Stock Code:6244

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: 6F, No. 248, Sec. 3, Pei-Shen Rd., Shen-Keng Dist., New Taipei City 222, Taiwan

Telephone: 886-2-2662-5093

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

Table of contents

Representation Letter

The entities that are required to be included in the combined financial statements of Motech Industries Inc. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Motech Industries Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Motech Industries Inc.
Chairman: Yung-Hui Tseng
Date: February 25, 2025

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Motech Industries Inc.

Opinion

We have audited the consolidated financial statements of Motech Industries Inc.("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditor's report were as follows:

- Revenue recognition for sales of solar modules

  Please refer to note 4(o) "Revenue" for accounting policy and note 6(s) "Revenue from contracts with customers" for further information.

  Description of key audit matter:

  The Company is a listed company in related to public interest, wherein the investors are highly expecting its financial performance. The Group's main source of revenues comes from the sales of solar modules. Therefore, revenue recognition for sale of solar modules has been identified as our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understanding the main types of revenues, contract contents, and transaction terms to assess the accuracy of the timing of revenue recognition for sales of solar modules.
- Conducting the variance analysis on the revenue from top ten sales customers.
- Testing the internal controls of the Company related to the shipment operations of solar modules and revenue recognition processes.
- Selecting samples from sales of modules before and after the balance sheet date, and verifying relevant documents to ensure that selected transactions are recognized in the financial report within the appropriate period.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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 an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 identify during our audit.

We also provide those charged with governance 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Ming-Hung and Yang, Yun-Chu.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

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

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

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,651,875	27	2,408,531	28
1136	Current financial assets at amortized cost (note 6(a))	372,546	4	312,030	4
1140	Current contract assets (note 6(s))	77,199	1	-	-
1170	Notes and accounts receivable, net (notes 6(b) and 6(s))	265,982	3	410,788	5
1200	Other receivables (note 6(c))	10,752	-	6,062	-
1220	Current tax assets	1,660	-	1,111	-
130x	Inventories (note 6(d))	642,241	7	563,286	7
1410	Prepayments (note 6(i))	13,391	-	12,662	-
1476	Other current financial assets (note 8)	435,345	5	539,357	6
1479	Other current assets (note 6(i))	119,005	1	120,950	1
	Total current assets	4,589,996	48	4,374,777	51
	Non-current assets:				
1535	Non-current financial assets at amortized cost (note 6(a))	-	-	212	-
1550	Investments accounted for using equity method (notes 6(e) and 7)	257,212	3	236,962	3
1600	Property, plant and equipment (notes 6(f) and 8)	4,026,704	41	3,327,448	39
1755	Right-of-use assets (note 6(g))	487,697	5	327,453	4
1780	Intangible assets (note 6(h))	52	-	213	-
1840	Deferred tax assets (note 6(p))	70,729	1	69,503	1
1980	Other non-current financial assets (note 8)	36,747	-	46,633	-
1990	Other non-current assets (notes 6(i), 6(o) and 8)	178,391	2	206,974	2
	Total non-current assets	5,057,532	52	4,215,398	49
	Total assets	$ 9,647,528	100	8,590,175	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(k))	$ 642,734	7	157,862	2
2110	Short-term notes and bills payable (note 6(j))	-	-	89,982	1
2130	Current contract liabilities (note 6(s))	47,863	-	38,024	-
2170	Notes and accounts payable	691,526	7	768,186	9
2200	Other payables (note 6(t))	608,348	6	337,265	4
2230	Current tax liabilities	3,150	-	3,320	-
2250	Current provisions (note 6(n))	49,180	1	42,463	-
2280	Current lease liabilities (note 6(m))	162,667	2	123,501	2
2320	Long-term borrowings, current portion (notes 6(l) and 8)	318,265	3	201,582	2
2399	Other current liabilities (note 6(f))	93,714	1	99,073	1
	Total current liabilities	2,617,447	27	1,861,258	21
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(l) and 8)	2,048,096	21	2,023,797	24
2550	Non-current provisions (note 6(n))	153,881	2	131,052	1
2570	Deferred tax liabilities (note 6(p))	74,761	1	71,375	1
2580	Non-current lease liabilities (note 6(m))	215,475	2	146,587	2
2600	Other non-current liabilities	9,473	-	1,466	-
	Total non-current liabilities	2,501,686	26	2,374,277	28
2xxx	**Total liabilities**	5,119,133	53	4,235,535	49
	Equity				
31xx	**Equity attributable to owners of parent (notes 6(e), 6(o), 6(p) and 6(q)):**				
3100	Ordinary share	3,870,419	40	3,870,419	45
3200	Capital surplus	540,695	6	540,695	6
3310	Legal reserve	71,275	1	49,210	-
3320	Special reserve	148,746	2	53,862	1
3350	Unappropriated retained earnings	297,428	2	293,495	4
3400	Other equity interest	(482,163)	(5)	(528,333)	(6)
31xx	**Total equity attributable to owners of parent**	4,446,400	46	4,279,348	50
36xx	Non-controlling interests	81,995	1	75,292	1
3xxx	**Total equity**	4,528,395	47	4,354,640	51
	Total liabilities and equity	$ 9,647,528	100	8,590,175	100

See accompanying notes to consolidated financial statements.

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

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Net operating revenue (notes 6(s) and 7)**	$ 3,225,501	100	4,065,981	100
5000	**Total operating costs (notes 6(d), 6(f), 6(g), 6(h), 6(m), 6(n), 6(o) and 6(t))**	(2,589,368)	(80)	(3,388,557)	(83)
5900	**Gross profit from operations**	636,133	20	677,424	17
6000	**Operating expenses (notes 6(b), 6(c), 6(f), 6(g), 6(h), 6(m), 6(o), 6(t) and 7):**				
6100	Selling expenses	(66,566)	(2)	(47,318)	(1)
6200	Administrative expenses	(247,674)	(8)	(250,958)	(6)
6300	Research and development expenses	(48,662)	(2)	(54,425)	(2)
6450	Impairment gains and reversal of impairment loss	-	-	(1,306)	-
	Total operating expenses	(362,902)	(12)	(354,007)	(9)
6900	**Net operating profit**	273,231	8	323,417	8
	Non-operating income and expenses (notes 6(e), 6(f), 6(m) and 6(u)):				
7100	Interest income	48,175	2	56,984	2
7010	Other income	3,739	-	5,983	-
7020	Other gains and losses	(49,011)	(2)	(102,189)	(3)
7050	Finance costs	(60,324)	(2)	(63,007)	(2)
7060	Share of profit of associates for using equity method	30,525	1	8,397	-
	Total non-operating income and expenses	(26,896)	(1)	(93,832)	(3)
7900	**Profit before tax**	246,335	7	229,585	5
7950	Tax expenses (note 6(p))	(5,735)	-	(5,268)	-
8200	**Net profit**	240,600	7	224,317	5
8300	**Other comprehensive income (notes 6(e), 6(o), 6(p) and 6(q)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	11,793	-	3,100	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	668	-	(248)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(2,359)	-	(620)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	10,102	-	2,232	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	48,254	2	(23,156)	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(104)	-	52	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	48,150	2	(23,104)	-
8300	**Other comprehensive income**	58,252	2	(20,872)	-
8500	**Total comprehensive income**	**$ 298,852**	**9**	**203,445**	**5**
	Profit attributable to:				
8610	Owners of parent	$ 235,301	7	218,168	5
8620	Non-controlling interests	5,299	-	6,149	-
		$ 240,600	**7**	**224,317**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 290,905	9	198,611	5
8720	Non-controlling interests	7,947	-	4,834	-
		$ 298,852	**9**	**203,445**	**5**
	Earnings per share (expressed in New Taiwan Dollars) (note 6(r))				
9750	**Basic earnings per share**	**$ 0.61**		**0.56**	
9850	**Diluted earnings per share**	**$ 0.61**		**0.56**	

See accompanying notes to consolidated financial statements.

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

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
						Other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 3,870,419	540,694	21,764	28,723	299,601	(505,112)	(1,184)	(506,296)	4,254,905	77,135	4,332,040
Net profit for the year ended December 31, 2023	-	-	-	-	218,168	-	-	-	218,168	6,149	224,317
Other comprehensive income	-	-	-	-	2,480	(21,789)	(248)	(22,037)	(19,557)	(1,315)	(20,872)
Total comprehensive income	-	-	-	-	220,648	(21,789)	(248)	(22,037)	198,611	4,834	203,445
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	27,446	-	(27,446)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	25,139	(25,139)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(174,169)	-	-	-	(174,169)	-	(174,169)
Due to donated assets received	-	1	-	-	-	-	-	-	1	-	1
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(6,677)	(6,677)
Balance at December 31, 2023	3,870,419	540,695	49,210	53,862	293,495	(526,901)	(1,432)	(528,333)	4,279,348	75,292	4,354,640
Net Profit for the year ended December 31, 2024	-	-	-	-	235,301	-	-	-	235,301	5,299	240,600
Other comprehensive income	-	-	-	-	9,434	45,502	668	46,170	55,604	2,648	58,252
Total comprehensive income	-	-	-	-	244,735	45,502	668	46,170	290,905	7,947	298,852
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	22,065	-	(22,065)	-	-	-	-	-	-
Special reserve	-	-	-	94,884	(94,884)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(123,853)	-	-	-	(123,853)	-	(123,853)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,244)	(1,244)
Balance at December 31, 2024	**$ 3,870,419**	**540,695**	**71,275**	**148,746**	**297,428**	**(481,399)**	**(764)**	**(482,163)**	**4,446,400**	**81,995**	**4,528,395**

See accompanying notes to consolidated financial statements.

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

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 246,335	229,585
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	311,753	273,995
Amortization expense	341	589
Expected credit loss	-	1,306
Interest expense	60,324	63,007
Interest income	(48,175)	(56,984)
Share of profit of associates accounted for using equity method	(30,525)	(8,397)
Loss on disposal of property, plant and equipment	68,755	3,445
Impairment loss on non-financial assets	35,810	100,476
Total adjustments to reconcile profit	398,283	377,437
Changes in operating assets:		
Contract assets	(77,199)	-
Notes and accounts receivable	144,863	330,656
Other receivables	(745)	3,096
Inventories	(76,645)	374,395
Prepaid expenses	(3,207)	44
Prepayments to suppliers	2,620	1,703
Other current assets	3,528	(32,257)
Defined benefit assets	(1,119)	(1,107)
Total changes in operating assets	(7,904)	676,530
Changes in operating liabilities:		
Contract liabilities	9,822	(32,084)
Notes and accounts payable	(100,912)	(790,552)
Other payables	(272)	(17,171)
Provisions	3,693	9,697
Other current liabilities	(7,656)	17,766
Total changes in operating liabilities	(95,325)	(812,344)
Total changes in operating assets and liabilities	(103,229)	(135,814)
Cash inflow generated from operations	541,389	471,208
Income taxes paid	(6,653)	(3,198)
Net cash flows from operating activities	534,736	468,010
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(75,815)	(309,714)
Proceeds from disposal of financial assets at amortized cost	27,585	2,000
Acquisition of property, plant and equipment	(709,272)	(992,545)
Proceeds from disposal of property, plant and equipment	5,201	2,491
Decrease (increase) in refundable deposits	(7,092)	7,926
Acquisition of intangible assets	(180)	(180)
Decrease in other financial assets	133,553	552,798
Increase in prepayments for business facilities	(34,202)	(83,591)
Interest received	44,253	55,105
Dividends received	10,839	18,750
Net cash flows used in investing activities	(605,130)	(746,960)
Cash flows from (used in) financing activities:		
Proceeds from short-term loans	566,542	267,862
Repayments of short-term loans	(81,670)	(310,000)
Proceeds from short-term notes and bills payable	20,000	200,000
Repayments of short-term notes and bills payable	(110,000)	(110,000)
Proceeds from long-term borrowings	345,880	1,480,520
Repayments of long-term borrowings	(206,498)	(1,689,268)
Increase (decrease) in guarantee deposits received	8,295	(1,441)
Payment of lease liabilities	(83,104)	(23,786)
Cash dividends paid	(123,853)	(174,169)
Interest paid	(56,964)	(63,543)
Change in non-controlling interests	(1,244)	(1,184)
Other financing activities	-	1
Net cash flows from (used in) financing activities	277,384	(425,008)
Effect of exchange rate changes on cash and cash equivalents	36,354	(28,858)
Net increase (decrease) in cash and cash equivalents	243,344	(732,816)
Cash and cash equivalents at beginning of period	2,408,531	3,141,347
Cash and cash equivalents at end of period	**$ 2,651,875**	**2,408,531**

See accompanying notes to consolidated financial statements.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

(1) Company history

MOTECH Industries Inc. (the Company) was incorporated on June 3, 1981, as a company limited by shares and registered under the Ministry of Economic Affairs (MOEA) of the Republic of China (R.O.C.). The address of the Company's registered office is 6F, No. 248, Sec. 3, Pei-Shen Rd., Shen-Keng Dist., New Taipei City 222, Taiwan. The Company and its subsidiaries (the Group) 's major operating activities are the manufacturing, marketing, and sale of solar cells, solar modules, and photovoltaic inverters, the marketing, design, and installation of solar electricity systems, and solar power generation.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issue by the Board of Directors on February 25, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 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"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS Accounting Standards issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- 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—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRSs endorsed by FSC”).

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the balance sheets:

- The net defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. Except for those specifically indicates, all financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**	**Note**
The Company	Power Islands Limited (Power Islands)	Holding company	100 %	100 %	
The Company	Teco-Motech Co., Ltd. (Teco-Motech)	Solar power generation and selling	60 %	60 %	
The Company	Motech Power One Co., Ltd. (MPO)	Solar power generation and selling	100 %	100 %	
The Company	Motech Power Gamma Co., Ltd (MPG)	Solar power generation and selling	100 %	100 %	
The Company	Motech Power Beta Co., Ltd (MPB)	Solar power generation and selling	100 %	100 %	
The Company	Motech Power Zeta Co., Ltd (MPZ)	Solar power generation and selling	100 %	100 %	
Power Islands	Motech (Suzhou) Renewable Energy Co., Ltd. (SNE)	Manufacturing and processing, solar cell and solar modules	95.39 %	95.39 %	
Power Islands	Cheer View Investment Limited (Cheer View)	Holding company	100 %	100 %	
SNE	Motech (Ma-Anshan) Renewable Energy Co., Ltd. (MAS)	Manufacturing and processing, solar cells and solar modules	100 %	100 %	
SNE	Motech (Maanshan) Energy Technologies Co. (MASE)	Manufacturing and processing, solar wafer and solar cells	100 %	100 %	

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates of the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate of that date. The foreign currency gains or losses on monetary items are the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and the payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate of the date the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of transactions.

Foreign currency differences arising from retranslation are recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which is recognized in other comprehensive income.

(i) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Taiwan Dollars (which was expressed in reporting currency) at the exchange rates of the reporting date. The income and expenses of foreign operations are translated to New Taiwan Dollars (which was expressed in reporting currency) at average rate. Foreign currency differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as noncurrent.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Time deposits, in conformity with the aforementioned definition, that are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, and that are subject to an insignificant risk of changes in their fair value are recognized as cash equivalents.

(g) Financial instruments

Accounts receivable is initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: financial assets measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits and other financial assets) and contract assets.

Loss allowance for notes and accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

(Continued)

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

(Continued)

The consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group’s interests in the associate.

When the Group’s share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs and the decommissioning costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures: 11 to 51 years

2) Machinery and equipment: 2 to 10 years

3) Other equipment (Power station): 4 to 20 years

4) Office and other equipment: 1 to 11 years

(Continued)

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee;
- there is a change in the assessment on whether it will have the option to exercise a purchase of the underlying asset;

(Continued)

- there is a change in the assessment on lease term as to whether it will be extended or terminated; and
- the modifications of the lease underlying asset, scope or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including office and other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(l) Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates.

The amortization amount is the cost of an asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with indefinite useful lives, from the date that they are available for use. The estimated useful lives were 1 to 6 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provision

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Decommissioning

The Group follows the policy of Bureau of Energy, Ministry of Economic Affairs, accruing the module recycle fee based on the size of the power station, and recognize as provision by the present value of decommissioning costs.

(o) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Goods sold

The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) Engineering contracts

The Group enters into contracts to build solar power stations. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Power electric revenue

The Group recognized its power electric revenue based on the actual electric units and electric rate.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants shall not be recognized until there is reasonable assurance.

(Continued)

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheets either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. The Group recognizes government grants as deducts the grant in arriving at the carrying amount of the asset on a systematic and rational basis over the useful life of the asset.

Government grants related to income are presented as a credit in the statement of comprehensive income, they are deducted in reporting the related expense. If there is no related expense, they are recorded under a general heading such as 'Other gain'.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are accrued when the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee. A liability is recognized when the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share (EPS)

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(t) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

The Group is not a majority shareholder, or it cannot obtain more than half of the voting rights at the board and shareholders' meeting, of its associate, resulting in the Group to only have significant influence, but not control, over its investee.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The accounting policy and disclosure of the Group include measuring the financial and non-financial assets and financial liabilities at fair value. The accounting department of the Group uses external information to make the evaluation result agreeable to the market status and to ensure that the data resources are independent, reliable and consistent with the other resources. The Group regularly revises the input and any essential adjustments on the fair value to ensure the evaluation results are reasonable.

(Continued)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For any impact of transfer within the fair value hierarchy, which has been recognized on the reporting date, please refer to note 6(v) for assumptions used in measuring fair value.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	$ 550	587
Demand and check deposits	1,152,753	1,219,030
Time deposits	1,356,572	1,008,914
Cash equivalents (investments in bonds sold under repurchase agreement)	142,000	180,000
	$ 2,651,875	2,408,531

Time deposits of the Group with a deposit period of more than three months, which were recognized as financial assets measured at amortized cost were as follows:

	December 31, 2024	December 31, 2023
Current financial assets at amortized cost	$ 372,546	312,030
Non-current financial assets at amortized cost	-	212
	$ 372,546	312,242

(b) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ -	1,833
Accounts receivable	266,912	409,885
Subtotal	266,912	411,718
Less: loss allowance	(930)	(930)
	$ 265,982	410,788

(Continued)

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

In Taiwan and other areas:

	December 31, 2024		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 265,982	0%	-
Past due 1~90 days	-	0%	-
Past due 91~120 days	-	0%	-
Past due 121~150 days	-	0%	-
Past due 151~180 days	-	0%~68.3%	-
Past due more than 181 days	930	100%	930
	266,912		930

In China:

	December 31, 2024		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ -	0%	-
Past due 1~90 days	-	0%	-
Past due 91~120 days	-	0%	-
Past due 121~150 days	-	0%	-
Past due 151~180 days	-	0%	-
Past due more than 181 days	-	100%	-
	-		-
Total	**$ 266,912**		**930**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In Taiwan and other areas:

	December 31, 2023		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 393,791	0%	-
Past due 1~90 days	15,164	0%	-
Past due 91~120 days	-	0%	-
Past due 121~150 days	-	0%	-
Past due 151~180 days	-	0%~74.62%	-
Past due more than 181 days	930	100%	930
	409,885		930

In China:

	December 31, 2023		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 1,833	0%	-
Past due 1~90 days	-	0%	-
Past due 91~120 days	-	0%	-
Past due 121~150 days	-	0%	-
Past due 151~180 days	-	0%	-
Past due more than 181 days	-	100%	-
	1,833		-
Total	**$ 411,718**		**930**

The movements in the allowance for notes and accounts receivable were as follows:

	2024	2023
Beginning balance	$ 930	-
Impairment loss recognized	-	930
Ending balance	**$ 930**	**930**

There was no pledge for notes and accounts receivable. Please refer to note 6(v) for further credit risk information.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	$ 14,722	9,887
Other receivables－government grants	3,519	3,390
Subtotal	18,241	13,277
Less: loss allowance	(7,489)	(7,215)
	$ 10,752	**6,062**

The movements in the allowance for other receivables were as follows:

	2024	2023
Beginning balance	$ 7,215	6,976
Impairment loss recognized	-	376
Effect on changes in foreign exchange rates	274	(137)
Ending balance	**$ 7,489**	**7,215**

There was no pledge for other receivables. Please refer to note 6(v) for further credit risk information.

(d) Inventories

(i) The components were as follows:

	December 31, 2024	December 31, 2023
Finished goods	$ 284,238	300,883
Work in progress	259,910	170,131
Raw materials and supplies	85,563	85,888
Merchandise	534	1,476
Raw materials in transit	11,996	4,908
	$ 642,241	**563,286**

(ii) Except for cost of goods sold and other remaining gains or losses which were included in operating cost or deduction of operating cost were as follows:

	2024	2023
Losses on (gains on reversal) valuation of inventories and obsolescence	$ 5,237	(19,258)
Unallocated production overheads	182,171	121,775
Scrap income	(5,867)	(2,893)
	$ 181,541	**99,624**

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The aforementioned gains on reversal valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(iii) The inventories were not pledged.

(e) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Associates	$ 257,212	236,962

(i) Associates which is material to the Group consisted of the followings:

Name of associate	Main operating items	Main operating location/ Registered Country of the company	Proportion of Shareholding and voting rights December 31, 2024	Proportion of Shareholding and voting rights December 31, 2023
Inergy Technology Inc.	The major operating activities are product design, wholesale and retail sale of electrical appliances, and wholesale and retail sale of electronic materials, and international trade	Taiwan	18.72 %	18.72 %

The fair values of material associates listed over the counter are as follows:

	December 31, 2024	December 31, 2023
Inergy Technology Inc.	$ 723,214	580,283

The summarized financial information of the abovementioned associate which is material to the Group is as follows. The financial information has been prepared in accordance with the IFRS endorsed by the FSC. The amounts included in the IFRS financial statements of the associate have been adjusted to reflect the adjustments made by the entity when using the equity method, such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The summarized financial information of Inergy Technology Inc. was listed as follows:

	December 31, 2024	December 31, 2023
Current assets	$ 1,386,904	905,648
Non-current assets	419,050	619,256
Current liabilities	(389,056)	(173,119)
Non-current liabilities	(208,468)	(252,975)
Net assets	**$ 1,208,430**	**1,098,810**

	2024	2023
Operating revenue	**$ 1,094,185**	**960,374**
Net profit	152,417	16,308
Other comprehensive income	2,923	(989)
Comprehensive income	**$ 155,340**	**15,319**

	2024	2023
Carrying amount of associate equity as of January 1	$ 205,722	217,172
Profit attributed to the Group	28,491	5,864
Other comprehensive income attributed to the Group	564	(196)
Dividends received from the associate	(8,558)	(17,118)
Carrying amount of associate equity as of December 31	**$ 226,219**	**205,722**

(ii) Summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. The aforementioned financial information was included in consolidated financial statement of the Group.

	December 31, 2024	December 31, 2023
Total equity of the individually insignificant investments in associates	**$ 30,993**	**31,240**

	2024	2023
Attributable to the Group:		
Net profit from continuing operations	$ 2,034	2,533
Other comprehensive income	-	-
Total comprehensive income	**$ 2,034**	**2,533**

(iii) The investments accounted for using the equity method were not pledged.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

(i) The movements were as follows:

	Land	Building and structure	Machinery and equipment	Other equipment (Power station)	Office and other equipment	Unfinished construction and equipment under acceptance	Total
Cost or deemed cost:							
Beginning balance at January 1, 2024	$ 17,905	1,026,022	2,746,343	1,424,483	1,581,855	1,063,344	7,859,952
Additions	-	-	235,083	520,629	82,685	163,272	1,001,669
Reclassification	-	-	83,371	764,691	880	(764,691)	84,251
Disposals	-	-	(1,423,559)	(404)	(201,812)	-	(1,625,775)
Effect on movements in exchange rate	-	-	36,179	-	8,197	3,845	48,221
Balance at December 31, 2024	$ 17,905	1,026,022	1,677,417	2,709,399	1,471,805	465,770	7,368,318
Beginning balance at January 1, 2023	$ 17,905	1,026,022	2,913,372	1,408,651	1,588,435	243,716	7,198,101
Additions	-	-	95,573	15,184	68,405	822,347	1,001,509
Reclassification	-	-	3,396	648	8,971	(648)	12,367
Disposals	-	-	(247,509)	-	(79,546)	-	(327,055)
Effect on movements in exchange rate	-	-	(18,489)	-	(4,410)	(2,071)	(24,970)
Balance at December 31, 2023	$ 17,905	1,026,022	2,746,343	1,424,483	1,581,855	1,063,344	7,859,952
Depreciation and impairment loss:							
Beginning balance at January 1, 2024	$ -	325,143	2,355,087	371,557	1,423,019	57,698	4,532,504
Depreciation expense	-	20,180	113,599	115,612	31,593	-	280,984
Impairment loss	-	-	-	-	-	35,665	35,665
Disposals	-	-	(1,364,859)	(404)	(186,556)	-	(1,551,819)
Effect on changes in exchange rate	-	-	34,047	-	8,044	2,189	44,280
Balance at December 31, 2024	$ -	345,323	1,137,874	486,765	1,276,100	95,552	3,341,614
Beginning balance at January 1, 2023	$ -	304,913	2,425,535	294,626	1,445,966	58,877	4,529,917
Depreciation expense	-	20,230	108,316	76,931	40,704	-	246,181
Impairment loss	-	-	83,986	-	16,490	-	100,476
Disposals	-	-	(245,285)	-	(75,834)	-	(321,119)
Effect on changes in exchange rate	-	-	(17,465)	-	(4,307)	(1,179)	(22,951)
Balance at December 31, 2023	$ -	325,143	2,355,087	371,557	1,423,019	57,698	4,532,504
Carrying amounts:							
Balance at December 31, 2024	$ 17,905	680,699	539,543	2,222,634	195,705	370,218	4,026,704
Balance at January 1, 2023	$ 17,905	721,109	487,837	1,114,025	142,469	184,839	2,668,184
Balance at December 31, 2023	$ 17,905	700,879	391,256	1,052,926	158,836	1,005,646	3,327,448

(ii) In response to the changes in the supply and demand of the market, the Group had decided to adjust its device configuration and suspend some of its machinery and other equipment of solar division, as well as its unfinished construction of power division, in 2024 and 2023, resulting in the impairment losses of $35,665 and $100,476, respectively, which were recorded under other gains and losses－impairment loss on non-financial assets.

(iii) The reclassification was mainly for transfer of prepayments for business facilities.

(iv) For the years ended December 31, 2024 and 2023, the Group capitalized its interest expenses of $10,672 and $3,318, with rates ranging from 0.16%~0.22% and 0.17%~0.20%, respectively.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) As of December 31, 2024 and 2023, the property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

(g) Right-of-use assets

The Group leases many assets, including land, buildings and structures and other equipment. Information about leases for which the Group as a lessee and the deferred income of government grants was presented below:

	Land	Buildings and structures	Other equipment	Total
Cost:				
Beginning balance at January 1, 2024	$ 106,472	789,334	719,086	1,614,892
Additions	3,401	187,757	-	191,158
Effect on movements in exchange rates	-	17,891	27,285	45,176
Balance at December 31, 2024	**$ 109,873**	**994,982**	**746,371**	**1,851,226**
Beginning balance at January 1, 2023	$ 106,472	798,972	733,784	1,639,228
Effect on movements in exchange rates	-	(9,638)	(14,698)	(24,336)
Balance at December 31, 2023	**$ 106,472**	**789,334**	**719,086**	**1,614,892**
Accumulated depreciation:				
Beginning balance at January 1, 2024	$ 56,042	369,880	501,687	927,609
Depreciation expense	12,670	85,887	103,466	202,023
Impairment loss	145	-	-	145
Effect on movements in exchange rates	-	12,931	19,715	32,646
Balance at December 31, 2024	**$ 68,857**	**468,698**	**624,868**	**1,162,423**
Beginning balance at January 1, 2023	$ 44,186	293,568	409,554	747,308
Depreciation expense	11,856	82,817	102,049	196,722
Effect on movements in exchange rates	-	(6,505)	(9,916)	(16,421)
Balance at December 31, 2023	**$ 56,042**	**369,880**	**501,687**	**927,609**
Deferred income of government grants:				
Beginning balance at January 1, 2024	$ -	471,118	719,086	1,190,204
Effect on movements in exchange rates	-	17,876	27,285	45,161
Balance at December 31, 2024	**$ -**	**488,994**	**746,371**	**1,235,365**
Beginning balance at January 1, 2023	$ -	480,748	733,784	1,214,532
Effect on movements in exchange rates	-	(9,630)	(14,698)	(24,328)
Balance at December 31, 2023	**$ -**	**471,118**	**719,086**	**1,190,204**
Accumulated amortization of deferred income of government grant:				
Beginning balance at January 1, 2024	$ -	328,687	501,687	830,374
Amortization (for subtraction of depreciation)	-	67,788	103,466	171,254
Effect on movements in exchange rates	-	12,916	19,715	32,631
Balance at December 31, 2024	**$ -**	**409,391**	**624,868**	**1,034,259**
Beginning balance at January 1, 2023	$ -	268,324	409,554	677,878
Amortization (for subtraction of depreciation)	-	66,859	102,049	168,908
Effect on movements in exchange rates	-	(6,496)	(9,916)	(16,412)
Balance at December 31, 2023	**$ -**	**328,687**	**501,687**	**830,374**

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings and structures	Other equipment	Total
Carrying amount:				
Balance at December 31, 2024	$ 41,016	446,681	-	487,697
Balance at January 1, 2023	$ 62,286	292,980	-	355,266
Balance at December 31, 2023	$ 50,430	277,023	-	327,453

The Group leases land and buildings for its office use, operation space and installation location of PV power stations, with lease terms ranging from 1 to 20 years. The Group also leases machinery and other equipment, with lease terms ranging from 7 years.

(h) Intangible assets

(i) The movements were as follows:

	Computer software
Costs:	
Beginning balance at January 1, 2024	$ 9,979
Additions	180
Disposals	(9,889)
Balance as of December 31, 2024	$ 270
Beginning balance at January 1, 2023	$ 9,979
Additions	180
Disposals	(180)
Balance at December 31, 2023	$ 9,979
Amortization and impairment loss:	
Beginning balance at January 1, 2024	$ 9,766
Amortization expense	341
Disposals	(9,889)
Balance at December 31, 2024	$ 218
Beginning balance at January 1, 2023	$ 9,357
Amortization expense	589
Disposals	(180)
Balance at December 31, 2023	$ 9,766
Carrying amounts:	
Balance at December 31, 2024	$ 52
Balance at January 1, 2023	$ 622
Balance at December 31, 2023	$ 213

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Amortization expense

The amortization expenses of intangible assets were included in the statement of comprehensive income as follows:

	2024	2023
Operating costs	$ 71	319
Operating expenses	270	270
	$ 341	**206**

(iii) Collateral

The intangible assets were not pledged.

(i) Prepayments, other current and other non-current assets

(i) The components of prepayments were as follows:

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 13,391	10,121
Prepayments to suppliers	-	2,541
	$ 13,391	**12,662**

(ii) The components of other current assets and other non-current assets were as follows:

	December 31, 2024	December 31, 2023
Excess business tax paid	$ 113,010	96,932
Other	5,995	24,018
Other current assets	**$ 119,005**	**120,950**
Prepayments for business facilities	$ 34,202	82,793
Refundable deposits	67,813	60,717
Net defined benefit assets	76,376	63,464
Other non-current assets	**$ 178,391**	**206,974**

(iii) The other current assets were not pledged; the non-current asset had been pledged as collateral. Please refer to note 8.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Short-term notes and bills payable

	December 31, 2023			
	Guarantee or acceptance institution	**Range of annual interest rates (%)**		**Amount**
Commercial paper payable	Ta Ching Bills Finance Corporation /Mega Bills Finance Co., Ltd.	1.848%~1.858%	$	90,000
Less: discount on short-term notes and bills payable				(18)
Total			$	**89,982**

There was no such transaction for the year ended December 31, 2024.

(i) There was no pledge for short-term notes and bills payable.

(ii) Please refer to note 6(v) for liquidity and interest rate risk information.

(k) Short-term borrowings

		December 31, 2024	**December 31, 2023**
Unsecured bank loans (in NTD)	$	-	60,000
Unsecured loans－Financial loans for solar power station projects (in NTD)		642,734	97,862
Total	$	**642,734**	**157,862**
Range of annual interest rates		**2.25%**	**1.85%~2.125%**

(i) There was no pledge for short-term borrowings.

(ii) Please refer to note 6(v) for liquidity and interest rate risk information.

(l) Long-term borrowings

(i) The components were as follows:

	December 31, 2024				
	Currency	**Range of annual interest rate**	**Maturity year**		**Amount**
Syndicated loan	NTD	2.5093%~2.7023%	2026	$	1,185,734
Financial loans for solar power plant projects	NTD	2.075%~2.650%	2033~2039		1,172,897
Financial long-term borrowings	NTD	1.60%~2.525%	2027~2031		7,730
					2,366,361
Less: current portion					(318,265)
Total				$	**2,048,096**

(Continued)

	December 31, 2023			
	Currency	**Range of annual interest rate**	**Maturity year**	**Amount**
Syndicated loan	NTD	2.5093%~2.5297%	2026	$ 1,292,133
Financial loans for solar power plant projects	NTD	2.1%~2.65%	2033~2037	921,163
Financial long-term borrowings	NTD	2.275%~2.5%	2025	12,083
				2,225,379
Less: current portion				(201,582)
Total				**$ 2,023,797**

(ii) Pledge for loan

Assets had been pledged as collaterals for long-term borrowings, please refer to note 8.

(iii) Syndicated loan

In March 2023, the Company entered into a triennium syndicated loan agreement with a group of banks to pay off the balance of its 2020 syndicated loan and replenishment of operation working capital.

In accordance with the agreement, the Company can extend its credit term only once for two more years, within 24 to 30 months starting from the initial drawdown, through written application to leading bank, provided it does not breach the financial covenant within three years starting from the initial drawdown date.

In accordance with the agreement, the Company shall submit annual consolidated financial statements audited by the accountant and the second quarter consolidated financial statements reviewed by the accountant approved by the management bank during the term of the credit agreement, and maintain the agreed financial indicators, including current ratio, financial debt ratio, interest coverage ratio and tangible net worth.

If the Company initially fails to comply with the aforementioned covenants, it would not be regarded as breach of contract if it can provide the leading bank a financial improvement plan, and consequently, its preceding semi quarter or annual consolidated financial statements is in conformity with the covenants; furthermore a compensation has to be paid. If the Company still fails to comply with the said covenant in its preceding consolidated financial statements, all its credit facilities stated in the contract will be considered invalid. Also, the leading bank can decide either to waive all or parts of the unused credit facilities without the approval of the participating banks, or it can demand the Company for an immediate payment on its obligations under this agreement.

The Company was in compliance with the aforementioned covenants in each period.

(iv) Please refer to note 6(v) for liquidity and interest rate risk information.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 162,667	123,501
Non-current	$ 215,475	146,587

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expense on lease liabilities (recorded under finance costs)	$ 3,242	3,524
Variable lease payments not included in the measurement of lease liabilities	$ 23,561	13,584
Expenses relating to short-term leases	$ 15,143	15,695
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 298	412

The amounts recognized in the statement of cash flows by the Group were as follows:

	2024	2023
Total cash outflow for leases	$ 125,348	57,001

(i) Real estate and buildings leases

The Group leases land and buildings for its office use, operation space and the installation location of photovoltaic power stations, with lease terms ranging from 1 to 20 years. Some leases included an option to renew the lease for an additional period of the same duration after the end of the contract term. The extension options held are exercisable only by the Group and not by the lessors. If the lessee is not reasonably certain to use an optional extended lease term, the payments associated with the optional period will not be included in lease liabilities.

(ii) Other leases

The Group leases machinery and other equipment, with lease terms of 7 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases IT equipment and other equipment with lease terms ranging from 1 to 3 years. These leases are short-term and leases of low-value items; therefore, the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Provisions

	Warranty	Decommissioning	Total
Beginning balance at January 1, 2024	$ 157,281	16,234	173,515
Provisions made	6,389	25,517	31,906
Provisions used	(3,436)	(886)	(4,322)
Effect of movements in exchange rates	1,962	-	1,962
Balance at December 31, 2024	**$ 162,196**	**40,865**	**203,061**
Beginning balance at January 1, 2023	$ 148,616	15,694	164,310
Provisions made	10,082	540	10,622
Provisions used	(386)	-	(386)
Effect of movements in exchange rates	(1,031)	-	(1,031)
Balance at December 31, 2023	**$ 157,281**	**16,234**	**173,515**

The carrying amounts of provisions were as follows:

	December 31, 2024	December 31, 2023
Current provision	$ 49,180	42,463
Non-current provision	153,881	131,052
	$ 203,061	**173,515**

(i) Provision for warranties of the Group is related to solar modules and photovoltaic inverters sold. It is based on estimates made from historical warranty data associated with similar goods and services.

(ii) Provision for decommissioning of the Group is related to power station. It is recognized the module recovery expense as provision, which is in accordance with the Regulation for Installation and Management of the Renewable Energy Generation Equipment.

(o) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$ 19,932	32,564
Fair value of plan assets	(96,308)	(96,028)
Net defined benefit assets (recorded under other non-current assets)	**$ (76,376)**	**(63,464)**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Only the Company in the Group adopts the defined benefit obligations. The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds Supervisory Committee. Minimum earnings on such funds shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The amount of the Company's Bank of Taiwan labor pension reserve account balance was already higher than the defined benefit obligation, so the Company had applied for a moratorium on the withdrawal of labor pension reserve account during to April 2020 to March 2023. The Company's Bank of Taiwan labor pension reserve account balance amounted to $96,308 as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

	2024	2023
Defined benefit obligations at January 1	$ 32,564	35,167
Current service costs and interest	605	721
Actuarial gains or losses	(3,878)	(3,324)
Amount of retirement fund paid	(9,359)	-
Defined benefit obligations at December 31	**$ 19,932**	**32,564**

3) Movements of defined benefit plan assets

	2024	2023
Fair value of plan assets at January 1	$ 96,028	94,424
Expected return on plan assets	1,724	1,828
Actuarial gains or losses	7,915	(224)
Amount of retirement fund paid	(9,359)	-
Fair value of plan assets at December 31	**$ 96,308**	**96,028**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses (reversal) recognized in profit or loss

	2024	2023
Current service costs	$ 70	78
Net interest on the net defined benefit assets	(1,189)	(1,185)
	$ (1,119)	**(1,107)**
Operating expense reversal	**$ (1,119)**	**(1,107)**

5) The remeasurements of the net defined benefit asset recognized in other comprehensive income

	2024	2023
Cumulative amount at January 1	$ (18,336)	(15,236)
Recognized during the period	(11,793)	(3,100)
Cumulative amount at December 31	**$ (30,129)**	**(18,336)**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.125 %	1.875 %
Rate of salary increase	2.000 %	2.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $0.

The weighted-average lifetime of the defined benefits plans for 2024 is 16.81 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences on defined benefit obligations	
	Increased by 0.25%	**Decreased by 0.25%**
December 31, 2024		
Discount rate	$ 3,650	4,893
Rate of salary increase	4,879	3,658
December 31, 2023		
Discount rate	(867)	908
Rate of salary increase	891	(855)

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

The method and assumptions used on current sensitivity analysis are the same as those of the prior year.

(ii) Defined contribution plans

The Group's Taiwan entities allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Group allocates $23,325 and $20,990 as pension costs under the defined contribution plans in 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance and the local government of foreign subsidiaries.

(p) Income taxes

(i) Tax benefit

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

		2024	2023
Current tax expenses			
Current period	$	(5,935)	(5,564)
Adjustment for prior periods		-	-
Deferred tax benefit (expenses)		200	296
Tax benefit (expenses)	$	**(5,735)**	**(5,268)**

The Group did not recognize any income tax benefit (expense) in equity and other comprehensive income in 2024 and 2023.

The amounts of tax expenses recognized in other comprehensive income were as follows:

		2024	2023
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain of defined benefit plans	**$**	**(2,359)**	**(620)**

The Group did not recognize any amount of income tax directly in equity.

Reconciliation of tax benefit (expenses) and profit before tax were as follows:

	2024	2023
Profit before tax	$ 246,335	229,585
Income tax using the Company's domestic tax rate	$ (49,267)	(45,917)
Effect on tax rates in foreign jurisdiction	(8,426)	(9,600)
Non-deductible expense	(2,380)	(769)
Changes on unrecognized temporary differences	64,177	68,276
Investment gains and losses on domestic enterprises which were not included in taxable income	6,105	1,679
Others	(15,944)	(18,937)
	$ (5,735)	(5,268)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Unrecognized deferred tax assets (tax):		
Loss carryforwards	$ 1,699,709	1,896,608
Aggregate amount of temporary differences related to investments in subsidiaries	727,976	744,677
Deductible temporary differences	102,160	214,923
	$ 2,529,845	2,856,208

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Loss carryforwards of unrecognized deferred tax assets	Expiry year
2017	2,530,381	2027
2018	3,255,134	2028
2019	1,573,030	2029
2020	236,666	2030
2021	147,150	2031
2020	3,371	2025
2021	561,899	2026, 2031
2022	4,799	2027, 2032
2023	2,208	2033
2024	3,159	2034
	$ 8,317,797	

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

There are no significant unrecognized deferred tax liabilities on December 31, 2024 and 2023.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

		Loss carryforwards and others
Deferred tax assets:		
Beginning balance at January 1, 2024	$	69,503
Recognized in profit or loss		1,226
Balance at December 31, 2024	**$**	**70,729**
Beginning balance at January 1, 2023	$	66,055
Recognized in profit or loss		3,448
Balance at December 31, 2023	**$**	**69,503**

		Defined benefit plans	Unrealized foreign exchange gains	Others	Total
Deferred tax liabilities:					
Beginning balance at January 1, 2024	$	12,693	55,450	3,232	71,375
Recognized in profit or loss		223	(780)	1,584	1,027
Recognized in other comprehensive income		2,359	-	-	2,359
Balance at December 31, 2024	**$**	**15,275**	**54,670**	**4,816**	**74,761**
Beginning balance at January 1, 2023	$	11,851	55,752	-	67,603
Recognized in profit or loss		222	(302)	3,232	3,152
Recognized in other comprehensive income		620	-	-	620
Balance at December 31, 2023	**$**	**12,693**	**55,450**	**3,232**	**71,375**

(iii) The Company’s income tax returns for all years through 2022 were assessed by the tax authorities.

(q) Capital and other equity

(i) Ordinary share

As of December 31, 2024 and 2023, the Company’s authorized ordinary share were both $10,000,000, with par value of NT$10 (dollars) per share, and its issued and outstanding shares were both 387,042 thousand shares. The Company has reserved 20,000 thousand authorized shares for employee stock options, convertible preferred stock, and convertible bonds.

(ii) Capital surplus

The components were as follows:

	December 31, 2024	December 31, 2023
Premium on issued stock	$ 402,464	402,464
Changes in equity of subsidiaries and associates accounted for using equity method	126,651	126,651
Employee share options	11,490	11,490
Others	90	90
	$ 540,695	540,695

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's articles of incorporation stipulate that if the Company has a profit, it shall be distributed in the following order:

a) pay all taxes and duties;

b) cover prior years' accumulated deficit, if any;

c) of the remaining balance, 10% is set aside as legal reserve; excluding when legal reserve exceeds contributed capital;

d) set aside a special reserve in accordance with the R.O.C. Securities and Exchange Act or as requested by the authorities in charge;

The balance, including the accumulated retained profits from the previous year, is the profit to be distributed. The Board of Directors shall propose the earnings distribution plan, in which the amount to be distributed cannot be less than 25% of the earnings available for distribution, in the shareholders' meeting for approval.

The Company's dividend policies are as follows:

a) Cash dividends and stock dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows.

b) No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For stock dividends, the amount should not exceed 50% of the total shareholders' dividends.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

c) If there are no unappropriated earnings, or if there are unappropriated earnings but they are very much less than the earnings distributed in the prior year, or in consideration of financial, business, and operating requirements, then all of the capital surplus or a portion of the legal reserve or capital surplus can be distributed according to the law or government regulations.

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion in excess of 25% of the share capital.

2) Special reserve

In accordance with the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the current period's total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June 18, 2024 and June 19, 2023, the Company's shareholders resolved to appropriate the earnings for 2023 and 2022. These earnings were appropriated as follows:

	2023	2022
Dividends distributed to ordinary shareholders		
Cash	$ 123,853	174,169
Amount per share (dollar)	$ 0.32	0.45

On February 25, 2025, the Company's Board of Directors resolved to appropriate the earnings for 2024 as follows:

	2024	
	Amount per share (dollar)	Total amount
Dividends distributed to ordinary shareholders		
Cash	$ 0.36	$ 139,335

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Beginning balance at January 1, 2024	$ (526,901)	(1,432)
Exchange differences on translation of foreign financial statements	45,606	-
Exchange differences on associates accounted for using equity method	(104)	-
Unrealized gains and losses from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	668
Balance at December 31, 2024	**$ (481,399)**	**(764)**
Balance at January 1, 2023	$ (505,112)	(1,184)
Exchange differences on translation of foreign financial statements	(21,841)	-
Exchange differences on associates accounted for using equity method	52	-
Unrealized gains and losses from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	(248)
Balance at December 31, 2023	**$ (526,901)**	**(1,432)**

(r) Earnings per share ("EPS")

(i) Basic EPS

	2024	2023
Profit attributable to ordinary shareholders of the Company	**$ 235,301**	**218,168**
Weighted average number of ordinary shares outstanding during the period (thousand shares)	**387,042**	**387,042**
Basic earnings per share (dollars)	**$ 0.61**	**0.56**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted EPS

	2024	2023
Profit attributable to ordinary shareholders of the Company	$ 235,301	218,168
Weighted-average number of ordinary shares outstanding during the period (thousand shares)	387,042	387,042
Effect of potentially dilutive ordinary shares－employees' compensation (thousand shares)	825	609
Weighted-average number of ordinary shares outstanding during the period (diluted) (thousand shares)	387,867	387,651
Diluted earnings per share (dollars)	$ 0.61	0.56

(s) Revenue from contracts with customers

(i) The Group's revenue was recognized from contracts with customers both in 2024 and 2023.

(ii) Details of revenue as follows:

	2024			2023		
	Solar division	Power division and others	Total	Solar division	Power division and others	Total
Taiwan	$ 1,343,449	277,657	1,621,106	2,186,840	203,428	2,390,268
Singapore	1,593,589	-	1,593,589	1,642,754	-	1,642,754
Others	10,806	-	10,806	32,891	68	32,959
	$ 2,947,844	277,657	3,225,501	3,862,485	203,496	4,065,981

Since disaggregation of revenue was based on major products, the basis for division of operating segments, and their geographical regions, the revenue of major products and primary geographical markets were included in the above information.

(iii) Balance of contracts

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable	$ 266,912	411,718	742,843
Less: loss allowance	(930)	(930)	-
Total	$ 265,982	410,788	742,843
Contract assets-current	$ 77,199	-	-
Contract liabilities-current	$ 47,863	38,024	70,117

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Contract assets is mainly the electricity sales revenue that has been recognized at photovoltaic projects, but as of the reporting date, electricity has not been officially sold and payment has not been requested. When the Group has the entitlement to payment which becomes unconditional, it will be transferred to accounts receivable.

Changes in contract liabilities are primarily due to differences between the point in time when the Group satisfies its performance obligations by transferring goods or services to customers and the point in time when customers pay.

The amount of revenue recognized as the contract liability balance at the beginning of the period was as follows:

	2024	2023
Revenue recognized	$ 28,743	63,093

(t) Remuneration to employees and directors

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employees' remuneration and no more than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration to employees entitled to receive the abovementioned employee remuneration is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The Company estimated its remuneration to employees and directors were as follows:

	2024	2023
Employees' remuneration	$ 15,209	14,106
Directors' remuneration	$ 3,042	2,821

Above-mentioned amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year. If, however, the shareholders determine that the employees' remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the board meeting. Related information would be accessed at the Market Observation Post System website.

In 2024 and 2023, the actual amount of remuneration, which was same as the estimated amount.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Non-operating income and expenses

(i) Interest income

	2024	2023
Interest income from bank deposits	$ 48,175	56,984

(ii) Other income

	2024	2023
Rent income	$ 3,739	5,983

(iii) Other gains and losses

	2024	2023
Gains (losses) on disposals of property, plant and equipment	$ (68,755)	(3,445)
Foreign exchange gains or losses, net	26,527	8,643
Government grants	23,868	7,671
Impairment loss on non-financial assets	(35,810)	(100,476)
Others	5,159	(14,582)
	$ (49,011)	(102,189)

(iv) Finance costs

	2024	2023
Interest expense		
Bank loans	$ (65,578)	(60,693)
Lease liabilities	(3,242)	(3,524)
Others	(2,176)	(2,108)
Less: capitalized interest	10,672	3,318
	$ (60,324)	(63,007)

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of credit risk

In order to reduce the credit risk on accounts receivable, the Group continuously evaluates the financial status of these customers and request collateral when necessary. The Group evaluates the possible loss on accounts receivable periodically and accrues a loss allowance for impairment, if necessary. As of December 31, 2024 and 2023, the Group's account receivables were obviously concentrated on 4 and 3 customers, whose accounts represented 72% and 86% of the total accounts receivable, respectively.

3) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(b). Other financial assets at amortized cost includes other receivables, for credit risk exposure of other receivables, please refer to notes 6(a) and 6(c).

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	3-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Bank loans	$ 3,009,095	(3,177,360)	(1,024,917)	(1,372,711)	(303,041)	(476,691)
Notes and accounts payable, other payables and lease liabilities	1,678,016	(1,721,949)	(1,476,541)	(101,583)	(43,086)	(100,739)
Guarantee deposits received	9,761	(9,761)	(288)	(9,473)	-	-
	$ 4,696,872	**(4,909,070)**	**(2,501,746)**	**(1,483,767)**	**(346,127)**	**(577,430)**
December 31, 2023						
Non-derivative financial liabilities						
Bank loans	$ 2,383,241	(2,578,093)	(412,733)	(241,329)	(1,387,086)	(536,945)
Short-term notes and bills payable	89,982	(90,000)	(90,000)	-	-	-
Notes and accounts payable, other payables and lease liabilities	1,375,539	(1,416,358)	(1,240,320)	(17,940)	(46,738)	(111,360)
Guarantee deposits received	1,754	(1,754)	(288)	(1,466)	-	-
	$ 3,850,516	**(4,086,205)**	**(1,743,341)**	**(260,735)**	**(1,433,824)**	**(648,305)**

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

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2024			December 31, 2023		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 4,473	32.785	146,647	11,119	30.705	341,409
CNY	21,237	4.4889	95,331	22,282	4.3248	96,365
Non-monetary items						
USD	40,033	32.785	1,312,476	38,661	30.705	1,187,079
CNY	293,907	4.4889	1,319,319	275,926	4.3248	1,193,325
Financial liabilities						
Monetary items						
USD	3,033	32.785	99,437	5,094	30.705	156,411
CNY	28,711	4.4889	128,881	16,719	4.3248	72,306

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, accounts payable, and other payables that are denominated in foreign currency. A 1% of depreciation (appreciation) of the NTD against the other foreign currencies as of December 31, 2024 and 2023, would have increased (decreased) the net profit as follows. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024 and 2023.

	Impact on profit (loss)	
	Increase by 1%	Decrease by 1%
December 31, 2024	$ 137	(137)
December 31, 2023	$ 2,091	(2,091)

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items were disclosed using the following total amounts:

	2024	2023
Foreign exchange gains or losses, net	$ 26,527	8,643

(iv) Interest rate risk

Please refer to the notes on liquidity risk and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of derivative and non-derivative financial instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. The departments of the Group's entities reported the increases/decreases in the interest rates and the exposure to changes in interest rates to the Group's key management so as to allow key management to assess the reasonableness of the changes in the interest rates.

The interest rate risk is mainly due to the Group's borrowing at floating rates. If the interest rate increases (decreases) by 1% (with other factors remaining constant on the reporting date and with analyses of the two periods on the same basis), the impact on profit (loss) would be as follows:

	Impact on profit (loss)	
	Increase by 1%	**Decreases by 1%**
December 31, 2024	$ (30,091)	30,091
December 31, 2023	$ (23,832)	23,832

(v) Fair value

As of December 31, 2024 and 2023, the carrying amounts of financial assets and liabilities were reasonably close to their fair value; hence, the fair value information need not disclosed.

(w) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Each responsible division is responsible for developing and monitoring the Group’s risk management policies and reports regularly to the Board of Directors on its activities.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company’s Supervisor is assisted in this oversight role by the internal auditor. The internal auditor reviews the risk controls and procedures, and reports the results on a regular or irregular basis to the Board of Directors.

The Company’s Board of Directors oversees how the management complies with monitoring the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations and arises principally from the Group’s notes and accounts receivable from the customers and investments in securities.

1) Accounts receivable

According to the credit policy, the Group analyzes each new customer individually for its credit worthiness before granting them credit lines (which is being reviewed regularly), standard payment terms and delivery terms, by taking into account the external ratings of their financial information and bank reference.

2) Investments

The credit risk exposure in the bank deposits and equity instruments is measured and monitored by the Group’s finance department. Since the Group’s transactions resulted from the bank with good credit standing, highly rated financial institutions, and publicly-traded stock companies, there are no noncompliance issues and therefore no significant credit risk.

3) Guarantees

According to the Group’s management policy, the Group can only provide financial guarantees to certain entities which meet specific requirements. As of December 31, 2024 and 2023, the Group did not provide any financial guarantees.

(Continued)

(iv) Liquidity risk

Liquidity risk is a risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than payables) over the succeeding 60 to 90 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2024 and 2023, the Group had unused bank facilities for $4,003,615 and $4,227,498, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

In order to manage market risk, all transactions of the Group are carried out within the guidelines set by the management. Generally, hedge accounting is not applied in these circumstances, and the Group charges the changes in value to profit or loss.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the NTD, US Dollar (USD) and Chinese Yuan (CNY). These transactions are denominated in NTD, USD and CNY.

At any point in time, the Group hedges its estimated foreign currency exposure with respect to its forecast sales and purchases over the following six months.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalance.

2) Interest rate risk

The Group's interest rate on borrowings was at a floating rate. The Group did not enter into and designate interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. In response to changes in interest rates, the Group assesses each currency lending rate of financial institutions and maintains good relationships with them, in order to obtain lower financing costs. This also strengthens the management of working capital, reduces dependence on bank borrowings, and lowers the risk of changes in interest rates.

3) Other market price risk

The Group monitors the risk arising from its available-for-sale security instruments, which are held for monitoring cash flow requirements and unused capital. The management of the Group monitors the combination of investment portfolio based on cash flow requirement. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(x) Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market and to sustain future development of the business.

The Group uses the debt-to-equity ratio to manage its capital. This ratio uses the total net debt to be divided by the total capital. The total net debt from the balance sheet is derived from the total liabilities, less, cash and cash equivalent. The total capital and equity include share capital, capital surplus, retained earnings, other equity. As of December 31, 2024, there were no changes in the Group's approach to capital management.

	December 31, 2024	December 31, 2023
Total liabilities	$ 5,119,133	4,235,535
Less: cash and cash equivalents	(2,651,875)	(2,408,531)
Net liabilities	**$ 2,467,258**	**1,827,004**
Total equity	**$ 4,528,395**	**4,354,640**
Debt-to-equity ratio	**54.48 %**	**41.96 %**

(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2024 and 2023, were as follows:

(i) For right-of-use assets under leases, please refer to note 6(g).

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes	December 31, 2024
Long-term borrowings (including current portion)	$ 2,225,379	139,382	1,600	2,366,361
Short-term notes and bills payable	89,982	(90,000)	18	-
Lease liabilities (current and non-current)	270,088	(83,104)	191,158	378,142
Total liabilities from financing activity	**$ 2,585,449**	**(33,722)**	**192,776**	**2,744,503**

	January 1, 2023	Cash flows	Non-cash changes	December 31, 2023
Long-term borrowings (including current portion)	$ 2,435,684	(208,748)	(1,557)	2,225,379
Short-term borrowings	-	90,000	(18)	89,982
Lease liabilities (current and non-current)	293,874	(23,786)	-	270,088
Total liabilities from financing activity	**$ 2,729,558**	**(142,534)**	**(1,575)**	**2,585,449**

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
TECO Sun Energy Co., Ltd. (TECO Sun Energy)	Associates
Inergy Technology Inc.	Associates

(b) Significant transactions with related parties

(i) Operating revenue and accounts receivable

	2024	2023
Associates－TECO Sun Energy	**$ 20**	**-**

The remaining sales to related parties shall be based on the routine sales transactions. Related receivables due from operating revenue had been settled as of December 31, 2024.

(ii) Dividend

In 2024 and 2023, the Group received dividends from its associates amounting to $10,839 and $18,750, respectively.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	$ 30,687	30,531
Post-employment benefits	4,224	324
	$ 34,911	**30,855**

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Deposits (recorded under other current financial assets)	Guarantees for banker's acceptance	$ 435,345	539,357
Deposits (recorded under other non-current financial assets)	Guarantees for leased dormitory	2,597	5,308
Deposits (recorded under other non-current financial assets)	Guarantees for land	13,803	21,340
Deposits (recorded under other non-current financial assets)	Long-term borrowings (including current portion)	20,347	19,985
	Other non-current financial assets	36,747	46,633
Property, plant and equipment	Long-term borrowings (including current portion)	1,903,806	1,714,540
Deposits (recorded under guarantee deposits)	performance security	58,912	41,937
		$ 2,434,810	**2,342,467**

(9) Significant commitments and contingencies

(a) The Group has contracts involving significant unrecognized commitments as follows:

(i) Unused letters of credit for the Group's purchases of raw materials, machinery and equipment were as follows:

	December 31, 2024	December 31, 2023
Unused letters of credit	**$ 22,133**	**4,421**

(ii) Bank performance guarantees for the customs and others were as follows:

	December 31, 2024	December 31, 2023
Bank guarantees	**$ 48,000**	**64,270**

(Continued)

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) The status of agreements for the Group's expansion of the plant and purchases of machinery, other equipment and other assets was as follows:

	December 31, 2024	December 31, 2023
Total contract price	$ 2,292,981	2,029,744
Unexecuted amount	$ 1,145,556	1,286,300

(b) The Group entered into long-term purchase contracts with suppliers to purchase nitrogen in bulk volume. Starting from the contract, if the actual consumed volume is less than basic volume usage, the Group should pay for the cost of the basic volume usage instead.

(10) Losses due to major disasters: None

(11) Subsequent events: None.

(12) Other

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	309,426	152,957	462,383	346,078	155,507	501,585
Labor and health insurance	31,373	14,311	45,684	37,677	19,023	56,700
Pension	16,601	5,605	22,206	14,387	5,496	19,883
Remuneration of directors	-	17,223	17,223	-	17,639	17,639
Others	15,444	6,202	21,646	17,000	5,979	22,979
Depreciation	289,966	21,787	311,753	251,452	22,543	273,995
Amortization	71	270	341	319	270	589

MOTECH INDUSTRIES INC. AND ITS SUBSIDIARIES

Notes to Consolidated Financial Statements

(13)Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2024:

i. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period (Note 1)	Ending balance (Note 1)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 3)
												Item	Value		
0	The Company	MPO	Other receivables - related parties	100,000	100,000	-	2%~5%	2	-	Operating turnover	-	None	-	444,640	889,280
0	The Company	MPZ	Other receivables - related parties	100,000	100,000	-	2%~5%	2	-	Operating turnover	-	None	-	444,640	889,280
0	The Company	MPB	Other receivables - related parties	100,000	100,000	40,000	2%~5%	2	-	Operating turnover	-	None	-	444,640	889,280

Note 1: Highest balance of financing to other parties during the period was the highest credit lines approved by the Board of Directors. The ending balance was the same as that of the credit lines approved by the Board of Directors.

Note 2: Purposes of fund financing for the borrower as follows:

1. For entries the Company has business transactions with.
2. For entries with short-term financing needs.

Note 3: For entities with short-term financing needs, which provides by the Company, the amoumt avilable for financing shall not exceed 10% of net worth of the Company.
Total amount of short-term financing shall not exceed 20% of net worth of the Company.

Note 4: The amount had been offset in the consolidated financial statements.

ii. Guarantees and endorsements for other parties: None.

iii. Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

v. Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

vi. Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

vii. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
MAS	The Company	Parent company	Sale	1,191,772	99.16 %	60 days	Non-significant difference	60 days	44,928	100.00 %	Note
The Company	MAS	Subsidiary	Purchase	1,191,772	59.96 %	60 days	Non-significant difference	60 days	(44,928)	10.34 %	Note
The Company	MPO	Subsidiary	Sale	769,994	19.45 %	60 days	Non-significant difference	60 days	95,935	27.30 %	Note
MPO	The Company	Parent company	Purchase	769,994	100.00 %	60 days	Non-significant difference	60 days	(95,935)	97.78 %	Note
SNE	The Company	Parent company	Sale	132,272	100.00 %	60 days	Non-significant difference	60 days	596	100.00 %	Note
The Company	SNE	Subsidiary	Purchase	132,272	6.63 %	60 days	Non-significant difference	60 days	(596)	0.14 %	Note
The Company	MPB	Subsidiary	Sale	117,421	2.97 %	60 days	Non-significant difference	60 days	366	0.10 %	Note
MPB	The Company	Parent company	Purchase	117,421	100.00 %	60 days	Non-significant difference	60 days	(366)	31.31 %	Note
The Company	MPZ	Subsidiary	Sale	116,590	2.95 %	60 days	Non-significant difference	60 days	-	0.00 %	Note
MPZ	The Company	Parent company	Purchase	116,590	100.00 %	60 days	Non-significant difference	60 days	-	0.00 %	Note

Note: The amount had been offset in the consolidated financial statements.

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

ix. Trading in derivative instruments: None.

MOTECH INDUSTRIES INC. AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements

x. Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2024			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	MPO	1	Sale	769,994	60 days	23.87 %
0	The Company	MPB	1	Sale	117,421	60 days	3.64 %
0	The Company	MPZ	1	Sale	116,590	60 days	3.61 %
1	MAS	The Company	2	Sale	1,191,772	60 days	36.95 %
2	SNE	The Company	2	Sale	132,272	60 days	4.10 %

Note 1: Company numbering is as follows:

Parent company 0

Subsidiary stars from 1

Note 2: Relationship wuth transaction party numbering is as follows:

Parent company to subsidiary 1

Subsidiary to parent company 2

Subsidiary to subsidiary 3

Note 3: The amount had been offset in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the year 2024 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Highest balance during the year			The highest percentage of the periords	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares/Units	Percentage of ownership	Carrying value				
The Company	Power Islands	Samoa	Holding Company	5,041,424	5,041,424	154,674,370	100.00 %	1,303,358	100.00 %	79,791	83,507	Note
The Company	Inergy Technology Inc.	Taiwan	Product design	91,200	95,821	8,558,750	18.72 %	226,219	18.72 %	152,417	28,491	
The Company	Teco-Motech	Taiwan	Solar power generation and selling	14,400	14,400	1,440,000	60.00 %	7,270	60.00 %	3,132	1,879	Note
The Company	MPO	Taiwan	Solar power generation and selling	928,000	928,000	92,800,000	100.00 %	792,027	100.00 %	17,490	17,591	Note
The Company	TECO Sun Energy Company Limited	Taiwan	Solar power generation and selling	28,000	28,000	2,800,000	40.00 %	30,993	40.00 %	5,085	2,034	
The Company	MPG	Taiwan	Solar power generation and selling	33,000	33,000	3,300,000	100.00 %	26,813	100.00 %	2,313	2,313	Note
The Company	MPB	Taiwan	Solar power generation and selling	55,000	55,000	5,500,000	100.00 %	11,998	100.00 %	(1,411)	(1,411)	Note
The Company	MPZ	Taiwan	Solar power generation and selling	480,000	480,000	48,000,000	100.00 %	401,181	100.00 %	(40,754)	(40,754)	Note
Power Islands	Cheer View	British Virgin Islands	Holding Company	2,564,272	2,564,272	77,500,000	100.00 %	(130)	100.00 %	(131)	(131)	Note
Cheer View	AE	United States	Polysilicon manufacturing and selling	2,398,043	2,398,043	11,573,647	37.11 %	-	37.11 %	-	-	

Note : The amount had been offset in the consolidated financial statements.

MOTECH INDUSTRIES INC. AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements

(c) Information on investment in mainland China:

The following is the information on investees in Mainland China for the year 2024:

i. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus (Note 7)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	The highest percentage of the periords	Investment income (losses) (Notes 3 and 4)	Book value (Note 4)	Accumulated remittance of earnings in current period
					Outflow	Inflow							
SNE	Sales and service, solar products	1,220,170 (CNY250,229)	(Note 1)	1,161,537	-	-	1,161,537	83,847	95.39 %	95.39 %	79,982	1,312,300	-
MAS	Manufacturing and processing, solar cells and solar modules	2,392,731 (CNY531,500)	(Note 2)	-	-	-	-	85,090	95.39 %	95.39 %	81,167	1,195,560	-
MASE	Manufacturing and processing, solar wafer and solar cells	168,703 (CNY38,000)	(Note 2)	-	-	-	-	(411)	95.39 %	95.39 %	(392)	2,979	-

Note : The amount had been offset in the consolidated financial statements.

ii. Limitation on investment in Mainland China:

Unit: USD dollars

Accumulated Investment in Mainland China as of December 31, 2024 (Note 5)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)	Upper Limit on Investment (Note 6)
1,161,537 (USD34,779,553.33)	1,770,390 (USD 54,000,000)	2,717,037

Note 1: The Company indirectly invested in the company in Mainland China through a third region (Power Islands).

Note 2: The Company indirectly invested in the company in Mainland China through a third region in the company in Mainland China.

Note 3: Amounts was recognized based on audited financial statements.

Note 4: The amount consist of invesment gain or loss and carrying values as of December 31, 2024, recognized by the Company which indirectly invested through a third region.

Note 5: The investment in Mainland China, including equipment, was recorded at the exchange rates prevailing at the transaction date. The equity in the earnings (losses) was translated into NTD at the average rates prevailing at the transaction date.
The equity in the earnings (losses) was translated into NTD at the average rates during each period of the year. Other amounts on foreign currency financial assets was translated at the exchange rate at the balance sheet date, which was NTD32.785.

Note 6: Amount of upper limit on investment was the higher between sixty percentage of total equity or total consolidated equity.

Note 7: The amounts consist of investment in Mainland China were recorded at exchange rates into NTD.

iii. Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders

As of December 31, 2024, there was no shareholder who held over 5% of the total non physical common stocks.

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

(a) General Information

The reporting segment in the Group is solar business and power business. Solar business covers the manufacturing, marketing, and sale of solar cells, as well as solar modules; while power business covers the design of solar power systems and solar power generation.

Other operating segments of the Group are related to the investment. As these segments do not reach the standard for disclosure, no separate disclosures were made thereon in 2024 and 2023.

(b) Profit or loss data of the reporting segment, assets and liabilities of the segment, the basis of measurement, and the related eliminations.

No tax expenses or non-operating income and expenses are allocated to the reporting segment. In addition, the reporting segment does not include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The accounting policies of the operating segments are the same as those described in note 4. The Group evaluates performance of operating segment on the basis of operating income. The Group treats intersegment sales and transfers as third-party transactions. They are measured at market price.

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

	2024				
	Solar	**Power**	**Other**	**Elimination**	**Total**
Revenues:					
Revenues from external customers	$ 2,947,844	275,334	2,323	-	3,225,501
Revenues from parent and consolidated subsidiaries	60,285	-	-	(60,285)	-
Interest income	34,819	6,631	6,725	-	48,175
Total revenues	**$ 3,042,948**	**281,965**	**9,048**	**(60,285)**	**3,273,676**
Interest expense (financial cost)	**$ (35,698)**	**(24,624)**	**(2)**	**-**	**(60,324)**
Depreciation and amortization	**$ (161,175)**	**(150,536)**	**(383)**	**-**	**(312,094)**
Impairment loss of non-financial assets	**$ -**	**(38,217)**	**-**	**2,407**	**(35,810)**
Share of profit of associates accounted for using equity method	**$ 30,525**	**-**	**-**	**-**	**30,525**
Segment income	**$ 216,971**	**54,113**	**2,147**	**-**	**273,231**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2023				
	Solar	**Electric**	**Other**	**Elimination**	**Total**
Revenues:					
Revenues from external customers	$ 3,862,485	201,147	2,349	-	4,065,981
Revenues from parent and consolidated subsidiaries	381,070	-	-	(381,070)	-
Interest income	45,262	10,671	1,051	-	56,984
Total revenues	**$ 4,288,817**	**211,818**	**3,400**	**(381,070)**	**4,122,965**
Interest expense (financial cost)	**$ (41,320)**	**(21,684)**	**(3)**	**-**	**(63,007)**
Depreciation and amortization	**$ (169,065)**	**(105,136)**	**(383)**	**-**	**(274,584)**
Impairment loss on non-financial assets	**$ (100,476)**	**-**	**-**	**-**	**(100,476)**
Share of profit of associates accounted for using equity method	**$ 8,397**	**-**	**-**	**-**	**8,397**
Segment income	**$ 294,251**	**31,971**	**(2,805)**	**-**	**323,417**

The material reconciling items of the above reportable segment are as below:

In 2024 and 2023, included in the total reportable segment revenue was elimination of intersegment revenue of $60,285 and $381,070, respectively. The reconciling items of the reporting segment's income and earnings before tax were recognized as non-operating income and expenses. Please refer to consolidated statements of comprehensive income.

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and non-current assets are based on the geographical location of the assets.

	2024	**2023**
Revenue from external customers:		
Taiwan	$ 1,621,106	2,390,268
Singapore	1,593,589	1,642,754
Others	10,806	32,959
	$ 3,225,501	**4,065,981**

MOTECH INDUSTRIES INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Geographical information	December 31, 2024	December 31, 2023
Non-current assets:		
Taiwan	$ 4,404,351	3,595,760
China	144,304	142,147
Total	**$ 4,548,655**	**3,737,907**

Non-current assets include property, plant and equipment, right-of-use-assets, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets.

(d) Information about revenue from major customers

For the years ended December 31, 2024 and 2023, the amounts of sales to customers representing greater than 10% were as follows:

	2024
A company	**$ 1,593,528**

	2023
A company	**$ 1,642,754**