

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

For the Six Months Ended June 30, 2026 and 2025

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Billion Electric Co., Ltd. and its subsidiaries as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to form a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusions

As stated in Note 6 (9), the equity accounted investments of Billion Electric Co., Ltd. and its subsidiaries in its investee companies of \$32,551 thousand and \$23,241 thousand as of June 30, 2026 and 2025, and the related share of loss of associates accounted for using equity method on these investee companies of \$555 thousand, \$498 thousand, \$1,099 thousand and \$1,074 thousand for the three months and six months ended June 30, 2026 and 2025, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusions

Based on our review, except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Billion Electric Co., Ltd. and its subsidiaries as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Certified Public Accountants Firm

August 13, 2026

Notes to Readers

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

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

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

Billion Electric Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

June 30, 2026, December 31, 2025 and June 30, 2025

Unit: NT\$ Thousand

		2026.6.30		2025.12.31		2025.6.30				2026.6.30		2025.12.31		2025.6.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%
Current Assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(1) and (28))	\$ 505,329	17	540,932	19	507,079	17	2100	Short-term borrowings (Note 6(17), (28) and (31))	\$ 65,000	2	30,000	1	75,000	2
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (28))	3,798	-	3,449	-	2,988	-	2130	Contract liabilities - current (Note 6(25) and 7)	165,257	6	156,499	6	192,124	6
1136	Financial assets at amortized cost - current (Note 6(4), (28) and 8)	133,986	4	111,913	4	103,252	3	2150	Notes payable (Note 6(28))	5,193	-	-	-	303	-
1140	Contract asset - current (Note 6(25) and 7)	92,700	3	53,717	2	46,939	1	2170	Accounts payable (Note 6(28))	223,677	7	94,507	3	120,622	4
1150	Net notes receivable (Note 6(5), (25) and (28))	4,716	-	3,608	-	1,005	-	2200	Other payables (Note 6(28) and (31))	84,712	3	102,626	4	112,396	4
1170	Net accounts receivable (Note 6(5), (25) and (28))	85,013	3	97,758	4	216,486	7	2230	Current income tax liabilities	4,821	-	10,462	-	17,576	1
1180	Net accounts receivable - related parties (Note 6(5), (25), (28) and 7)	38,513	1	61,833	2	21,602	1	2260	Liabilities related to non-current assets classified as held for sale (Note 6(8))	532	-	-	-	-	-
1200	Other receivables (Note 6(6) and (28))	40,159	1	37,600	1	8,278	-	2280	Lease liabilities - current (Note 6(19), (28) and (31))	16,277	-	14,102	-	14,186	1
1210	Other receivables - related parties (Notes 6(6), (28) and 7)	276	-	8,300	-	-	-	2320	Current portion of long-term borrowings (Note 6(18), (28) and (31))	-	-	-	-	1,939	-
1220	Income tax assets in the current period	3,077	-	7,439	-	4,422	-	2300	Other current liabilities	49,553	2	49,600	2	9,739	-
130X	Inventories (Note 6(7))	201,170	8	239,669	8	427,837	14		Total current liabilities	615,022	20	457,796	16	543,885	18
1460	Non-current assets classified as held for sale (Note 6(8))	4,527	-	-	-	-	-	2570	Deferred income tax liabilities	24,270	1	19,922	-	19,077	-
1470	Other current assets (Note 6(16))	100,851	3	57,505	2	49,446	2	2580	Lease liabilities - non-current (Note 6(19), (28) and (31))	50,526	2	49,807	2	55,227	2
1482	Current costs of fulfil a contract (Note 6(25))	265,283	10	157,081	6	190,095	6	2640	Net defined benefit liabilities - non-current	524	-	475	-	8,663	-
	Total Current Assets	1,479,398	50	1,380,804	48	1,579,429	51	2645	Guarantee deposits received	23,391	-	23,414	1	30,087	1
	Non-Current Assets:							2600	Other liabilities - non-current	1,173	-	1,391	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (28))	15,876	-	12,132	-	65,799	2		Total non-current liabilities	99,884	3	95,009	3	113,054	3
1535	Financial assets at amortized cost - non-current (Note 6(4), (28) and 8)	384,760	13	379,647	13	365,047	12		Total liabilities	714,906	23	552,805	19	656,939	21
1550	Investments accounted for using equity method (Note 6(9))	92,682	3	53,120	2	23,241	1		Equity (Note 6(22)):						
1600	Property, plant, and equipment (Note 6(12), (31) and 8)	476,442	16	680,170	24	822,591	27	3110	Ordinary shares capital	1,299,604	43	1,301,006	46	1,160,041	38
1755	Right-of-use asset (Note 6(13), (31))	63,662	2	61,099	2	66,932	2	3140	Capital collected in advance	-	-	178	-	605	-
1760	Investment property (Note 6(14))	242,523	8	57,382	2	23,797	1			1,299,604	43	1,301,184	46	1,160,646	38
1780	Intangible assets (Note 6(15))	4,673	-	6,041	-	48,831	1	3200	Capital surplus	704,104	24	704,643	25	687,422	22
1840	Deferred income tax assets	35,135	1	33,725	2	19,195	1		Retained earnings:						
1900	Other non-current assets (Note 6(16))	83,573	3	86,220	3	55,390	2	3310	Legal reserve	227,462	8	227,462	8	227,462	8
1955	Contract performance costs - non-current (Note 6(25))	112,696	4	97,183	4	-	-	3320	Special reserve	38,678	1	38,678	1	38,678	1
	Total Non-Current Assets	1,512,022	50	1,466,719	52	1,490,823	49	3350	(Accumulated deficit) Unappropriated retained earnings	(71,194)	(2)	(63,818)	(2)	31,581	1
										194,946	7	202,322	7	297,721	10
									Other equity:						
								3410	Exchange differences on translation of foreign financial statements	2,846	-	(142)	-	(11,032)	-
								3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(38,892)	(1)	(38,743)	(1)	(34,745)	(1)
										(36,046)	(1)	(38,885)	(1)	(45,777)	(1)
								3500	Treasury shares	(21,295)	(1)	(24,677)	(1)	(24,677)	(1)
									Total equity attributable to owners of parent	2,141,313	72	2,144,587	76	2,075,335	68
								36XX	Non-controlling interests	135,201	5	150,131	5	337,978	11
									Total equity	2,276,514	77	2,294,718	81	2,413,313	79
	Total Assets	\$ 2,991,420	100	2,847,523	100	3,070,252	100		Total liabilities and equity	\$ 2,991,420	100	2,847,523	100	3,070,252	100

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

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

Billion Electric Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

Unit: NT\$ thousands

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6 (25), 7 and 14)	\$ 351,086	100	731,149	100	702,374	100	1,376,523	100
5000	Operating costs (notes 6 (7), (12), (13), (15), (20) and 12)	265,414	76	596,737	82	532,457	76	1,149,758	84
	Gross profit	85,672	24	134,412	18	169,917	24	226,765	16
5910	Less: Unrealized Profit on Sales	5,175	1	-	-	6,636	1	-	-
	Realized Operating Gross Profit	80,497	23	134,412	18	163,281	23	226,765	16
	Operating expenses (notes 6 (5), (12), (13), (15), (19), (20), (23), (26) and 12)								
6100	Sales expenses	36,474	10	24,629	3	63,961	9	58,552	4
6200	Administrative expenses	44,436	13	65,859	9	87,685	13	112,173	8
6300	Research and development expenses	23,424	7	23,120	3	42,012	6	46,586	3
6450	Expected credit loss	344	-	9,501	1	2,214	-	7,560	1
	Total operating expenses	104,678	30	123,109	16	195,872	28	224,871	16
	Profit (loss) from operations	(24,181)	(7)	11,303	2	(32,591)	(5)	1,894	-
	Non-operating income and expenses (notes 6 (9), (14), (19), (27) , (28) and 12)								
7100	Interest income	3,640	1	5,525	1	9,100	1	11,399	1
7010	Others	5,299	1	4,017	-	9,940	1	61,826	4
7020	Other gains and losses	(813)	-	(71,465)	(10)	10,673	2	(64,397)	(5)
7050	Finance costs	(820)	-	(1,197)	-	(1,504)	-	(3,730)	-
7060	Share of profit (loss) of associates accounted for using equity method	(1,237)	-	(498)	-	(2,384)	-	(1,074)	-
	Total non-operating income and expenses	6,069	2	(63,618)	(9)	25,825	4	4,024	-
7900	Profit (loss) before tax	(18,112)	(5)	(52,315)	(7)	(6,766)	(1)	5,918	-
7950	Less: Income tax (benefit) expenses (note 6 (21))	(421)	-	(1,584)	-	9,250	1	14,163	1
8200	Net loss for the period	(17,691)	(5)	(50,731)	(7)	(16,016)	(2)	(8,245)	(1)
8300	Other comprehensive income (loss) (note 6 (21) and (22) and (28))								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(238)	-	41	-	(256)	-	(218)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(238)	-	41	-	(256)	-	(218)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(1,053)	-	(25,622)	(4)	3,663	-	(22,550)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(176)	-	(4,643)	(1)	488	-	(4,112)	-
	Components of other comprehensive income that will be reclassified to profit or loss	(877)	-	(20,979)	(3)	3,175	-	(18,438)	(1)
8300	Other comprehensive income or loss	(1,115)	-	(20,938)	(3)	2,919	-	(18,656)	(1)
8500	Total comprehensive income or loss	<u>\$ (18,806)</u>	<u>(5)</u>	<u>(71,669)</u>	<u>(10)</u>	<u>(13,097)</u>	<u>(2)</u>	<u>(26,901)</u>	<u>(2)</u>
	Net income (loss) attributable to:								
8610	Owners of parent	\$ (13,668)	(4)	(52,239)	(7)	(7,376)	(1)	(16,039)	(2)
8620	Non-controlling interests	(4,023)	(1)	1,508	-	(8,640)	(1)	7,794	1
		<u>\$ (17,691)</u>	<u>(5)</u>	<u>(50,731)</u>	<u>(7)</u>	<u>(16,016)</u>	<u>(2)</u>	<u>(8,245)</u>	<u>(1)</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (14,590)	(4)	(70,750)	(10)	(4,537)	(1)	(32,440)	(2)
8720	Non-controlling interests	(4,216)	(1)	(919)	-	(8,560)	(1)	5,539	-
		<u>\$ (18,806)</u>	<u>(5)</u>	<u>(71,669)</u>	<u>(10)</u>	<u>(13,097)</u>	<u>(2)</u>	<u>(26,901)</u>	<u>(2)</u>
	Loss per share (NT\$) (Note 6 (24))								
9750	Basic loss per share	<u>\$ (0.11)</u>		<u>(0.45)</u>		<u>(0.06)</u>		<u>(0.14)</u>	
9850	Diluted loss per share	<u>\$ (0.11)</u>		<u>(0.45)</u>		<u>(0.06)</u>		<u>(0.14)</u>	

(See the attached notes to consolidated financial statements)

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

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2026 and 2025

Unit: NT\$ thousands

	Share capital			Equity attributable to owners of parent				Other equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares capital	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	(Accumulated deficit) Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			
Balance at January 1, 2025	\$ 1,155,328	4,713	692,146	227,462	40,765	45,533	313,760	5,240	(34,616)	(25,057)	2,111,514	367,920	2,479,434
Net loss for the six months ended June 30,2025	-	-	-	-	-	(16,039)	(16,039)	-	-	-	(16,039)	7,794	(8,245)
Other comprehensive income or loss for the six months ended June 30,2025	-	-	-	-	-	-	-	(16,272)	(129)	-	(16,401)	(2,255)	(18,656)
Total comprehensive income or loss for the six months ended June 30,2025	-	-	-	-	-	(16,039)	(16,039)	(16,272)	(129)	-	(32,440)	5,539	(26,901)
Appropriation and distribution of retained earnings:													
Reversal of special reserve	-	-	-	-	(2,087)	2,087	-	-	-	-	-	-	-
Actual disposal or acquisition of interests in subsidiaries	-	-	(5,256)	-	-	-	-	-	-	-	(5,256)	(24,260)	(29,516)
Share-based payment	-	605	532	-	-	-	-	-	-	380	1,517	6	1,523
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,227)	(11,227)
Capital collected in advance transferred to share capital	4,713	(4,713)	-	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2025	\$ 1,160,041	605	687,422	227,462	38,678	31,581	297,721	(11,032)	(34,745)	(24,677)	2,075,335	337,978	2,413,313
Balance at January 1, 2026	\$ 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
Net loss for the six months ended June 30,2026	-	-	-	-	-	(7,376)	(7,376)	-	-	-	(7,376)	(8,640)	(16,016)
Other comprehensive income or loss for the six months ended June 30,2026	-	-	-	-	-	-	-	2,988	(149)	-	2,839	80	2,919
Total comprehensive income or loss for the six months ended June 30,2026	-	-	-	-	-	(7,376)	(7,376)	2,988	(149)	-	(4,537)	(8,560)	(13,097)
Cancellation of treasury shares	(1,580)	-	(1,424)	-	-	-	-	-	-	3,004	-	-	-
Actual disposal or acquisition of interests in subsidiaries	-	-	842	-	-	-	-	-	-	-	842	1,273	2,115
Share-based payment	-	-	43	-	-	-	-	-	-	378	421	-	421
Capital collected in advance transferred to share capital	178	(178)	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,643)	(7,643)
Balance at June 30, 2026	\$ 1,299,604	-	704,104	227,462	38,678	(71,194)	194,946	2,846	(38,892)	(21,295)	2,141,313	135,201	2,276,514

(See the attached notes to consolidated financial statements)

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

Billion Electric Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2026 and 2025

Unit: NT\$ thousands

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Profit (loss) before tax	\$ (6,766)	5,918
Adjustments:		
Income and expense items		
Depreciation	26,931	31,911
Amortization	1,368	4,721
Expected credit loss	2,214	7,560
Net gain on financial assets at fair value through profit or loss	(328)	(211)
Interest expense	1,504	3,730
Interest income	(9,100)	(11,399)
Dividend income	(593)	(2)
Share-based payment transactions	1,386	11,250
Share of loss of associates accounted for using equity method	2,384	1,074
Gain on disposal of property, plant and equipment	(111)	(8)
Property, plant and equipment transferred to expenses	112	-
Gain on disposal of subsidiary	-	(13)
Unrealized profit on sales	6,636	-
Unrealized foreign exchange (gains) losses	(7,361)	57,060
Total income and expense items	25,042	105,673
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	3	29
Contract assets	(38,983)	145,210
Notes receivable	(1,108)	9,029
Accounts receivable	13,690	(102,320)
Accounts receivable - related party	23,383	(21,602)
Other receivables	(3,003)	5,772
Other receivables - related party	(48)	-
Inventories	37,850	(142,579)
Other current assets	(44,164)	(5,199)
Costs of fulfill a contract	(123,715)	658,132
Current contract liabilities	9,127	(495,093)
Notes payable	5,193	76
Accounts payable	129,294	14,897
Other payable	(17,788)	(6,214)
Other current liabilities	115	1,206
Net defined benefit liability	50	(714)
Other non-current liabilities	(415)	-
Total adjustments	14,523	166,303

(See the attached notes to consolidated financial statements)

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

Billion Electric Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

Unit: NT\$ thousands

	For the six months ended June 30	
	2026	2025
Cash flows (inflow) generated from operations	\$ 7,757	\$ 172,221
Interest received	8,369	12,622
Interest paid	(1,583)	(3,799)
Income taxes paid	(8,081)	(17,788)
Net cash flows from operating activities	6,462	163,256
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(4,000)	-
Acquisition of financial assets measured at amortized cost	(27,187)	-
Proceeds from sale of financial assets at amortized cost	-	41,041
Proceeds from disposal of financial assets at fair value through profit or loss	26	-
Acquisition of investments accounted for using equity method	(45,629)	-
Disposal of subsidiaries	47	42,996
Acquisition of property, plant and equipment	(4,108)	(12,878)
Proceeds from disposal of property, plant and equipment	233	432
Decrease in other receivables due from related parties	8,000	-
Acquisition of intangible assets	-	(514)
Decrease (increase) in other non-current assets	421	(32,945)
Dividends received	-	2
Net cash flows from (used in) investing activities	(72,197)	38,134
Cash flows from financing activities:		
Increase in short-term borrowings	213,000	-
Decrease in short-term borrowings	(178,000)	(187,855)
Decrease in short-term notes and bills payable	-	(79,914)
Repayments of long-term debt	-	(24,121)
(Decrease) increase in guarantee deposits received	(24)	23,605
Payment of lease liabilities	(8,424)	(8,119)
Proceeds from employee share options	-	1,062
Treasury shares transferred to employees	378	380
Acquisition of subsidiary equity	-	(32,704)
Disposal of ownership interests in subsidiaries (without losing control)	2,115	3,188
Change in non-controlling interests	(7,293)	-
Net cash flows from (used in) financing activities	21,752	(304,478)
Effect of exchange rate changes on cash and cash equivalents	8,380	(49,869)
Net decrease in cash and cash equivalents	(35,603)	(152,957)
Cash and cash equivalents at beginning of period	540,932	660,036
Cash and cash equivalents at end of period	\$ 505,329	507,079

(See the attached notes to consolidated financial statements)

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

Billion Electric Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2026 and 2025

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

1. Company History

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

2. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were adopted and issued by the Board of Directors on August 13, 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 consolidated financial statements, from January 1, 2026 :

- 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”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements :

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

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

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard 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 the 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 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 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 new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

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

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

- (3) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Group does not expect the following 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 20 “Regulatory Assets and Regulatory Liabilities”

4. Summary of Significant Accounting Policies

- (1) Statement of compliance

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

Except as described below, the significant accounting policies adopted in the consolidated financial report are consistent with those of the consolidated financial statements for the year ended December 31, 2025. For relevant information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

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

(2) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of Subsidiary	Main business activities	Ownership (%)			Explanation
			2026.6.30	2025.12.31	2025.6.30	
The Company	BEC Technologies Inc. (BEC Technologies)	Sales businesses of telecommunication related products	91.76%	91.76%	91.76%	
The Company	Billion Watts Technologies Co., Ltd. (Billion Watts)	Solar and energy storage solution services, power plant operation and management services, etc.	100.00%	100.00%	61.98%	Note 1
The Company	Billion Energy Storage Technologies Inc. (Billion Energy)	Energy Storage Sales business	100.00%	100.00%	100.00%	
The Company	Pacific Solar Limited (Pacific)	International investment	-%	-%	100.00%	Note 2
The Company	Billion EVC Technologies Co., Ltd. (Billion EVC)	Distribution services of solar power plant equipment and EV chargers	51.00%	51.00%	51.00%	
The Company	Billion Electric Holding Co., Ltd. (Billion Electric Holding)	Investment company	100.00%	100.00%	100.00%	Note 3
The Company	Billion EV Charging Technologies Co., Ltd. (Billion EV Charging)	Community charging piles and energy storage supply services	-%	100.00%	100.00%	Note 4
The Company	Billion Kai Co., Ltd. (Billion Kai)	Design, manufacturing, and sales business of solar power plant.	100.00%	100.00%	100.00%	Note 5
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.	58.02%	58.58%	58.58%	Note 6
BEC Technologies Inc.	BEC International, LLC (BEC International)	International investment	100.00%	100.00%	100.00%	
BEC Technologies Inc.	Avantek Systems PTE. LTD (AVANTEK SYSTEMS)	Cloud Software Hosting Services	75.00%	75.00%	75.00%	
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc. (Billion Power System)	Design and sales services of energy software	51.00%	51.00%	51.00%	Note 7
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd. (Sheng Chuang Energy)	Energy service business	20.00%	20.00%	100.00%	Note 8
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd. (Billion Electric JP)	Energy storage sales business	100.00%	100.00%	100.00%	
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd. (BW AU)	Solar and energy storage solution services, power plant operation and management services, etc.	100.00%	100.00%	100.00%	
Billion Watts Technologies Co., Ltd.	Billion AU Holing Pty Ltd. (AU Holding)	Energy storage sales business	-%	100.00%	100.00%	Note 9
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd. (Billion Energy)	Energy storage sales business	-%	100.00%	100.00%	Note 10
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd. (BL Anakie)	Energy storage sales business	30.80%	30.80%	100.00%	Note 11
Billion Watts Australia Pty Ltd.	Billion AU Holing Pty Ltd. (AU Holding)	Energy storage sales business	40.00%	-%	-%	Note 9
BL Anakie Solar Pty Ltd.	BL Anakie Solar Nominees Pty Ltd. (BL Anakie Solar Nominees)	Energy storage sales business	-%	-%	100.00%	Note 11

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

- 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 Electric Holding Co., Ltd. was dissolved on March 31, 2026, and its liquidation procedures are still in progress as of the reporting date.
- Note 4: Billion EV Charging Technologies Co., Ltd. was dissolved on February 28, 2025, and completed its liquidation procedures in May 2026.
- Note 5: Billion Kai Co., Ltd. was dissolved on May 29, 2026, and its liquidation procedures are still in progress as of the reporting date.
- Note 6: In the second quarter of 2026, the Company disposed of 146 thousand shares of Noonspare Energy Technology Co., Ltd., resulting in a decrease in its ownership interest from 58.58% to 58.02%.
- Note 7: Billion Power System Technologies Inc. was dissolved on December 5, 2025, and its liquidation procedures are still in progress as of the reporting date.
- Note 8: 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. The share transfer was completed in September 2025, resulting in a decrease in its ownership interest from 100% to 20% and the loss of control over Sheng Chuang Energy Co., Ltd.
- Note 9: In January 2026, the Group carried out an organizational restructuring, under which the 100% equity interest in AU Holding previously held by Billion Watts Technologies Co., Ltd. was transferred to BW AU, which then held 100% of the equity interest. Subsequently, in March 2026, BW AU participated in the cash capital increase of AU Holding. Because BW AU did not subscribe to the capital increase in proportion to its existing shareholding, its ownership interest decreased from 100% to 40%, resulting in the loss of control over AU Holding. Please refer to Note 6(9) for details.
- Note 10: Billion Energy was dissolved and completed its liquidation procedures on May 18, 2026.
- Note 11: The Group acquired a 100% equity interest in BL Anakie in March 2025. Subsequently, in July 2025, the Group participated in the cash capital increase of BL Anakie. Because the Group did not subscribe to the capital increase in proportion to its existing shareholding, its ownership interest decreased from 100% to 30.8%, resulting in the loss of control over BL Anakie and its subsidiary, BL Anakie Solar Nominees.

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

(3) Non-current assets classified as held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

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

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 - Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(4) Employee benefits

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

(5) Income tax

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

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

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

5. Significant Accounting Assumptions and Judgements, and Major Sources of Estimation Uncertainty

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

When preparing the consolidated financial statements, the significant judgments made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty are consistent with those in Note 5 of the consolidated financial statements for the fiscal year 2025.

6. Explanation of Significant Accounts

Except as described below, the significant accounting policies adopted in the consolidated financial report are consistent with those of the consolidated financial statements for the year ended December 31, 2025. For relevant information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	2026.6.30	2025.12.31	2025.6.30
Petty cash	\$ 828	875	638
Bank deposits	260,383	305,306	381,524
Time deposits	22,629	44,649	41,624
Repurchase agreements collateralized by bonds	221,489	190,102	83,293
	\$ 505,329	540,932	507,079

For the disclosure of interest rate risk and sensitivity analysis of the Group’ financial assets and liabilities, please refer to Note 6(28).

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

	2026.6.30	2025.12.31	2025.6.30
Financial assets at fair value through profit or loss:			
Non-derivative financial assets			
Foreign listed stock	\$ 1,466	1,453	1,310
Fund beneficiary certificates	2,332	1,996	1,678
Total	\$ 3,798	3,449	2,988

For the amount of remeasurement at fair value recognized in profit or loss, please refer to Note 6(27).

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

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

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Equity instruments at fair value through other comprehensive income:			
Domestic emerging markets stocks	\$ 4,941	5,197	5,398
Domestic unlisted stocks	10,935	6,935	60,401
	<u>\$ 15,876</u>	<u>12,132</u>	<u>65,799</u>

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

(4) Financial assets measured at amortized cost

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Current			
Time deposits	\$ 97,914	88,342	72,016
Restricted deposit - current	36,072	23,571	31,236
	<u>\$ 133,986</u>	<u>111,913</u>	<u>103,252</u>
Non-current			
Time deposits	\$ -	-	10,500
Restricted deposit - non-current	384,760	379,647	354,547
	<u>\$ 384,760</u>	<u>379,647</u>	<u>365,047</u>

Information on the Group's financial assets measured at amortized cost provided as collateral for short-term and long-term borrowings and credit facilities as of June 30, 2026, December 31, 2025, and June 30, 2025 is disclosed in Note 8.

(5) Notes and accounts receivable

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Notes receivable	\$ 4,716	3,608	1,005
Accounts receivable	92,100	105,156	227,538
Accounts receivable - related parties	38,513	61,833	21,602
Less: loss allowances	(7,087)	(7,398)	(11,052)
	<u>\$ 128,242</u>	<u>163,199</u>	<u>239,093</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.

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

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

2026.6.30			
	Notes and accounts receivable carrying amount	Expected weighted average credit loss rate	Allowance duration expected credit losses
Not past due	\$ 119,461	0.06%~0.49%	346
1 to 30 days past due	6,759	0.78%~3.55%	68
31 to 60 days past due	1,633	3.82%~10.67%	62
61 to 90 days past due	988	12.5%~30.74%	123
Past due for 91 days or more	6,488	100%	6,488
	\$ 135,329		7,087
2025.12.31			
	Notes and accounts receivable carrying amount	Expected weighted average credit loss rate	Allowance duration expected credit losses
Not past due	\$ 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
Past due for 91 days or more	6,116	100%	6,116
	\$ 170,597		7,398
2025.6.30			
	Notes and accounts receivable carrying amount	Expected weighted average credit loss rate	Allowance duration expected credit losses
Not past due	\$ 239,093	0%	-
Past due for 121 days or more	11,052	100%	11,052
	\$ 250,145		11,052

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

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

	For the six months ended June 30	
	2026	2025
Beginning balance	\$ 7,398	4,661
Impairment loss (gain on reversal) recognized	(221)	7,560
Amounts written off as uncollectible	(170)	(74)
Foreign exchange losses (gains)	80	(1,095)
Ending balance	<u>\$ 7,087</u>	<u>11,052</u>

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group did not have any notes receivable or accounts receivable pledged as collateral.

(6) Other receivables

	2026.6.30	2025.12.31	2025.6.30
Other receivables - loans to related parties	\$ -	8,000	-
Other receivables - related parties	276	300	-
Payments on behalf of others receivable	169,761	167,523	156,170
Business tax refund receivable	-	893	492
Interest receivable	1,911	1,179	1,512
Power trading collections on behalf of others	36,112	33,740	-
Other	4,571	1,788	6,274
Less: loss allowances	(172,196)	(167,523)	(156,170)
	<u>\$ 40,435</u>	<u>45,900</u>	<u>8,278</u>

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

	For the six months ended June 30	
	2026	2025
Beginning balance	\$ 167,523	174,745
Impairment loss recognized	2,435	-
Foreign exchange losses (gains)	2,238	(18,575)
Ending balance	<u>\$ 172,196</u>	<u>156,170</u>

For further credit risk information, please refer to note 6 (28).

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

(7) Inventories

	2026.6.30	2025.12.31	2025.6.30
Raw materials and supplies	\$ 19,180	18,285	34,316
Work in progress	21,098	21,559	11,928
Finished goods	20,556	28,666	45,104
Merchandise inventory	140,336	171,159	336,489
	\$ 201,170	239,669	427,837

Details of operating costs are as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Inventory that has been sold	\$ 259,734	576,556	511,250	1,075,527
Write-down of inventories (reversal of write-downs)	(3,439)	5,120	(83)	52,224
Loss on write-off of inventories	2	68	32	699
Operating costs of solar energy and energy storage	9,117	14,993	21,258	21,308
	\$ 265,414	596,737	532,457	1,149,758

For the three months and six months ended June 30, 2026, the Group recognized gains on reversal of inventory write-downs of \$3,439 thousand and \$83 thousand, respectively, due to an improvement in the circumstances that had previously caused the inventories to be written down to net realizable value.

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group did not have any inventories pledged as collateral.

(8) Non-current assets classified as held for sale

On April 17, 2026, the Group entered into a solar photovoltaic power plant equipment sale agreement with a non-related party and has commenced the related disposal process. Accordingly, the equipment was presented as a disposal group held for sale. As of June 30, 2026, the assets and liabilities of the disposal group were \$4,527 thousand and \$532 thousand, respectively, with details as follows:

	2026.6.30
Other current assets	\$ 25
Machinery and equipment	4,502
Assets of disposal groups classified as held for sale	\$ 4,527
Contract liabilities	\$ 370
Other current liabilities	162
Liabilities of disposal group classified as held for sale	\$ 532

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

After measuring at the lower of the carrying amount and fair value less costs to sell, the Group did not recognize any impairment loss.

(9) Investments accounted for using equity method

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

1. Associates

(1) The summarized financial information of the Group's associates accounted for using the equity method that are individually immaterial is as follows, and represents the amounts included in the Group's consolidated financial statements:

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Aggregate carrying amount of interests in individually immaterial associates at the end of the period	<u>\$ 92,682</u>	<u>53,120</u>	<u>23,241</u>
	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>
Attributable to the Group			
Net loss for the period	\$ (1,237)	(498)	(2,384)
Other comprehensive income	-	-	-
Total comprehensive loss	<u>\$ (1,237)</u>	<u>(498)</u>	<u>(2,384)</u>

(2) On January 5, 2026, the Group participated in the cash capital increase of its associate, Sheng Chuang Energy Co., Ltd., in proportion to its original ownership interest of 20%, with a total investment amount of \$2,000 thousand.

(3) On March 20, 2026, the Group participated in the cash capital increase of Billion AU Holding Pty Ltd., with a total investment amount of AUD 667 thousand (equivalent to \$14,638 thousand). As the Group did not subscribe in proportion to its ownership interest, its ownership interest decreased from 100% to 40%.

(4) On March 27, 2026, the Group participated in the cash capital increase of its associate, BL Longford Solar Pty Ltd., with an investment amount of AUD 613 thousand (equivalent to \$13,450 thousand). As the Group did not subscribe in proportion to its ownership interest, its ownership interest decreased from 40% to 25%. The change in the Group's ownership interest in BL Longford Solar Pty Ltd. had no impact on equity attributable to owners of the parent.

(5) On May 6, 2026, the Group acquired a 27.5% equity interest in BL Seaspray Solar Pty Ltd., with a total investment amount of AUD 801 thousand (equivalent to \$17,541 thousand).

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

2. Guarantee

As of June 30, 2026, December 31, 2025, and June 30, 2025, there were no investments accounted for using the equity method that were pledged as collateral.

3. Investments accounted for using equity method not reviewed

Except for BL Anakie Solar Pty Ltd., Billion AU Holding Pty Ltd., BL Longford Solar Pty Ltd., and BL Seaspray Solar Pty Ltd., investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income of those investments were calculated based on financial statements that have not been reviewed by independent auditors.

(10) Change of Ownership Interest in Subsidiaries

The changes in the Group's ownership interests in subsidiaries that did not result in a loss of control for the period from January 1 to June 30, 2026 are as follows:

1. In April 2026, the Group disposed of 146 thousand shares of Noonspare Energy Technology Co., Ltd. at a price of \$14.49 per share, totaling \$2,115 thousand, resulting in a decrease in its ownership interest from 58.58% to 58.02%.

The changes in the Group's ownership interests in subsidiaries that did not result in a loss of control for the period from January 1 to June 30, 2025 are as follows:

1. In March 2025, the Group disposed of 25 thousand shares of Billion Watts Technologies Co., Ltd. at a price of \$40 per share, totaling \$1,000 thousand, resulting in a decrease in 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%.
2. In March 2025, the Group repurchased 2,415 thousand shares of Noonspare Energy Technology Co., Ltd. from non-controlling interests at a price of \$13.54 per share, totaling \$32,704 thousand. In addition, in March 2025, the Group disposed of 36 thousand shares of Noonspare Energy Technology Co., Ltd. at a price of \$14.49 per share, totaling \$522 thousand, resulting in an increase in its ownership interest from 49.89% to 59.02%. Subsequently, in April 2025, the Group disposed of 115 thousand shares of Noonspare Energy Technology Co., Ltd. at a price of \$14.49 per share, totaling \$1,666 thousand, resulting in a decrease in its ownership interest from 59.02% to 58.58%.

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

(11) Disposal of subsidiaries

The Group's subsidiary, Billion EV Charging Technologies Co., Ltd., completed its liquidation on May 8, 2026, and the Group lost control over it on that date.

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

1. Consideration received from disposals

	May 8, 2026	April 1, 2025
	Billion EV Charging Technologies CO., LTD.	Billion Sun Energy Storage Technologies Inc.
Cash and cash equivalents	\$ 47	46,815

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

	Billion EV Charging Technologies CO., LTD.	Billion Sun Energy Storage Technologies Inc.
Net assets disposed of	\$ 47	46,802

3. Gain on disposal of subsidiaries

	Billion EV Charging Technologies CO., LTD.	Billion Sun Energy Storage Technologies Inc.
Consideration received	\$ 47	46,815
Net assets disposed of	(47)	(46,802)
Gain on disposals	\$ -	13

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

4. Net cash inflow on disposals of subsidiaries

	Billion EV Charging Technologies CO., LTD.	Billion Sun Energy Storage Technologies Inc.
Consideration received in cash and cash equivalents	\$ 47	46,815
Less: Cash and cash equivalent balances disposed of	-	(3,819)
	\$ 47	42,996

(12) Property, plant and equipment

The changes in the cost, accumulated depreciation and impairment losses of the Group's property, plant and equipment are as follows:

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost :							
Balance at January 1, 2026	\$ 339,622	173,933	173,998	6,967	39,940	328,974	1,063,434
Additions	-	1,286	136	-	-	945	2,367
Disposals	-	-	(2,762)	-	(935)	(15,894)	(19,591)
Reclassified	(167,803)	(35,970)	-	-	-	1,020	(202,753)
Reclassified to assets held for sale	-	-	(6,172)	-	-	-	(6,172)
Effect of exchange rate changes	198	809	-	23	152	-	1,182
Balance at June 30, 2026	\$ 172,017	140,058	165,200	6,990	39,157	315,045	838,467
Balance at January 1, 2025	\$ 340,260	219,494	184,745	7,113	37,931	326,746	1,116,289
Additions	-	-	2,475	329	231	10,573	13,608
Disposals	-	-	(31)	(639)	(180)	(1,614)	(2,464)
Reclassified	-	(5,404)	4,975	-	-	1,902	1,473
Effect of exchange rate changes	(1,642)	(6,701)	-	(125)	(936)	-	(9,404)
Balance at June 30, 2025	\$ 338,618	207,389	192,164	6,678	37,046	337,607	1,119,502
Accumulated depreciation and impairment losses :							
Balance at January 1, 2026	\$ -	74,993	61,521	6,207	33,206	207,337	383,264
Depreciation	-	2,027	5,200	203	923	8,469	16,822
Disposals	-	-	(2,528)	-	(935)	(15,894)	(19,357)
Reclassified	-	(17,412)	-	-	-	-	(17,412)
Reclassified to assets held for sale	-	-	(1,670)	-	-	-	(1,670)
Effect of exchange rate changes	-	242	-	23	112	1	378
Balance at June 30, 2026	\$ -	59,850	62,523	6,433	33,306	199,913	362,025
Balance at January 1, 2025	\$ -	73,447	57,982	5,958	31,406	112,041	280,834
Depreciation	-	2,969	6,345	251	1,256	12,315	23,136
Disposals	-	-	(31)	(215)	(180)	(1,614)	(2,040)
Reclassified	-	(2,364)	-	-	-	-	(2,364)
Effect of exchange rate changes	-	(1,583)	-	(192)	(880)	-	(2,655)
Balance at June 30, 2025	\$ -	72,469	64,296	5,802	31,602	122,742	296,911

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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Carrying value :							
June 30, 2026	\$ 172,017	80,208	102,677	557	5,851	115,132	476,442
December 31, 2025	\$ 339,622	98,940	112,477	760	6,734	121,637	680,170
June 30, 2025	\$ 338,618	134,920	127,868	876	5,444	214,865	822,591

As of June 30, 2026, December 31, 2025, and June 30, 2025, the details of the Group's property, plant and equipment provided as collateral for short-term and long-term borrowings and credit facilities are disclosed in Note 8.

(13) Right-of-use assets

The changes in the cost and accumulated depreciation of land, buildings, and transport equipment leased by the Group are as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost :						
Balance at January 1, 2026	\$ 14,705	81,363	844	11,832	-	108,744
Additions	-	7,058	742	3,652	-	11,452
Disposals	-	(1,771)	(844)	(3,766)	-	(6,381)
Balance at June 30, 2026	\$ 14,705	86,650	742	11,718	-	113,815
Balance at January 1, 2025	\$ 14,705	79,869	987	13,207	251	109,019
Additions	-	492	-	3,212	-	3,704
Disposals	-	-	(143)	(714)	(251)	(1,108)
Balance at June 30, 2025	\$ 14,705	80,361	844	15,705	-	111,615
Accumulated depreciation :						
Balance at January 1, 2026	\$ 5,127	34,909	739	6,870	-	47,645
Depreciation	736	6,094	198	1,861	-	8,889
Disposals	-	(1,771)	(844)	(3,766)	-	(6,381)
Balance at June 30, 2026	\$ 5,863	39,232	93	4,965	-	50,153
Balance at January 1, 2025	\$ 3,656	24,787	424	8,137	236	37,240
Depreciation	736	5,324	247	2,229	15	8,551
Disposals	-	-	(143)	(714)	(251)	(1,108)
Balance at June 30, 2025	\$ 4,392	30,111	528	9,652	-	44,683
Carrying value :						
June 30, 2026	\$ 8,842	47,418	649	6,753	-	63,662
December 31, 2025	\$ 9,578	46,454	105	4,962	-	61,099
June 30, 2025	\$ 10,313	50,250	316	6,053	-	66,932

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

(14) Investment property

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

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

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost :			
Balance at January 1, 2026	\$ 5,319	61,345	66,664
Reclassification roll-in	167,803	35,970	203,773
Balance at June 30, 2026	<u>\$ 173,122</u>	<u>97,315</u>	<u>270,437</u>
Balance at January 1, 2025	\$ 5,319	18,390	23,709
Reclassification roll-in	-	5,404	5,404
Balance at June 30, 2025	<u>\$ 5,319</u>	<u>23,794</u>	<u>29,113</u>
Accumulated depreciation :			
Balance at January 1, 2026	\$ -	9,282	9,282
Depreciation	-	1,220	1,220
Reclassification roll-in	-	17,412	17,412
Balance at June 30, 2026	<u>\$ -</u>	<u>27,914</u>	<u>27,914</u>
Balance at January 1, 2025	\$ -	2,728	2,728
Depreciation	-	224	224
Reclassification roll-in	-	2,364	2,364
Balance at June 30, 2025	<u>\$ -</u>	<u>5,316</u>	<u>5,316</u>
Carrying value :			
June 30, 2026	<u>\$ 173,122</u>	<u>69,401</u>	<u>242,523</u>
December 31, 2025	<u>\$ 5,319</u>	<u>52,063</u>	<u>57,382</u>
June 30, 2025	<u>\$ 5,319</u>	<u>18,478</u>	<u>23,797</u>
Fair value :			
June 30, 2026			<u>\$ 372,812</u>
December 31, 2025			<u>\$ 200,340</u>
June 30, 2025			<u>\$ 86,862</u>

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

As of June 30, 2026, December 31, 2025 and June 30, 2025, the above investment property has been provided as a guarantee for financing, please refer to Note 8 for details.

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

(15) Intangible assets

The details of the cost, amortization and accumulated impairment of the Group's intangible assets are as follows:

	Goodwill	Patents	Computer software	Other	Total
Costs :					
Balance at January 1, 2026 (representing ending balance)	\$ 19,429	20,000	21,045	10,200	70,674
Balance at January 1, 2025	\$ 19,429	20,000	18,731	10,200	68,360
Separate acquisition	-	-	514	-	514
Balance at June 30, 2025	\$ 19,429	20,000	19,245	10,200	68,874
Accumulated amortization and impairment losses :					
Balance at January 1, 2026	\$ 19,429	20,000	15,004	10,200	64,633
Amortization	-	-	1,368	-	1,368
Balance at June 30, 2026	\$ 19,429	20,000	16,372	10,200	66,001
Balance at January 1, 2025	\$ -	2,143	11,139	2,040	15,322
Amortization	-	1,429	1,932	1,360	4,721
Balance at June 30, 2025	\$ -	3,572	13,071	3,400	20,043
Carrying value :					
June 30, 2026	\$ -	-	4,673	-	4,673
December 31, 2025	\$ -	-	6,041	-	6,041
June 30, 2025	\$ 19,429	16,428	6,174	6,800	48,831

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

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

	2026.6.30	2025.12.31	2025.6.30
Current			
Prepayments for purchases	\$ 62,512	18,593	13,492
Prepaid expenses	31,031	31,861	24,250
Excess business tax paid	6,594	6,634	7,374
Others	714	417	4,330
Total	\$ 100,851	57,505	\$ 49,446
Non-current			
Prepayments for equipment	\$ 153	226	12,569
Guarantee deposits paid	83,420	83,994	42,262
Long-term prepaid expenses	-	-	559
Others	-	2,000	-
Total	\$ 83,573	86,220	\$ 55,390

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

(17) Short-term borrowings

The details of short-term borrowings were as follows:

	2026.6.30	2025.12.31	2025.6.30
Secured bank borrowings	\$ -	-	65,000
Unsecured bank borrowings	65,000	30,000	10,000
Total	<u>\$ 65,000</u>	<u>30,000</u>	<u>75,000</u>
Unused Credit Facility	<u>\$ 911,463</u>	<u>1,300,366</u>	<u>1,170,155</u>
Range of interest rates	<u>2.06%~2.4%</u>	<u>2.17%~2.5%</u>	<u>1.80%~2.175%</u>

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

(18) Long-term borrowings

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

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

(19) Lease liabilities

The carrying amount of lease liabilities was as follows:

	2026.6.30	2025.12.31	2025.6.30
Current	<u>\$ 16,277</u>	<u>14,102</u>	<u>14,186</u>
Non-current	<u>\$ 50,526</u>	<u>49,807</u>	<u>55,227</u>

For the maturity analysis, please refer to note 6 (28).

The amounts recognized in profit or loss were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Interest on lease liabilities	<u>\$ 349</u>	<u>355</u>	<u>700</u>	<u>720</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 111</u>	<u>126</u>	<u>214</u>	<u>220</u>
Expenses relating to short-term leases	<u>\$ 1,248</u>	<u>2,446</u>	<u>2,217</u>	<u>4,850</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 54</u>	<u>73</u>	<u>142</u>	<u>177</u>

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

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

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	\$ 11,697	14,086

1. Leasing of buildings and transportation equipment

The Group leases land for the use of energy storage sites with lease terms ranging from nine years and six months to ten years and seven months.

The Group leases buildings for the construction of Solar Energy with lease terms of twenty years.

The Group leases buildings and transportation equipment for its general operating activities, with lease terms typically ranging from one to ten years.

2. Other leases

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

(20) Employee benefits

1. Defined benefit plans

Since there were no significant market fluctuations, significant curtailments, settlements, or other significant one-time events after the prior year's reporting date, the Group adopted the retirement benefit costs measured and disclosed for the interim period using the actuarial valuation determined as of December 31, 2025 and 2024.

For the three months and six months ended June 30, 2026 and 2025, the pension expenses recognized by the Group were \$1 thousand, \$35 thousand, \$1 thousand, and \$70 thousand, respectively.

2. Defined contribution plan

For the three months and six months ended June 30, 2026 and 2025, pension expenses under the defined contribution plans of the Group amounted to \$2,838 thousand, \$2,813 thousand, \$5,453 thousand and \$5,621 thousand, respectively, which have been contributed to the designated accounts of the local government.

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

(21) Income taxes

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Current income tax expense	\$ 1,509	3,412	6,801	19,159
Deferred income tax (benefit) expense	(1,930)	(4,996)	2,449	(4,996)
Income tax (benefit) expense	<u>\$ (421)</u>	<u>(1,584)</u>	<u>9,250</u>	<u>14,163</u>

2. The details of income tax (benefit) expense recognized in other comprehensive income for the Group are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ (176)	(4,643)	488	(4,112)

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

Company Name	Assessed Year
The Company	2024
Billion Watts Technologies Co., Ltd.	2024
Billion Power System Technologies Inc.	2024
Billion Energy Storage Technologies Inc.	2024
Billion EV Charging Technologies Co., Ltd.	2024
Billion EVC Technologies Co., Ltd.	2023
Billion Kai Co., Ltd.	2024
NoonSpare Energy Technology Co., Ltd.	2024
Billion Electric Holding Co., Ltd.	2024
BEC Technologies, Inc., Taiwan Branch	2024

(22) Capital and other equity

Except the described contents down below, there was no significant change in the capital and other equity of the Group for the six months ended June 30, 2026 and 2025. For related information, please refer to Note 6(23) of the consolidated financial statements for 2025.

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

1. Issuance of ordinary shares

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Company's authorized capital was \$2,500,000 thousand, with 12,350 thousand shares reserved for employee share options, and a par value of \$10 per share, for a total of 250,000 thousand shares. The authorized capital includes issued and outstanding ordinary shares of 129,960 thousand shares, 130,101 thousand shares, and 116,004 thousand shares, respectively. All issued shares have been fully paid.

On December 18, 2025, the Company's Board of Directors resolved to retire 158 thousand treasury shares, with February 27, 2026 as the capital reduction record date. The relevant statutory registration procedures have been completed.

For the six months ended June 30, 2025, the Company issued 61 thousand new shares due to the exercise of employee share options at par value, totaling \$605 thousand. All issued shares have been fully paid, and the relevant statutory registration procedures were completed on March 24, 2025.

2. Capital surplus

The components of capital surplus were as follows:

	2026.6.30	2025.12.31	2025.6.30
Premium on issuance of shares	\$ 650,872	651,664	\$ 634,506
Treasury share transactions	5,297	5,929	5,929
Treasury share transactions (transfer of employee share options)	19,745	19,493	19,493
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	15,363	14,521	14,521
Recognition of changes in all equity in subsidiaries	2,336	2,336	2,336
The number of changes in the net equity value of subsidiaries and associates	32	32	32
Consolidated overdraft	8,173	8,173	8,173
Employee share options	-	605	542
Expiry of employee share options	396	-	-
Donations received	1,890	1,890	1,890
	<u>\$ 704,104</u>	<u>704,643</u>	<u>687,422</u>

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

3. Retained earnings

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

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

Earnings Distribution

On May 21, 2026 and May 22, 2025, the deficit offset proposals for 2025 and 2024, respectively, were resolved at the Company's annual shareholders' meetings, with no earnings distribution.

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

4. Treasury Shares

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

	For the six months ended June 30,		For the six months ended June 30,	
	2026		2025	
	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	1,126	\$ 24,677	1,146	25,057
Cancellation during the year	(158)	(3,004)	-	-
Transferred to employees of the Group	(20)	(378)	(20)	(380)
Ending balance	948	\$ 21,295	1,126	24,677

On December 18, 2025, the Company's Board of Directors resolved to retire 158 thousand treasury shares with a carrying cost of \$3,004 thousand, and set February 27, 2026 as the record date for the capital reduction. The relevant statutory registration procedures have been completed.

The number of uncanceled treasury shares of the Company as of June 30, 2026 and 2025 was 948 thousand and 1,126 thousand, respectively. 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 after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance at January 1, 2026	\$ (142)	(38,743)	150,131	111,246
Net loss for the period	-	-	(8,640)	(8,640)
Exchange differences on translating the financial statements of foreign operations	2,988	-	187	3,175
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(149)	(107)	(256)
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	-	-	1,273	1,273
Change in non-controlling interests	-	-	(7,293)	(7,293)
Cash dividends	-	-	(350)	(350)
Balance at June 30, 2026	\$ 2,846	(38,892)	135,201	99,155

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

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance at January 1, 2025	\$ 5,240	(34,616)	367,920	338,544
Net profit for the period	-	-	7,794	7,794
Exchange differences on translating the financial statements of foreign operations	(16,272)	-	(2,166)	(18,438)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(129)	(89)	(218)
Difference between consideration and carrying amounts of subsidiaries acquired or disposed	-	-	(24,260)	(24,260)
Share-based payment	-	-	6	6
Cash dividends	-	-	(11,227)	(11,227)
Balance at June 30, 2025	<u>\$ (11,032)</u>	<u>(34,745)</u>	<u>337,978</u>	<u>292,201</u>

(23) Share-based payments

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Expenses incurred due to employee warrants	<u>\$ 3,427</u>	<u>11,302</u>	<u>1,386</u>	<u>11,250</u>

(24) Losses per share

The calculation of basic losses per share of the Group was as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Basic losses per share				
Net loss attributable to ordinary equity holders of the parent	<u>\$ (13,668)</u>	<u>(52,239)</u>	<u>(7,376)</u>	<u>(16,039)</u>
Weighted average number of ordinary shares outstanding (in thousands)	<u>129,012</u>	<u>114,917</u>	<u>129,005</u>	<u>114,905</u>
Basic losses per share	<u>\$ (0.11)</u>	<u>(0.45)</u>	<u>(0.06)</u>	<u>(0.14)</u>

For the three months and six months of ended June 30, 2026 and 2025, the Group reported a net loss after tax. Including potential ordinary shares, such as employee compensation that may be settled in stock and unvested employee share options, would have an anti-dilutive effect; therefore, these were not included in the calculation of diluted losses per share.

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

(25) Revenue from contracts with customers

1. Disaggregation of revenue

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Primary geographical markets:				
Asia	\$ 153,818	632,943	351,187	1,200,389
America	70,513	94,926	150,953	172,204
Australia	126,746	-	200,225	-
Other countries	9	3,280	9	3,930
	\$ 351,086	731,149	702,374	1,376,523
Product sales revenue				
Communication equipment	\$ 62,301	92,664	134,748	168,438
Power plant equipment	41,660	41,450	75,118	80,770
Energy storage - equipment sales	123,361	504,501	232,640	975,580
Energy storage - system	29,458	75,119	136,194	108,463
Integration				
Energy storage - others	94,306	17,415	123,674	43,272
	\$ 351,086	731,149	702,374	1,376,523

2. Contract balances

	2026.6.30	2025.12.31	2025.6.30
Notes receivable	\$ 4,716	3,608	1,005
Accounts receivable	92,100	105,156	227,538
Accounts receivable - related parties	38,513	61,833	21,602
Less: loss allowances	(7,087)	(7,398)	(11,052)
	\$ 128,242	163,199	239,093
	2026.6.30	2025.12.31	2025. 6.30
Costs to fulfill a contract - current	\$ 265,283	157,081	190,095
Current contract assets - current	\$ 92,700	53,717	46,939
Costs to fulfill a contract - non-current	\$ 112,696	97,183	-
Current contract liabilities - current	\$ 165,627	156,499	192,124

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

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

Revenue recognized for the periods from January 1 to June 30, 2026 and 2025 that was included in the opening balances of contract liabilities as of January 1, 2026 and 2025 amounted to \$55,638 thousand and \$364,867 thousand, respectively.

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

(26) 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 loss before tax for the three months and six months ended June 30, 2026 and 2025, no employee and directors' compensation was accrued.

As the Company incurred loss before tax in both 2025 and 2024, no employee or directors' compensation was accrued. Relevant information is available on the Market Observation Post System.

(27) Non-operating income and expenses

1. Interest income

The Group's interest income are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Interest on bank deposits	\$ 2,158	4,257	5,045	8,150
Other interest income	1,482	1,268	4,055	3,249
	<u>\$ 3,640</u>	<u>5,525</u>	<u>9,100</u>	<u>11,399</u>

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

2. Other income

The Group's other income are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Rental income	\$ 4,001	1,936	7,762	4,243
Dividend income	593	2	593	2
Others	705	2,079	1,585	57,581
	<u>\$ 5,299</u>	<u>4,017</u>	<u>9,940</u>	<u>61,826</u>

3. Other gains and losses

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Gain on disposal of property, plant and equipment	\$ 11	15	111	8
Foreign exchange (losses) gains	(642)	(70,392)	11,803	(60,981)
Gain on financial assets at fair value through profit or loss	519	107	328	211
Gain on disposal of subsidiary	-	13	-	13
Others	(701)	(1,208)	(1,569)	(3,648)
	<u>\$ (813)</u>	<u>(71,465)</u>	<u>10,673</u>	<u>(64,397)</u>

4. Finance costs

The Group's financial costs are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Interest on bank borrowings	\$ 406	607	692	2,286
Interest on decommissioning provisions and lease liabilities	350	355	702	720
Interest on other borrowings	5	70	16	182
Interest on short-term notes and bills payable	59	165	94	542
	<u>\$ 820</u>	<u>1,197</u>	<u>1,504</u>	<u>3,730</u>

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

(28) Financial instruments

Except for the following, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to Note 6 (29) of the consolidated financial statements for the year ended December 31, 2025.

1. Credit risk

Concentration of credit risk

As of June 30, 2026 and 2025, 17.46% and 51.10% of the Group's accounts receivable balances, respectively, were attributable to the Group's top five customers, indicating a significant 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.

2. Liquidity risk

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 12 months</u>	<u>1-5 years</u>	<u>Over 5 years</u>
June 30, 2026					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 313,582	313,582	313,582	-	-
Lease liabilities (including maturity within one year)	66,803	70,019	17,471	47,323	5,225
Floating rate instrument	65,000	65,367	65,367	-	-
Total	<u>\$ 445,385</u>	<u>448,968</u>	<u>396,420</u>	<u>47,323</u>	<u>5,225</u>
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>

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

	Carrying Amount	Contractual cash flows	Within 12 months	1-5 years	Over 5 years
June 30, 2025					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 233,321	233,321	233,321	-	-
Lease liabilities (including maturity within one year)	69,413	73,439	15,423	45,691	12,325
Floating rate instrument	75,000	75,497	75,497	-	-
Fixed rate instrument	1,939	1,945	1,945	-	-
Total	\$ 379,673	384,202	326,186	45,691	12,325

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

3. Market Risk

(1) Exchange rate risk

A. Foreign Exchange Risk Exposure

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

	2026.6.30				2025.12.31			2025.6.30		
	Foreign	Exchange			Foreign	Exchange		Foreign	Exchange	
	currencies	Rate	NTD		currencies	Rate	NTD	currencies	Rate	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	22,021	31.850	701,364	21,877	31.430	687,599	28,254	29.300	827,852
EUR		10	36.290	358	10	36.900	352	9	34.350	311
JPY		17,399	0.196	3,415	17,375	0.201	3,489	16,010	0.203	3,257
RMB		237	4.690	1,114	-	-	-	-	-	-
AUD		4	21.900	92	301	21.010	6,319	-	-	-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	647	31.850	20,608	346	31.430	10,887	1,723	29.300	50,483
RMB		6,725	4.690	31,542	4,883	4.496	21,953	3,135	4.091	12,825
JPY		-	-	-	-	-	-	2,033	0.203	413

B. Sensitivity analysis

The exchange rate risk of monetary items from the Group mainly arises from cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables denominated in foreign currencies, which result in foreign exchange gains or losses upon conversion. As of June 30, 2026 and 2025, if the NTD had weakened or strengthened by 5% against the USD, EUR, JPY, RMB, and AUD, with all other factors remaining constant, the pre-tax net loss for the six months ended June 30, 2026 and 2025 would have decreased or increased by \$32,710 thousand and \$38,385 thousand, respectively. The analysis for both periods is based on the same assumptions.

C. Exchange gains and losses of monetary items

Due to the diverse functional currencies of the Group, the exchange gains and losses on monetary items are disclosed in a consolidated manner. For the six months ended June 30, 2026 and 2025, the foreign exchange gains (losses) (including realized and unrealized) were \$11,803 thousand and (\$60,981) 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. When the Group's internal reporting of interest rate fluctuations to key management personnel, an increase or decrease of 0.25% is used, which represents management's assessment of the reasonably possible range of interest rate changes.

If interest rates increase or decrease by 0.25%, with all other variables held constant, the pre-tax net loss of the Group for the six months ended June 30, 2026 and 2025 would increase or decrease by \$163 thousand and \$188 thousand, respectively.

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

(3) Other price risk

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

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Other		Other	
	comprehensive		comprehensive	
	income before	Profit before	income before	Profit before
Price of securities at reporting date	tax	tax	tax	tax
Increasing 10%	\$ 1,588	380	6,580	299
Decreasing 10%	\$ (1,588)	(380)	(6,580)	(299)

4. Fair Value Information

(1) Type and Fair Values of the Financial Instruments

The financial assets and liabilities of the Group measured at fair value through profit and loss and the financial assets measured at fair value through other comprehensive 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:

	2026.6.30				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	\$ 3,798	3,798	-	-	3,798
Financial assets at fair value through other comprehensive income					
Domestic emerging markets stocks	4,941	-	4,941	-	4,941
Domestic unlisted stocks	10,935	-	-	10,935	10,935
Sub-total	15,876	-	4,941	10,935	15,876
Financial assets measured at amortized cost					
Cash and cash equivalents	505,329	-	-	-	-
Financial assets measured at amortized cost	518,746	-	-	-	-
Notes and accounts receivable (including related parties)	128,242	-	-	-	-
Other receivables(including related parties)	40,435	-	-	-	-
Sub-total	1,192,752	-	-	-	-
Total	\$ 1,212,426	3,798	4,941	10,935	19,674
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 65,000	-	-	-	-
Notes and accounts payable	228,870	-	-	-	-
Other payables	84,712	-	-	-	-
Lease liabilities (including current portion)	66,803	-	-	-	-
Total	\$ 445,385	-	-	-	-

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

2025.12.31					
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	\$ 3,449	3,449	-	-	3,449
Financial assets at fair value through other comprehensive income					
Domestic emerging markets stocks	5,197	-	5,197	-	5,197
Domestic unlisted stocks	6,935	-	-	6,935	6,935
Sub-total	12,132	-	5,197	6,935	12,132
Financial assets measured at amortized cost					
Cash and cash equivalents	540,932	-	-	-	-
Financial assets measured at amortized cost	491,560	-	-	-	-
Notes and accounts receivable(including related parties)	163,199	-	-	-	-
Other receivables(including related parties)	45,900	-	-	-	-
Sub-total	1,241,591	-	-	-	-
Total	\$ 1,257,172	3,449	5,197	6,935	15,581
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 30,000	-	-	-	-
Accounts payable	94,507	-	-	-	-
Other payables	102,626	-	-	-	-
Lease liabilities (including current portion)	63,909	-	-	-	-
Total	\$ 291,042	-	-	-	-

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

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

(2.1) Non-derivative financial instruments

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

If the quoted prices for financial instruments are readily and regularly available from an exchange, dealer, broker, industry association, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis, then the financial instruments have an active market quoted price. If the above conditions are not met, the market is deemed to be inactive. In general, a wide bid-ask spread, a significant increase in bid-ask spread or very little trading volume are indicators of an inactive market.

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

The fair value of financial assets and liabilities, such as redeemable bonds, TWSE/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 valuation techniques can refer to the current fair value of other substantially similar financial instruments, the present value technique of cash flows, or other valuation techniques, including the use of models calculated with market information available on the reporting date (e.g., Taipei Exchange reference yield curve, Reuters commercial paper rate average quotes).

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

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

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

(3) Transfers between Level 2 and Level 3

The Group holds shares of Jong Shyn Shipbuilding Co., Ltd., which are classified as financial assets at fair value through other comprehensive income. Jong Shyn Shipbuilding Co., Ltd. is registered on the Emerging Stock Board. Beginning in the second quarter of 2025, management assessed the turnover rate of the emerging stocks published by the Taipei Exchange and determined that the investment was an investment in equity instruments not traded in an active market. Accordingly, the investment was transferred from Level 3 to Level 2 of the fair value hierarchy.

(4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2026	\$ 6,935
Total gains and losses	
Purchase	4,000
Balance at June 30, 2026	\$ 10,935
Balance at January 1, 2025	\$ 66,017
Total gains and losses	
Recognized in other comprehensive income	(218)
Transfers out of Level 3	(5,398)
Balance at June 30, 2025	\$ 60,401

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

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 June 30, 2026 and 2025 is as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Total gains (losses)—	\$ -	41	-	(218)
recognized in other comprehensive income (Reported under “Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income)				

(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 other comprehensive income - domestic unlisted (over-the-counter) equity instruments without an active market, which have only one significant unobservable input.

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

(29) Financial risk management

There were no significant changes in the Group’s financial risk management and policies as disclosed in note 6 (30) of the consolidated financial statements for the year ended 31 December, 2025.

(30) Capital management

The objectives, policies, and procedures of the Group’s capital management are consistent with those disclosed in the 2025 consolidated financial statements; furthermore, the quantitative information aggregated as items for capital management does not differ significantly from that disclosed in the 2025 consolidated financial statements. For related information, please refer to Note 6(31) of the 2025 consolidated financial statements.

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

(31) Non-cash investing and financing activities

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

	For the six months ended June 30	
	2026	2025
Acquisition of property, plant and equipment	\$ 2,367	13,608
Add: Beginning balance of equipment payable	1,741	322
Less: Ending balance of equipment payable	-	(1,052)
Cash payments	<u>\$ 4,108</u>	<u>12,878</u>

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

	2026.1.1	Cash flows	Non-cash changes and others		2026.6.30
			Additions	Others	
Short-term borrowings	\$ 30,000	35,000	-	-	65,000
Lease liabilities (including current portion)	63,909	(8,424)	11,318	-	66,803
Total liabilities from financing activities	<u>\$ 93,909</u>	<u>26,576</u>	<u>11,318</u>	<u>-</u>	<u>131,803</u>

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

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

7. Related Party Transactions

(1) Names relationship and with related parties

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

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

(2) Significant transactions with related parties

1. Operating revenue

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

Related Party Category/Name	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Associates:				
Hsia Ching Co., Ltd.	\$ 3,120	1,372	5,713	124,637
BL Anakie Solar Pty Ltd.	46,481	-	94,682	-
BL Longford Solar Pty Ltd.	23,182	-	23,182	-
Billion AU Holding Pty Ltd.	286	-	25,564	-
BL Seaspray Solar Pty Ltd.	56,797	-	56,797	-
Other parties:				
Sino-American Silicon Products				
Inc.	4,188	241	4,220	2,136
Susen Green Energy Co., Ltd.	2,081	-	3,982	-
	\$ 136,135	1,613	214,140	126,773

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

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

2. Contract balances

Account	Related Party Category/Name	2026.6.30	2025.12.31	2025.6.30
	Associates:			
Contract assets	Hsia Ching Co., Ltd.	\$ 3,023	1,901	-
	Associates:			
Contract liabilities	BL Anakie Solar Pty Ltd.	\$ 39,905	-	-
Contract liabilities	Billion AU Holding Pty Ltd.	5,081	-	-
	Other related parties:			
Contract liabilities	Sino-American Silicon Products Inc.	-	146	-

3.Amounts receivable to related parties

Account	Related Party Category/Name	2026.6.30	2025.12.31	2025.6.30
	Associates:			
Account receivable - related parties	Hsia Ching Co., Ltd.	\$ 701	-	21,388
Account receivable - related parties	BL Anakie Solar Pty Ltd.	-	30,492	-
Account receivable - related parties	BL Longford Solar Pty Ltd.	17,753	29,426	-
Account receivable - related parties	BL Seaspray Solar Pty Ltd.	18,254	-	-
	Other parties:			
Account receivable - related parties	Sino-American Silicon Products Inc.	-	1,915	214
Account receivable - related parties	Susen Green Energy Co., Ltd.	1,805	-	-
		\$ 38,513	61,833	21,602
	Associates:			
Other receivables - related parties	BL Anakie Solar Pty Ltd.	\$ 143	300	-
Other receivables - related parties	BL Longford Solar Pty Ltd.	117	-	-
Other receivables - related parties	Billion AU Holding Pty Ltd.	16	-	-
		\$ 276	300	-

The Group's outstanding receivables from related parties were unsecured. As of June 30, 2026 and 2025, the receivables from related parties were assessed, and no impairment loss was recognized.

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

4. Property transactions

The summary of the Group's acquisitions of financial assets from related parties is as follows:

		For the six months ended June 30, 2026		
Related Party Category	Account	Number of shares traded (in thousands)	Transaction underlying	Consideration received
Associates	Investments accounted for using equity method	200	Shares of Sheng Chuang Energy Co., Ltd.	\$ 2,000
Associates	Investments accounted for using equity method	667	Shares of Billion AU Holding Pty Ltd.	14,638
Associates	Investments accounted for using equity method	613	Shares of BL Longford Solar Pty Ltd.	13,450
				\$ 30,088

5. Loans to related parties

The actual drawdown of loans provided by the Group to related parties is as follows:

Account	Related Party Category/Name	2026.6.30	2025.12.31	2025.6.30
Associates:				
Other payable - related parties	Sheng Chuang Energy Co., Ltd.	\$ -	8,000	-

		For the three months ended June 30		For the six months ended June 30	
Account	Related Party Category/Name	2026	2025	2026	2025
Interest income	Sheng Chuang Energy Co., Ltd.	\$ -	-	13	-

As of December 31, 2025, the Group provided an unsecured loan with a maturity within one year to Sheng Chuang Energy Co., Ltd. Based on the assessment, no expected credit losses were required to be recognized.

6. Other related party transactions

		For the three months ended June 30		For the six months ended June 30	
Account	Related Party Category/Name	2026	2025	2026	2025
Associates:					
Interest income	BL Anakie Solar Pty Ltd.	\$ 18	-	1,520	-

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

(3) Key management personnel compensation

Key management personnel compensation comprised:

Related Party Category/Name	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 5,910	8,652	15,175	16,080
Post-employment benefits	243	246	427	454
Share-based payments	-	16	-	31
	<u>\$ 6,153</u>	<u>8,914</u>	<u>15,602</u>	<u>16,565</u>

8. Pledged Assets

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

Account	Related Party Category/Name	2026.6.30	2025.12.31	2025.6.30
Financial assets measured at amortized cost-current	Short-term borrowings, short-term notes and bills payable and performance guarantee	<u>\$ 36,072</u>	<u>23,571</u>	<u>31,236</u>
Financial assets measured at amortized cost -non-current	Agreement items in note 9 (3) and borrowings	<u>\$ 384,760</u>	<u>379,647</u>	<u>354,547</u>
Property, plant and equipment	Long-term borrowings	<u>\$ 139,230</u>	<u>183,563</u>	<u>187,763</u>
Property, plant and equipment	Long-term borrowings	<u>\$ 31,267</u>	<u>53,240</u>	<u>54,198</u>
Investment Property	Long-term borrowings	<u>\$ 48,533</u>	<u>-</u>	<u>-</u>
Investment Property	Long-term borrowings	<u>\$ 21,015</u>	<u>-</u>	<u>-</u>

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) Contingent liabilities:

	2026.6.30	2025.12.31	2025.6.30
Purchase of inventory	<u>\$ 59,036</u>	<u>35,778</u>	<u>33,537</u>

(2) As of June 30, 2026, the Group had issued promissory notes for and \$1,480,284 thousand under a consolidated line of credit from financial institutions.

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

- (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 receivables arising from purchases made on behalf of customers amounting to \$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 Co., Ltd. refused to pay the insurance claim on the grounds that the receivables arising from purchases made on behalf of customers were disputed amounts 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 used by 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 factoring arrangements coexist with lending relationships. This is common in domestic financial cases. Financial institutions have more room for interpretation and development. As of June 30, 2026, according to the agreement, the Company and the financial institution deposited \$11,541 thousand in demand deposits and time deposits \$373,219 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, all of the Company's above-mentioned claims have been insured or sold to financial institutions on a non-recourse basis, and the Company has continued to discuss with its appointed lawyers and conduct relevant legal proceedings and litigation. With respect to the Company's own claims against the Potevio Group and its claim for insurance indemnification from Cathay Century Insurance Co., Ltd., the Company's claim against Cathay Century Insurance Co., Ltd. was dismissed by the

Chinese Arbitration Association, Taipei. The Company, being dissatisfied with the aforementioned arbitral award, filed an action with the Taiwan Taipei District Court to set aside the arbitral award; however, the action was dismissed. The Company has appealed against the aforementioned judgment, and the case is currently being heard by the Taiwan High Court in the second instance.

In addition, according to the contract, China Potevio Co., Ltd. and Potevio International Company Limited (hereinafter collectively referred to as the “Potevio Group”) failed to pay the Company’s receivables arising from purchases made on their behalf in the amount of US\$4,459 thousand. The Company sent several demand letters to the Potevio Group; however, the Potevio Group continued to delay payment for various reasons. In June 2018, the Company retained legal counsel to initiate arbitration proceedings against the Potevio Group for breach of contract, but the Potevio Group filed a counterclaim with the South China International Economic and Trade Arbitration Commission, requiring the Company to refund US\$469 thousand, representing twice the amount of the performance bond paid by the Potevio Group. In July 2018, the lawyer appointed by the Company assessed that the Company had completed its delivery obligations, the Potevio Group should pay the outstanding balance for the goods to the Company and bear the liability for breach of contract, and the Company was not obliged to refund to the Potevio Group the advance payment received (which the Potevio Group referred to as the “Performance Deposit”). In July 2026, the Company received a notice from the South China International Economic and Trade Arbitration Commission that the deadline for rendering the arbitral award would be extended to September 30, 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 payment order was issued upon the application of 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 \$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.

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

- (5) 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, seeking payment in the total amount of \$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. Significant Disaster Loss: None.

11. Significant Subsequent Events: None.

12. Others

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

Function	For the three months ended June 30, 2026				For the three months ended June 30, 2025			
	Classified as Operating costs	Classified as Operating expenses	Classified as non-operating expenses	Total	Classified as Operating costs	Classified as Operating expenses	Classified as non-operating expenses	Total
By item								
Employee benefits expense								
Wages and salaries	10,251	52,963	-	63,214	15,588	69,501	-	85,089
Labor and health insurance	1,037	4,383	-	5,420	1,421	4,336	-	5,757
Pension	511	2,328	-	2,839	680	2,168	-	2,848
Other employee benefits	525	1,957	-	2,482	1,005	2,413	-	3,418
Depreciation	7,049	5,769	577	13,395	9,207	6,655	112	15,974
Amortization	130	534	-	664	27	2,316	-	2,343

Function	For the six months ended June 30, 2026				For the six months ended June 30, 2025			
	Classified as Operating costs	Classified as Operating expenses	Classified as non-operating expenses	Total	Classified as Operating costs	Classified as Operating expenses	Classified as non-operating expenses	Total
By item								
Employee benefits expense								
Wages and salaries	22,750	108,204	-	130,954	30,578	128,941	-	159,519
Labor and health insurance	2,247	9,114	-	11,361	2,888	9,059	-	11,947
Pension	1,059	4,395	-	5,454	1,344	4,347	-	5,691
Other employee benefits	1,224	4,178	-	5,402	2,315	5,267	-	7,582
Depreciation	14,369	11,342	1,220	26,931	18,218	13,469	224	31,911
Amortization	260	1,108	-	1,368	27	4,694	-	4,721

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

13. Other Disclosures

(1) Information on Significant Transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the the six months ended June 30, 2026:

1. Lending to other parties:

Unit: NT\$ thousands

No.	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other parties during the period	Ending Balance	Actual usage amount during the period	Range of interest rate during the period	Purpose of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Other receivables	Yes	45,000	-	-	-	2	-	Operating turnover	-	N/A	-	107,065 (Note 3)	428,262 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	Yes	100,000	50,000	50,000	2.30%	2	-	Operating turnover	-	N/A	-	107,065 (Note 3)	428,262 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	Yes	50,000	50,000	50,000	2.15%	2	-	Operating turnover	-	N/A	-	107,065 (Note 3)	428,262 (Note 3)
1	BEC Technologies Inc.	BEC International, LLC	Other receivables	Yes	19,197 (Note 5)	- (Note 5)	- (Note 5)	-	2	-	Repayment of bank loans	-	N/A	-	21,807 (Note 4)	43,615 (Note 4)
2	Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	Other receivables	Yes	20,000	20,000	5,000	2.35%	2	-	Operating turnover	-	N/A	-	80,686 (Note 6)	161,372 (Note 6)
2	Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Other receivables	Yes	22,590 (Note 7)	21,900 (Note 7)	21,900 (Note 7)	6.46%	2	-	Operating turnover	-	N/A	-	80,686 (Note 6)	161,372 (Note 6)
2	Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Other receivables	Yes	32,850 (Note 7)	32,850 (Note 7)	32,850 (Note 7)	6.46%	2	-	Operating turnover	-	N/A	-	80,686 (Note 6)	161,372 (Note 6)
2	Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Other receivables	Yes	15,000	-	-	-	2	-	Operating turnover	-	N/A	-	80,686 (Note 6)	161,372 (Note 6)

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 entities with which the Company has 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 limit for an individual entity shall not exceed 5% of the equity attributable to owners of Billion Electric Co., Ltd. for the current period.
- (2) The total capital lending limit shall not exceed 20% of the equity attributable to owners 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 limit for an individual entity shall not exceed 10% of the equity attributable to owners of BEC Technologies Inc. for the current period.
- (2) The total capital lending limit shall not exceed 20% of the equity attributable to owners of BEC Technologies Inc. for the current period.

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

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 at the end of the period was US\$1: NT\$31.85.

Note 6: The limits prescribed by Billion Watts Technologies Co., Ltd.'s operating procedures for capital lending are as follows:

- (1) The capital lending limit for an individual entity shall not exceed 20% of the current-period net worth of Billion Watts Technologies Co., Ltd.
- (2) The total capital lending limit shall not exceed 40% of the current-period net worth of Billion Watts Technologies Co., Ltd.

Note 7: Billion Watts Technologies Co., Ltd., a subsidiary of the Company, has lent a new capital to Billion Watts Australia Pty Ltd, a second-tier subsidiary, an amount of AU\$2,500 thousand since January 2021. The actual amount spent was AU\$2,500 thousand. The exchange rate at the end of the period was AU\$1: NT\$21.9.

Note 8: Except for transactions between Billion Watts Technologies Co., Ltd. and Sheng Chuang Energy Co., Ltd., the above intercompany transactions have been eliminated in preparing the consolidated financial statements.

2. Guarantees and endorsements for other parties:

Unit: NT\$ thousands

No.	Collaterals/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Collateral/ Guarantee Amounts (Note 3)	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Carrying Value (as of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable (Note 3 and 4)	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	2	1,070,656	60,000	15,000	-	-	0.70%	2,141,313	Y	N	N
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	2	1,070,656	69,916	67,781	58,178	-	3.17%	2,141,313	Y	N	N
1	Billion Watts Technologies Co., Ltd.	BL Anakie Solar Pty Ltd.	6	201,715	69,916 (Note 5)	67,781 (Note 5)	58,178 (Note 5)	-	16.80%	403,431	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 with business relationships
- (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 in the same industry or joint builders that provide mutual endorsements or guarantees pursuant to contractual requirements arising from the needs of construction projects undertaken.
- (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 provided among companies in the same industry for the performance of pre-sale housing contracts pursuant to the Consumer Protection Act..

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

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

- (1) The endorsement and guarantee limit for an individual entity shall not exceed 50% of the equity attributable to owners of Billion Electric Co., Ltd. for the current period.
- (2) The total endorsement and guarantee limit shall not exceed the equity attributable to owners of Billion Electric Co., Ltd. for the current period.

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 endorsement and guarantee limit for an individual entity shall not exceed 50% of the net worth of Billion Watts Technologies Co., Ltd. for the current period.
- (2) The total endorsement and guarantee limit shall not exceed the net worth of Billion Watts Technologies Co., Ltd. for the current period.

Note 5: 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. The exchange rate at the end of the period was AU\$1: NT\$21.9.

3. Significant securities held at the end of the period (excluding interests of investment subsidiaries, associates and joint ventures):

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

Holding Company	Category and name of security	Relationship	Account	Ending Balance				Remark
				Shares	Carrying Amount	Percentage of ownership	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	
Billion Watts Technologies Co., Ltd.	Xi Yang Capital Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	200	2,000	5.00 %	2,000	
Noonspare Energy Technology Co., Ltd.	Jong Shyn Shipbuilding Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	60	4,941	0.07 %	4,941	
Billion EVC Technologies Co., Ltd.	Fly Elephant Information Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	100	2,000	6.67 %	2,000	
BEC Technologies Inc.	Invesco QQQ Tr Unit Ser 1	N/A	Financial assets at fair value through profit or loss - current	-	2,017	-%	2,017	
BEC Technologies Inc.	Vaneck Etf Trust Mrngstr Wde Moat	N/A	Financial assets at fair value through profit or loss - current	-	315	-%	315	
BEC Technologies Inc.	Berkshire Hathaway Inc	N/A	Financial assets at fair value through profit or loss - current	-	1,466	-%	1,466	

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

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

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

6. Business relationships and significant intercompany transactions:

No.	Company name	Counterparty	Relationship	Intercompany transactions			
				Account	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	Billion Electric Co., Ltd.	BEC Technologies Inc.	1	Sales revenue	1,775	Mark-up from the cost according to the item type	0.25 %
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	1	Other receivables-related parties	100,000	Capital lending	3.34 %
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Sales revenue	23,391	Mark-up from the cost according to the item type	3.33 %
0	Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	1	Accounts receivable-related parties	11,987	Net 60 days from month-end	0.40 %
1	Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	3	Other receivables-related parties	5,000	Capital lending	0.17 %
1	Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	3	Other receivables-related parties	54,750	Capital lending	1.83 %
2	Billion EVC Technologies Co., Ltd.	Billion Watts Technologies Co., Ltd.	3	Sales revenue	3,858	Mark-up from the cost according to the item type	0.55 %
3	Noonspare Energy Technology Co., Ltd.	Billion Watts Technologies Co., Ltd.	3	Sales revenue	1,400	Mark-up from the cost according to the item type	0.20 %

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

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

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

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

Note 3: With respect to business relationships and significant transactions between the parent company and its subsidiaries, only sales and accounts receivable are disclosed; the corresponding purchases and accounts payable are omitted.

Note 4: The above transactions have been eliminated in the preparation of the consolidated financial statements.

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

(2) Information on Investees:

Unit: NT\$ thousands / US\$ thousands / AU\$ \$thousands / In thousands of shares

Investor Company	Investee Company	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Profit and Loss of the Investee in the Current Period	Investment Gains and Losses Recognized for the Period	Remark
				End of the Current Period	End of Previous Year	Number of Shares	Percentage of Ownership	Carrying Amount			
Billion Electric Co., Ltd.	BEC Technologies Inc.	United States	Sales businesses of telecommunication related products	69,257	69,257	2,294	91.76%	191,174	19,359	17,764	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	293,148	18,458	100.00%	397,900	(1,388)	(1,008)	Note 2
Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	76,861	76,861	7,686	100.00%	17,620	(1,319)	(1,319)	Note 2
Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	Taiwan	Distribution services for solar power plant equipment and EV charger	26,025	26,025	1,983	51.00%	25,004	2,203	1,123	Note 2
Billion Electric Co., Ltd.	Billion Electric Holding Co., Ltd.	Taiwan	Investment company	12,000	12,000	1,200	100.00%	815	(45)	(45)	Note 2、5
Billion Electric Co., Ltd.	Billion EV Charging Technologies Co., Ltd.	Taiwan	Community charging piles and energy storage supply services	-	15,051	-	-%	-	-	-	Note 2、3
Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Taiwan	Design, manufacturing, and sales business of solar power plant.	20,000	20,000	2,000	100.00%	20,216	90	90	Note 2、6
Billion Electric Co., Ltd.	Hsia Ching Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	27,000	27,000	2,700	5.24%	20,577	(22,741)	(1,124)	Note 1
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.	216,771	218,886	15,118	58.02%	125,332	(26,413)	(15,411)	Note 2
BEC Technologies Inc.	BEC International, LLC	United States	International investment	40,996	40,996	-	100.00%	71,439	4,004	4,004	Note 2
BEC Technologies Inc.	Avantek Systems PTE. LTD	Singapore	Cloud Software Hosting Services	8,600 (USD270)	8,486 (USD270)	270	75.00%	6,710	(1,253)	(940)	Note 2
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc.	Taiwan	Design and sales services of energy software	-	5,100	-	51.00%	-	9	25	Note 2、4
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Taiwan	Energy service business	4,000	2,000	400	20.00%	3,921	(38)	(8)	Note 1
Billion Watts Technologies Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Energy storage sales business	3,494	3,494	5	100.00%	(3,623)	(2,555)	(2,555)	Note 2
Billion Watts Technologies Co., Ltd.	Billion Watts Australia Pty Ltd.	Australia	Solar and energy storage solution services, power plant operation and management services, etc.	22,601 (AUD1,032)	20,038 (AUD1,032)	1,032	100.00%	31,618	6,023	6,023	Note 2
Billion Watts Technologies Co., Ltd.	Relocate Energy Storage Co., Ltd.	Taiwan	Energy storage sales business	8,000	8,000	800	40.00%	8,053	83	33	Note 1
Billion Electric Japan Co., Ltd.	Billion Energy Co., Ltd.	Japan	Energy storage sales business	-	1,004 (JPY5,000)	-	-%	-	(3)	(3)	Note 2、7
Billion Watts Australia Pty Ltd.	BL Anakie Solar Pty Ltd.	Australia	Energy storage sales business	22,596 (AUD1,032)	21,678 (AUD1,032)	1,032	30.80%	15,466	(2,544)	(783)	Note 1

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

Investor Company	Investee Company	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Profit and Loss of the Investee in the Current Period	Investment Gains and Losses Recognized for the Period	Remark
				End of the Current Period	End of Previous Year	Number of Shares	Percentage of Ownership	Carrying Amount			
Billion Watts Australia Pty Ltd.	BL Longford Solar Pty Ltd.	Australia	Energy storage sales business	17,794 (AUD813)	4,202 (AUD200)	813	25.00%	15,548	(1,409)	(352)	Note 1
Billion Watts Australia Pty Ltd.	Billion AU Holding Pty Ltd.	Australia	Energy storage sales business	14,598 (AUD667)	-	667	40.00%	13,897	1	-	Note 1
Billion Watts Australia Pty Ltd.	Billion Seaspay Solar Pty Ltd.	Australia	Energy storage sales business	17,541 (AUD801)	-	801	27.50%	15,220	(546)	(150)	Note 1

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

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

Note 3: The entity was dissolved on February 28, 2025, and completed its liquidation procedures in May 2026.

Note 4: The entity was dissolved on December 5, 2025, and its liquidation procedures are still in progress as of the reporting date.

Note 5: The entity was dissolved on March 31, 2026, and its liquidation procedures are still in progress as of the reporting date.

Note 6: The entity was dissolved on May 29, 2026, and its liquidation procedures are still in progress as of the reporting date.

Note 7: The entity was dissolved and completed its liquidation procedures on May 18, 2026.

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

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

14. Segment Information

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

For the three months ended June 30, 2026					
	Communications	Power	Renewable Energy	Adjustments and write off	Total
Revenue from external customers	\$ 62,301	41,660	247,125	-	351,086
Interdepartmental income	-	2	17,781	(17,783)	-
Total revenue	<u>\$ 62,301</u>	<u>41,662</u>	<u>264,906</u>	<u>(17,783)</u>	<u>351,086</u>
Departmental profit and loss should be reported	<u>\$ 5,379</u>	<u>1,510</u>	<u>(22,020)</u>	<u>(1,744)</u>	(16,875)
Share of loss of associate accounted for using the equity method					(1,237)
Net loss before tax					<u>\$ (18,112)</u>
For the three months ended June 30, 2025					
	Communications	Power	Renewable Energy	Adjustments and write off	Total
Revenue from external customers	\$ 92,664	41,450	597,035	-	731,149
Interdepartmental income	43,017	397	34,590	(78,004)	-
Total revenue	<u>\$ 135,681</u>	<u>41,847</u>	<u>631,625</u>	<u>(78,004)</u>	<u>731,149</u>
Departmental profit and loss should be reported	<u>\$ (16,040)</u>	<u>5,991</u>	<u>(40,982)</u>	<u>(786)</u>	(51,817)
Share of loss of associate accounted for using the equity method					(498)
Net loss before tax					<u>\$ (52,315)</u>
For the six months ended June 30, 2026					
	Communications	Power	Renewable Energy	Adjustments and write off	Total
Revenue from external customers	\$ 134,748	75,118	492,508	-	702,374
Interdepartmental income	1,775	2	30,036	(31,813)	-
Total revenue	<u>\$ 136,523</u>	<u>75,120</u>	<u>522,544</u>	<u>(31,813)</u>	<u>702,374</u>
Departmental profit and loss should be reported	<u>\$ 29,342</u>	<u>2,453</u>	<u>(35,453)</u>	<u>(724)</u>	(4,382)
Share of loss of associate accounted for using the equity method					(2,384)
Net loss before tax					<u>\$ (6,766)</u>
For the six months ended June 30, 2025					
	Communications	Power	Renewable Energy	Adjustments and write off	Total
Revenue from external customers	\$ 168,438	80,770	1,127,315	-	1,376,523
Interdepartmental income	61,021	605	62,082	(123,708)	-
Total revenue	<u>\$ 229,459</u>	<u>81,375</u>	<u>1,189,397</u>	<u>(123,708)</u>	<u>1,376,523</u>
Departmental profit and loss should be reported	<u>\$ (11,864)</u>	<u>12,011</u>	<u>5,763</u>	<u>1,082</u>	6,992
Share of loss of associate accounted for using the equity method					(1,074)
Net profit before tax					<u>\$ 5,918</u>

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