533 thousand shares of common stock issued, respectively. All issued shares were received.

On September 18, 2025, the Company's Board of Directors resolved to acquire the remaining 38.02% equity interest in Billion Watts Technologies Co., Ltd. from non-controlling interests through the issuance of new shares. A total of 14,036 thousand common shares were issued at par value, amounting to NT\$140,360 thousand. This capital increase was declared effective by the Taiwan Stock Exchange Corporation on December 11, 2025 (TWSE Letter No. 1141805391), with December 31, 2025 as the record date, and the relevant statutory registration procedures have been completed.

In addition, during 2025, the Company issued 78 thousand new shares upon the exercise of employee stock options at par value, amounting to NT\$783 thousand. All proceeds from the issued shares have been fully received, of which 61 thousand shares have completed the statutory registration procedures.

In 2024, the Company issued 555 thousand new shares at par value upon the exercise of employee stock options, amounting to NT\$5,553 thousand. All proceeds from the issued shares have been fully received. Of these, 84 thousand shares have completed the statutory registration procedures, and the remaining 471 thousand shares completed the registration procedures in March 2025.

2. Capital Surplus

The balance of the Company's capital reserve is as follows:

	December 31, 2025	December 31, 2024
Premium on issuance of shares	\$ 651,664	634,159
Treasury share transactions	5,929	5,929
Treasury share transactions (Transfer of employee stock options)	19,493	19,262
Difference between actual acquisition or disposal of equity interest in a subsidiary and it carrying value	14,521	19,777
Recognition of changes in all equity in subsidiaries	2,336	2,336
The number of changes in the net equity value of subsidiaries and associates	32	32
Consolidated overdraft	8,173	8,173
Employee stock options	605	588
Income received from gifts	1,890	1,890
	<u>\$ 704,643</u>	<u>692,146</u>

According to the Company Law, after the capital reserve is required to cover the loss preferentially, the realized capital reserve may be issued to new shares or cash in proportion to the original shares of the shareholders. The realized capital reserve referred to in the preceding paragraph includes the excess from issuing shares in excess of par value and the income from receiving gifts. In accordance with the guidelines for the treatment of issuers' offering and issuance of marketable securities, the total amount of the capital reserve appropriated for replenishment shall not exceed 10% of the paid-in capital.

3. Retained Earnings

According to the Articles of Incorporation of the Company, after paying all taxes and dues according to law and making up for accumulated losses, 10% of the remaining profit of the Company after annual closing of the books shall be appropriated as the legal reserve; where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply; the remainder shall be used to appropriate or reverse the special reserve. If there is still remaining balance, the board of directors shall draw up an earnings distribution proposal on the balance and the accumulated undistributed earnings, and submit it to the shareholders' meeting.

The Company's dividend policy, in line with the current and future development plan, the investment environment, capital needs and domestic and foreign competition, and taking into account the shareholders' interests and other factors, is that the annual allocation of distributable earnings shall not be less than 10% of the distribution of shareholders' dividends, except that when the accumulated distributable earnings is less than 5% of the paid-in share capital, it may not be distributed; at the time of distribution of shareholders' dividends, the proportion of cash dividends in the shareholders' dividends distributed in the current year shall be not less than 5% of the total annual distribution of dividends, and the remaining cash dividends shall be distributed in the form of share dividends, but the actual distribution ratio shall be adjusted according to the actual profit and operating conditions of the current year.

(1) Legal Reserve

If the Company has no losses, it may, by resolution of the shareholders' meeting, issue new shares or cash out of the legal reserve, provided that the reserve exceeds 25% of the paid-in capital.

(2) Special Reserves

When the Company first adopted IFRS approved by the Financial Regulatory Commission, the unrealized revaluation appreciation under shareholders' equity, the cumulative conversion adjustment (interest) and the classification of the assets in the accounts as "investment real estate" on the conversion date due to the selection of the exempted items under IFRS No. 1 "First Adoption of IFRS", If the fair value of the conversion date is taken as the recognized cost to increase the retained surplus, the same amount of special reserve may be set aside in accordance with the Financial

Regulatory Commission's Order No. 1010012865 issued on April 6, 2012, and surplus may be redistributed in proportion to the original special reserve when the relevant assets are used, disposed of or reclassified.

In accordance with the regulations of the Financial Supervisory Commission, when distributing distributable earnings, the Company shall appropriate a special reserve based on the current period's profit after tax, other amounts included in current unappropriated retained earnings, and prior period unappropriated retained earnings, for the net amount of deductions in other equity attributable to shareholders arising in the current year. For the accumulated amounts of such deductions from prior periods, a special reserve of the same amount shall be appropriated from prior period unappropriated retained earnings and shall not be distributed. If such deductions in other equity are subsequently reversed, the reversed portion may be distributed as earnings.

(3) Earnings Distribution

On May 22, 2025, the Company's shareholders' meeting resolved the deficit compensation proposal for 2024, and no earnings were distributed. On May 29, 2024, the shareholders' meeting resolved the earnings distribution proposal for 2023. The dividends distributed to owners are as follows:

	2023	
	Amount per Share (NT\$)	Amount
Dividends distributed to ordinary equity owners:		
Cash	\$ 0.37	<u>\$ 42,298</u>

4. Treasury Shares

The changes of the Company's treasury shares are as follows:

	2025		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 Group's employees in the current year	(20)	(380)	-	-
Ending Balance	<u>1,126</u>	<u>\$ 24,677</u>	<u>1,146</u>	<u>\$ 25,057</u>

The number of uncanceled treasury shares of the Company as of December 31, 2025 and 2024 was 1,126 thousand and 1,146 thousand. The Treasury shares held by the Company shall not be pledged in accordance with the provisions of the Securities Exchange Act, and do not carry shareholder rights before transfer.

5. Other Equity (net of tax)

	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gains or losses on FVOCI financial assets	Non-Controlling Interests	Total
Balance as of January 1, 2025	\$ 5,240	(34,616)	367,920	338,544
Net loss for the period	-	-	(24,939)	(24,939)
Exchange differences on translation of foreign financial statements	(5,382)	-	(241)	(5,623)
Unrealized appraisal gains and losses on financial assets measured at fair value through other comprehensive income	-	(2)	330	328
Unrealized losses (gains) on FVOCI financial assets	-	(4,125)	-	(4,125)
Acquisition of non-controlling interests by issuing new shares	-	-	(157,459)	(157,459)
Difference between consideration and carrying amount from acquisition or disposal of equity interests in subsidiaries	-	-	(24,260)	(24,260)
Share-based payment transactions	-	-	7	7
Issuance of cash dividends	-	-	(11,227)	(11,227)
Balance as of December 31, 2025	<u>(\$ 142)</u>	<u>(38,743)</u>	<u>150,131</u>	<u>111,246</u>
Balance as of January 1, 2024	(\$ 6,106)	(25,357)	194,633	163,170
Net profit for the period	-	-	41,661	41,661
The exchange difference resulting from the conversion of the net assets of the foreign operating institution	11,346	-	1,464	12,810
Unrealized appraisal gains and losses on financial assets measured at fair value through other comprehensive income	-	(9,259)	(334)	(9,593)
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	(27,312)	(27,312)
Share-based payment transactions	-	-	79	79
Cash dividends	-	-	(11,940)	(11,940)
Other	-	-	169,669	169,669
Balance as of December 31, 2024	<u>\$ 5,240</u>	<u>(34,616)</u>	<u>367,920</u>	<u>338,544</u>

(24) Share-Based Payment

1. As of December 31, 2025, the Company had the following three share base payment transactions:

	First Employee Stock Option	Second Employee Stock Option	Third Employee Stock Option
Grant date	2020.08	2021.03	2021.06
Grant quantity	2,559	130	111
Execution price (NT\$)	12.6	23.45	22.65
Contract Period	5 years	5 years	5 years
Vesting Conditions	At the end of two years, according to the specific schedule and proportion	At the end of two years, according to the specific schedule and proportion	At the end of two years, according to the specific schedule and proportion

(1) Measurement Parameters of Fair Value at the Grant Date

The Company adopts the option evaluation model to estimate the fair value of employee stock options at the grant date, the assumptions and fair value are summarized as follows:

	First Payment: Employee Stock Options	Second Payment: Employee Stock Options	Third Payment: Employee Stock Options
Stock price on grant date	\$ 12.60	23.45	22.65
Execution price (NT\$)	12.60	23.45	22.65
Expected volatility	39.54%	50.02%	52.06%
Expected duration (years)	3.5-4.5	3.5-4.5	3.5-4.5
Expected dividend rate	-%	-%	-%
Risk-free interest rate	0.5130%	0.0970%	0.1320%

(2) Information About the Employee Stock Option Plan

	2025		2024	
	Weighted Average Performance Price (NT\$)	Number of Warrants	Weighted Average Performance Price (NT\$)	Number of Warrants
Shares outstanding as of January 1	\$ 14.09	733	14.09	797
Amount granted in the current period	-	-	12.60	511
Amount lost in the current period	12.80	(614)	19.30	(20)
Amount executed in the current period	13.63	(78)	13.40	(555)
Shares outstanding as of December 31	22.65	<u>41</u>	14.09	<u>733</u>
Executable quantity as of December 31	22.65	<u>39</u>	14.26	<u>181</u>

(in thousands of units)

The Company's outstanding stock options are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Execution Price Range (NT\$)	\$12.60-\$23.45	\$12.60-\$23.45
Weighted Average Remaining Contract Period (Years)	0.47	0.61-1.47

(3) Employee Expenses

	<u>2025</u>	<u>2024</u>
Expenses Incurred due to Employee Warrants	(\$ <u>81</u>)	<u>118</u>

2. The Company's stock payment basis Treasury stock transfer employee information is as follows:

(1) Measurement Parameters of Fair Value at the Grant Date

	<u>2025</u>	<u>2024</u>
Stock Price on Grant Date	\$ 36.50	36.50
Execution Price (NT\$)	19.02	19.02
Expected Volatility	41.198%	41.198%
Expected Duration (years)	0.09 to 1.09	0.09 to 1.09
Risk-Free Interest Rate	1.090%	1.090%

(2) Information on Transfer of Treasury Shares

	<u>2025</u>		<u>2024</u>	
	<u>Weighted Average Exercise Price</u>	<u>Number of Shares (Thousands)</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Shares (Thousands)</u>
Shares outstanding as of January 1	\$ 19.02	30	19.02	30
Amount executed in the current period	19.02	(<u>20</u>)	-	-
Shares outstanding as of December 31	19.02	<u>10</u>	19.02	<u>30</u>
Executable quantity as of December 31		<u>10</u>		<u>30</u>

- (3) The expenses incurred by the Group in 2025 and 2024 due to the transfer of treasury shares paid on a share basis were \$440 thousand and \$0 thousand respectively.

3. In December 31, 2025, the following two share base payment transactions occurred in the consolidated subsidiary Billion Watts Technologies Co., Ltd.:

	Second cash capital increase reserved for employees	First employee stock option grant
Grant date	February 2021	October 2022
Grant quantity	914	700
Execution price (NT\$)	\$15	23
Contract Period	5 year	1 year
Vesting Conditions	Immediate acquisition	Immediate acquisition

(1) Measurement Parameters of Fair Value at the Grant Date

The Group's Billion Watts Technologies Co., Ltd. uses the Black-Scholes option evaluation model to estimate the fair value of the payment to the daily share basis, assuming that the information and fair value are summarized as follows:

	Second cash capital increase reserved for employees	First employee stock option grant
Expected price volatility	38.73%	41.34%
Risk-free interest rate	0.632%	1.35%
Weighted-average fair value of options granted (NT\$)	\$ 1.590	1.456

Expected volatility is based on the weighted average historical volatility adjusted for changes expected as a result of publicly available information; The duration of the stock option shall be stipulated in each of the Company's issuing measures; The risk-free rate is based on government bonds.

(2) Employee Expenses

	2025	2024
Expenses incurred due to employee warrants	\$ 16	193

4. The consolidated subsidiary, BEC Technologies Inc. has resolved to adopt the Phantom Stock plan to reward key employees, and to pay the employees in cash as the employee reaches a certain period of service in the future, the amount of which is measured based on the fair value of BEC Technologies Inc. shares on the delivery date.

The expenses incurred by the Group in 2025 and 2024 due to employee virtual stock resulted in a loss of NT\$ 10,960 thousand and a gain of NT\$ 751 thousand, respectively.

(25) Loss per Share

The calculation of basic loss per share of the Group is as follows:

	<u>2025</u>	<u>2024</u>
Basic loss per share		
Net loss attributable to ordinary equity holders of the Company	(<u>\$ 121,398</u>)	(<u>24,753</u>)
Weighted-average number of ordinary shares outstanding (thousand shares)	<u>114,967</u>	<u>114,500</u>
Basic loss per share (NT\$)	(<u>\$ 1.06</u>)	(<u>0.22</u>)

As the Company incurred a net loss after tax in both 2025 and 2024, the potential common shares, including employee compensation to be settled in stock and unvested employee stock options, would have an anti-dilutive effect if included. Therefore, they were not considered in the calculation of diluted loss per share.

(26) Revenue from Contracts with Customers

1. Subdivision of Income

	<u>2025</u>	<u>2024</u>
Key Regional Markets		
Asia	\$ 1,708,460	\$ 1,767,966
Americas	297,221	240,869
Other countries	<u>102,874</u>	<u>15,100</u>
	<u>\$ 2,108,555</u>	<u>\$ 2,023,935</u>
Key Products		
Communication electronic equipment	\$ 287,835	\$ 248,386
Power plant equipment	158,124	145,705
Renewable energy – equipment sale	1,264,251	725,783
Renewable energy – system integration	264,356	817,421
Renewable energy – others	<u>133,989</u>	<u>86,640</u>
	<u>\$ 2,108,555</u>	<u>\$ 2,023,935</u>

2. Contract Balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes Receivable	\$ 3,608	10,034	16,980
Accounts Receivable	105,156	133,734	117,648
Accounts Receivable - Related Partiest	61,833	-	-
Less: Loss allowance	(<u>7,398</u>)	(<u>4,661</u>)	(<u>1,895</u>)
	<u>\$ 163,199</u>	<u>139,107</u>	<u>132,733</u>
Contract Performance Costs- Current	<u>\$ 157,081</u>	<u>848,227</u>	<u>819,313</u>
Contract Asset- Current	<u>\$ 53,717</u>	<u>192,149</u>	<u>68,976</u>
Contract Performance Costs – non-current	<u>\$ 97,183</u>	<u>-</u>	<u>-</u>
Contractual Liabilities - Current	<u>\$ 156,499</u>	<u>684,212</u>	<u>582,129</u>

Please refer to Note 6(5) for detailed disclosure of notes and accounts receivable and their impairments.

Contractual liabilities are primarily derived from proceeds received on product sales contracts, which the Group will carry forward when products are delivered to customers.

Revenue recognized in 2025 and 2024 that was included in the opening balances of contract liabilities as of January 1, 2025 and 2024 amounted to NT\$681,191 thousand and NT\$163,833 thousand, respectively.

(27) 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.

As the Company incurred losses before tax in both 2025 and 2024, no employee or directors' compensation was accrued.

(28) Non-Operating Revenue and Expenses

1. Interest Income

The Group's interest income are as follows:

	2025	2024
Bank Interest	\$ 15,802	26,194
Other Interest Income	4,549	9,579
	<u>\$ 20,351</u>	<u>35,773</u>

2. Other Income

The Group's other income are as follows:

	2025	2024
Rental Income	\$ 7,956	6,761
Dividend Income	297	27
Government grant income	1	650
Other Income	<u>67,980</u>	<u>14,142</u>
	<u>\$ 76,234</u>	<u>21,580</u>

3. Other Gains and Losses

The Group's other benefits and losses are as follows:

	2025	2024
Gain on Disposal of Property, Plant and Equipment	\$ 338	-
Profit From Disposal of Subsidiary	1,066	-
Gain on lease modification	-	14
Gains (Losses) on Foreign Currency Exchange	(30,218)	51,065
Profit on Financial Assets Measured at Fair Value Through Profit and Loss	457	2,075
Impairment loss on property, plant, and equipment	(92,840)	(27,892)
Impairment Loss on Intangible Assets	(39,869)	-
Impairment Loss on Others	(1,266)	-
Miscellaneous	(<u>2,139</u>)	(<u>2,885</u>)
	<u>(\$ 164,471)</u>	<u>22,377</u>

4. Financial Costs

The Group's financial costs are as follows:

	2025	2024
Interest on Bank Loans	\$ 2,872	8,927
Interest on Lease Liabilities	1,399	1,393
Interest on Other Loans	196	1,026
Interest on Short-Term Notes and Bills Payable	<u>633</u>	<u>1,327</u>
	<u>\$ 5,100</u>	<u>12,673</u>

(29) Financial Instruments

1. Credit Risk

(1) The Amount of the Maximum Credit Risk

The carrying amount of financial assets and contractual assets represents the maximum credit storm risk amount.

(2) Concentration of Credit Risk

As of December 31, 2025, the Group did not have a significant concentration of credit risk with respect to accounts receivable. As of December 31, 2024, 20.17% of the accounts receivable balance was attributable to the Group's top five customers, indicating a significant concentration of credit risk.

(3) Credit Risk of Accounts Receivable

For information on the credit risk exposure of notes receivable and accounts receivable, please refer to Note 6(5).

Other financial assets measured at amortized cost include other receivables, restricted bank deposits, time deposits, and refundable deposits.

These financial assets are considered to have low credit risk; therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses.

As of December 31, 2025 and 2024, no loss allowance was recognized for other financial assets measured at amortized cost, as there were no 12-month expected credit losses.

2. Liquidity Risk

The following table shows the contract maturity dates of financial liabilities, including the impact of estimated interest.

	Carrying Amount of Investment	Contract Cash Flow	Within 12 Months	1-5 Years	More Than 5 Years
December 31, 2025					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 197,133	197,133	197,133	-	-
Lease liabilities (including maturity within one year)	63,909	67,318	15,233	43,329	8,756
Floating rate instrument	30,000	30,215	30,215	-	-
Total	<u>\$ 291,042</u>	<u>294,666</u>	<u>242,581</u>	<u>43,329</u>	<u>8,756</u>

	Carrying Amount of Investment	Contract Cash Flow	Within 12 Months	1-5 Years	More Than 5 Years
December 31, 2024					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 197,922	197,922	197,922	-	-
Lease liabilities (including maturity within one year)	73,828	78,393	16,382	46,443	15,568
Floating rate instrument	275,477	276,941	275,542	1,399	-
Fixed-rate instrument	<u>93,352</u>	<u>93,660</u>	<u>93,660</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 640,579</u>	<u>646,916</u>	<u>583,506</u>	<u>47,842</u>	<u>15,568</u>

The Group does not anticipate that the cash flows from the maturity analysis will occur significantly earlier or that the actual amounts will be significantly different.

3. Market Risk

(1) Exchange Rate Risk

i. Exposure to foreign exchange risk

The financial assets and liabilities of the Group exposed to material foreign currency exchange rate risks are as follows:

	December 31, 2025			December 31, 2024		
	Foreign Currency	Currency Exchange Rate	NTD	Foreign Currency	Currency Exchange Rate	NTD
Financial Assets						
Monetary Items						
USD	\$ 21,877	31.430	687,599	30,198	32.785	990,042
EUR	10	36.900	352	201	34.140	6,850
JPY	17,375	0.201	3,489	27,213	0.210	5,712
AUD	301	21.010	6,319	-	-	-
Financial Liabilities						
Monetary Items						
USD	346	31.430	10,887	934	32.785	30,615
RMB	4,883	4.496	21,953	1,765	4.478	7,905

ii. Sensitivity Analysis

The exchange rate risk of the monetary items of the Group is mainly due to cash and cash equivalents, accounts receivable and other receivables, accounts payable and other payables denominated in foreign currency, which result in foreign currency exchange gains and losses upon conversion. When the New Taiwan Dollar depreciates or revalues by 5% against the USD, EUR, JPY, and the RMB on December 31, 2025 and 2024, all other factors being held constant, the net loss before tax in 2025 and 2024 will decrease or increase by NT\$ 33,246 thousand and NT\$48,204 thousand, respectively. The two analyses are based on the same basis.

iii. Exchange Gains and Losses on Monetary Items

Due to the variety of functional currencies of the Group, the exchange profit and loss information of monetary items is disclosed by means of integration. The profit (loss) of foreign currency exchange in 2025 and 2024 (including realized and unrealized) is \$(30,218) thousand and \$51,065 thousand respectively.

(2) Interest Rate Risk

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. The rate of change used internally by the Group to report interest rates to key management is a 0.25% increase or decrease in interest rates, which also represents the management's assessment of the range of reasonably possible changes in interest rates.

If interest rates increase or decrease by 0.25%, the Group's 2025 and 2024 pre-tax net loss will increase or decrease by \$75 thousand and \$689 thousand, all other variables being held constant.

(3) Other Price Risks

If daily price changes of equity securities are reported (the analysis of the two periods is based on the same basis, and other changing factors are assumed to remain unchanged), the impact on the comprehensive income and loss items is as follows:

Securities Prices on the Reporting Day	2025		2024	
	Pre-Tax Amount of Other Comprehensive Income	Pre-Tax Profit and Losses	Pre-Tax Amount of Other Comprehensive Income	Pre-Tax Profit and Losses
Increase by 10%	\$ 1,213	345	\$ 6,602	313
Decrease by 10%	(\$ 1,213)	(345)	(\$ 6,602)	(313)

4. Fair Value

(1) Types and Fair Values 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 income are measured at fair value on a recurring basis. Carrying amount and fair value of various types of financial assets and financial liabilities (including fair value grade information, but the carrying 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:

	December 31, 2025				
	Carrying Amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	\$ 3,449	3,449	-	-	3,449
Financial Assets at Fair Value Through Other Comprehensive Income					
Shares of domestic emerging companies	5,197	-	5,197	-	5,197
Domestic unlisted (over-the-counter) shares	6,935	-	-	6,935	6,935
Subtotal	12,132	-	5,197	6,935	12,132
Financial Assets at Amortized Cost					
Cash and cash equivalents	540,932	-	-	-	-
Financial assets at amortized cost	491,560	-	-	-	-
Notes and accounts receivable (including related parties)	163,199	-	-	-	-
Other receivables (including related parties)	45,900	-	-	-	-
Subtotal	1,241,591	-	-	-	-
Total	<u>\$1,257,172</u>	<u>3,449</u>	<u>5,197</u>	<u>6,935</u>	<u>15,581</u>
Financial Liabilities Measured at Cost After Amortization					
Short-term loans	\$ 30,000	-	-	-	-
Accounts payables	94,507	-	-	-	-
Other payables	102,626	-	-	-	-
Lease liabilities (including maturity within 1 year)	63,909	-	-	-	-
Total	<u>\$ 291,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

December 31, 2024					
	Carrying Amount of Investment	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	\$ 3,126	3,126	-	-	3,126
Financial Assets at Fair Value Through Other Comprehensive Income					
Domestic unlisted (over-the-counter) shares	66,017	-	-	66,017	66,017
Financial Assets at Amortized Cost					
Cash and cash equivalents	660,036	-	-	-	-
Financial assets at amortized cost	514,005	-	-	-	-
Notes and accounts receivable	139,107	-	-	-	-
Other receivables	15,456	-	-	-	-
Subtotal	1,328,604	-	-	-	-
Total	<u>\$1,397,747</u>	<u>3,126</u>	<u>-</u>	<u>66,017</u>	<u>69,143</u>
Financial Liabilities Measured at Cost After Amortization					
Short-term loans	\$ 262,855	-	-	-	-
Short-term notes and bills payable	79,914	-	-	-	-
Notes and Accounts Receivable	106,663	-	-	-	-
Other payables	91,259	-	-	-	-
Lease liabilities (including maturity within 1 year)	73,828	-	-	-	-
Long-term loans (including maturity within 1 year)	26,060	-	-	-	-
Total	<u>\$ 640,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(2) Fair value evaluation technique for measuring financial instruments 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.

A financial instrument is publicly quoted in an active market if it is promptly and frequently obtained from an exchange, broker, underwriter, industry association, pricing service or authority and the price represents an actual and frequent fair market trader. 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/TPEX listed companies shares, bills of exchange and bonds, which are subject to standard terms and conditions and are traded in the active market, shall be determined by reference to market quotations respectively.

Besides the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of appraisal techniques or by reference to counterparty quotations. The fair value obtained through the evaluation technique may be calculated by reference to the current fair value of other financial instruments with similar material conditions and characteristics, the discounted cash flow method or by other evaluation techniques, including the use of models based on market information available at the reported date (e.g., the counter buying center reference yield curve, the Reuters commercial note rate average quote).

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) Transfer between Level 2 and Level 3

The Group holds shares in Jong Shyn Shipbuilding Co., Ltd., which are classified as financial assets at FVOCI. Jong Shyn Shipbuilding Co., Ltd. is listed on the emerging stock market. Based on an assessment of trading turnover on the Taipei Exchange, management determined that the shares do not qualify as equity instruments in an active market. Accordingly, the investment was transferred from Level 3 to Level 2 in the fair value hierarchy.

(4) Schedule of Changes to Level 3

	Measured at Fair Value Through Other Comprehensive Income
	No Equity Instrument of Open Offer
January 1, 2025	\$ 66,017
Total Gains and Losses	
Recognized in other comprehensive income	(684)
Disposals	(53,000)
Transferred from Level 3	(5,398)
December 31, 2025	<u>\$ 6,935</u>
Balance as of January 1, 2024	\$ 69,327
Total Gains and Losses	
Recognized in other comprehensive income	(9,593)
Acquisition by merger	6,283
December 31, 2024	<u>\$ 66,017</u>

The above total gains or losses are recognized in “Unrealized gains (losses) on financial assets at fair value through other comprehensive income.” The portion relating to assets still held as of December 31, 2025 and 2024 is as follows:

	2025	2024
Total Gains or Losses -		
Recognized in other comprehensive income		
(Reported under “Unrealized gains (losses) on		
financial assets at fair value through other		
comprehensive income”)	<u>\$ 468</u>	<u>(9,593)</u>

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

The Group’s fair value measurements categorized within Level 3 primarily relate to financial assets at fair value through profit or loss – equity investments. For the Company, fair value measurements classified as Level 3 involve only a single significant unobservable input, whereas investments in equity instruments without an active market involve multiple significant unobservable inputs. The significant unobservable inputs for equity investments without an active market are independent of each other; therefore, there is no interrelationship among them.

Item	Valuation Technique	Significant Unobservable Inputs	Relationship between Significant Unobservable Inputs and Fair Value
Financial assets measured at FVOCI	Net asset value method	• Net asset value	• The higher the net asset value, the higher the fair value

(30) Financial Risk Management

1. Summary

The Group is exposed to the following risks as a result of the use of financial instruments:

- (1) Credit Risk
- (2) Liquidity Risk
- (3) Market Risk

This note provides critical information about the risks of the Group and the objectives, policies, and procedures of the Group for measuring and managing risks. Please refer to the notes to this financial report for further quantitative disclosure.

2. Risk Management Architecture

The main financial instruments of the Group include equity and debt investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Financial Administration Department of the Group provides services to various business units, organize and coordinates access to domestic and international financial markets, supervises and manages financial risks related to the operations of the Group through analysis of the internal risk reporting according to the risk degree and breadth. These include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk and liquidity risk.

3. Credit Risk

Credit risk is the risk of financial loss arising from the failure of the Group to meet its contractual obligations by its customers or counterparties to financial instruments, mainly from the Group's bank deposits and accounts receivable from its customers.

(1) Accounts Receivable and Other Receivables

The policy adopted by the Group is to deal only with reputable counterparties and to obtain, where necessary, adequate guarantees to mitigate the risk of financial loss arising from defaults.

(2) Investments

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Group's finance department. There is no material credit risk as the transaction parties and performance parties of the Group are banks with good credit standing and financial institutions, corporate organizations and government agencies with investment grade or above.

(3) Warranty

Please refer to Note 13 for the endorsement guarantee provided by the Group on December 31, 2025 and 2024.

4. Liquidity Risk

The Group supports its business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash and cash equivalents. The management of the Group supervises the use of credit facility from the Banks and ensures compliance with the terms of the loan contracts.

On December 31, 2025 and 2024, the unutilized bank loan facility of the Group is \$1,300,366 thousand and \$905,401 thousand, respectively.

5. Market Risk

Market risk refers to the risk that changes in market prices, such as changes in exchange rates, interest rates, and the price of equity instruments, may affect the earnings or value of the financial instruments held by the Group. The objective of market risk management is to control the degree of market risk within an acceptable range and to optimize the return on investment.

(1) Foreign Exchange Risk

The Group is exposed to exchange rate risks arising from sales, procurement and borrowing transactions denominated in non-functional currencies. The functional currency of the Group will be the NT\$. The major currencies for the transactions are NT, US, EUR, JPY, AUD and RMB.

(2) Interest Rate Risk

The Group holds floating rate assets and liabilities and thus generates cash flow interest rate risk. The Group's floating rate financial assets and financial liabilities are detailed in the Liquidity Risk Management section of this note.

(31) Capital Management

The Group carries out capital management to ensure that it is able to continue operating by optimizing its debt and equity balances to maximize shareholders' compensation.

The capital structure of the Group is reviewed from time to time by the Group's key management in the light of the economic environment and business considerations. The Group will balance its overall capital structure by methods such as paying dividends, repurchasing shares, financing and etc., as advised by the key management and in accordance with the provisions of the laws.

As of December 31, 2025, there has been no change in the way the Group manages its capital.

(32) Investment and Financing Activities in Non-Cash Transactions

1. Acquisition of additional equity interests in subsidiaries through issuance of ordinary shares, please refer to Note 6(10).
2. Please refer to Note 6(13) for details on the acquisition of the right to use assets by means of lease.
3. Cash paid for the acquisition of property, plant and equipment is as follows:

	2025	2024
Acquisition of properties, plant and equipment	\$ 21,152	164,278
Add: Payables on equipment at beginning of period	322	672
Less: Payables on equipment at end of period	(1,741)	(322)
Cash Paid	(\$ 19,733)	(164,628)

4. Reconciliation of liabilities from financing activities is shown below:

	Changes in Non-Cash Items and Others			
	January 1, 2025	Cash Flow	Increase	Other
Short-Term Loans	\$ 262,855	(232,855)	-	-
Short-Term Notes and Bills Payable	79,914	(79,914)	-	-
Lease Liabilities (Including Maturity Within 1 Year)	73,828	(16,574)	6,655	-
Long-Term Loans (Including Maturity Within 1 Year)	26,060	(26,060)	-	-
Total Liabilities from Financing Activities	\$ 442,657	(355,403)	6,655	-

	Changes in Non-Cash Items and Others			
	January 1, 2024	Cash Flow	Increase	Other
Short-Term Loans	\$ 148,700	99,155	-	15,000
Short-Term Notes and Bills Payable	29,898	50,016	-	-
Lease Liabilities (Including Maturity Within 1 Year)	59,612	(14,734)	29,688	(738)
Long-Term Loans (Including Maturity Within 1 Year)	64,695	(38,635)	-	-
Total Liabilities from Financing Activities	\$ 302,905	95,802	29,688	14,262

7. Related Party Transactions

(1) Name and Relationship of Related Parties

The parties involved in transactions with the Group during the period covered by these consolidated financial statements are as follows:

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Hsia Ching Co., Ltd.	Associates
Sino-American Silicon Products Inc.	The institutional chairman of the Company.
Sheng Chuang Energy Co., Ltd.	Associates
Susen Green Energy Co., Ltd.	The institutional chairman is the same as that of the Company.
BL Anakie Solar Pty Ltd.	Associates
BL Longford Solar Pty Ltd.	Associates

(2) Major Transactions with Related Parties

1. Operating Revenue

The Group's material sales to related parties are as follows:

<u>Related Party Type /Name</u>	<u>2025</u>	<u>2024</u>
Associates:		
Hsia Ching Co., Ltd.	\$ 135,953	202,960
BL Anakie Solar Pty Ltd.	64,082	-
BL Longford Solar Pty Ltd.	35,024	-
Other related party:		
Sino-American Silicon Products Inc.	4,164	-
Susen Green Energy Co., Ltd.	<u>1,358</u>	<u>-</u>
	<u>\$ 240,581</u>	<u>202,960</u>

Sales are made on the basis of general market conditions, and the price and payment period are not materially different from those of other clients.

2. Contract Balance

<u>Accounting Subject</u>	<u>Related Party Type /Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Associates:		
Contract assets	Hsia Ching Co., Ltd.	<u>\$ 1,901</u>	<u>13,900</u>
	Associates:		
Contract liabilities	Hsia Ching Co., Ltd.	<u>\$ -</u>	<u>70,133</u>
	Other related party:		
Contract liabilities	Sino-American Silicon Products Inc.	<u>\$ 146</u>	<u>-</u>

3. Receivables From Related Parties

<u>Accounting Subject</u>	<u>Related Party Type /Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:			
Accounts receivable - related parties	BL Anakie Solar Pty Ltd.	\$ 30,492	-
Accounts receivable - related parties	BL Longford Solar Pty Ltd.	29,426	-
Other related parties:			
Accounts receivable - related parties	Sino-American Silicon Products Inc.	1,915	-
		<u>\$ 61,833</u>	<u>-</u>
Associates:			
Other receivables - related parties	BL Anakie Solar Pty Ltd.	<u>\$ 300</u>	<u>-</u>

The Group's outstanding receivables from related parties are unsecured. As of December 31, 2025 and 2024, no impairment loss has been recognized for receivables from related parties after assessment.

4. Loans to Related Parties

Details of the actual drawdown of loans to related parties by the Group are as follows:

<u>Accounting Subject</u>	<u>Related Party Type /Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:			
Other receivables - related parties	Sheng Chuang Energy Co., Ltd.	<u>\$ 8,000</u>	<u>-</u>
Associates:			
Interest income	Sheng Chuang Energy Co., Ltd.	<u>\$ 53</u>	<u>-</u>

In 2025, the Group provided unsecured short-term loans with a maturity of within one year to Sheng Chuang Energy Co., Ltd. at an interest rate of 2.3%, which is comparable to market rates. These loans are expected to be collected within one year. Based on the assessment, no expected credit losses were recognized.

(3) Major Management Transactions

Compensation for major managers includes:

	<u>2025</u>	<u>2024</u>
Short-Term Employee Benefits	\$ 27,517	27,977
Post-Employment Benefits	852	838
Share-Based Payment	44	68
	<u>\$ 28,413</u>	<u>28,883</u>

8. Assets Pledged as Security

The following assets of the Group have been provided to various financial banks as financing limit applications, project pledges or pledge guarantees. The carrying value details of the assets pledged by the Group are as follows:

Asset Name	Pledge to Secure the Subject Matter	December 31, 2025	December 31, 2024
Financial assets at amortized cost – current	Short-term borrowings, short-term notes and bills payable and performance bond	<u>\$ 23,571</u>	<u>38,360</u>
Financial assets at amortized cost – non-current	Note 9(3) Agreed matters and loans	<u>\$ 379,647</u>	<u>389,119</u>
Property, plant, and equipment	Long-term loans	<u>\$ 183,563</u>	<u>187,763</u>
Property, plant, and equipment	Long-term loans	<u>\$ 53,240</u>	<u>55,157</u>
Property, plant, and equipment	Long-term loans	<u>\$ -</u>	<u>6,564</u>

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingent Liabilities:

	December 31, 2025	December 31, 2024
Purchase of Inventory	<u>\$ 35,778</u>	<u>29,750</u>

- (2) As of December 31, 2025, the Group had issued promissory notes for and \$1,575,284 thousand under a consolidated credit facility from financial institutions.
- (3) The Company purchases on behalf of its customers and all payments receivable on behalf of customers have been covered by insurance. On February 22, 2017, the Company entered into an insurance contract with Cathay Century Insurance Co., Ltd. to insure against the payment on behalf of the Company for \$148,442 thousand (US \$5,330 thousand). The insurance contract period is one year. The insurance coverage includes the Company's debtors who have gone bankrupt (Insolvency), delayed payments (Protracted Default) and political risks. The non-life insurance company will bear the loss of the Company at an underwriting ratio of 90%. The maximum liability amount is US \$10,000 thousand each. Cathay Century Insurance refused to claim the insurance premiums on the grounds that the payment in dispute was due on behalf of the insurer and did not conform to the insurance policy claim regulations.

In addition, in order to reduce the risk of accounts receivable and consider the efficiency of capital utilization, the Company has signed accounts receivable factoring agreements with financial institutions to sell accounts receivable to financial institutions (CTBC Bank and Taishin International Bank) on a non-recourse basis. In 2017, the factoring amount was \$435,776 thousand (US \$14,370 thousand), and the amount advanced was \$392,199 thousand (US \$12,933 thousand). According to the assessment of lawyers of TRI Law Offices appointed by the Company, the aforementioned accounts receivable factoring is a common clause in standard contract for the transfer of creditor's rights among between general financial institutions. The purchase price and the content of accounts receivable, as well as the transfer method and risk exposure are not inconsistent with the normal practices

of general creditor's rights transfer. However, the definition and recognition of commercial disputes in the factoring agreements are quite loose, and the relationship between lending and borrowing is mutually existing. This is common in domestic financial cases. Financial institutions have more room for interpretation and development. As of December 31, 2025, according to the agreement, the Company and the financial institution deposited \$11,115 thousand in demand deposits and time deposits \$368,532 thousand as agreed shall not be used, and promissory notes amounting to US \$13,556 thousand and \$35,041 thousand have been issued.

As mentioned above, the Company has insured the above-mentioned claims or sold them to financial institutions on a non-recourse basis, and the Company has also continued to discuss with appointed lawyers to conduct legal proceedings and proceedings.

In addition, according to the contract, the Company did not pay the Company's receivables and payments on behalf of China Potevio Co., Ltd. and Potevio International Company Limited (hereinafter referred to as "Potevio Group") in the amount of US \$4,459 thousand. The Company has issued several letters to request Potevio Group to delay the outstanding accounts for various reasons. In June 2018, the Company commissioned a lawyer to arbitration the breach of contract by Potevio Group, but the other party reverse the arbitration request to the South China International Economic and Trade Arbitration Commission, requiring the Company to double refund the performance bond paid by Potevio Group in the amount of US \$469 thousand. In July 2018, the lawyer appointed by the Company assessed that the Company has completed the delivery obligation, Potevio Group shall pay the Company the final payment for the goods and bear the liability for breach of contract, and the Company is not obliged to refund the advanced payment to Potevio Group (Potevio is known as the "Performance Deposit"). In January 2026, the Company received a notice from the South China International Economic and Trade Arbitration Commission that the judgment period will be extended to March 31, 2026.

- (4) The Group's subsidiary, Billion Watts Technologies Co., Ltd. ("Billion Watts"), received a payment order issued by the Taiwan Taipei District Court on May 23, 2025. The order was filed by a customer of Billion Watts, Aster Renewable Energy Co., Ltd., alleging that Billion Watts failed to perform its contractual obligations. Accordingly, the customer notified the termination of the contract and requested the refund of the first installment of the project payment amounting to NT\$6,269 thousand, together with interest accrued from the day following the service of the payment order until the date of full settlement.

However, Billion Watts considers the claim to be disputed and involving substantive issues regarding contract performance. In accordance with Article 516 of the Code of Civil Procedure, Billion Watts filed an objection with the Taiwan Taipei District Court on June 4, 2025. Billion Watts has formally appointed legal counsel to handle the litigation, and the case is currently under trial in the court of first instance.

- (5) The The Group's subsidiary, Billion Watts Technologies Co., Ltd. ("Billion Watts"), received a notice from the Civil Division of the Taiwan Taipei District Court on September

2, 2025, together with a complaint filed by Collective Ingenuity Renewable Co., Ltd. (“Collective Ingenuity”).

The case arises from disputes between Billion Watts and Collective Ingenuity regarding land development consulting service fees and related consulting matters. Accordingly, Collective Ingenuity has initiated a civil lawsuit against Billion Watts, claiming total compensation of NT\$100,800 thousand.

In response to the litigation, Billion Watts has appointed legal counsel and submitted its statement of defense in late September 2025. The case is currently under trial in the court of first instance.

10. Major Disaster Losses: None.

11. Major Events After the Reporting Period: None.

12. Others

Employee benefits, depreciation and amortization expense functions are summarized as follows:

By Function By Property	2025				2024			
	Classified as Operating Cost	Classified as Operating Expenses	Classified as Non-operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Classified as Non-operating Expenses	Total
Employee benefit expenses								
Salary expenses	55,417	238,077	-	293,494	58,952	207,694	-	266,646
Labor health insurance costs	5,416	17,645	-	23,061	5,286	17,972	-	23,258
Pension expenses	2,569	8,401	-	10,970	2,588	8,793	-	11,381
Remuneration paid to directors	-	3,900	-	3,900	-	3,191	-	3,191
Other employee welfare expense	3,636	9,276	-	12,912	3,505	10,146	-	13,651
Depreciation expenses	37,108	26,859	710	64,677	38,345	20,166	323	58,834
Amortization expense	167	9,275	-	9,442	-	7,604	-	7,604

13. Notes to Disclosures

(1) Information on Significant Transactions:

In 2025, the Group shall disclose the following information related to the major transactions in accordance with the financial reporting standards of securities issuers:

1. Lending to Others:

Unit: NT\$ Thousand

No.	Lending Company	Borrower	Current Accounts	Related Party or not	Maximum Balance for the Period	Ending Balance	Actual Drawdown	Interest Rate Range	Loan and Nature of Funds (Note 2)	Amount of Business Transactions	Reason for Short-Term Financing	Provision for Loss Amounts	Collateral		Loan and Limit of Funds to Individual Objects	Capital Loan and Total Limit
													Name	Value		
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Other receivables	Yes	45,000	45,000	-	2.35%	2	-	Operating turnover	-		-	107,229 (Note 3)	428,917 (Note 3)
0	Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Other receivables	Yes	30,000	-	-	2.30%	2	-	Operating turnover	-		-	107,229 (Note 3)	428,917 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	Yes	100,000	100,000	70,000	2.30%	2	-	Operating turnover	-		-	107,229 (Note 3)	428,917 (Note 3)
1	BEC Technologies Inc.	BEC International, LLC	Other receivables	Yes	19,923 (Note 5)	18,858 (Note 5)	- (Note 5)	0.00%	2	-	Repayment of bank loans	-		-	19,606 (Note 4)	39,212 (Note 4)
2	NoonSpare Energy Technology Co.,Ltd.	Billion Electric Co., Ltd.	Other receivables	Yes	80,000	-	-	1.70%	2	-	Repayment of bank loans	-		-	72,797 (Note 6)	72,797 (Note 6)
3	Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	Other receivables	Yes	20,000	20,000	5,000	2.35%	2	-	Operating turnover	-		-	84,059 (Note 7)	168,119 (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	-		-	84,059 (Note 7)	168,119 (Note 7)
3	Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Other receivables	Yes	21,010	21,010	20,760	3.64%	2	-	Operating turnover	-		-	84,059 (Note 7)	168,119 (Note 7)

Note 1: The remarks for the serial number column are as follows:

- (1) For issuer, write 0.
- (2) The investee company is numbered sequentially starting from Arabic numeral 1 according to the company type.

Note 2: 1. For those who have business transactions.
2. Necessary for short-term financing.

Note 3: The limits prescribed by the Company’s operating procedures for capital lending are as follows:

- (1) The capital lending line for individual object shall be limited to no more than 5% of the net value of the owner of Billion Electric Co., Ltd. for the current period.
- (2) The total amount of foreign capital lending shall be limited to no more than 20% of the net value of the owner of Billion Electric Co., Ltd. for the current period.

Note 4: The limits prescribed by BEC Technologies Inc.’s operating procedures for capital lending are as follows:

- (1) The capital lending line for individual object shall be limited to no more than 10% of the net value of the owner of BEC Technologies Inc. for the current period.
- (2) The total amount of foreign capital lending shall be limited to no more than 20% of the net value of the owner of BEC Technologies Inc. for the current period.

Note 5: BEC Technologies Inc., a subsidiary of the Company, has lent a new capital to BEC International LLC, a second-tier subsidiary, an amount of US\$600 thousand since January 2021. The actual amount spent was US\$0 thousand. The exchange rate of USD to NTD at the end of the period was 1:31.43.

Note 6: The limits prescribed by the NoonSpare Energy Technology Co., Ltd. operating procedures for capital lending are as follows:

- (1) The capital lending line for individual object shall be limited to no more than 30% of the net current value of NoonSpare Energy Technology Co., Ltd.
- (2) The total amount of foreign capital lending shall be limited to no more than 30% of the net current value of NoonSpare Energy Technology Co., Ltd.

Note 7: The limits on fund lending in accordance with the procedures for lending funds of Billion Watts Technologies Co., Ltd. are as follows:

- (1) The capital lending line for individual object shall be limited to no more than 20% of the net current value of Billion Watts Technologies Co., Ltd.

- (2) The total amount of foreign capital lending shall be limited to no more than 40% of the net current value of Billion Watts Technologies Co., Ltd.
- (3) Starting from November 2025, the Company’s subsidiary, Billion Watts Technologies Co., Ltd., newly provided a loan to its sub-subsidiary, Billion Watts Australia Pty Ltd, amounting to AUD 1,000 thousand, of which the actual amount drawn was AUD 1,000 thousand. The exchange rate at the end of the period was AUD 1: NT\$21.01.

Note 8: Except for transactions between Billion Watts Technologies Co., Ltd. and Sheng Chuang Energy Co., Ltd., all other intercompany transactions between the parent and subsidiaries have been eliminated in the preparation of these consolidated financial statements.

2. Endorsement/Guarantee Provided for Others:

Unit: NT\$ Thousand

No.	Endorsement/ Guarantee Provider Name	Subject of Endorsements/Guarantees		Endorsement/ Guarantee Limit for a Single Business (Note 3)	Balance of Maximum Endorsement/ Guarantee for the Current Period	Final Endorsement/ Guarantees Balance	Actual Drawdown	Amount of endorsements /guarantees secured by collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Endorsement/ Guarantee Ceiling (Note 3 and Note 4)	Endorsement/ Guarantee by Parent Company for Subsidiary	Endorsement/ Guarantee by Subsidiary for Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relation (Note 2)										
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	2	1,072,293	60,000	15,000	-	-	0.70%	2,144,587	Y	N	N
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	2	1,072,293	65,026	65,026	-	-	3.03%	2,144,587	Y	N	N
0	Billion Electric Co., Ltd.	Taichuang Energy Co., Ltd.	6	1,072,293	125,000	-	-	-	-%	2,144,587	N	N	N
1	Billion Watts Technologies Co., Ltd.	BL Anakie Solar Pty Ltd.	6	210,149	65,026	65,026	-	-	15.47%	420,298	N	N	N

Note 1: The remarks for the serial number column are as follow:

- (1) For issuer, write 0.
- (2) The investee company is numbered sequentially starting from Arabic numeral 1 according to the company type.

Note 2: The relationship between the endorser and the object endorsed is as follows:

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

Note 3: The limits on endorsements and guarantees in accordance with the Company’s procedures for endorsements and guarantees are as follows:

- (1) The amount of endorsements and guarantees provided to any single enterprise shall not exceed 50% of the current equity attributable to owners of Billion Electric Co., Ltd.
- (2) The aggregate amount of endorsements and guarantees provided to external parties shall not exceed the current equity attributable to owners of Billion Electric Co., Ltd.

Note 4: The limits on endorsements and guarantees in accordance with the procedures for endorsements and guarantees of Billion Watts Technologies Co., Ltd. are as follows:

- (1) The amount of endorsements and guarantees provided to any single enterprise shall not exceed 50% of the current net worth of Billion Watts Technologies Co., Ltd.
- (2) The aggregate amount of endorsements and guarantees provided to external parties shall not exceed the current net worth of Billion Watts Technologies Co., Ltd.
- (3) Starting from November 2025, the Company’s subsidiary, Billion Watts Technologies Co., Ltd., newly provided endorsements and guarantees to its associate, BL Anakie Solar Pty Ltd, amounting to AUD 3,095 thousand, which were translated into New Taiwan dollars at the exchange rate at the end of the month.

3. Significant Securities Held at the End of the Period (Excluding Interests of Investment Subsidiaries, Associates and Joint Ventures):

Unit: NT\$ Thousand/Thousand Shares/Thousand Units

Securities Holder	Type and Name of Marketable Securities	Relationship With Issuers of Securities	Journal Accounts	End of Period				Highest Shareholding Percentage During the Period	Remarks
				Number of Shares	Carrying Amount of Investment	Shareholding Ratio	Fair Value		
Billion Electric Co., Ltd.	Ennova Technologies, Inc.	N/A	Financial assets at fair value through other comprehensive income - non-current	591	6,935	14.78%	6,935	18.33%	
NoonSpare Energy Technology Co.,Ltd.	Jong Shyn Shipbuliding Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	60	5,197	0.07%	5,197	0.07%	
BEC Technologies Inc.	Invesco QQQ Tr Unit Ser 1	N/A	Financial assets at fair value through profit or loss - current	-	1,680	-%	1,680	-%	
BEC Technologies Inc.	Vaneck Etf Trust Mrngstr Wde Moat	N/A	Financial assets at fair value through profit or loss - current	-	316	-%	316	-%	
BEC Technologies Inc.	Berkshire Hathaway Inc	N/A	Financial assets at fair value through profit or loss - current	-	1,453	-%	1,453	-%	

4. The Amounts of Imports and Sales with Related Parties Is \$100 Million or More Than 20% of the Paid-In Capital:

Unit: NT\$ Thousand

Supplier (Buyer) Company	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)		Remarks
			Purchases (sales)	Amount	Proportion of Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Balance	Proportion of Total Notes and Accounts Receivable (Payable)	
Billion Electric Co., Ltd.	BEC Technologies Inc.	Subsidiaries of the Company	(Sales)	126,430	30.36%	60 days after delivery	-		7,525	11.10%	Note 1
Billion Watts Technologies Co., Ltd.	Hsia Ching Co., Ltd.	Associates	(Sales)	135,953	10.18%	Contract collections	-	-	-	-%	

Note 1: The transactions listed on the left have been eliminated in the preparation of the consolidated financial statements.

5. Amounts Receivable from Related Parties Amounting to \$100 Million or More Than 20% of the Paid-In Capital: None.

6. Business Relations and Important Transactions Between the Parent and Subsidiary Companies:

No.	Company Name	Transacting Counterparty	Relationship with Counterparty	Transaction Status			
				Accounts	Amount	Terms	Proportion of Consolidated Revenues or Assets
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Sales revenue	126,430	Mark-up from the cost according to the item type	6.00%
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Accounts receivable - related parties	7,525	60 days after delivery	0.26%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Sales revenue	55,251	Mark-up from the cost according to the item type	2.62%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Accounts receivable - related parties	10,814	Net 60 days from month-end	0.38%
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Other receivables -related parties	70,000	Capital lending	2.46%
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Sales revenue	18,982	Mark-up from the cost according to the item type	0.90%
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Accounts receivable - related parties	2,866	Net 60 days from month-end	0.10%
0	Billion Electric Co., Ltd.	Sheng Chuang Energy Co., Ltd.	1	Sales revenue	7,259	Mark-up from the cost according to the item type	0.34%
1	Billion Watts Technologies Co., Ltd.	Billion Electric Co., Ltd.	2	Other income	35,724	In accordance with the service agreement	1.69%
1	Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	3	Other receivables -related parties	5,000	Capital lending	0.18%
1	Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	3	Other receivables -related parties	20,760	Capital lending	0.73%
2	Billion EVC Technologies Co., Ltd.	Billion Watts Technologies Co., Ltd.	3	Sales revenue	7,237	Mark-up from the cost according to the item type	0.34%

Note 1: The number should be filled in as follows:

- (1) 0 represents the parent company.
- (2) Subsidiaries are numbered sequentially starting with the Arabic numeral 1.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiaries to subsidiaries.

Note 3: The business relationship and important transactions between the parent company and the subsidiary company are only disclosed in terms of sales and accounts receivable, while the relative purchase and accounts payable are not mentioned here.

Note 4: The above transactions have been written off at the time of preparation of the consolidated financial table.

(2) Related Information on Investees

Unit: NT\$ Thousand/US\$ Thousand/AU\$ Thousand/Thousand Shares

Name of the Investment Company	Name of Investee	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Interim Maximum Holding Ratio	Profit and Loss of the Investee in the Current Period	Investment Gains and Losses Recognized in the Current Period	Remarks
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment				
Billion Electric Co., Ltd.	BEC Technologies Inc.	United States	Sales businesses of telecommunication related products	69,257	69,257	2,294	91.76%	166,848	91.76%	(26,426)	(24,248)	Note 2
Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Taiwan	Solar and energy storage solution services, power plant operation and management services, etc.	293,148	136,689	18,458	100.00%	414,376	100.00%	118,350	13,035	Note 2
Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	76,861	80,000	7,686	100.00%	18,913	100.00%	(58,048)	(58,048)	Note 2
Billion Electric Co., Ltd.	Pacific Solar Limited	Seychelles	International investment	-	-	-	-%	-	100.00%	-	-	Note 3
Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	Taiwan	Distribution services for solar power plant equipment and EV charger	26,025	26,025	1,837	51.00%	24,452	51.00%	3,964	2,023	Note 2
Billion Electric Co., Ltd.	Billion Electric Holding Co., Ltd.	Taiwan	Investment company	12,000	12,000	1,200	100.00%	860	100.00%	(108)	(108)	Note 2
Billion Electric Co., Ltd.	Billion EV Charging Technologies Co., Ltd.	Taiwan	Community charging station and energy storage supply services, etc.	15,051	47,794	2,200	100.00%	47	100.00%	(118)	(118)	Note 2
Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Taiwan	Design, manufacturing, construction and sales business of solar power plants	20,000	20,000	2,000	100.00%	20,125	100.00%	1,956	1,956	Note 2
Billion Electric Co., Ltd.	Hsia Ching Co., Ltd.	Taiwan	Renewable energy non-utility power generation equipment business	27,000	27,000	2,700	5.24%	21,701	5.24%	(49,878)	(2,614)	Note 1
Billion Electric Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Energy storage sales business	-	10,626	-	-%	-	-%	(5,504)	(994)	Note 2
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%	142,161	59.02%	(50,452)	(31,915)	Note 2
Billion Electric Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	-	48,601	-	-%	-	100.00%	(13)	(13)	Note 2
BEC Technologies Inc.	BEC International, LLC	United States	International investment	40,996	40,996	-	100.00%	66,516	100.00%	(666)	(666)	Note 2

Name of the Investment Company	Name of Investee	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Interim Maximum Holding Ratio	Profit and Loss of the Investee in the Current Period	Investment Gains and Losses Recognized in the Current Period	Remarks
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment				
BEC Technologies Inc.	Avantek Systems PTE. LTD	Singapore	Cloud software management services	8,486 (USD270)	8,852 (USD270)	270	75.00%	7,556	75.00%	(1,225)	(918)	Note 2
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc.	Taiwan	Design and sales services of energy software	5,100	5,100	510	51.00%	7,592	51.00%	4,329	2,208	Note 2
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Taiwan	Energy service business	2,000	100	200	20.00%	1,929	100.00%	(346)	(220)	Note 1
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd	Japan	Energy storage sales business	3,494	-	5	100.00%	(1,139)	100.00%	(5,504)	(4,510)	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%	24,632	100.00%	2,839	2,839	Note 2
Billion Watts Technologies Co., Ltd.	Billion AU Holding Pty Ltd.	Australia	Energy storage sales business	-	-	-	100.00%	-	100.00%	-	-	
Billion Watts Technologies Co., Ltd.	Relocate Energy Storage Co., Ltd.	Taiwan	Energy storage sales business	8,000	-	800	40.00%	8,020	40.00%	50	20	Note 1
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd.	Japan	Energy storage sales business	1,004 (JPY5,000)	-	1	100.00%	805	100.00%	(207)	(207)	
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd.	Australia	Energy storage sales business	21,678 (AUD1,032)	-	1,032	30.80%	18,672	100.00%	(2,147)	(1,555)	Note 1
Billion Watts Australia Pty Ltd.	BL Longford Solar Pty Ltd.	Australia	Energy storage sales business	4,202 (AUD200)	-	200	40.00%	2,798	40.00%	(12)	-	Note 1

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

Note 2: The transactions listed on the left have been eliminated in the preparation of the consolidated financial statements.

Note 3: Dissolved and completed its liquidation procedures on November 25, 2025.

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

14. Segment Information

(1) General Information

The information provided by the Group to key operational decision makers for allocating resources and evaluating the performance of the division is focused on the regions. The reporting departments of the Group are Taiwan, relevant regions of Mainland China and the United States. The regional departments are mainly engaged in the design, manufacturing and sales of products such as electronic components and power supply, transformers, ISDN cards and ADSL cards, as well as the sales of equipment for renewable energy power generation for own use, solar power plant equipment, energy technology services and etc.

The main operational decision makers regarded the subsidiaries engage in the design, manufacturing and sales businesses of electronic components and power supply equipment, transformers, ISDN cards and ADSL cards, as well as the sale of equipment for renewable energy power generation for self-use, solar power plant equipment and energy technology services in various regions as separate operational departments. However, when preparing the consolidated financial statements, the Group considered the following factors and regarded these operational departments as a single operational department:

1. Nature and process of the products are similar.
 2. Pricing strategy and sales model of the products are similar.
 3. Delivery methods to customers are identical.
- (2) Departmental Profit and Loss, Assets, Liabilities and Their Measurement Basis and Reconciliation Information Should Be Reported

The information and adjustment of the Group's operating departments are as follows:

	2025				
	Communication	Power Supply Equipment	Renewable Energy Equipment	Adjustments and write off	Total
Revenue from external customers	\$ 287,835	158,124	1,662,596	-	2,108,555
Interdepartmental income	<u>128,863</u>	<u>1,221</u>	<u>93,319</u>	(<u>223,403</u>)	-
Total revenue	<u>\$ 416,698</u>	<u>159,345</u>	<u>1,755,915</u>	(<u>223,403</u>)	<u>2,108,555</u>
Departmental profit and loss should be reported	(<u>\$ 15,089</u>)	<u>16,687</u>	(<u>130,877</u>)	(<u>11,614</u>)	(140,893)
Share of associates' profit and loss under equity method					(<u>2,888</u>)
Net loss before tax					(<u>\$ 143,781</u>)

	2024				
	Communication	Power Supply Equipment	Renewable Energy Equipment	Adjustments and write off	Total
Revenue from external customers	\$ 248,386	145,705	1,629,844	-	2,023,935
Interdepartmental income	99,946	4,469	69,308	(173,723)	-
Total revenue	<u>\$ 348,332</u>	<u>150,174</u>	<u>1,699,152</u>	<u>(173,723)</u>	<u>2,023,935</u>
Departmental profit and loss should be reported	(\$ 44,574)	17,185	76,744	(1,973)	47,382
Share of associates' profit and loss under equity method					(2,729)
Net profit before tax					<u>\$ 44,653</u>

The measurement of total assets and liabilities of the Group segment information is not provided to the operating decision makers.

(3) Geographical Information

The breakdown of the Group is shown below, where revenue is classified on the basis of the geographic location of operations.

Geographical	2025	2024
Revenue from external customers:		
Americas	\$ 297,221	\$ 240,869
Asia	1,708,460	1,767,966
Europe	3,719	14,381
Oceania	49	719
Australia	99,106	-
	<u>\$ 2,108,555</u>	<u>\$ 2,023,935</u>
Non-current assets:		
Taiwan	\$ 738,149	\$ 911,355
United States	66,543	69,898
Total	<u>\$ 804,692</u>	<u>\$ 981,253</u>

(4) Primary Client Information:

Clients with sales of more than 10% of the Group's revenue are as follows:

	2025	2024
Client A	\$ 491,671	\$ 628,919
Client B	-	207,286
Client C	-	202,960
Client D	334,890	-
Total	<u>\$ 826,561</u>	<u>\$ 1,039,165</u>