

Billion Electric Co., Ltd.
Parent Company Only Financial Statements and independent
auditors' report
For the Years Ended December 31, 2024 and 2023

Address : 8F., No. 192, Sec. 2, Zhongxing Rd., Xindian Dist., New Taipei City
Telephone : (02)2914-5665

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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Independent Auditors' Report

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

Audit Opinions

The Parent Company Only Balance Sheets of Billion Electric Co., Ltd. as of December 31, 2024 and 2023, and the Parent Company Only Statement of comprehensive income, Parent Company Only Statement of Changes in Equity, Parent Company Only Cash Flow Statement, and the Notes to the Parent Company Only Financial Statements (including the Summary of significant accounting policies) for the period from January 1 to December 31, 2024 and 2023 have been completely audited by the Certified Public Accountant.

In our opinion, based on our audits and the reports of other auditors as described in the Other Matter section of our report, the Parent Company Only Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, which are sufficient to present the parent company only financial position of Billion Electric Co., Ltd. as at December 31, 2024 and 2023 and the parent company only financial results and parent company only cash flows for the periods from January 1 to December 31, 2024 and 2023.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under the aforementioned standards are further described in the Auditors' Responsibilities Section of this audited financial statements and reports. The personnel from our Certified Public Accountant Firm who are subject to the independence norms have maintained their superior independence from Billion Electric Co., Ltd. in accordance with the ethical norms of the profession of Certified Public Accountant and have fulfilled the other responsibilities under the norms. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matters

Included in Billion Electric Co., Ltd.'s investments using the equity method, the relevant financial reports using the equity method are not audited by us, but by other auditors. Therefore, in our opinions on the above-mentioned parent company only financial reports, the amounts listed in the financial reports of these investments using the equity method are based on the audit reports of other accountants. The investment accounted for using equity method amounted to NT\$27,199 thousand as of December 31, 2023, accounting for 1.12% of total assets; the share of income of subsidiaries and associates recognized under the equity method amounted to NT\$172 thousand for the year ended December 31, 2023, accounting for 0.27% of the net profit before tax.

Key Audit Matters

The key audit matters refer to the most important matters regarding the audit of the Parent Company Only Financial Statements of Billion Electric Co., Ltd. for the year of 2024 according to our professional judgment. These matters have been addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our audit opinion. As such, we do not express a separate opinion on these matters. The key audit matters of the Parent Company Only Financial Statements of the Billion Electric Co., Ltd. for the year of 2024 are as follows:

Income from sales and income from sales of subsidiaries accounted for using the equity method

For the accounting policy regarding the recognition of sales revenue, please refer to Note 4(16) Income Recognition of the Parent Company Only Financial Statements; for disclosure of relevant information about sales revenue, please refer to Note 6(25) Revenue from Contracts with Customers of the Parent Company Only Financial Statements.

Explanation of Key Audit Matters:

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

How the matter was addressed in our audit:

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

Responsibilities of Management and Governing Body for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the accounting reports in accordance with “Regulations of Financial Treatment of Industrial and Commercial Groups” promulgated by Ministry of the Interior and Enterprise Accounting Standards and its interpretations,

and for maintenance of necessary internal control in the preparation of the Parent Company Only Financial Statements, so as to ensure that the Parent Company Only Financial Statements are free from material misstatements, whether due to fraud or error.

In preparing the accounting reports, management is responsible for assessing Billion Electric Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Billion Electric Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) of Billion Electric Co., Ltd. are responsible for supervising the financial reporting process.

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

The purpose of our audit on the Parent Company Only Financial Statements is to obtain reasonable assurance as to whether the Parent Company Only Financial Statements as a whole contain material misstatement due to fraud or error, and to provide an audit report. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance will always detect a material misstatement when it exists. Misstatements could arise from fraud or error. The misstated amounts are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of the internal controls involved in the audit to design an appropriate audit procedure under the circumstances, except that the purpose is not to express an opinion on the effectiveness of the internal controls of Billion Electric Co., Ltd.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. On the basis of the verification evidence obtained, it is concluded whether there is significant uncertainty about the appropriateness of the continuing operations accounting basis adopted by the management and the events or circumstances that may cause significant doubt about the ability of Billion Electric Co., Ltd. to continue its operations. If we reckon that material uncertainties exist in the events or conditions, we are obliged to include in our audit report a reminder that draws the attention of users of the Parent Company Only Financial Statements

to relevant disclosures contained therein, or to modify our audit opinion when such disclosures are considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Billion Electric Co., Ltd. to no longer be able to continue operating.

5. Evaluated the overall presentation, structure and content of the Parent Company Only Financial Statements (including relevant notes), and whether it adequately represents the underlying transactions and events.
6. Obtain sufficient and appropriate verification evidence of the financial information of investee companies using the equity method to express an opinion on the Parent Company Only Financial Statements. We are responsible for directing, overseeing, and executing the audit of and forming the audit opinion on Billion Electric Co., Ltd.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent Company Only Financial Statements of Billion Electric Co., Ltd. for the year 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Certified Public Accountants Firm

February 27, 2025

Billion Electric Co., Ltd.
Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ Thousand

Assets	December 31, 2024		December 31, 2023			Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current Liabilities:				
1100 Cash and cash equivalents (Notes 6(1) and (28))	\$ 271,918	11	496,054	20	2100	Short-term borrowings (Notes 6(16) and (28))	\$ 140,000	6	1,000	-
1110 Financial assets at fair value through profit or loss - current (Notes 6(2) and (28))	-	-	24,761	1	2130	Contract liabilities - current (Note 6(25))	25,419	1	4,198	-
1136 Financial assets at amortized cost - current (Notes 6(4) and (28))	41,892	2	36,995	2	2170	Accounts payable (Notes 6(28))	10,329	1	30,777	1
1151 Notes receivable (Notes 6(5), (25) and (28))	107	-	47	-	2181	Accounts payable - related parties (Notes 6(28))	6,727	-	-	-
1170 Net accounts receivable (Notes 6(5), (25) and (28))	37,128	1	38,233	2	2200	Other payable (Note 6(28))	27,531	1	43,178	2
1180 Net accounts receivable – related parties (Notes 6(5),(25),(28) and 7)	18,291	1	29,680	1	2220	Other payable - related parties (Notes 6(28) and 7)	81,166	3	6,574	-
1200 Other receivables (Notes 6(5), (6) and (28))	8,075	-	15,153	-	2230	Income tax liabilities for the current period (Note 6(21))	-	-	715	-
1210 Other receivables - related parties (Notes 6(6),(28) and 7)	11,186	-	29,925	1	2250	Provision for liabilities - current (Note 6(19))	-	-	9,394	1
1220 Income tax assets in the current period	2,613	-	-	-	2280	Lease liabilities - current (Note 6(18))	6,542	-	6,175	-
1300 Net inventories (Note 6(7))	75,468	3	74,448	3	2320	Long-term borrowings due within one year (Note 6(17) and (28))	13,437	1	25,817	1
1470 Other current assets (Note 6(15))	23,240	1	21,134	1	2300	Other current liabilities	6,994	-	9,636	1
1482 Contract performance costs - current (Note 6(25))	13,414	1	14,845	1		Total Current Liabilities	318,145	13	137,464	6
Total Current Assets	503,332	20	781,275	32		Non-Current Liabilities:				
Non-Current Assets:					2540	Long-term borrowings (Notes 6(17) and (28))	-	-	30,823	1
1517 Financial assets at fair value through other comprehensive income - non-current (Notes 6(3) and (28))	60,401	2	69,327	3	2570	Deferred income tax assets (Note 6(21))	30,500	1	25,988	1
1535 Financial assets at amortized cost - non-current (Notes 6(4) and (28))	389,119	15	370,283	15	2580	Lease liabilities - non-current (Note 6(18) and (28))	35,811	1	40,179	2
1550 Investments using the equity method (Notes 6(8), (9), (10) and (11))	825,371	33	636,681	26	2640	Net defined benefit liabilities - non-current (Note 6(20))	9,377	-	16,168	1
1600 Property, plant and equipment (Note 6(12))	552,113	22	428,918	18	2645	Guarantee deposits received	2,374	-	1,472	-
1755 Right-of-use assets (Note 6(13))	41,232	2	45,825	2		Total Non-Current Liabilities	78,062	2	114,630	5
1760 Investment property (Note 6(14))	73,316	3	60,231	3		Total Liabilities	396,207	15	252,094	11
1780 Intangible assets	581	-	717	-		Equity (Note 6(22)):				
1840 Deferred income tax liabilities (Note 6(21))	15,742	1	15,158	1	3110	Capital Stock - Common Shares	1,155,328	46	1,154,191	48
1900 Other non-current assets (Note 6(15))	46,514	2	15,044	-	3140	Advance receipts for ordinary shares	4,713	-	297	-
Total Non-Current Assets	2,004,389	80	1,642,184	68			1,160,041	46	1,154,488	48
					3200	Capital surplus	692,146	28	692,696	28
						Retained earnings:				
					3310	Legal reserve	227,462	9	220,288	9
					3320	Special reserve	40,765	2	56,874	2
					3350	Unappropriated earnings	45,533	3	103,539	4
							313,760	13	380,701	15
						Other equity:				
					3410	Exchange differences on translating the financial statements of foreign operations	5,240	-	(6,106)	-
					3420	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(34,616)	(1)	(25,357)	(1)
					3500	Treasury shares	(25,057)	(1)	(25,057)	(1)
						Total Equity	2,111,514	85	2,171,365	89
Total Assets	\$ 2,507,721	100	2,423,459	100		Total Liabilities and Equity	\$ 2,507,721	100	2,423,459	100

(Please refer to the notes attached to the Parent Company Only Financial Statement.)

Billion Electric Co., Ltd.
Comprehensive Income Statements
January 1 to December 31, 2024 and 2023

Unit: NTS Thousand

	2024	%	2023	%
4000 Operating Income (Notes 6(25) and 7)	\$ 348,962	100	476,773	100
5000 Operating Cost (Notes 6(7), (12), (13), (20) and 7)	270,005	77	380,861	80
Operating Gross Profit	78,957	23	95,912	20
5910 Less: Unrealized Profit on Sales	10,435	3	12,832	2
5920 Add: Realized Profit on Sales	12,933	3	25,251	5
Realized Operating Gross Profit	81,455	23	108,331	23
Operating Expenses (Notes 6(5), (12), (13), (18), (20), (23) and (26)):				
6100 Sales expenses	37,173	11	50,673	11
6200 Administrative expenses	60,516	17	57,193	12
6300 Research and development expenses	55,397	16	82,843	17
6450 Expected credit losses	142	-	-	-
Total Operating Expenses	153,228	44	190,709	40
Net Operating Loss	(71,773)	(21)	(82,378)	(17)
Non-Operating Income and Expenses (Notes 6(14), (27) and 7):				
7100 Interest income	27,592	8	25,473	5
7010 Other income	17,866	5	35,290	8
7020 Other gains and losses	41,455	12	75,838	16
7050 Financial costs	(6,193)	(2)	(4,663)	(1)
7060 Share of profit or loss of subsidiaries and associates recognized under equity method	(33,034)	(9)	15,327	3
Total Non-Operating Income and Expenses	47,686	14	147,265	31
7900 Net Profit (Loss) Before Tax	(24,087)	(7)	64,887	14
7951 Less: Income Tax Expenses (Benefits) (Note 6(21))	666	-	(6,261)	(1)
8200 Net Profit (Loss) for the Period	(24,753)	(7)	71,148	15
8300 Other Comprehensive Income (Notes 6(21) and (22)):				
8310 Items That Will not Be Reclassified to Profit or Loss				
8311 Re-measurement of defined benefit plan	3,115	1	741	-
8316 Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	(8,926)	(3)	16,135	3
8330 Unrealized valuation gain or loss on equity instrument investments measured at fair value through other comprehensive income of subsidiaries accounted for using the equity method	(333)	-	-	-
8349 Less: Income tax related to items that may not be reclassified	623	-	148	-
Total of Items That Will not Be Reclassified to Profit or Loss	(6,767)	(2)	16,728	3
8360 Items That May Be Subsequently Reclassified to Profit or Loss				
8361 Exchange differences on translating the financial statements of foreign operations	14,182	4	(32)	-
8399 Less: Income tax related to items that may be reclassified to profit or loss	2,836	1	(6)	-
Total of Items That May Be Subsequently Reclassified to Profit or Loss	11,346	3	(26)	-
8300 Other Comprehensive Income for the Year	4,579	1	16,702	3
8500 Total Comprehensive Income for the Year	\$ (20,174)	(6)	87,850	18
Earnings (Loss) per Share (NTD) (Note 6(24))				
9750 Basic Earnings (Loss) per Share	\$	(0.22)	0.64	
9850 Diluted Earnings (Loss) per Share	\$	(0.22)	0.64	

(Please refer to the notes attached to the Parent Company Only Financial Statement.)

Billion Electric Co., Ltd.
Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

	Retained Earnings						Other Equity Items					
	Capital Stock - Common Shares	Advance Receipts for Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total Equity
Balance as of January 1, 2023	\$ 996,973	1,205	308,439	215,979	75,152	47,216	338,347	(6,080)	(41,492)	(47,572)	(25,913)	1,571,479
Net profit for the period	-	-	-	-	-	71,148	71,148	-	-	-	-	71,148
Other comprehensive income for the year	-	-	-	-	-	593	593	(26)	16,135	16,109	-	16,702
Total comprehensive income for the year	-	-	-	-	-	71,741	71,741	(26)	16,135	16,109	-	87,850
Earnings appropriation and distribution:												
Provision of legal reserve	-	-	-	4,309	-	(4,309)	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	(29,387)	(29,387)	-	-	-	-	(29,387)
Reversed special reserve	-	-	-	-	(18,278)	18,278	-	-	-	-	-	-
Cash capital increase	150,000	-	379,800	-	-	-	-	-	-	-	-	529,800
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	702	-	-	-	-	-	-	-	-	702
Share-based payment transactions	6,013	297	3,755	-	-	-	-	-	-	-	856	10,921
Advance receipts for ordinary shares turned share capital	1,205	(1,205)	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	1,154,191	297	692,696	220,288	56,874	103,539	380,701	(6,106)	(25,357)	(31,463)	(25,057)	2,171,365
Net loss for the period	-	-	-	-	-	(24,753)	(24,753)	-	-	-	-	(24,753)
Other comprehensive income for the year	-	-	-	-	-	2,492	2,492	11,346	(9,259)	2,087	-	4,579
Total comprehensive income for the year	-	-	-	-	-	(22,261)	(22,261)	11,346	(9,259)	2,087	-	(20,174)
Earnings appropriation and distribution:												
Provision of legal reserve	-	-	-	7,174	-	(7,174)	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	(42,298)	(42,298)	-	-	-	-	(42,298)
Reversed special reserve	-	-	-	-	(16,109)	16,109	-	-	-	-	-	-
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	(2,672)	-	-	(2,382)	(2,382)	-	-	-	-	(5,054)
Share-based payment transactions	840	4,713	2,122	-	-	-	-	-	-	-	-	7,675
Advance receipts for ordinary shares turned share capital	297	(297)	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2024	\$ 1,155,328	4,713	692,146	227,462	40,765	45,533	313,760	5,240	(34,616)	(29,376)	(25,057)	2,111,514

(Please refer to the notes attached to the Parent Company Only Financial Statement.)

Billion Electric Co., Ltd.
Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024	2023
Cash Flows From Operating Activities:		
Net Profit (Loss) Before tax for the Year	(\$ 24,087)	64,887
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expenses	30,899	29,431
Amortization expense	391	650
Expected credit losses	142	-
Net gain on financial assets and liabilities measured at fair value through profit and loss	(20)	(663)
Interest expenses	6,193	4,663
Interest income	(27,592)	(25,473)
Dividend income	-	(154)
Remuneration cost for share-based payment	(323)	1,257
Share of loss (profit) of subsidiaries and associates recognized under equity method	33,034	(15,327)
Gains from disposal of property, plant and equipment	(329)	-
Disposal of investment income using the equity method	-	(76,587)
Unrealized Profit on Sales	10,435	12,832
Realized Profit on Sales	(12,933)	(25,251)
Unrealized foreign exchange (gains) losses	(34,834)	6,303
Total adjustments to reconcile profit and loss	5,063	(88,319)
Net changes related to operating assets/liabilities:		
Financial assets at fair value through profit or loss	24,781	1,547
Notes receivable	(60)	908
Accounts receivable	2,643	(7,269)
Accounts receivable - related parties	12,456	(12,690)
Other receivables	6,540	(1,311)
Other receivables from related parties	18,853	(9,930)
Inventories	(1,020)	65,359
Other current assets	(2,486)	3,478
Contract performance costs	1,431	40,859
Contract liabilities - current	21,221	(19,415)
Accounts payable	(21,019)	(1,017)
Accounts payable from related parties	6,727	-
Other payable	(15,724)	11,737
Other payable to related parties	(5,472)	5,336
Provisions for liabilities	(9,318)	-
Other current liabilities	(2,642)	(1,035)
Net defined benefit liabilities	(4,299)	121
Adjustments	37,675	(11,641)

(Please refer to the notes attached to the Parent Company Only Financial Statement.)

Billion Electric Co., Ltd.
Statements of Cash Flows (Continued)
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousand

	2024	2023
Cash inflow from operating activities	\$ 13,588	53,246
Interests received	28,249	23,639
Interests paid	(6,199)	(4,740)
Income tax returned (paid)	(2,902)	331
Net Cash Inflow From Operating Activities	32,736	72,476
Cash Flows From Investing Activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(30,000)
Acquisition of financial assets at amortized cost	(23,733)	-
Disposal of financial assets measured at amortized cost	-	19,935
Acquisition of investments using the equity method	(265,596)	(127,000)
Disposal of investments accounted for using equity method	-	162,798
Refund of capital from an investee accounted for using the equity method due to capital reduction	71,495	-
Acquisition of properties, plant and equipment	(129,652)	(83,266)
Disposal of properties, plant and equipment	6,077	-
Acquisition of intangible assets	(287)	(832)
Disposal of intangible assets	32	-
Acquisition of investment property	(34,076)	-
Decrease (increase) in other non-current assets	(33,545)	7,253
Dividends received	16,975	11,326
Net Cash Outflow From Investing Activities	(392,310)	(39,786)
Cash Flows From Financing Activities:		
Increase (decrease) in short-term loans	139,000	(216,000)
Repayment of long-term borrowings	(43,203)	(23,484)
Increase in guarantee deposits received	902	989
Increase other payable - related parties	80,000	-
Repayment of the lease principal amount	(6,509)	(5,979)
Issuance of cash dividends	(42,298)	(29,387)
Cash capital increase	-	529,800
Employee stock options exercised	7,442	8,784
Treasury shares acquired by employees	-	856
Acquisition of equity of subsidiaries	(34,768)	(19,115)
Disposal of equity of subsidiaries (no loss of control over the subsidiaries)	2,400	2,080
Net Cash Inflow From Financing Activities	102,966	248,544
Effect of Exchange Rate Changes on Cash and Cash Equivalents	32,472	(5,690)
(Decrease) Increase in Cash and Cash Equivalents for the Current Period	(224,136)	275,544
Cash and Cash Equivalents at the Beginning of the Year	496,054	220,510
Cash and Cash Equivalents at the End of the Year	\$ 271,918	496,054

(Please refer to the notes attached to the parent company only financial statement.)

Billion Electric Co., Ltd.

Notes to Parent Company Only Financial Statements

For the Years Ended December 31, 2024 and 2023

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

1. Company History

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

2. Approval Dates and Procedures of the Financial Statements

The Parent Company Only Financial Statements were approved by the board of directors and authorized for issue on February 27, 2025.

3. Applicability of Newly Issued and Revised Standards and Interpretations

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

The Company has initially adopted the following new amendments, which do not have a significant impact on the Parent Company Only Financial Statements, from January 1, 2024.

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Company has assessed the applicability of the following newly amended IFRSs, effective from January 1, 2025, and determined that they will not have a significant impact on the Parent Company Only Financial Statements.

- Amendment to IAS 21 “Lack of Exchangeability”

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

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

Standards or Interpretations	Content of amendment	Effective Date Issued by IASB
Amendments to IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standards introduce three types of income and expenses, two subtotals for the income statement, and a single note regarding performance measures used by management. These three amendments, which strengthen the standards on how information is disaggregated in financial statements, lay the foundation for providing users with better and more consistent information, and will impact all companies.</p> <ul style="list-style-type: none"> ● More structured income statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introducing a new subtotal called “operating profit,” and require that all income and expenses be categorized into three new types based on the company’s main operating activities. ● Management Performance Measures (MPM): The new standard introduces the definition of management performance measures and requires companies to explain in a single note to the financial statements for each measure why it provides useful information, how it is calculated, and how it reconciles with amounts recognized under IFRSs. ● More disaggregated information: The new standard includes guidance for companies on how to enhance the disaggregation of information in financial 	January 1, 2027

Standards or Interpretations	Content of amendment	Effective Date Issued by IASB
	statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.	

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance contracts” and IFRS 17
- Amendment to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards.”
- Amendments to IFRS 9 and IFRS 7 “Power Purchase Agreement Reliant on Natural Energy”

4. Summary of Significant Accounting Policies

The summary of significant accounting policies used in this Parent Company Only Financial Statement is as follows. The following accounting policies have been applied consistently for all periods of presentation of this Parent Company Only Financial Statement.

(1) Statement of Compliance

This Parent Company Only Financial Statement was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

1. Basis of Measurement

Except for the following important items in the balance sheet, this Parent Company Only Financial Statement is prepared on the basis of historical costs:

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

2. Functional Currency and Presentation Currency

Each entity of the Company uses the currency of the primary economic environment in which it operates as its functional currency. The Parent Company Only Financial Statements are presented in New Taiwan Dollars, Cleanaway's functional currency. All financial information expressed in NT\$ is expressed in thousands of NT\$.

(3) Foreign Currency

1. Foreign Currency Transactions

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

2. Foreign Operating Institutions

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

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

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

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

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

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

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

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

(5) Cash and Cash Equivalents

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

(6) Financial Instruments

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

1. Financial Assets

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

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

(1) Financial Assets at Amortized Cost

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

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

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

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

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

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

The Company holds part of the accounts receivable under the business model for the purpose of collecting contractual cash flow and selling, so these

accounts are measured at fair value through other comprehensive income. However, it is listed under the accounts receivable.

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

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

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

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

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

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

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

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

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

To evaluate whether the contractual cash flow is exclusively the payment of the principal and the interest on the principal amount outstanding, the Company

considers the terms of the financial instrument contract, including evaluating whether the financial asset contains a contractual term that can change the timing or amount of the contractual cash flow such that it does not meet this condition. In the evaluation, the Company considers:

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

(5) Impairment of Financial Assets

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

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

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

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

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

If the contract payment is overdue for more than 120 days, or the borrower is unlikely to fulfill its credit obligations and pay the full amount to the Company, the Company considers the financial asset to be in default, unless there is reasonable and probative information showing that a later benchmark for default is more appropriate.

If the credit risk rating of a financial instrument is equivalent to the “Investment Grade” defined globally (the investment grade BBB- of Standard & Poor’s, the investment grade Baa3 of Moody’s, or the investment grade twA of Taiwan Ratings, or higher), the credit risk of the debt security is considered low by the Company.

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

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

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

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

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

- Significant financial difficulties of the borrower or issuer.
- Breach of contract, such as delay or overdue for more than 120 days.
- The Company makes concessions to the borrower that would not otherwise be considered by the Company for economic or contractual reasons related to the borrower’s financial difficulties.
- The borrower is likely to file for bankruptcy or other financial reorganizations.
- Disappearance of an active market for the financial asset as a result of financial difficulties.

An allowance for losses on financial assets carried at amortized cost is deducted from the asset’s carrying amount. The allowance for losses on investments in debt instruments at fair value through other comprehensive income is adjusted

in profit or loss and recognized in other comprehensive income (without reducing the carrying amount of the asset).

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

(6) Derecognition of Financial Assets

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

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

2. Financial Liabilities and Equity Instruments

(1) Classification of Liabilities or Equity

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

(2) Equity Transactions

An equity instrument is any contract that recognizes the Company's residual equity after deducting all of its liabilities from its assets. The equity instruments issued by the Company are recognized at the price obtained after deducting the direct issuance costs.

(3) Treasury shares

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

(4) Financial Liabilities

Financial liabilities are classified as amortized cost.

(5) Derecognition of Financial Liabilities

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

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

(7) Inventories

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

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

(8) Investment in Associates

An associate is a company that has a significant influence on its financial and operating policies but is not controlled or jointly controlled.

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

The Parent Company Only Financial Statement includes the amount of the profit and loss of each investment related company and other comprehensive income recognized by the Company based on the proportion of equity from the date of significant influence to the date of loss of significant influence, after making adjustments consistent with the company's accounting policies. When changes in equity of an associate in non-profit or loss and other comprehensive income do not affect the Company's shareholding ratio, the Company will recognize the changes in equity attributable to the Company under the shares of the associate in the capital reserve according to the shareholding ratio.

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

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

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

(9) Investment in Subsidiaries

In the preparation of the Parent Company Only Financial Statement, the Company evaluates the equity method of the controlled invested company. Under the equity method, the current profit and loss and other comprehensive income of the Parent Company Only Financial Statement and the current profit or loss and other comprehensive income of the consolidated financial statement are attributable to owners of the parent company, and the owner's equity of the Parent Company Only Financial Statement and the equity attributable to the owners of the parent company in the consolidated financial statement are the same.

Changes in the Company's ownership interests in subsidiaries have not resulted in the loss of the controller, which is treated as an equity transaction with the owners.

(10) Investment Property

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

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

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

(11) Property, Plant, and Equipment

1. Recognition and Measurement

Property, plant and equipment items are measured at cost (including capitalized borrowing costs) minus the accumulated depreciation and any accumulated impairment.

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

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

2. Subsequent Costs

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

3. Depreciations

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

Land is not subject to depreciation.

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

- (1) Auxiliary Equipment of Housing and Building: 1 to 55 years.

- (2) Machinery: 3 to 20 years.
- (3) Transportation Equipment: 5 years.
- (4) Office Equipment and Others: 2 to 15 years.

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

4. Reclassified to Investment Property

When the use of property is changed from own use to investment, the property is reclassified as investment property based on the carrying amount at the time of the change of use.

(12) Leases

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

1. Lessee

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

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

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

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

- (1) Fixed payments, including in-kind fixed payments.

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

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

- (1) There is a change in future lease payments due to changes in the index or rate used to determine lease payments.
- (2) There is a change in the amount of residual value margin expected to be paid.
- (3) There is a change in the valuation of the underlying asset purchase option.
- (4) There is a change in the estimate of whether to exercise the extension or termination option, which changes the assessment of the lease term.
- (5) There are modifications of the subject, scope or other terms of the lease.

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

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

The Company presents the right-of-use assets and lease liabilities that do not meet the definition of investment property in the balance sheet as separate items. Where an agreement contains lease and non-lease components, the Company allocates the consideration in the contract to the individual lease components on a relative stand-alone price basis. However, when leasing land and buildings, the Company chooses to treat the lease component and the non-lease component as a single lease component without distinguishing the non-lease components.

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

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

- (1) Rent concessions incurred as a direct result of the COVID-19 epidemic.
- (2) The change in the lease payment results in the modified lease consideration being almost the same or smaller than the lease consideration before change.
- (3) Any decrease in lease payments only affects payments that were due before June 30, 2021.
- (4) No other terms and conditions of the lease have materially changed.

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

2. Lessor

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

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

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

(13) Intangible assets

1. Recognition and Measurement

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

Development expenditures are capitalized only when they are reliably measurable, the technical or commercial feasibility of the product or process has been achieved, future economic benefits are likely to flow to the Company, and the Company intends and has sufficient resources to complete the development and use or sell the asset. Other development expenses are recognized in profit or loss when incurred.

After initial recognition, the capitalized development expenditure is measured at its cost minus the accumulated amortization and accumulated impairment.

The Company's acquisition of other intangible assets with a finite service life is measured at cost less the accumulated amortization and accumulated impairment.

2. Subsequent Expenditures

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

3. Amortization

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

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

Computer System and Software: 2 to 3 years

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

(14) Impairment of Non-financial Assets

At each reporting date, the Company assesses whether there is any indication that the carrying amount of non-financial assets (other than inventories, deferred income tax assets and investment property measured at fair value) may be impaired. If there is any indication, the recoverable amount of the asset is estimated. Goodwill is regularly tested for impairment every year.

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

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

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

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

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

(15) Provisions

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

(16) Recognition of Revenues

1. Revenue from Contracts with Customers

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

(1) Product Sales Revenue

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

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

(2) Revenue From Sale of Electricity

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

(3) Project Income

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

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

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

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

2. Cost of Customer Contracts

(1) Contract Performance Costs

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

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

fulfilled (or partially satisfied) performance obligations are recognized in expenses when incurred.

(17) Employee Benefits

1. Defined Contribution Plans

Contribution obligations to defined contribution pension plan is recognized in expenses during the period of service performed by the employee. Prepaid appropriations are recognized in assets to the extent that they will result in a return of cash or a reduction in future payments.

2. Defined Benefit Plans

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

The defined benefit obligation is actuarially valued annually by a qualified actuary using the estimated unit benefit method. When the results of the calculation may be beneficial to the Company, the recognized assets are limited to the present value of any economic benefits that can be obtained in the form of returning contributions from the plan or reducing future contributions to the plan. The calculation of the present value of economic benefits takes into account any minimum funding requirements.

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

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

3. Other Long-Term Employee Benefits

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

4. Short-Term Employee Benefits

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

(18) Share-Based Payment Transactions

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

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

The fair value amount of the cash-delivered share appreciation rights that should be paid to employees is recognized in expenses and increases the relative liability during the period when the employee can obtain compensation unconditionally. The liability is remeasured against the fair value of the share appreciation rights at each reporting date and delivery date, and any changes are recognized in profit or loss. Employee stock options granted by the Company to employees of its subsidiaries for settlement of the Company's equity instruments are treated as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the grant date and recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus - employee stock options.

(19) Income Tax

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

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

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

The deferred income tax is recognized by measuring the temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and their tax

base. Temporary differences arising from the following situations are not recognized in deferred income tax:

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

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

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

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

1. It has the legally enforceable right to offset the current income tax assets against current income tax liabilities.
2. The deferred income tax assets and liabilities are related to one of the following taxpayers whose income tax is levied by the same tax authority:
 - (1) The same taxpayer
 - (2) Different taxpayers

But each subject intends to settle current income tax liabilities and assets on a net basis, or realize assets and settlement simultaneously, in each future period in which the significant amount of deferred income tax assets is expected to be recovered and deferred income tax liabilities are expected to be settled.

(20) Business Merger

The Company adopts the acquisition method for each business merger, and the goodwill is measured at the fair value of the consideration transferred on the acquisition date,

including the amount attributable to any non-controlling interests in the acquiree, minus the net amount of identifiable assets acquired and assumed measured (usually fair value). If the balance after deduction is negative, the Company will reassess whether all acquired assets and all assumed liabilities have been correctly identified before recognizing the bargain purchase benefit in profit or loss.

Except for those related to the issuance of debt or equity instruments, the transaction costs related to the business merger shall be recognized in expenses of the Company when incurred.

Among the non-controlling interests of the acquiree, if they belong to the current ownership interests and the holders are entitled to enjoy the net assets of the enterprise on a pro rata basis when the liquidation occurs, the Company chooses the fair value on the acquisition date or at the proportional share of the recognized amount of the net assets identifiable to the acquiree by the current ownership instrument on a transaction-by-transaction basis. Other non-controlling interests are measured at their fair value as of the date of acquisition or on other bases as prescribed by the International Financial Reporting Standards as endorsed by the FSC.

(21) Earnings Per Share

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

(22) Segment Information

The Company has disclosed department-specific information in the consolidated financial statement, so the Parent Company Only Financial Statement does not disclose such information.

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

The Management must make judgments about the future (including climate-related risks and opportunities) and estimates in preparing the Parent Company Only Financial Statement that will have an impact on the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from the estimates.

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

6. Explanation of Significant Accounts

(1) Cash and Cash Equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Petty Cash	\$ 70	70
Bank Deposits	96,750	126,907
Time Deposits	69,857	98,571
Re-Purchase Bonds	<u>105,241</u>	<u>270,506</u>
	<u>\$ 271,918</u>	<u>496,054</u>

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets at fair value through profit or loss:		
Non-derivative financial assets		
Shares of TWSE/ TPEX listed companies	\$ -	1,985
Fund Beneficiary Certificate	<u>-</u>	<u>22,776</u>
Total	<u>\$ -</u>	<u>24,761</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Equity Instruments Measured at Fair Value Through Other Comprehensive Income:		
Shares of Domestic Unlisted Companies	<u>\$ 60,401</u>	<u>69,327</u>

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

(4) Financial Assets at Amortized Cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current		
Time Deposits	\$ 39,886	36,995
Restricted Bank Deposits - Current	<u>2,006</u>	<u>-</u>
	<u>\$ 41,892</u>	<u>36,995</u>
Non-Current		
Time Deposits	\$ -	9,800
Restricted Bank Deposits - Non-current	<u>389,119</u>	<u>360,483</u>
	<u>\$ 389,119</u>	<u>370,283</u>

Please refer to Note 8 for the details of long-term and short-term borrowings and financing limit guarantees on December 31, 2024 and 2023.

(5) Notes Receivable, Accounts Receivable and Accounts Receivable - Related Parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes Receivable - Arising from Operations	\$ 107	47
Accounts Receivable	37,495	38,445
Accounts receivable - related parties	18,291	29,680
Less: Loss Allowance	(<u>367</u>)	(<u>212</u>)
	<u>\$ 55,526</u>	<u>67,960</u>

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

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

	<u>December 31, 2024</u>		
	<u>Book Amounts of Notes Receivable and Accounts Receivable</u>	<u>Weighted Average Expected Credit Loss Ratio</u>	<u>Allowance Lifetime Expected Credit Losses</u>
Not overdue	\$ 55,526	0%	-
Overdue for more than 121 days (including)	<u>367</u>	100%	<u>367</u>
	<u>\$ 55,893</u>		<u>367</u>

	<u>December 31, 2023</u>		
	<u>Book Amounts of Notes Receivable and Accounts Receivable</u>	<u>Weighted Average Expected Credit Loss Ratio</u>	<u>Allowance Lifetime Expected Credit Losses</u>
Not overdue	\$ 67,960	0%	-
Overdue for more than 121 days (including)	<u>212</u>	100%	<u>212</u>
	<u>\$ 68,172</u>		<u>212</u>

The movements of the loss allowance for notes and accounts receivable of the Company are as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 212	212
Recognized impairment loss	142	-
Foreign exchange translation gain or loss	<u>13</u>	<u>-</u>
Ending Balance	<u>\$ 367</u>	<u>212</u>

On December 31, 2024 and 2023, no notes receivable and accounts receivable of the Company have been provided as collateral.

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

<u>December 31, 2023</u>						
<u>Subject to Sale</u>	<u>Excluding Amount</u>	<u>Amount Still Available in Advance</u>	<u>Amount Advanced</u>	<u>Amount Transferred to Other Receivables</u>	<u>Interest Rate Range</u>	<u>Other Important Matters</u>
Hua Nan Commercial Bank, Ltd	\$ 23	-	-	23	-	Note 1 to 4
Export-Import Bank of the Republic of China	<u>7,803</u>	<u>-</u>	<u>-</u>	<u>7,803</u>	<u>-</u>	
	<u>\$ 7,826</u>	<u>-</u>	<u>-</u>	<u>7,826</u>	<u>-</u>	

- Note 1: Guarantee that the underwriting subject matter transferred is lawful and valid, and that no third party may claim any rights.
- Note 2: Guarantee that none of the underwriting subject matter is subject to set-off, pledge or transfer prohibition, and the amount is determined as a receivable claim.
- Note 3: Guarantee that the transactions of the sales contract, labor contract or other debt contracts are affected in a normal and lawful manner. And that there are in no sufficient grounds or defenses to extinguish or impede the exercise of the rights of the financial institutions that undertake the acquisition to which the accounts receivable is addressed.
- Note 4: Guarantee that there will be no control over the subordinate relationship or other improper commercial interests during the validity period of the current and future contracts to which the accounts receivable is addressed.

(6) Other Receivables and Other Receivables - Related Parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other Receivables		
Receivables From Payment on Behalf of Others	\$ 174,745	163,659
Advances Receivable	-	279
Business tax Refund Receivable	1,003	1,369
Sales Receivables	-	7,826
Others	7,072	5,679
Less: Loss Allowance	(<u>174,745</u>)	(<u>163,659</u>)
	<u>\$ 8,075</u>	<u>15,153</u>
Other Receivables from Related Parties		
Other Receivables - Capital Loans to Subsidiaries	\$ -	25,024
Other Receivables - Others	<u>11,186</u>	<u>4,901</u>
	<u>\$ 11,186</u>	<u>29,925</u>

The movements of the loss allowance for other receivables of the Company in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 163,659	163,792
Foreign Currency Conversion Gains and Losses	<u>11,086</u>	(<u>133</u>)
Ending Balance	<u>\$ 174,745</u>	<u>163,659</u>

For other credit risk information, please refer to Note 6(28).

(7) Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Supplies	\$ 28,795	44,750
Work in Progress	4,093	2,696
Finished Goods	42,580	23,769
Merchandise Inventory	<u>-</u>	<u>3,233</u>
	<u>\$ 75,468</u>	<u>74,448</u>

Detailed statement of operating costs is as follow:

	<u>2024</u>	<u>2023</u>
Transfer of Inventory Sales	\$ 276,976	353,412
Loss on Inventory Write-Down	(24,285)	11,576
Inventory Obsolescence Losses	324	1,140
Operating Costs of Solar Power Plant	<u>16,990</u>	<u>14,733</u>
Total	<u>\$ 270,005</u>	<u>380,861</u>

On December 31, 2024 and 2023, no inventory of the Company has been provided as collateral.

(8) Investment Accounted for Using Equity Method

The investments of the Company under the equity method on the reporting date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary	\$ 801,056	609,482
Associates	<u>24,315</u>	<u>27,199</u>
	<u><u>\$ 825,371</u></u>	<u><u>636,681</u></u>

1. Subsidiary

Please refer to the Consolidated Financial Statement for the year 2024.

2. Associates

In December 2021, the Board of directors approved to invest in Hsia Ching Co., Ltd., and in January 2022, a paid-in capital of NT\$27,000 thousand was added, and 2,700 thousand shares were acquired, with a shareholding ratio of 20%.

Hsia Ching Co., Ltd. applied for a cash capital increase of NT\$380,286 thousand in July 2022. As the Company did not subscribe according to its shareholding ratio, the shareholding ratio of the Company was reduced from 20% to 5.24%, and the Company is still a director of Hsia Ching Co., Ltd.

3. Guarantee

On December 31, 2024 and 2023, the Company's investments under the equity method are not provided as collateral.

(9) Business Merger

The Company acquires the following companies to develop its solar energy and energy storage related business.

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

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

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

	Noonspare Energy Technology Co., Ltd.
Transfer Consideration	
Cash	\$ 188,370

2. The fair value of identifiable net assets acquired and liabilities assumed:

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

3. Goodwill

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

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

(10) Change of Ownership Interest in Subsidiaries

1. The changes in the Company's interest in subsidiaries in 2024 and transactions without changing control of said subsidiaries are as follows:

In March 2024, the Company reduced its shareholding from 59.82% to 59.64% by disposing of 0.18% of its shareholding in Billion Watts Technologies Co., Ltd.

In April 2024, due to the buyback of shares of Billion Watts Technologies Co., Ltd. from employees, the Company's shareholding increased from 59.64% to 59.74%.

In July 2024, the Company reduced its shareholding from 59.74% to 59.51% by disposing of 0.23% of its shareholding in Billion Watts Technologies Co., Ltd.

In September 2024, due to the buyback of shares of Billion Watts Technologies Co., Ltd. from employees, the Company's shareholding increased from 59.51% to 59.92%.

In October 2024, due to the buyback of shares of Billion Watts Technologies Co., Ltd. from employees, the Company's shareholding increased from 59.92% to 62.13%.

In December 2024, due to the buyback of shares of Billion Watts Technologies Co., Ltd. from employees, the Company's shareholding increased from 62.13% to 62.14%.

In March 2024, the Company repurchased shares of Billion EV Charging Technologies Co., Ltd. from the original shareholders, increasing its ownership percentage from 60% to 100%.

2. The changes in the Company's interest in subsidiaries in 2023 and transactions without changing control of said subsidiaries are as follows:

In February 2023, due to the buyback of shares of Billion Watts Technologies Co., Ltd. from employees, the Company's shareholding increased from 60.26% to 60.31%.

In March 2023, the Company reduced its shareholding from 60.31% to 60.15% by disposing of 0.16% of its shareholding in Billion Watts Technologies Co., Ltd.

In July 2023, the Company reduced its shareholding ratio from 60.15% to 59.82% by disposing of 0.33% of its shareholding in Billion Watts Technologies Co., Ltd.

(11) Loss of Control Over Subsidiary

The Company signed an equity transfer contract with He Jun Energy Co., Ltd. in July 2023 and the transfer was completed on August 9, 2023. The Company sold all the equity of its subsidiary Billion Sunpower Co., Ltd. for NT\$162,798 thousand and lost control over Billion Sunpower Co., Ltd. after the delivery date.

In August 2023, Shinshin Credit Corporation increased capital in Tai Chuang Energy Co., Ltd. by NT\$630,000 thousand and obtained 96.92% equity interest in Tai Chuang Energy Co., Ltd. The Company's shareholding decreased from 100% to 3.08%. On August 23, 2023, the date of the equity transfer, the Company lost control over Tai Chuang Energy Co., Ltd. The remaining 3.08% equity interest was reclassified as financial assets at fair value through other comprehensive income - non-current at the net value of NT\$19,395 thousand as of August 31, 2023, and a gain on disposal of the subsidiary of NT\$19,666 thousand was recognized due to the loss of control.

1. Consideration Received

	<u>2023</u>
	<u>Billion Sunpower Co., Ltd.</u>
Cash and Cash Equivalents	<u>\$ 162,798</u>

2. Assets and Liabilities out of Control

	<u>Billion Sunpower Co., Ltd.</u>
Net Assets Disposed	<u>\$ 105,877</u>

3. Profit From Disposal of Subsidiary

	<u>Billion Sunpower Co., Ltd.</u>
Consideration Received	\$ 162,798
Net Assets Disposed	(<u>105,877</u>)
Profit From Disposal of Subsidiary	<u>\$ 56,921</u>

4. Net Cash Inflow From Disposal of Subsidiary

	<u>Billion Sunpower Co., Ltd.</u>
Consideration Received in Cash	\$ 162,798
Less: Cash Disposed of and Cash in Exchange	(<u>3,883</u>)
	<u>\$ 158,915</u>

(12) Property, Plant, and Equipment

Changes in cost and depreciation of the Company's property, plant and equipment are detailed as follows:

	Land	Building	Machinery and Equipment	Transportation Facilities	Office Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
Costs:								
Balance as of January 1, 2024	\$ 185,820	105,781	89,530	3,196	24,167	193,646	-	602,140
Addition	100,916	4,700	5,890	-	494	13,694	3,958	129,652
Disposal	-	(861)	(28)	-	(379)	(14,584)	-	(15,852)
Reclassification	<u>18,354</u>	<u>8,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,958)</u>	<u>22,962</u>
Balance as of December 31, 2024	<u>\$ 305,090</u>	<u>118,186</u>	<u>95,392</u>	<u>3,196</u>	<u>24,282</u>	<u>192,756</u>	<u>-</u>	<u>738,902</u>
Balance as of January 1, 2023	\$ 185,820	105,781	91,648	3,576	25,715	106,985	14,661	534,186
Addition	-	-	1,928	255	1,422	75,287	-	78,892
Disposal	-	-	(4,190)	(990)	(6,362)	(3,287)	-	(14,829)
Reclassification	<u>-</u>	<u>-</u>	<u>144</u>	<u>355</u>	<u>3,392</u>	<u>14,661</u>	<u>(14,661)</u>	<u>3,891</u>
Balance as of December 31, 2023	<u>\$ 185,820</u>	<u>105,781</u>	<u>89,530</u>	<u>3,196</u>	<u>24,167</u>	<u>193,646</u>	<u>-</u>	<u>602,140</u>
Depreciation:								
Balance as of January 1, 2024	\$ -	50,310	40,374	2,647	20,084	59,807	-	173,222
Current Depreciation	-	3,334	5,150	122	1,397	12,966	-	22,969
Disposal	-	(861)	(28)	-	(234)	(8,981)	-	(10,104)
Reclassification	<u>-</u>	<u>702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702</u>
Balance as of December 31, 2024	<u>\$ -</u>	<u>53,485</u>	<u>45,496</u>	<u>2,769</u>	<u>21,247</u>	<u>63,792</u>	<u>-</u>	<u>186,789</u>
Balance as of January 1, 2023	\$ -	47,075	39,935	3,576	22,194	49,540	-	162,320
Current Depreciation	-	3,235	4,629	61	1,192	13,554	-	22,671
Disposal	-	-	(4,190)	(990)	(6,362)	(3,287)	-	(14,829)
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,060</u>	<u>-</u>	<u>-</u>	<u>3,060</u>
Balance as of December 31, 2023	<u>\$ -</u>	<u>50,310</u>	<u>40,374</u>	<u>2,647</u>	<u>20,084</u>	<u>59,807</u>	<u>-</u>	<u>173,322</u>
Book value:								
December 31, 2024	<u>\$ 305,090</u>	<u>64,701</u>	<u>49,896</u>	<u>427</u>	<u>3,035</u>	<u>128,964</u>	<u>-</u>	<u>552,113</u>
December 31, 2023	<u>\$ 185,820</u>	<u>55,471</u>	<u>49,156</u>	<u>549</u>	<u>4,083</u>	<u>133,839</u>	<u>-</u>	<u>428,918</u>

Please refer to Note 8 for the details of long-term borrowings and financing limit guarantees on December 31, 2024 and 2023.

(13) Right-Of-Use Assets

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

	<u>Land</u>	<u>Housing and Building</u>	<u>Machinery and Equipment</u>	<u>Transportation Facilities</u>	<u>Total</u>
Costs of right-of-use assets:					
Balance as of January 1, 2024	\$ 5,714	54,561	-	5,410	65,685
Addition	1,664	-	844	-	2,508
Decrease	<u>-</u>	<u>(305)</u>	<u>-</u>	<u>(432)</u>	<u>(737)</u>
Balance as of December 31, 2024	<u>\$ 7,378</u>	<u>54,256</u>	<u>844</u>	<u>4,978</u>	<u>67,456</u>
Balance as of January 1, 2023	\$ 5,714	54,561	-	3,789	64,064
Addition	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,621</u>	<u>1,621</u>
Balance as of December 31, 2023	<u>\$ 5,714</u>	<u>54,561</u>	<u>-</u>	<u>5,410</u>	<u>65,685</u>
Depreciation of right-of-use assets:					
Balance as of January 1, 2024	\$ 956	16,414	-	2,490	19,860
Current Depreciation	570	4,784	317	1,430	7,101
Current Decrease	<u>-</u>	<u>(305)</u>	<u>-</u>	<u>(432)</u>	<u>(737)</u>
Balance as of December 31, 2024	<u>\$ 1,526</u>	<u>20,893</u>	<u>317</u>	<u>3,488</u>	<u>26,224</u>
Balance as of January 1, 2023	\$ 406	11,579	-	1,564	13,549
Current Depreciation	<u>550</u>	<u>4,835</u>	<u>-</u>	<u>926</u>	<u>6,311</u>
Balance as of December 31, 2023	<u>\$ 956</u>	<u>16,414</u>	<u>-</u>	<u>2,490</u>	<u>19,860</u>
Book value:					
December 31, 2024	<u>\$ 5,852</u>	<u>33,363</u>	<u>527</u>	<u>1,490</u>	<u>41,232</u>
December 31, 2023	<u>\$ 4,758</u>	<u>38,147</u>	<u>-</u>	<u>2,920</u>	<u>45,825</u>

(14) Investment Property

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

	<u>Land</u>	<u>Housing and Building</u>	<u>Total</u>
Costs or deemed costs:			
Balance as of January 1, 2024	\$ 43,393	25,134	68,527
Addition	-	34,076	34,076
Reclassification	(18,354)	(2,510)	(20,864)
Balance as of December 31, 2024	<u>\$ 25,039</u>	<u>56,700</u>	<u>81,739</u>
Balance as of January 1, 2023 (i.e., ending balance)	<u>\$ 43,393</u>	<u>25,134</u>	<u>68,527</u>
Depreciation:			
Balance as of January 1, 2024	\$ -	8,296	8,296
Current year depreciation	-	829	829
Reclassification	-	(702)	(702)
Balance as of December 31, 2024	<u>\$ -</u>	<u>8,423</u>	<u>8,423</u>
Balance as of January 1, 2023	\$ -	7,847	7,847
Current year depreciation	-	449	449
Balance as of December 31, 2023	<u>\$ -</u>	<u>8,296</u>	<u>8,296</u>
Book amount:			
December 31, 2024	<u>\$ 25,039</u>	<u>48,277</u>	<u>73,316</u>
December 31, 2023	<u>\$ 43,393</u>	<u>16,838</u>	<u>60,231</u>
Fair value:			
December 31, 2024			<u>\$ 100,495</u>
December 31, 2023			<u>\$ 95,230</u>

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

As of December 31, 2024 and 2023, the above investment property has been provided as a guarantee for the financing limit. Please refer to Note 8 for details.

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

Other current and non-current assets of the Company are detailed as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current		
Prepayment	\$ 7,569	2,188
Prepaid Fees	8,195	10,256
Overpaid Tax Retained for Offsetting Future Tax Payable	6,024	8,690
Miscellaneous	<u>1,452</u>	<u>-</u>
Total	<u>\$ 23,240</u>	<u>21,134</u>
Non-Current		
Prepaid Equipment	\$ 13,313	-
Refundable Deposits	32,704	14,343
Long-Term Prepaid Fees	<u>497</u>	<u>701</u>
Total	<u>\$ 46,514</u>	<u>15,044</u>

(16) Short-Term Loans

The short-term loans of the Company are detailed as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured Bank Loans	<u>\$ 140,000</u>	<u>1,000</u>
Unused Limit	<u>\$ 468,000</u>	<u>781,000</u>
Interest Rate Range	<u>1.975%~3.176%</u>	<u>1.953%</u>

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

(17) Long-Term Loans

	<u>December 31, 2024</u>			
	<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Maturity Year</u>	<u>Amount</u>
Secured bank loans	NTD	3.95%	2025	\$ 13,437
Less: Part due within 1 year				(13,437)
Total				<u>\$ -</u>
Unused limit				<u>\$ -</u>

December 31, 2023				
	Currency	Interest Rate (%)	Maturity Year	Amount
Secured bank loans	NTD	3.95%	2025	\$ 35,765
No secured bank loans	NTD	2.30%	2029	20,875
Less: Part due within 1 year				(25,817)
Total				<u>\$ 30,823</u>
Unused limit				<u>\$ 11,000</u>

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

(18) Lease Liabilities

The book amounts of the Company's lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Current	<u>\$ 6,542</u>	<u>6,175</u>
Non-Current	<u>\$ 35,811</u>	<u>40,179</u>

For maturity analysis, please refer to Note 6(28) Financial Instruments.

The amounts recognized to profit and loss are as follows:

	2024	2023
Interest Expense on Lease Liabilities	<u>\$ 896</u>	<u>974</u>
Changes in Lease not Included in the Measurement of Lease Liabilities	<u>\$ 487</u>	<u>491</u>
Short-Term Rental Expense	<u>\$ 136</u>	<u>101</u>
Charges on Low-Value Leasehold Assets (Excluding Low-Value Leases on Short-Term Leases)	<u>\$ 96</u>	<u>83</u>

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

	2024	2023
Total Cash Outflows from Leases	<u>\$ 8,124</u>	<u>7,628</u>

1. Rental of Housing and Building and Transport Equipment

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

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

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

2. Other Leases

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

(19) Provision for Liabilities – Current

	December 31, 2024	December 31, 2023
Subsidy for Equity Transaction	<u>\$ -</u>	<u>9,394</u>

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

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

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

(20) Employee Benefits

1. Defined Benefit Plans

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

	December 31, 2024	December 31, 2023
Present Value of Defined Benefit Obligations	\$ 25,599	35,733
Fair Value of Plan Assets	(<u>16,222</u>)	(<u>19,565</u>)
Net Defined Benefit Liabilities	<u>\$ 9,377</u>	<u>16,168</u>

(1) Plan Assets Composition

The pension funds allocated by the Company under the Labor Standard Method shall be under the overall management of the Labor Fund Utilization Bureau of the Ministry of Labor (hereinafter referred to as Labor Fund Bureau).

According to the “Measures for the Preservation and Utilization of the Income and Expenditure of the Labor Pension Fund”, the minimum return of the annual distribution of the final accounts of the fund shall not be less than the return calculated on the two-year fixed deposit rate of the local bank.

As of the reported date, the balance of the special account of the Bank of Taiwan for labor retirement reserve of the Company is NT\$16,222. For information on the asset management of the Labor Pension Fund, including the fund yield and fund asset allocation, please refer to the website of the Labor Fund Utilization Bureau of the Ministry of Labor.

(2) Changes in Present Value of Defined Benefit Obligations

The present value changes of the Company’s benefit obligations in 2024 and 2023 are determined as follows:

	<u>2024</u>	<u>2023</u>
The present value of the benefit obligation is determined as of January 1	\$ 35,733	38,773
Current service cost and interest	539	805
Long-service bonuses	(176)	98
Remeasurements of the net defined benefit liability		
Actuarial losses (gains) arising from changes in financial assumptions	(396)	719
Actuarial losses (gains) of experience adjustment	(933)	(1,363)
Benefits to be paid	(9,168)	(3,299)
The present value of the benefit obligation is determined as of December 31	<u>\$ 25,599</u>	<u>\$ 35,733</u>

(3) Changes in Fair Value of Plan Assets

The changes in the fair value of the assets of the Company’s defined benefit plan for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets as of January 1	\$ 19,565	22,133
Interest income	254	345
Remeasurements of the net defined benefit liability		
Return on planned assets (excluding current interest)	1,786	97
Amount already allocated to the plan	1,324	233
Benefits to be paid	(6,707)	(3,243)
Fair value of plan assets as of December 31	<u>\$ 16,222</u>	<u>\$ 19,565</u>

(4) Expenses Recognized as Profit or Loss

Details of costs and expenses reported by the Company for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Current Service Cost	\$ 81	209
Net Interest on net Defined Benefit Liabilities	<u>204</u>	<u>251</u>
	<u>\$ 285</u>	<u>460</u>

	<u>2024</u>	<u>2023</u>
Operating Costs	\$ 54	69
Sales Expenses	36	71
Administrative Expenses	54	97
Research and Development Expenses	<u>141</u>	<u>223</u>
	<u>\$ 285</u>	<u>460</u>

(5) Remeasurement of net Definable Benefit Liabilities Admitted as Other Comprehensive Gains and Losses

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

	<u>2024</u>	<u>2023</u>
Accumulated Balance as of January 1	\$ 15,745	15,004
Recognized in the Current Period	<u>3,115</u>	<u>741</u>
Accumulated Balance as of December 31	<u>\$ 18,860</u>	<u>15,745</u>

(6) Actuarial Assumptions

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount Rate	1.55%	1.30%
Rate of Future Wage Increases	1.50%	1.50%

The Company expects to make a provision of NT\$1,334 thousand to the defined benefit plan for one year after the reporting date of 2024.

The weighted average duration of defined benefit plans was 6.4 years.

(7) Sensitivity Analysis

The impact of changes in the major actuarial assumptions applicable on December 31, 2024 and 2023 on the determination of the present value of benefit obligations is as follows:

	Impacts on Present Value of Defined Benefit Obligation	
	Assumed Reduction	Assumed Addition
December 31, 2024		
Discount rate (change 0.50%)	\$ 808	(767)
Future salary (change 0.50%)	(764)	796
December 31, 2023		
Discount rate (change 0.50%)	1,383	(1,466)
Future salary (change 0.50%)	(1,373)	1,441

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

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

2. Defined Contribution Plans

The defined contribution plan of the Company shall be made to the employees' pension Individual account of the Labor Insurance Bureau at the rate of 6% of the employees' monthly wages as stipulated in the employees' Pension Ordinance. There is no statutory or constructive obligation to pay any additional amount after the amount drawn by the Company under this plan has been paid to the Bureau of Labor Insurance.

The pension expenses under the Company's determinate Pension Scheme for 2024 and 2023 are NT\$4,426 thousand and NT\$5,097 thousand respectively, which have been allocated to the Labor Insurance Bureau.

(21) Income Tax

1. Income Tax Expense

The Company's income tax expense (benefit) for 2024 and 2023 is detailed as follows:

	<u>2024</u>	<u>2023</u>
Current Income tax Expense (Benefits)		
Generated in the Current Period	\$ 310	6,662
Adjust the Current Income Tax of the Previous Period	(<u>113</u>)	(<u>8,524</u>)
	<u>197</u>	(<u>1,862</u>)
Deferred Income Tax Expenses (Benefits)		
Occurrence and Reversal of Temporary Differences	<u>469</u>	(<u>4,399</u>)
Income Tax Expense (Benefit)	<u>\$ 666</u>	<u>\$ 6,261</u>

The income tax expense (benefit) of the Company for 2024 and 2023 as recognized under other comprehensive income and loss is as follows:

	<u>2024</u>	<u>2023</u>
Items not Reclassified to Profit or Loss:		
Re-Measurement of Defined Benefit Plan	<u>\$ 623</u>	<u>148</u>
Items That May Be Subsequently Reclassified to Profit or Loss:		
Exchange Differences on Translating the Financial Statements of Foreign Operations	<u>\$ 2,836</u>	(<u>6</u>)

Adjustment of the relationship between income tax expense and pre-tax net profit of the Company in 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Net (Loss) Profit Before Tax	(\$ 24,087)	<u>64,887</u>
Income Tax Based on the Domestic Tax Rate of the Company's Location	(\$ 4,817)	\$ 12,978
The Return of Overseas Funds to Taiwan Is Subject to Separate Taxation	-	(6,203)
Impact of foreign jurisdiction tax rate differences	136	-
Income Exemption	-	(21,414)
Income Basic Tax	-	5,278
Current Taxable Loss on Deferred Income Tax Assets not Recognized	5,783	4,039
Early Overvaluation	(113)	(2,322)
Additional Income Tax on Undistributed Earnings	174	1,383
Non-tax-deductible expenses	(<u>497</u>)	<u>-</u>
Income Tax Expense (Benefits)	<u>\$ 666</u>	(<u>6,261</u>)

2. Deferred Income Tax Assets and Liabilities

(1) Deferred Income tax Assets Are not Recognized

	<u>2024</u>	<u>2023</u>
Deductible Temporary Difference		
Expected Credit Impairment Losses	\$ 159,960	159,960
Impairment Losses	<u>13,234</u>	<u>13,234</u>
	<u>\$ 173,194</u>	<u>173,194</u>

(2) Recognized Deferred tax Assets and Liabilities

Changes in deferred tax assets and liabilities for 2024 and 2023 are as follows:

Deferred Income Tax Assets

	<u>2024</u>			
	<u>Beginning Balance</u>	<u>(Debit)/Credit Income Statement</u>	<u>(Debit)/Credit in Other Comprehensive Income Statements</u>	<u>Ending Balance</u>
Defined benefit pension plan	\$ 3,312	(208)	(623)	2,481
Unrealized gross margin	2,741	(575)	-	2,166
Loss on inventory write-down	8,421	(4,857)	-	3,564
Unrealized loss on exchange	684	(684)	-	-
Loss carryforward	<u>-</u>	<u>7,531</u>	<u>-</u>	<u>7,531</u>
	<u>\$ 15,158</u>	<u>1,207</u>	<u>(623)</u>	<u>15,742</u>

	<u>2023</u>			
	<u>Beginning Balance</u>	<u>Debit/Credit Income Statement</u>	<u>(Debit)/Credit in Other Comprehensive Income Statements</u>	<u>Ending Balance</u>
Defined benefit pension plan	\$ 3,413	47	(148)	3,312
Unrealized gross margin	5,170	(2,429)	-	2,741
Loss on inventory write-down	6,107	2,314	-	8,421
Unrealized loss on exchange	<u>-</u>	<u>684</u>	<u>-</u>	<u>684</u>
	<u>\$ 14,690</u>	<u>616</u>	<u>(148)</u>	<u>15,158</u>

As of December 31, 2024, the tax losses recognized by the Group as deferred income tax assets and their expiration periods are as follows:

<u>Loss Year</u>	<u>Unused Losses</u>	<u>Last Deductible Year</u>
2024 (Estimated amount)	\$ <u>37,657</u>	2034

Deferred Income Tax Liabilities

2024				
	Beginning Balance	Debit/(credit) Income Statement	Debit/(Credit) in Other Comprehensive Income Statements	Ending Balance
Income from foreign investment	\$ 25,775	(4,838)	-	20,937
Exchange differences on translating the financial statements of foreign operations	213	-	2,836	3,049
Unrealized gain on exchange	-	6,514	-	6,514
	\$ 25,988	1,676	2,836	30,500
2023				
	Beginning Balance	Debit/(credit) Income Statement	Debit/(Credit) in Other Comprehensive Income Statements	Ending Balance
Income from foreign investment	\$ 28,706	(2,931)	-	25,775
Exchange differences on translating the financial statements of foreign operations	219	-	(6)	213
Unrealized gain on exchange	852	(852)	-	-
	\$ 29,777	(3,783)	(6)	25,988

3. Approval

The income tax settlement declaration of the Company's profit-making business has been approved by the tax collecting authority until 2022.

(22) Capital and Other Equity

1. Issue of Common Stock

As of December 31, 2024 and 2023, the Company's authorized capital was both \$2,500,000 thousand, and 12,350 thousand shares were reserved for the issuance of employee stock options, with a par value of \$10 per share and a total of 250,000 thousand shares. The aforementioned authorized capital includes 115,533 thousand shares and 115,419 thousand shares of common stock issued, respectively. All issued shares were received.

In 2024, the Company issued 555 thousand new shares at par value due to the exercise of the employee stock warrants, with a total amount of \$5,553 thousand, of which 84 thousand shares have completed the legal registration procedures, and all the shares issued have been collected.

On March 14, 2023, the Company's board of directors resolved to issue ordinary shares through private placement for cash capital increase, and the board of directors resolved to issue 15,000 thousand ordinary shares at a private placement price of NT \$35.32 per share, with a par value of NT \$10 per share, totaling \$529,800 thousand. The base date

of the capital increase is March 15, 2023, and the relevant statutory registration procedures have been completed.

In 2023, the Company issued 631 thousand new shares at par value due to the exercise of the employee stock warrants, with a total amount of \$6,310 thousand, and all the shares issued have been collected.

2. Capital Surplus

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Premium on issuance of shares	\$ 634,159	630,271
Treasury share transactions	5,929	5,929
Treasury share transactions (Transfer of employee stock options)	19,262	19,262
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	19,777	22,449
Recognition of changes in all equity in subsidiaries	2,336	2,336
The number of changes in the net equity value of subsidiaries and associates	32	32
Consolidated overdraft	8,173	8,173
Employee stock options	588	2,354
Income received from gifts	<u>1,890</u>	<u>1,890</u>
	<u>\$ 692,146</u>	<u>692,696</u>

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

3. Retained Earnings

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

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

(1) Legal Reserve

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

(2) Special Reserve

When the Company first adopted IFRS approved by the Financial Regulatory Commission, the unrealized revaluation appreciation under shareholders' equity, the cumulative conversion adjustment (interest) and the classification of the assets in the accounts as "investment real estate" on the conversion date due to the selection of the exempted items under IFRS No. 1 "First Adoption of IFRS", If the fair value of the conversion date is taken as the recognized cost to increase the retained surplus, the same amount of special reserve may be set aside in accordance with the Financial Regulatory Commission's Order No. 1010012865 issued on April 6, 2012, and surplus may be redistributed in proportion to the original special reserve when the relevant assets are used, disposed of or reclassified.

In accordance with the regulations of the Financial Regulatory Commission, when distributing distributable surplus, the Company shall set aside a special reserve from the current profit and loss and the undistributed surplus of the previous period for the net deduction of other shareholders' equity in the accounts of the current year; the amount of other shareholders' equity deduction accumulated in the previous period shall not be distributed the special reserve of the same amount drawn from the undistributed surplus of the previous period. If there is any subsequent reversal of the amount of other shareholders' equity reduction, the surplus may be distributed in the reversal.

(3) Earnings Distribution

The appropriations of earnings for 2023 and 2022 were approved by the shareholders' meeting on May 29, 2024 and June 7, 2023. The appropriations and dividends to shareholders were as follows:

	2023		2022	
	Amount per Share (NT\$)	Amount	Amount per Share (NT\$)	Amount
Dividends distributed to ordinary equity owners:				
Cash	\$ 0.37	<u>\$ 42,298</u>	\$ 0.26	<u>\$ 29,387</u>

4. Treasury Shares

The changes of the Company's Treasury shares in 2024 and 2023 are detailed as follows:

	2024		2023	
	Transfer of Shares to Employees (Thousand Shares)	Transfer of Shares to Employees (NT\$ Thousand)	Transfer of Shares to Employees (Thousand Shares)	Transfer of Shares to Employees (NT\$ Thousand)
Beginning balance	1,146	\$ 25,057	1,191	25,913
Transferred to Group's employees in the current year	-	-	(45)	(856)
Ending Balance	<u>1,146</u>	<u>\$ 25,057</u>	<u>1,146</u>	<u>25,057</u>

The number of uncanceled treasury shares of the Company as of December 31, 2024 and 2023 was 1,146 thousand. The Treasury shares held by the Company shall not be pledged in accordance with the provisions of the Securities Exchange Act, and do not carry shareholder rights before transfer.

5. Other Equity (Net Amount After Tax)

	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Appraisal Gains and Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Gains and Losses	Total
January 1, 2024	(\$ 6,106)	(25,357)	(31,463)
The exchange difference resulting from the conversion of the net assets of the foreign operating institution	11,346	-	11,346
Unrealized appraisal gains and losses on financial assets measured at fair value through other comprehensive gains and losses	-	(8,926)	(8,926)
Unrealized appraisal gains and losses on financial assets measured at fair value through other comprehensive gains and losses	-	(333)	(333)
Balance as of December 31, 2024	<u>\$ 5,240</u>	<u>(34,616)</u>	<u>(29,376)</u>
January 1, 2023	(\$ 6,080)	(41,492)	(47,572)
The exchange difference resulting from the conversion of the net assets of the foreign operating institution	(26)	-	(26)
Unrealized appraisal gains and losses on financial assets measured at fair value through other comprehensive gains and losses	-	16,135	16,135
Balance as of December 31, 2023	<u>(\$ 6,106)</u>	<u>(25,357)</u>	<u>(31,463)</u>

(23) Share-Based Payment

As of December 31, 2024, the Company had the following three share base payment transactions:

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

1. Measurement Parameters of Fair Value at the Grant Date

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

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

2. Information About the Employee Stock Option Plan

	2024		2023	
	Weighted Average Performance Price (NT\$)	Number of Warrants	Weighted Average Performance Price (NT\$)	Number of Warrants
Shares outstanding as of January 1	\$ 13.64	531	13.51	1,034
Amount granted in the current period	12.60	259	-	-
Amount lost in the current period	19.47	(20)	12.60	(64)
Amount executed in the current period	13.19	(296)	13.44	(465)
Transferred within the Group in the current period	13.91	(123)	12.60	26
Shares outstanding as of December 31	12.83	<u>351</u>	13.64	<u>531</u>
Executable quantity as of December 31	14.96	<u>26</u>	13.35	<u>107</u>

The Company's outstanding stock options are as follows:

	December 31, 2024	December 31, 2023
Execution Price Range (NT\$)	\$12.60-\$23.45	\$12.60-\$23.45
Weighted Average Remaining Contract Period (Years)	0.61-1.47	1.61-2.47

3. Employee Expenses

	<u>2024</u>	<u>2023</u>
Expenses Incurred due to Employee Warrants	(<u>\$ 323</u>)	<u>846</u>

On December 31, 2024 and 2023, the transfer of treasury shares based on the Company's share payment by employees is as follows:

1. Measurement Parameters of Fair Value at the Grant Date

	<u>2024</u>	<u>2023</u>
Stock Price on Grant Date	\$ 36.50	36.50
Execution Price	19.02	19.02
Expected Volatility	41.198%	41.198%
Expected Duration	0.09 ~1.09 years.	0.09 ~1.09 years.
Risk-Free Interest Rate	1.090%	1.090%

2. Information on Transfer of Treasury Shares

The Company transferred 50 thousand treasury shares to employees in 2023, respectively, of which 50 thousand treasury shares were transferred to employees of the Company.

	<u>2024</u>		<u>2023</u>	
	<u>Weighted Average Exercise Price</u>	<u>Number of Shares (Thousands)</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Shares (Thousands)</u>
Shares outstanding as of January 1	\$ 19.02	30	19.02	25
Amount granted in the current period	-	-	19.02	50
Amount executed in the current period	-	-	19.02	(45)
Shares outstanding as of December 31	19.02	<u>30</u>	19.02	<u>30</u>
Executable quantity as of December 31		<u>30</u>		<u>30</u>

3. The expenses incurred by the Company in 2024 and 2023 due to the transfer of treasury shares paid on a share basis were NT\$0 thousand and NT\$411 thousand respectively.

(24) Earnings per Share

The Company's basic and diluted earnings per share are calculated as follows:

1. Basic Earnings (Loss) per Share

(1) Net Income Attributable to Holders of Common Equity of the Company

	<u>2024</u>	<u>2023</u>
Net income (loss) attributable to the Company for the period	<u>(\$ 24,753)</u>	<u>71,148</u>

(2) Weighted Average Number of Common Shares Outstanding

	<u>2024</u>	<u>2023</u>
Weighted average number of common shares outstanding	<u>\$ 114,500</u>	<u>110,862</u>

Unit: Thousand shares

2. Diluted Earnings (Loss) per Share

(1) Net Income Attributable to Holders of Common Equity of the Company (Diluted)

	<u>2024</u>	<u>2023</u>
Net income (loss) attributable to holders of common equity of the Company (Diluted)	<u>(\$ 24,753)</u>	<u>71,148</u>

(2) Weighted Average Number of Common Shares Outstanding (Diluted)

	<u>2024</u>	<u>2023</u>
Weighted average number of common shares outstanding (Basic)	114,500	110,862
Effect of dilutive potential common shares		
Effect of employee stock options	-	785
Effect of employee stock compensation	-	92
Weighted average number of common shares outstanding (Diluted)	<u>114,500</u>	<u>111,739</u>
Basic earnings per share	<u>(\$ 0.22)</u>	<u>0.64</u>
Diluted earnings per share	<u>(\$ 0.22)</u>	<u>0.64</u>

Unit: Thousand shares

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

(25) Revenue From Customer Contracts

1. Subdivision of Income

	<u>2024</u>	<u>2023</u>
Key Regional Markets		
Taiwan	\$ 173,419	211,280
Americas	124,966	185,067
Other countries	<u>50,577</u>	<u>80,426</u>
	<u>\$ 348,962</u>	<u>476,773</u>
Key Products		
Communication electronic equipment	\$ 131,437	186,779
Energy storage equipment sales and construction engineering	53,245	44,280
Power supply equipment	146,136	214,123
Revenue from sale of electricity	<u>18,144</u>	<u>31,591</u>
	<u>\$ 348,962</u>	<u>476,773</u>

2. Contract Balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes Receivable	\$ 107	47	955
Accounts Receivable	37,495	38,445	31,630
Accounts Receivable - related parties	18,291	29,680	17,804
Less: Loss Allowance	(<u>367</u>)	(<u>212</u>)	(<u>212</u>)
	<u>\$ 55,526</u>	<u>67,960</u>	<u>50,177</u>
Contract Performance Costs	<u>\$ 13,414</u>	<u>14,845</u>	<u>55,704</u>
Contractual Liabilities	<u>\$ 25,419</u>	<u>4,198</u>	<u>23,613</u>

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

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

(26) Remuneration to Employees and Directors

In accordance with the Articles of Incorporation of the Company, if there is any profit in a year, the compensation of employees and directors shall be set aside at a rate of no less than 2% and no more than 3% respectively according to the pre-tax profit of the year before deducting the compensation of employees and directors. However, if the Company still has accumulated losses, it shall reserve the compensatory amount in advance. To whom stock or cash is paid, including employees of affiliated companies who meet certain conditions.

The estimated compensation for employees of the Company in 2024 and 2023 is \$ 0 thousand and \$ 3,500 thousand respectively, and the estimated compensation for directors is \$ 0 thousand and \$ 1,200 thousand respectively, based on the amount of the Company's net profit before tax deducting employee and director compensation for each period multiplied by the allocation of employee and director compensation as stipulated in the Articles of Incorporation. Operating expenses for 2024 and 2023 are reported side by side. The employee and director compensation as determined by the foregoing Board of Directors does not differ from the estimated amount in the Company's consolidated financial statements for 2024 and 2023, and relevant information is available on the Market Observation Post System (MOPS).

(27) Non-operating Revenue and Expenses

1. Interest Income

The Company's interest income details are as follows:

	<u>2024</u>	<u>2023</u>
Bank Interest	\$ 20,817	19,404
Other Interest Income	<u>6,775</u>	<u>6,069</u>
	<u>\$ 27,592</u>	<u>25,473</u>

2. Other Income

The Company's other income details are as follows:

	<u>2024</u>	<u>2023</u>
Rental Income	\$ 9,529	9,183
Dividend Income	-	154
Other Income	<u>8,337</u>	<u>25,953</u>
	<u>\$ 17,866</u>	<u>35,290</u>

3. Other Gains and Losses

The Company's other benefits and (losses) details are as follows:

	<u>2024</u>	<u>2023</u>
Disposal of property, plant, and equipment	\$ 329	-
Disposal of Investment Interests	-	76,587
Foreign Exchange Gains (Losses)	42,157	(989)
Profit on Financial Assets Measured at Fair Value Through Profit and Loss	20	663
Other	(<u>1,051</u>)	(<u>423</u>)
	<u>\$ 41,455</u>	<u>75,838</u>

4. Financial Costs

The Company's financial costs details are as follows:

	<u>2024</u>	<u>2023</u>
Interest on Bank Loans	\$ 4,121	1,793
Interest on Lease Liabilities	896	974
Interest on Other Loans	1,016	1,896
Interest on Loans from Related Parties	<u>160</u>	<u>-</u>
	<u>\$ 6,193</u>	<u>4,663</u>

(28) Financial Instruments

1. Credit Risk

(1) The Amount of the Maximum Credit Risk

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

(2) Concentration of Credit Risk

As of December 31, 2024 and 2023, 65% and 57% of the balance of accounts receivable of the Company are composed of the five customers before the Company, respectively, resulting in a significant concentration of credit risk of the Company.

(3) Credit Risk of Receivables

Please refer to Note 6(5) for detailed credit risk storm information on notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables, restricted deposits and certificates of deposit.

The above are financial assets with low credit risk, and therefore the allowance for losses for the period is measured by the amount of expected credit loss for the twelve-month period (please refer to Note 4(6) for a description of how the Company determines low credit risk).

2. Liquidity Risk

The following table shows the contractual maturity date of financial liabilities, including estimated interest but excluding the impact of netting agreements.

	<u>Carrying Amount</u>	<u>Contract Cash Flow</u>	<u>Within 12 Months</u>	<u>1-5 Years</u>	<u>More Than 5 Years</u>
December 31, 2024					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 125,753	125,753	125,753	-	-
Lease liabilities (including maturity within one year)	42,353	45,463	7,339	24,749	13,375
Floating rate instrument	140,000	140,623	140,623	-	-
Fixed-rate instrument	<u>13,437</u>	<u>13,615</u>	<u>13,615</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 321,543</u>	<u>325,454</u>	<u>287,330</u>	<u>24,749</u>	<u>13,375</u>
December 31, 2023					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 80,529	80,529	80,529	-	-
Lease liabilities (including maturity within one year)	46,354	50,216	7,060	24,421	18,735
Floating rate instrument	21,875	23,305	4,953	15,730	2,622
Fixed-rate instrument	<u>35,765</u>	<u>36,955</u>	<u>23,340</u>	<u>13,615</u>	<u>-</u>
Total	<u>\$ 184,523</u>	<u>191,005</u>	<u>115,882</u>	<u>53,766</u>	<u>21,357</u>

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

3. Foreign Exchange Risk

(1) Exchange Rate Risk Exposure

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

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Foreign Currency</u>	<u>Currency Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Currency Exchange Rate</u>	<u>NTD</u>
Financial Assets						
Monetary Items						
USD	\$ 23,202	32.785	760,691	28,363	30.705	870,876
EUR	201	34.140	6,850	215	34.003	7,326
JPY	1,854	0.209	389	30,264	0.217	6,567
Financial Liabilities						
Monetary Items						
USD	135	32.785	4,421	585	30.705	17,961
RMB	442	4.478	1,982	2,643	4.329	11,442

(2) Sensitivity Analysis

The exchange rate risk of the monetary items of the Company is mainly due to cash and equivalent cash denominated in foreign currency, accounts receivable and other receivables, borrowings, accounts payable and other payables, etc., resulting in foreign currency exchange gains and losses upon conversion. When the New Taiwan Dollar depreciates or revalues by 5% against the US dollar and the RMB on December 31, 2024 and 2023, all other factors being held constant, the net profit before tax in 2024 and 2023 will increase or decrease by NT\$ 38,076 thousand and NT\$42,768 thousand, respectively. The two analyses are based on the same basis.

(3) Exchange Gains and Losses on Monetary Items

Due to the variety of functional currencies of the Company, the exchange profit and loss information of monetary items is disclosed by means of integration. The profit (loss) of foreign currency exchange in 2024 and 2023 (including realized and unrealized) is NT\$42,157 thousand and NT\$(989) thousand respectively.

4. Interest Rate Analysis

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

The following sensitivity analysis is based on the interest rate risk of derivative and non- derivative instruments as of the reporting date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding on the reported date is outstanding for the whole year. The rate of change used internally by the Company to report interest rates to key management is a 0.25% increase or decrease in interest rates, which also represents the management's assessment of the range of reasonably possible changes in interest rates.

If interest rates increase or decrease by 0.25%, the Company's 2024 and 2023 pre-tax net income will decrease or increase by NT\$350 thousand and NT\$55 thousand, all other variables being held constant.

5. Other Price Risks

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

Securities Prices on the Reporting Day	2024		2023	
	Pre-Tax Amount of Other Comprehensive Gains and Losses	Pre-Tax Profit and Losses	Pre-Tax Amount of Other Comprehensive Gains and Losses	Pre-Tax Profit and Losses
Increase by 10%	\$ 6,040	-	6,933	199
Decrease by 10%	(\$ 6,040)	-	(6,933)	(199)

6. Fair Value and Book Amount

(1) Types and Fair Values of Financial Instruments

The financial assets and liabilities of the Company measured at fair value through profit and loss and the financial assets measured at fair value through other comprehensive profit and loss are measured at fair value on a recurring basis. Book amount and fair value of various types of financial assets and financial liabilities (including fair value grade information, but the book amount of financial instruments not measured by fair value is a reasonable approximation of fair value, and leasing liabilities, according to the provisions of the fair value information is not required to disclose) are listed as follows:

	December 31, 2024				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets at Fair Value Through Other Comprehensive Income					
Domestic unlisted (over-the-counter) shares	\$60,401	-	-	60,401	60,401
Financial Assets at Amortized Cost					
Cash and cash equivalents	271,918	-	-	-	-
Financial assets at amortized cost	431,011	-	-	-	-
Notes and accounts receivable (including related parties)	55,526	-	-	-	-
Other receivables (including related parties)	19,261	-	-	-	-
Subtotal	<u>777,716</u>	-	-	-	-
Total	<u>\$ 838,117</u>	<u>-</u>	<u>-</u>	<u>60,401</u>	<u>60,401</u>
Financial Liabilities Measured at Cost After Amortization					
Short-term loans	\$ 140,000	-	-	-	-
Accounts payables	17,056	-	-	-	-
Other payables (including related parties)	108,697	-	-	-	-
Lease liabilities (including maturity within 1 year)	42,353	-	-	-	-
Long-term loans (including maturity within 1 year)	13,437	-	-	-	-
Total	<u>\$ 321,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets at Fair Value Through Profit or Loss	\$ 24,761	24,761	-	-	24,761
Financial Assets at Fair Value Through Other Comprehensive Income					
Domestic unlisted (over-the-counter) shares	69,327	-	-	69,327	69,327
Financial Assets at Amortized Cost					
Cash and cash equivalents	496,054	-	-	-	-
Financial assets at amortized cost	407,278	-	-	-	-
Notes and accounts receivable (including related parties)	67,960	-	-	-	-
Other receivables (including related parties)	45,078	-	-	-	-
Subtotal	1,016,370	-	-	-	-
Total	\$1,110,458	24,761	-	69,327	94,088
Financial Liabilities Measured at Cost After Amortization					
Short-term loans	\$ 1,000	-	-	-	-
Accounts payables	30,777	-	-	-	-
Other payables (including related parties)	49,752	-	-	-	-
Lease liabilities (including maturity within 1 year)	46,354	-	-	-	-
Long-term loans (including maturity within 1 year)	56,640	-	-	-	-
Total	\$ 184,523	-	-	-	-

(2) Fair value evaluation technique for measuring financial instruments at fair value

(2.1) Non-Derivative Financial Instruments

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

A financial instrument is publicly quoted in an active market if it is promptly and frequently obtained from an exchange, broker, underwriter, industry association, pricing service or authority and the price represents an actual and frequent fair market trader. If the above conditions are not met, the market is deemed to be inactive. In general, a wide bid-ask spread, a significant increase in bid-ask spread or very little trading volume are indicators of an inactive market.

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

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

Unquoted equity instruments: The fair value is estimated using the market comparable company law, and its main assumption is based on the estimated earnings before interest, depreciation and amortization of investors and the earnings multiplier derived from the market quotation of comparable TWSE/TPEX listed companies. This estimate has been adjusted for the effect of the discount on the lack of market liquidity of the equity securities.

(3) Transfer Between Level 1 and Level 2

There is no transfer in 2024 and 2023.

(4) Schedule of Changes to Level 3

	<u>Measured at Fair Value Through Other Comprehensive Gains and Losses</u>
	<u>No Equity Instrument of Open Offer</u>
January 1, 2024	\$ 69,327
Total Gains and Losses	
Recognized in other comprehensive income	(8,926)
December 31, 2024	<u>\$ 60,401</u>
January 1, 2023	\$ 3,797
Total Gains and Losses	
Recognized in other comprehensive income	16,135
Reclassification	19,395
Purchase	30,000
December 31, 2023	<u>\$ 69,327</u>

The aforementioned total gains are reported under “Unrealized appraisal gains on financial assets measured at fair value through other comprehensive gains and losses” Of which, those related to the assets still held as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Total Gains and Losses		
Recognized in other comprehensive income (Reported under “Unrealized appraisal gains on financial assets measured at fair value through other comprehensive gains and losses”)	(\$ <u>8,926</u>)	<u>16,135</u>

- (5) Quantitative information on fair value measurement of significant unobservable inputs (Level 3)

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

(29) Financial Risk Management

1. Summary

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

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

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

2. Risk Management Architecture

The Company’s main financial instruments include equity and debt investments, accounts receivable, accounts payable, loans and lease liabilities. Cleanaway’s finance administration department provides services to various business units, coordinating their operation to enter the domestic and international financial markets.

By analyzing the internal risk exposure report according to the degree and breadth of risks, it supervises and manages the financial risks related to the operation of Cleanaway. These include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk and liquidity risk.

3. Credit Risk

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

(1) Accounts Receivable and Other Receivables

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

(2) Investments

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

(3) Guarantee

Please refer to Note 7 for the endorsements/guarantees provided by the Company on December 31, 2024 and 2023.

4. Liquidity Risk

The Company manages and maintains sufficient cash and cash equivalents to support operations of the Company and mitigate the effects of fluctuations in cash flows. The management of the Company supervises the use of credit facility from the Banks and ensures compliance with the terms of the loan contracts.

On December 31, 2024 and 2023, the unutilized bank loan facility of the Company is NT\$468,000 thousand and NT\$792,000 thousand, respectively.

5. Market Risk

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

(1) Foreign Exchange Risk

The Company is exposed to exchange rate risks arising from sales, procurement and borrowing transactions denominated in non-functional currencies. The functional currency of the Company will be the NTD. The major currencies for transactions are NTD, USD and RMB.

(2) Interest Rate Risk

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

(30) Capital Management

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

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

As of December 31, 2024, there has been no change in the way the Company manages its capital.

(31) Investment and Financing Activities in Non-cash Transactions

1. Please refer to Note 6(13) for details on the acquisition of the right to use assets by means of lease.
2. Reconciliation of liabilities from financing activities is shown below:

	January 1, 2024	Cash Flow	Changes in Non-Cash Items		December 31, 2024
			Increase	Decrease	
Short-Term Loans	\$ 1,000	139,000	-	-	140,000
Long-Term Loans (Including Maturity Within 1 Year)	56,640	(43,203)	-	-	13,437
Lease Liabilities (Including Maturity Within 1 Year)	<u>46,354</u>	<u>(6,509)</u>	<u>2,508</u>	<u>-</u>	<u>42,353</u>
Total Liabilities from Financing Activities	<u>\$ 103,994</u>	<u>89,288</u>	<u>2,508</u>	<u>-</u>	<u>195,790</u>

	January 1, 2023	Cash Flow	Changes in Non-Cash Items		December 31, 2023
			Increase	Decrease	
Short-Term Loans	\$ 217,000	(216,000)	-	-	1,000
Long-Term Loans (Including Maturity Within 1 Year)	80,124	(23,484)	-	-	56,640
Lease Liabilities (Including Maturity Within 1 Year)	<u>50,712</u>	<u>(5,979)</u>	<u>1,621</u>	<u>-</u>	<u>46,354</u>
Total Liabilities from Financing Activities	<u>\$ 347,836</u>	<u>(245,463)</u>	<u>1,621</u>	<u>-</u>	<u>103,994</u>

7. Related-Party Transactions

(1) Name and Relationship of Related Parties

The parties involved in transactions with the Company during the period covered by this Parent Company Only Financial Statement are as follows:

<u>Name of Related Party</u>	<u>Relationship with the Consolidated Company</u>
BEC Technologies Inc.	Subsidiary
Billion Sunpower Co., Ltd.	Associates (Note 1)
Billion Watts Technologies Co., Ltd.	Subsidiary
Billion Energy Storage Technologies Inc.	Subsidiary
Tai Chuang Energy Co., Ltd.	Associates (Note 2)
Billion Electric Holding Co., Ltd.	Subsidiary
Billion EV Charging Technologies Co., Ltd.	Subsidiary
Billion EVC Technologies Co., Ltd. (Previous Name : VGwatt Energy Co., Ltd.)	Subsidiary
Billion Kai Co., Ltd.	Subsidiary
Billion Electric Japan Co., Ltd.	Subsidiary
Noonspare Energy Technology Co., Ltd.	Subsidiary
Billion Sun Energy Storage Technologies Inc.	Subsidiary
BEC Technologies Inc. Taiwan Branch (US)	Branch of a subsidiary
BT Energy Storage Co., Ltd.	Sub-subsidiary (Note 3)
Sheng Qian Energy Storage Co., Ltd.	Sub-subsidiary (Note 3)

Note 1: In August 2023, the Company disposed of all of the shares of its subsidiary Billion Sunpower Co., Ltd. to He Jun Energy Co., Ltd., resulting in a loss of control of Billion Sunpower Co., Ltd., and the relevant transaction procedures have been completed.

Note 2: Tai Chuang Energy Co., Ltd. was established and incorporated in March 2022. The Company acquired 100.00% ownership in December 2022. In August 2023, the payment for the issued shares have been received Shinshin Credit Corporation directly increased capital in Tai Chuang, obtaining 96.92% equity interest in Tai Chuang, resulting in a decrease in the Company's shareholding from 100% to 3.08%, and a loss of control of Tai Chuang Energy Co., Ltd. Additionally, in November 2023, the Company acquired 3,000 thousand shares with an investment cost of NT\$30,000 thousand, increasing its shareholding from 3.08% to 5.00%. The related transaction procedures have been completed. In October 2024, Shinshin Credit Corporation made an additional direct capital injection into Tai Chuang Energy Co., Ltd., acquiring a 1.00% equity interest. As a result, the Company's shareholding ratio decreased from 5.00% to 4.00%.

Note 3: BT Energy Storage Co., Ltd. and Sheng Qian Energy Storage Co. Ltd. were dissolved and liquidated in June 2024.

(2) Major Transactions with Related Parties

1. Operating Revenue

The amount of the Company's major sales to related parties are listed below:

Related Party Type /Name	2024	2023
Subsidiary:		
BEC Technologies Inc.	\$ 100,858	127,209
Billion Watts Technologies Co., Ltd.	37,884	103,955
Other	<u>11,041</u>	<u>781</u>
	<u>\$ 149,783</u>	<u>231,945</u>

The price of goods sold to related parties is increased by cost depending on the item, and the payments are recovered about 3 to 4 months after the goods are shipped.

2. Purchase

The purchase amount of the Company from related parties is as follows:

Related Party Type /Name	2024	2023
Subsidiary:		
Billion Watts Technologies Co., Ltd.	<u>\$ 1,314</u>	<u>24,868</u>

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

3. Receivables From Related Parties (Excluding Loans to Related Parties)

The Company's receivables from related parties are detailed as follows:

Accounting Subject	Related Party Type /Name	December 31, 2024	December 31, 2023
	Subsidiary:		
Accounts receivable - related parties	BEC Technologies Inc.	\$ 8,265	28,708
Accounts receivable - related parties	Billion Watts Technologies Co., Ltd.	8,703	412
Accounts receivable - related parties	Other	1,323	560
	Subsidiary:		
Other receivables from related parties	Billion Energy Storage Technologies Inc.	210	570
Other receivables from related parties	BEC Technologies Inc.	100	3,273
Other receivables from related parties	Billion Watts Technologies Co., Ltd.	8,152	-
Other receivables from related parties	Other	<u>2,724</u>	<u>1,058</u>
		<u>\$ 29,477</u>	<u>34,581</u>

The Company's outstanding receivables from related parties are not guaranteed. Accounts receivable from related parties as of December 31, 2024 and 2023 are assessed as not requiring recognition for impairment.

4. Payables to Related Parties

The Company's payables to related parties are detailed as follows:

<u>Accounting Subject</u>	<u>Related Party Type /Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Subsidiary:		
Accounts payable to related parties	BEC Technologies Inc.	\$ 1,776	-
Accounts payable to related parties	Billion EV Charging Technologies Co., Ltd.	4,951	-
	Subsidiary:		
Other payables to related parties	Billion Watts Technologies Co., Ltd.	\$ 442	473
Other payables to related parties	BEC Technologies Inc.	-	1,407
Other payables to related parties	Billion Energy Storage Technologies Inc.	537	4,694
Other payables to related parties	Noonspare Energy Technology Co., Ltd.	156	-
Other payables to related parties	Others	<u>31</u>	<u>-</u>
		<u>\$ 7,893</u>	<u>6,574</u>

The balances of outstanding payables to related parties are not guaranteed.

5. Property Transaction

(1) Disposal of Property, Plant, and Equipment

The summary of the Company's sales of real estate, plant, and equipment to related parties is as follows:

<u>Related Party Type /Name</u>	<u>2024</u>		<u>2023</u>	
	<u>Disposal price</u>	<u>Disposal gain or loss</u>	<u>Disposal price</u>	<u>Disposal gain or loss</u>
Branch of a subsidiary:				
BEC Technologies Inc. Taiwan Branch (US)	<u>\$ 5,747</u>	<u>-</u>	<u>-</u>	<u>-</u>

(2) Acquisition of Other Assets

The summary of the acquisition prices of other assets obtained by the Company from related parties is as follows:

<u>Related Party Type /Name</u>	<u>Accounting Subject</u>	<u>2024</u>	<u>2023</u>
Subsidiary:			
Billion Electric Holding Co., Ltd.	Investment accounted for using equity method	<u>\$ 48,601</u>	<u>-</u>

6. Loans to Related Parties

The actual disbursements of the Company's capital loans to related parties are detailed as follows:

Related Party Type /Name		December 31, 2024	December 31, 2023
Subsidiary:			
	Billion Energy Storage Technologies Inc.	<u>\$ -</u>	<u>25,024</u>
Accounting Subject	Related Party Type /Name	2024	2023
Interest income	Billion Energy Storage Technologies Inc.	\$ 315	545
Interest income	Other	<u>-</u>	<u>54</u>
		<u>\$ 315</u>	<u>599</u>

In 2024 and 2023, the Company provided unsecured loans due within one year to Billion Energy Storage Technologies Inc. with interest rates of 2.3% and 2.325%, respectively; In 2023, the Company provided one-year unsecured loans to Billion Sunpower Co., Ltd. and Tai Chuang Energy Co., Ltd., both with an interest rate of 2.325%, which is similar to the market interest rate. These loans are expected to be recovered within one year, and there is no expected credit loss after assessment.

7. Loans to Related Parties

The amount of loans borrowed by the Company from related parties is as follows:

Related Party Type /Name		2024.12.31	2023.12.31
Subsidiary:			
	Noonspare Energy Technology Co., Ltd.	<u>\$ 80,000</u>	<u>-</u>
Accounting Subject	Related Party Type /Name	2024	2023
Financial Costs	Noonspare Energy Technology Co., Ltd.	<u>\$ 160</u>	<u>-</u>

8. Endorsement/Guarantee

Related Party Type /Name	2024	2023
Billion Energy Storage Technologies Inc.	<u>\$ 60,000</u>	<u>30,000</u>

9. Other Income

Related Party Type /Name	2024.12.31	2023.12.31
Guarantee deposit paid		
Noonspare Energy Technology Co., Ltd.	<u>\$ 32,704</u>	<u>-</u>

Related Party Type /Name	2024	2023
Business support revenue		
BEC Technologies Inc.	1,939	4,289
Rental income		
Billion Watts Technologies Co., Ltd.	3,793	3,859
BEC Technologies Inc. Taiwan Branch (US)	1,619	-
Billion EV Charging Technologies Co., Ltd.	<u>495</u>	<u>-</u>
	<u>\$ 7,846</u>	<u>8,148</u>
Operating Expenses		
Billion EV Charging Technologies Co., Ltd.	(\$ 960)	-
Billion Energy Storage Technologies Inc.	(630)	(2,280)
Billion Sun Energy Storage Technologies Inc.	(600)	(325)
Billion Kai Co., Ltd.	(420)	(140)
Others	<u>(848)</u>	<u>(823)</u>
	<u>(\$ 3,458)</u>	<u>(3,568)</u>

In 2024, the Company's service revenue from providing business support to related parties was recognized as a deduction from operating expenses.

(3) Major Management Transactions

Compensation for major managers includes:

	2024	2023
Short-Term Employee Benefits	\$ 11,506	14,428
Post-Employment Benefits	310	433
Share-Based Payment	<u>33</u>	<u>176</u>
	<u>\$ 11,849</u>	<u>15,037</u>

8. Assets Pledged as Security

The book value details of the assets pledged by the Company are as follows:

Asset Name	Pledge to Secure the Subject Matter	December 31, 2024	December 31, 2023
Financial assets at amortized cost - current	Short-term loans	<u>\$ 2,006</u>	<u>-</u>
Financial assets at amortized cost - non-current	Matters agreed in Note 9(3)	<u>\$ 389,119</u>	<u>360,483</u>
Property, plant, and equipment	Long-term loans	<u>\$ 168,041</u>	<u>167,341</u>
Property, plant, and equipment	Long-term loans	<u>\$ 48,713</u>	<u>52,030</u>
Property, plant, and equipment	Long-term loans	<u>\$ 6,564</u>	<u>7,041</u>
Investment property	Long-term loans	<u>\$ 19,722</u>	<u>19,722</u>
Investment property	Long-term loans	<u>\$ 6,444</u>	<u>5,043</u>

9. Commitments and Contingencies

(1) Contingent Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Purchase of Property, Plant and Equipment	\$ -	51,634
Purchase of Inventory	<u>29,750</u>	<u>-</u>
	<u>\$ 29,750</u>	<u>51,634</u>

(2) As of December 31, 2024, the Company had issued promissory notes for and NT\$778,200 thousand under a consolidated line of credit from financial institutions.

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

In addition, in order to reduce the risk of accounts receivable and consider the efficiency of capital utilization, the Company has signed accounts receivable factoring agreements with financial institutions to sell accounts receivable to financial institutions (CTBC Bank and Taishin International Bank) on a non-recourse basis. In 2017, the factoring amount was \$435,776 thousand (US \$14,370 thousand), and the amount advanced was \$392,199 thousand (US \$12,933 thousand). According to the assessment of lawyers of TRI Law Offices appointed by the Company, the aforementioned accounts receivable factoring is a common clause in standard contract for the transfer of creditor's rights among between general financial institutions. The purchase price and the content of accounts receivable, as well as the transfer method and risk exposure are not inconsistent with the normal practices of general creditor's rights transfer. However, the definition and recognition of commercial disputes in the factoring agreements are quite loose, and the relationship between lending and borrowing is mutually existing. This is common in domestic financial cases. Financial institutions have more room for interpretation and development. As of December 31, 2024, according to the agreement, the Company and the financial institution deposited \$22,120 thousand in demand deposits and time deposits \$366,999 thousand as agreed shall not be used, and promissory notes amounting to US \$13,556 thousand and \$10,000 thousand have been issued.

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

In addition, according to the contract, the Company did not pay the Company's receivables and payments on behalf of China Potevio Co., Ltd. and Potevio International Company Limited (hereinafter referred to as "Potevio Group") in the amount of US \$4,459 thousand. The Company has issued several letters to request Potevio Group to delay the outstanding accounts for various reasons. In June 2018, the Company commissioned a lawyer to arbitration the breach of contract by Potevio Group, but the other party reverse the arbitration request to the South China International Economic and Trade Arbitration Commission, requiring the Company to double refund the performance bond paid by Potevio Group in the amount of US \$469 thousand. In July 2018, the lawyer appointed by the Company assessed that the Company has completed the delivery obligation, Potevio Group shall pay the Company the final payment for the goods and bear the liability for breach of contract, and the Company is not obliged to refund the advanced payment to Potevio Group (Potevio is known as the "Performance Deposit"). In January 2025, the Company received a notice from the South China International Economic and Trade Arbitration Commission that the judgment period will be extended to March 31, 2025.

10. Losses due to Major Disasters: None.

11. Subsequent Events: None.

12. Other

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

By Function	2024			2023		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
By Property						
Employee benefit expenses						
Salary expenses	14,304	78,740	93,044	15,851	95,488	111,339
Labor health insurance costs	1,515	7,358	8,873	1,527	8,672	10,199
Pension expenses	807	3,904	4,711	828	4,729	5,557
Remuneration paid to directors	-	2,210	2,210	-	2,865	2,865
Other employee welfare expense	991	4,111	5,102	834	4,198	5,032
Depreciation expenses	20,705	9,365	30,070	20,636	8,346	28,982
Amortization expense	-	391	650	-	650	650

Additional information on the number of employees and employee welfare expenses of the Company in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Number of Employees	<u>108</u>	<u>125</u>
Number of Directors who Are not Employees of the Company	<u>7</u>	<u>7</u>
Average Employee Welfare Expense	<u>\$ 1,106</u>	<u>1,120</u>
Average Employee Salary Expense	<u>\$ 921</u>	<u>944</u>
Adjustment of Average Employee Salary Expense	<u>(2.44)%</u>	<u>15.12%</u>
Supervisor's Remuneration	<u>\$ -</u>	<u>-</u>

(2) On April 24, 2019, the investigation unit sent personnel to the Company to search and investigate the transactions between the Company and China Potevio Co., Ltd. and Potevio International Trade Co., Ltd. On June 3, 2024, the Company received the investigation results from the Taipei District Prosecutors Office. The prosecutor issued a non-prosecution decision regarding the Company's responsible person for alleged violations of the Securities and Exchange Act, including engaging in transactions detrimental to the Company, breach of fiduciary duty, and banking fraud. Additionally, concerning the differing recognition of operating revenue for 2015 and 2016 under the gross method or net method, the Company's chairman was indicted for filing false financial reports in violation of the Securities and Exchange Act. This case is currently under litigation, and the final outcome will be determined by the court's judgment.

On October 17, 2024, the Company received a letter from the Commercial Court of the Intellectual Property and Commercial Court. The Securities and Futures Investors Protection Center filed a commercial lawsuit against the Company's chairman, who was indicted by the Taiwan Taipei District Prosecutors Office for false financial reporting under Article 171, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act. Citing Article 10-1, Paragraph 1, Subparagraph 2 of the Securities Investor and Futures Trader Protection Act, the lawsuit seeks a ruling to dismiss the chairman from the board. The Company has engaged legal counsel to submit a defense statement and address the matter in accordance with the law.

13. Other Disclosures

(1) Information on Significant Transactions:

In 2024, the Company shall disclose the following information related to the major transactions in accordance with the financial reporting standards of securities issuers:

1. Lending to Others:

Unit: NT\$ Thousand

No.	Lending Company	Borrower	Current Accounts	Related Party or not	Current Maximum Amount	Ending Balance	Actual Drawdown	Interest Rate Range	Loan and Nature of Funds (Note 2)	Amount of Business Transactions	Reason for Short-Term Financing	Provision for Loss Amounts	Collateral		Loan and Limit of Funds to Individual Objects	Capital Loan and Total Limit
													Name	Value		
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Other receivables	Yes	60,000	35,000	-	2.3%	2	-	Operating turnover	-		-	105,576 (Note 3)	422,303 (Note 3)
0	Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Other receivables	Yes	30,000	30,000	-	2.3%	2	-	Operating turnover	-		-	105,576 (Note 3)	422,303 (Note 3)
0	Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Other receivables	Yes	50,000	50,000	-	2.15%	2	-	Operating turnover	-		-	105,576 (Note 3)	422,303 (Note 3)
1	BEC Technologies Inc.	BEC International, LLC	Other receivables	Yes	19,671 (Note 5)	19,671 (Note 5)	3,934 (Note 5)	0.00%	2	-	Repayment of bank loans	-		-	23,143 (Note 4)	46,287 (Note 4)
2	Noonspare Energy Technology Co.,Ltd.	Billion Electric Co., Ltd.	Other receivables	Yes	80,000	80,000	80,000	1.7%	2	-	Repayment of bank loans	-		-	87,695 (Note 6)	87,695 (Note 6)

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

(1)For issuer, write 0.

(2)The investees are numbered sequentially starting with Arabic numeral 1 according to each entity.

Note 2: (1)For those who have business transactions.

(2)Necessary for short-term financing.

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

(1)The capital lending line for individual object shall be limited to no more than 5% of the net current value of Billion Electric Co., Ltd., which belongs to the owner of the Company.

(2)The total amount of foreign capital lending shall be limited to no more than 20% of the net current value of Billion Electric Co., Ltd., which belongs to the owner of the Company.

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

(1)The capital lending line for individual object shall be limited to no more than 10% of the net current value of BEC Technologies Inc., which belongs to the owner of the Company.

(2)The total amount of foreign capital lending shall be limited to no more than 20% of the net current value of BEC Technologies Inc., which belongs to the owner of the Company.

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\$120 thousand. The exchange rate of USD to NTD at the end of the period was 1: 32.785.

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

(1)The capital lending line for individual object shall be limited to no more than 30% of the net current value of Noonspare Energy Technology Co., Ltd., which belongs to the owner of the Company.

(2)The total amount of foreign capital lending shall be limited to no more than 30% of the net current value of Noonspare Energy Technology Co., Ltd., which belongs to the owner of the Company.

2. Endorsement/Guarantee Provided for Others:

Unit: NTS Thousand

No.	Endorsement/ Guarantee Provider Name	Subject of Endorsements/Guarantees		Endorsement/ Guarantee Limit for a Single Business (Note 3)	Balance of Maximum Endorsement/ Guarantee for the Current Period	Final Endorsement/ Guarantees Balance	Actual Drawdown	Guarantee Amount Secured by Property	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Endorsement/ Guarantee Ceiling (Note 4)	Endorsement/ Guarantee by Parent Company for Subsidiary	Endorsement/ Guarantee by Subsidiary for Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relation (Note 2)										
0	Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	2	1,055,757	60,000	60,000	34,800	-	2.84%	2,111,514	Y	N	N
0	Billion Electric Co., Ltd.	Tai Chuang Energy Co., Ltd.	6	1,055,757	125,000	125,000	75,200	-	5.92%	2,111,514	N	N	N

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

(1) For issuer, write 0.

(2) The investees are numbered sequentially starting with Arabic numeral 1 according to each entity.

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

(1) Companies that we have a business relationship with.

(2) Companies in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) Companies that directly or indirectly hold more than 50% of the voting shares of the Company.

(4) Intercompany where the Company directly or indirectly holds more than 90% of the voting shares.

(5) Companies that are mutually guaranteed by the contract between peers or co-contractors based on the needs of the underwriting project.

(6) Companies to which all investing shareholders endorse a guarantee based on its shareholding ratio as a result of the joint investment relationship.

(7) Joint and several guarantees of performance bonds for pre-sale housing sales contracts with peers in the same industry in accordance with the regulations of the Consumer Protection Act.

Note 3: The amount of endorsement/guarantee for a single enterprise shall not exceed 50% of the current net value of the owner of the Company.

Note 4: The total amount of an endorsement/guarantee shall not exceed 100% of the current net value of the owner of the Company.

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

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

Securities Holder	Type and Name of Marketable Securities	Relationship With Issuers of Securities	Journal Accounts	End of Period				Remarks
				Number of Shares	Carrying Amount of Investment	Shareholding Ratio	Fair Value	
Billion Electric Co., Ltd.	Ennova Technologies, Inc.	N/A	Financial assets at fair value through other comprehensive income - non-current	550	6,467	18.33%	6,467	
Billion Electric Co., Ltd.	EcoLumina Technologies, Inc.	N/A	Financial assets at fair value through other comprehensive income - non-current	30	-	0.07%	-	
Billion Electric Co., Ltd.	MicroLinks Technology Corp.	N/A	Financial assets at fair value through other comprehensive income - non-current	100	-	1.32%	-	
Billion Electric Co., Ltd.	Dajian Internet Technology Co.,Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	300	-	10.00%	-	
Billion Electric Co., Ltd.	Tai Chuang Energy Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	5,000	53,934	4.00%	53,934	
Noonspare Energy Technology Co.,Ltd.	Jong Shyn Shipbuliding Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	68	5,616	0.08%	5,616	
Pacific Solar Limited	Works Systems, Inc.	N/A	Financial assets at fair value through other comprehensive income - non-current	867	-	3.94%	-	
BEC Technologies Inc.	Invesco QQQ Tr Unit Ser 1	N/A	Financial assets at fair value through profit or loss - current	-	1,458	-%	1,458	
BEC Technologies Inc.	Vaneck Etf Trust Mrngstr Wde Moat	N/A	Financial assets at fair value through profit or loss - current	-	301	-%	301	
BEC Technologies Inc.	Berkshire Hathaway Inc	N/A	Financial assets at fair value through profit or loss - current	-	1,367	-%	1,367	

4. Cumulative Purchase or Sale of the Same Securities Amounting to NT\$300 million or More Than 20% of the Paid-In Capital: None.

5. The Amount of Real Estate Acquired Is NT\$300 million or More Than 20% of the Paid-In Capital: None.

6. Disposal of Real Estate Amounts to NT\$300 million or More Than 20% of the Paid-In Capital: None.

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

Unit: NT\$ Thousand

Supplier (Buyer) Company	Name of Trading Partner	Relation	Transaction Details				Circumstances and Reasons for the Difference Between the Terms of Transaction and Ordinary Transactions		Notes and Accounts Receivable (Payable)	
			Purchase/Sale	Amount	Proportion of Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Balance	Proportion of Total Notes and Accounts Receivable (Payable)
Billion Electric Co., Ltd.	BEC Technologies Inc.	Subsidiaries of the Company	Sales	100,858	28.58%	Collect about 3 to 4 months after shipment	-		8,265	14.79%
Billion Watts Technologies Co., Ltd.	Xiajing Co., Ltd.	Subsidiaries to Associates	Sales	202,960	13.71%	Contract collections	-	-	-	-%

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

9. Engaged in Derivative Transactions: None.

(2) Related Information on Investees:

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

Name of the Investment Company	Name of Investee	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 in the Current Period	Remarks
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment			
Billion Electric Co., Ltd.	BEC Technologies Inc.	United States	Sales businesses of telecommunication related products	69,257	69,257	2,294	91.76%	202,543	(19,554)	(17,943)	
Billion Electric Co., Ltd.	Billion Watts Technologies Co., Ltd.	Taiwan	Solar and energy storage solution services, power plant operation and management services, etc.	136,689	122,116	9,558	62.14%	258,026	112,744	68,940	
Billion Electric Co., Ltd.	Billion Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	80,000	80,000	8,000	100.00%	36,909	(40,107)	(40,107)	
Billion Electric Co., Ltd.	Pacific Solar Limited	Seychelles	International investment	-	-	650	100.00%	-	-	-	Note 1
Billion Electric Co., Ltd.	Billion EVC Technologies Co., Ltd.	Taiwan	Design, manufacturing, construction and sales business of solar power plants	26,025	26,025	1,837	51.00%	22,368	2,997	1,019	
Billion Electric Co., Ltd.	Billion Electric Holding Co., Ltd.	Taiwan	Investment company	12,000	95,000	1,200	100.00%	968	(11,032)	(11,032)	
Billion Electric Co., Ltd.	Billion EV Charging Technologies Co., Ltd.	Taiwan	Community charging station and energy storage supply services, etc.	47,794	30,000	5,000	100.00%	32,907	(11,764)	(11,764)	
Billion Electric Co., Ltd.	Billion Kai Co., Ltd.	Taiwan	Design, manufacturing, construction and sales business of solar power plants	20,000	2,000	2,000	100.00%	18,169	(1,598)	(1,598)	

Name of the Investment Company	Name of Investee	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 in the Current Period	Remarks
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment			
Billion Electric Co., Ltd.	Xiajing Co., Ltd.	Taiwan	Renewable energy non-utility power generation equipment business	27,000	27,000	2,700	5.24%	24,315	(52,080)	(2,729)	Note 2
Billion Electric Co., Ltd.	Billion Electric Japan Co., Ltd.	Japan	Sales businesses of telecommunication related products	10,626	-	5	100.00%	4,313	(6,250)	(6,250)	
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.	188,370	-	13,000	49.89%	178,038	(29,504)	(9,784)	
Billion Electric Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	48,601	-	7,000	100.00%	46,815	(12,227)	(1,786)	Note 3
BEC Technologies Inc.	BEC International, LLC	United States	International investment	40,996	40,996	-	100.00%	70,082	4,310	4,310	
BEC Technologies Inc.	Avantek Systems PTE. LTD	Singapore	Cloud software management services	8,852 (USD270)	8,290 (USD270)	270	75.00%	8,845	168	126	
Billion Watts Technologies Co., Ltd.	Billion Power System Technologies Inc.	Taiwan	Design and sales services of energy software	5,100	5,100	510	51.00%	7,938	10,339	5,273	
Billion Watts Technologies Co., Ltd.	Sheng Chuang Energy Co., Ltd.	Taiwan	Energy storage sales business	100	-	10	100.00%	91	(9)	(9)	Note 6
Billion Electric Holding Co., Ltd.	Billion Sun Energy Storage Technologies Inc.	Taiwan	Energy storage sales business	-	25,000	-	-%	-	(12,227)	(10,442)	Note 3
Billion Electric Holding Co., Ltd.	BT Energy Storage Co., Ltd.	Taiwan	Energy storage sales business	-	2,000	-	-%	-	(216)	(216)	Note 4
Billion Electric Holding Co., Ltd.	Sheng Qian Energy Storage Co., Ltd.	Taiwan	Energy storage sales business	-	2,000	-	-%	-	(210)	(210)	Note 5

Note 1: Pacific Solar Limited was established and registered in Seychelles in 2020. As of December 31, 2024, the Company has not invested capital.

Note 2: The investee company is evaluated by the equity method.

Note 3: In August 2024, the Group underwent an organizational restructuring. The 100.00% equity interest in Billion Sun Energy Storage Technologies Inc., originally held by Billion Electric Holding Co., Ltd. was transferred to the Company, which now holds 100.00% of its equity interest.

Note 4: BT Energy Storage Co., Ltd., was dissolved and completed the liquidation process in June 2024.

Note 5: Sheng Qian Energy Storage Co., Ltd. was dissolved and completed the liquidation process in June 2024.

Note 6: Sheng Chuang Energy Co., Ltd. was established in December 2024 and is 100.00% owned by Billion Watts Technologies Co., Ltd.

- (3) Information on Investments in Mainland China: None.
- (4) Main Shareholder Information:

Shares		
	Number of Shares Held	Shareholding Ratio
Name of Main Shareholder		
Chung-Ting Chen	14,167,971	12.21%
Sino-American Silicon Products Inc.	15,000,000	12.93%

Note 1: The main shareholder information in this schedule is calculated by the depository company using the information of the shareholders holding 5% of more of the total number of ordinary shares and special shares of the Company that have completed the script-less registration and delivery (including treasury shares) on the last business day at the end of the quarter. The share capital recorded in the financial statements of the Company and the number of shares for which dematerialized registration and delivery has completed may differ as a result of the different preparations of calculation bases.

Note 2: If the above information belongs to the shareholders handing over their holdings to the trust, it shall be disclosed by the individual branches of the principal whose trust account is opened by the trustee. For insider share declaration of shareholders holding more than 10% in accordance with the Securities Exchange Act, the shareholding includes the shareholding of the shareholder plus the shares that the shareholder has paid into the trust and has the right to use the trust property. For insider share declaration information, please refer to the MOPS.

14. Segment Information

For details, please refer to the consolidated financial statement for 2024.

Billion Electric Co., Ltd .
Schedules of Cash and Cash Equivalents
December 31, 2024

Unit: NT\$ Thousand

Item	Description	Amount
Cash	Cash on hand	\$ 70
Bank Deposits	Checks and demand deposits	54,348
	Foreign currency demand deposit US\$1,083 thousand	
	Exchange rate US\$=NT\$32.785	35,502
	Foreign currency demand deposit EUR 201 thousand	
	Exchange rate EUR 1=NT\$34.140	6,850
	Foreign currency demand deposit JPY 240 thousand	
	Exchange rate JYP 1=NT\$0.209	50
	Time deposits	69,857
Cash Equivalents - Re-Purchase Bonds		<u>105,241</u>
Total		<u><u>\$ 271,918</u></u>

Billion Electric Co., Ltd.
Detailed statement of financial assets measured
at cost after amortization
December 31, 2024

Unit: NT\$ Thousand

Item	Description	Amount
Restricted Bank Deposits	Certificates of deposit	\$ 39,886
Restricted Bank Deposits	Pledged as collateral for financing limit applications to financial institutions.	2,006
Restricted Bank Deposits	Restricted deposits agreed with financial institutions	<u>389,119</u>
		<u>\$ 431,011</u>

Billion Electric Co., Ltd.
Detailed statement of notes and accounts receivable
December 31, 2024

Unit: NT\$ Thousand

Item	Description	Amount
Non-Related Parties:		
Client A	Operating	\$ 12,638
Client B	"	4,726
Client C	"	2,169
Client D	"	2,132
Customer E	"	1,936
Others (Note)	"	14,001
Less: Allowance for Doubtful Debts	"	(<u>367</u>)
Total	"	<u><u>\$ 37,235</u></u>
Related Parties:		
Bec Technologies Inc.	Operating	\$ 8,265
Billion Energy Storage Technologies Inc.	"	168
Billion EVC Technologies Co., Ltd.	"	1,155
Billion Watts Technologies CO., LTD.	"	<u>8,703</u>
Total		<u><u>\$ 18,291</u></u>

Note:5% of the balance of this account is not reached.

Billion Electric Co., Ltd.
Inventory details
December 31, 2024

Unit: NT\$ Thousand

Item	Amount	
	Costs	Net Realized Value
Supplies	\$ 42,679	18,966
Work in Progress	4,093	3,292
Finished Goods	46,517	52,329
Subtotal	93,289	74,587
Less: Loss Allowances for Market Price Decline and Obsolete and Slow-Moving Inventories	(17,821)	
Net Amount	\$ 75,468	

Billion Electric Co., Ltd.
Detailed statement of changes in investments using the equity method
December 31, 2024

Unit: NT\$ Thousand

Name	Beginning Balance			Increase in the Current Period		Current Decrease		Profit (Loss) on Investments	Conversion Adjustments	Realized (Unrealized) Gross Profit from Sales	Others (Note 1)	Ending Balance			Provisions of Guarantee or Pledge
	Number of Shares (Thousands)	Shareholding Ratio	Amount	Number of Shares (Thousands)	Amount	Number of Shares (Thousands)	Amount					Amount	Amount	Amount	
Non-TWSE/TPEX-listed companies															
BEC Technologies Inc.	2,294	91.76%	\$ 203,649	-	-	-	-	(17,943)	14,245	2,592	-	2,294	91.76%	202,543	N/A
Billion Watts Technologies Co., Ltd.	8,001	59.82%	194,727	1,617	16,973	(60)	(2,400)	68,940	-	634	(20,848)	9,558	62.14%	258,026	N/A
Billion Energy Storage Technologies Inc.	8,000	100.00%	76,710	-	-	-	-	(40,107)	-	51	255	8,000	100.00%	36,909	N/A
Pacific Solar Limited	650	100.00%	-	-	-	-	-	-	-	-	-	650	100.00%	-	N/A
Billion EVC Technologies Co., Ltd.	1,041	51.00%	22,443	796	-	-	-	1,019	-	(183)	(911)	1,837	51.00%	22,368	N/A
Billion Electric Holding Co., Ltd.	9,500	100.00%	83,495	-	-	(8,300)	(71,495)	(11,032)	-	-	-	1,200	100.00%	968	N/A
Billion EV Charging Technologies Co., Ltd.	3,000	60.00%	26,691	2,000	17,794	-	-	(11,764)	-	-	186	5,000	100.00%	32,907	N/A
Billion Kai Co., Ltd.	200	100.00%	1,767	1,800	18,000	-	-	(1,598)	-	-	-	2,000	100.00%	18,169	N/A
Hsia Ching Co., Ltd.	2,700	5.24%	27,199	-	-	-	-	(2,729)	-	-	(155)	2,700	5.24%	24,315	N/A
Billion Electric Japan Co., Ltd.	-	-%	-	5	10,626	-	-	(6,250)	(63)	-	-	5	100.00%	4,313	N/A
Noonspare Energy Technology Co., Ltd.	-	-%	-	13,000	188,370	-	-	(9,784)	-	(216)	(332)	13,000	49.89%	178,038	N/A
Billion Sun Energy Storage Technologies Inc.	-	-%	-	7,000	48,601	-	-	(1,786)	-	-	-	7,000	100.00%	46,815	N/A
			<u>\$ 636,681</u>		<u>300,364</u>			<u>(73,895)</u>	<u>(33,034)</u>	<u>14,182</u>	<u>2,878</u>			<u>178,038</u>	

Note 1: Cash dividends received amounted to \$16,975 thousand. The difference between the actual acquisition or disposal price of subsidiary equity and its book value was adjusted to capital surplus (\$2,672) thousand and retained earnings (\$2,382) thousand, respectively. Additionally, \$557 thousand was adjusted in capital surplus for employee stock options. An adjustment of \$(333) thousand was made for equity instruments measured at fair value through other comprehensive income under the equity method.

Billion Electric Co., Ltd.
Detailed statement of short-term loans
December 31, 2024

Unit: NT\$ Thousand

<u>Type of Loan</u>	<u>Explanation</u>	<u>Ending Balance</u>	<u>Term of the Contract</u>	<u>Interest Rate Range</u>	<u>Financing Limit</u>	<u>Pledge or Guarantee</u>
Guaranteed loan	Hua Nan Bank	\$ 105,000	2024.12.31 2025.03.31	2.08%	\$ 180,000	Property
Guaranteed loan	Taiwan Cooperative Bank	15,000	2024.04.01 2025.01.03	2.078%	100,000	Property
Guaranteed loan	Mega International Commercial Bank	<u>20,000</u>	2024.12.17 2025.03.17	1.975%~ 3.176%	<u>20,000</u>	Pledge of demand deposit
		<u>\$ 140,000</u>			<u>\$ 300,000</u>	

Billion Electric Co., Ltd.
Detailed statement of long-term loans
December 31, 2024

Unit: NT\$ Thousand

<u>Type of Loan</u>	<u>Explanation</u>	<u>Ending Balance</u>	<u>Term of the Contract</u>	<u>Interest Rate Range</u>	<u>Financing Limit</u>	<u>Pledge or Guarantee</u>
Inventory installments	Chailease Finance Co., Ltd.	<u>\$ 13,437</u>	2022.07.15 -2025.07.15	3.95%	<u> -</u>	Performance bond

Billion Electric Co., Ltd.
Detailed statement of accounts payable
December 31, 2024

Unit: NT\$ Thousand

Item	Description	Amount
Non-related Parties:		
Company A	Accounts payable	\$ 1,703
Company B	"	1,132
Company C	"	797
Company D	"	695
Company E	"	629
Others (Note)	"	<u>5,373</u>
Total		<u>\$ 10,329</u>

Note:5% of the balance of this account is not reached.

Billion Electric Co., Ltd.
Detailed statement of operating income
December 31, 2024

Unit: NT\$ Thousand

Item	Quantity (In Thousands of KW)	Amount
FWA	13	\$ 91,143
Power Supply Unit	557	131,697
Industrial M2M	5	19,992
Led Driver	23	11,063
Income From Electricity Fees of Solar Power Plant	1,458	16,431
Energy Storage	-	46,497
Other	10,384	36,013
Less: Return of Sales		(3,870)
Sales allowance		(4)
		<u>\$ 348,962</u>

Billion Electric Co., Ltd.
Detailed statement of operating costs
January 1 to December 31, 2024

Unit: NT\$ Thousand

Item	Amount
Beginning Amount of Goods	\$ 8,191
Add: Purchases in the Current Period (net Amount)	7,808
Transfer Expense	<u>220</u>
Cost of Purchase and Sales	<u>16,219</u>
Beginning Amount of raw Materials	76,879
Add: Materials Purchased in the Current Period (net Amount)	102,015
raw Material Inventory Profit	22
Less: Ending Amount of raw Materials	(42,679)
Transfer Expense	(54)
Scrapped in the Current Period	(261)
Other	<u>(593)</u>
Raw Materials Consumed in the Current Period	135,329
Direct Labor	7,929
Production Overheads	<u>20,874</u>
Total Cost of Manufacturing	164,132
Add: Beginning Amount of Work-In-progress	2,696
Less: Ending Amount of Work-In-progress	(<u>4,093</u>)
Cost of Finished Product	162,735
Add: Beginning Amount of Finished Products	28,788
Purchases in the Current Period (net Amount)	121,667
Other	2,807
Less: Ending Amount of Finished Products	(46,517)
Transfer Expense	(3,467)
Scrapped in the Current Period	(63)
Inventory loss of finished goods	<u>(13)</u>
Cost of Sales of Self-Made Products	<u>265,937</u>
Total Cost of Sales	282,157
Gain from inventory recovery	(24,285)
Other	(5,172)
Inventory Obsolescence Losses	324
Other Operating Costs	16,990
Inventory Surplus	(<u>9</u>)
Total Operating Cost	<u><u>\$ 270,005</u></u>

Billion Electric Co., Ltd.
Detailed statement of operating expenses
January 1 to December 31, 2024

Unit: NT\$ Thousand

<u>Item</u>	<u>Sales Expenses</u>	<u>Administrative Expenses</u>	<u>Research and Development Expenses</u>	<u>Total</u>
Salaries and Bonuses	\$ 11,622	30,453	36,665	78,740
Advertising Expenses	5,555	57	-	5,612
Labor Expenses	571	4,215	732	5,518
Insurance Expenses	1,243	3,513	3,509	8,265
Depreciation	418	5,114	3,833	9,365
Commission Expenses	4,394	-	-	4,394
Warranty Expenses	4,214	-	-	4,214
Incidental Expenses	587	4,640	1,199	6,426
Inspection Fee	274	1,102	3,076	4,452
Others (Note)	<u>8,295</u>	<u>11,422</u>	<u>6,383</u>	<u>26,100</u>
Total	<u>\$ 37,173</u>	<u>60,516</u>	<u>55,397</u>	<u>153,086</u>

Note: Each item does not exceed 5% of the balance of this account.