

**ADVANCED LITHIUM
ELECTROCHEMISTRY (CAYMAN) CO.,
LTD. AND SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2025 AND 2024

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR25000170

To the Board of Directors and Shareholders of Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries as at September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting that came into effect as endorsed by the Financial Supervisory Commission.

Wu, Wei-Hao

Li, Yen-Na

For and on Behalf of PricewaterhouseCoopers, Taiwan

November 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2025	December 31, 2024	September 30, 2024
Current assets				
1100	Cash and cash equivalents 6(1)	\$ 98,603	\$ 51,586	\$ 107,948
1110	Current financial assets at 6(2)			
	fair value through profit or loss	34,037	31,501	33,645
1136	Current financial assets at 6(1)(8) and 8 amortised cost, net	222,040	22,288	26,474
1140	Current contract assets 6(18)	33,272	60,338	59,853
1170	Accounts receivable, net 6(3)	2,207	31,409	33,686
1180	Accounts receivable - 6(3) and 7 related parties	-	-	-
1200	Other receivables 6(8)	579,494	47	5,905
1210	Other receivables - related 7 parties	-	-	-
1220	Current income tax assets	253	360	331
130X	Inventory 6(4)	166,762	167,680	153,414
1410	Prepayments 6(5)	42,752	45,040	46,202
1470	Other current assets	2,992	3,158	2,477
11XX	Total current assets	<u>1,182,412</u>	<u>413,407</u>	<u>469,935</u>
Non-current assets				
1535	Non-current financial assets at amortised cost, net	4,000	4,000	-
1600	Property, plant and equipment	213,401	505,451	498,563
1755	Right-of-use assets 6(7)	51,348	-	250
1780	Intangible assets	1,906	2,959	3,408
1840	Deferred income tax assets	-	13,465	13,465
1900	Other non-current assets 6(9), 7 and 8	89,660	106,863	100,355
15XX	Total non-current assets	<u>360,315</u>	<u>632,738</u>	<u>616,041</u>
1XXX	Total assets	<u>\$ 1,542,727</u>	<u>\$ 1,046,145</u>	<u>\$ 1,085,976</u>

(Continued)

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	September 30, 2025	December 31, 2024	September 30, 2024
Current liabilities					
2100	Short-term borrowings	6(10)	\$ 385,000	\$ 200,000	\$ 200,000
2130	Current contract liabilities	6(18)	393	39,391	39,655
2170	Accounts payable		35,683	48,450	55,984
2200	Other payables	6(11)	166,734	171,413	169,773
2250	Provisions for liabilities -				
	current		34,818	34,818	34,818
2280	Current lease liabilities	6(7)	14,220	-	250
2320	Long-term liabilities, current portion	6(12)	120,000	5,000	5,000
2399	Other current liabilities		13,030	12,886	13,066
21XX	Total current liabilities		<u>769,878</u>	<u>511,958</u>	<u>518,546</u>
Non-current liabilities					
2540	Long-term borrowings	6(12)	9,583	13,333	14,584
2580	Non-current lease liabilities	6(7)	39,224	-	-
25XX	Total non-current liabilities		<u>48,807</u>	<u>13,333</u>	<u>14,584</u>
2XXX	Total liabilities		<u>818,685</u>	<u>525,291</u>	<u>533,130</u>
Equity attributable to owners of parent					
	Share capital	6(14)			
3110	Common stock		680,000	680,000	680,000
	Capital surplus	6(15)			
3200	Capital surplus		429,000	429,000	429,000
	Accumulated deficit	6(16)			
3350	Accumulated deficit		(411,455)	(615,054)	(583,456)
	Other equity interest	6(17)			
3400	Other equity interest		<u>26,497</u>	<u>26,908</u>	<u>27,302</u>
31XX	Equity attributable to owners of the parent		<u>724,042</u>	<u>520,854</u>	<u>552,846</u>
3XXX	Total equity		<u>724,042</u>	<u>520,854</u>	<u>552,846</u>
	Significant contingent liabilities and unrecognised contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	Total liabilities and equity		<u>\$ 1,542,727</u>	<u>\$ 1,046,145</u>	<u>\$ 1,085,976</u>

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

Items	Notes	Three months ended September 30		Nine months ended September 30	
		2025	2024	2025	2024
4000	Operating revenue	6(18)	\$ 49,561	\$ 133,205	\$ 336,509
5000	Operating costs	6(4)(23)(24)	(73,045)	(141,460)	(345,062)
5950	Gross profit (loss) from operations		(23,484)	(8,255)	(8,553)
	Operating expenses	6(23)(24)			17,119
6100	Selling expenses		(12,035)	(9,697)	(38,866)
6200	Administrative expenses		(26,546)	(39,602)	(86,042)
6300	Research and development expenses		(29,688)	(21,525)	(92,408)
6450	Expected credit impairment gain (loss)	12(2)			68,146
6000	Total operating expenses		-	3,535	(27,832)
6900	Operating loss		(68,269)	(67,289)	(245,148)
	Non-operating income and expenses		(91,753)	(75,544)	(253,701)
7100	Interest income	6(19)	21	184	331
7010	Other income	6(20)	165	3,690	17,762
7020	Other gains and losses	6(21)	471,523	7,054	483,552
7050	Finance costs	6(22)	(4,326)	(1,634)	(8,827)
7000	Total non-operating income and expenses		467,383	9,294	492,818
7900	Profit (loss) before income tax				3,943
7950	Income tax expense	6(25)	375,630	(66,250)	(239,117)
8200	Profit (loss) for the period		(35,518)	-	(203,673)
	Other comprehensive income	6(17)	\$ 340,112	\$ (66,250)	\$ 203,599
	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations		\$ 468	(\$ 165)	\$ 411
8300	Total other comprehensive income (loss) for the period		\$ 468	(\$ 165)	\$ 411
8500	Total comprehensive income (loss) for the period		\$ 340,580	(\$ 66,415)	\$ 203,188
8610	Profit (loss) attributable to: Owners of parent		\$ 340,112	(\$ 66,250)	\$ 203,599
8710	Comprehensive income (loss) attributable to: Owners of parent		\$ 340,580	(\$ 66,415)	\$ 203,188
	Earnings (loss) per share (in dollars)	6(26)			
9750	Basic earnings (loss) per share		\$ 5.00	(\$ 0.97)	\$ 2.99
					\$ 3.00

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent				Financial statements translation differences of foreign operations	Total equity
	Share capital - common stock	Additional paid-in capital	Accumulated deficit			
<u>2024</u>						
Balance at January 1, 2024	\$ 830,000	\$ 429,000	(\$ 529,783)	\$ 26,909	\$ 756,126	
Loss for the period	-	-	(203,673)	-	(203,673)	
Other comprehensive income for the period	6(17)	-	-	393	393	
Total comprehensive income (loss) for the period		-	(203,673)	393	(203,280)	
Capital reduction to offset against accumulated deficit	6(14)	(150,000)	-	150,000	-	-
Balance at September 30, 2024	\$ 680,000	\$ 429,000	(\$ 583,456)	\$ 27,302	\$ 552,846	
<u>2025</u>						
Balance at January 1, 2025	\$ 680,000	\$ 429,000	(\$ 615,054)	\$ 26,908	\$ 520,854	
Profit for the period	-	-	203,599	-	203,599	
Other comprehensive loss for the period	6(17)	-	-	(411)	(411)	
Total comprehensive income (loss) for the period		-	203,599	(411)	203,188	
Balance at September 30, 2025	\$ 680,000	\$ 429,000	(\$ 411,455)	\$ 26,497	\$ 724,042	

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		\$ 239,117	(\$ 203,673)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss (gain)	12(2)	27,832	(2,606)
Depreciation (including right-of-use assets)	6(23)	51,952	44,280
Amortisation	6(23)	1,158	1,098
Net gain or loss on financial assets at fair value through profit or loss	6(21)	(2,536)	(2,745)
Interest expense	6(22)	8,827	4,732
Interest income	6(19)	(331)	(1,470)
Loss on disposal of property, plant and equipment	6(21)	-	6
Gain on disposal of non-current assets classified as held for sale	6(21)	(477,982)	-
Impairment loss recognised in profit or loss, property, plant and equipment	6(21)	7,745	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		- (30,900)	
Accounts receivable		29,202	(1,736)
Accounts receivable-related parties		-	2,606
Contract assets		(766)	(16,416)
Other receivables		(1,827)	(5,851)
Inventories		918	(141)
Prepayments		2,288	4,169
Other current assets		166	6,623
Changes in operating liabilities			
Contract liabilities		(38,998)	12,083
Accounts payable		(12,767)	(16,118)
Other payables		(20,575)	(10,888)
Refund liabilities		-	(6,859)
Other current liabilities		144	(215)
Cash outflow generated from operations		(186,433)	(224,021)
Interest received		331	1,470
Interest paid		(8,236)	(4,734)
Income tax paid		(22,053)	-
Net cash flows used in operating activities		<u>(216,391)</u>	<u>(227,285)</u>

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ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(\$ 206,464)	(\$ 50,062)
Proceeds from disposal of financial assets at amortised cost		6,712	78,241
Acquisition of property, plant and equipment	6(27)	(45,722)	(50,634)
Proceeds from disposal of property, plant and equipment		-	29
Proceeds from disposal of non-current assets classified as held for sale	6(27)	212,845	-
Acquisition of intangible assets		(105)	(1,494)
Increase in refundable deposits		(3,449)	(652)
Decrease in refundable deposits		200	140
Increase in other non-current assets		(852)	(22,441)
Decrease in other non-current assets		7,429	-
Net cash flows used in investing activities		(29,406)	(46,873)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		385,000	200,000
Decrease in short-term borrowings		(200,000)	(220,000)
Increase in long-term borrowings		115,000	20,000
Decrease in long-term borrowings		(3,750)	(416)
Payment of lease liabilities	6(28)	(4,205)	(1,127)
Net cash flows from (used in) financing activities		292,045	(1,543)
Effect of changes in foreign currency exchange		769	348
Net increase (decrease) in cash and cash equivalents		47,017	(275,353)
Cash and cash equivalents at beginning of period		51,586	383,301
Cash and cash equivalents at end of period		\$ 98,603	\$ 107,948

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. (the “Company”)

The Company was established in Cayman Islands on November 16, 2007. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in the research, manufacture and sales of materials for Lithium Iron Phosphate Nano Co-crystalline Olivine (LFP-NCO) and key materials of Olivine-type structure lithium battery.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
Financial assets (including derivative instruments) at fair value through profit or loss.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with that for the year ended December 31, 2024.

- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Research, manufacturing and sales of LFP-NCO and key materials of olivine-type structure lithium battery	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees Eco Ark Co., Ltd.	Manufacturing and distribution of batteries, cars and peripherals	100	100	100	Note 1
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Ltd.	Investment holdings	100	100	100	
Advanced Lithium Electrochemistry (HK) Co., Ltd.	Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Research and development, trading	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	Investment holdings	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees India Technology Private Limited	Overseas clients developing and services of cathode materials for lithium-ion	0.01	0.01	0.01	
Aleees US, Corp.	Aleees AU Pty. Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees Texas, LLC	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees EU SARL	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees UK, Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees India Technology Private Limited	Overseas clients developing and services of cathode materials for lithium-ion batteries	99.99	99.99	99.99	

Note 1: The Board of Directors during its meeting on December 28, 2018 resolved that the date of dissolution of the subsidiary, Aleees Eco Ark Co., Ltd., was on December 31, 2018 and the liquidation will start on January 8, 2019.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(5) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(6) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of September 30, 2025. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Demand deposits and checking accounts	\$ 53,603	\$ 51,586	\$ 87,948
Time deposits	45,000	-	20,000
	<u>\$ 98,603</u>	<u>\$ 51,586</u>	<u>\$ 107,948</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at the balance sheet date is the carrying amount of all cash and cash equivalents.

B. As at September 30, 2025, December 31, 2024 and September 30, 2024, the Group's cash and cash equivalents pledged to others as collateral amounted to \$226,040, \$26,288 and \$26,474, respectively, and were classified as financial assets at amortised cost. Information about the restricted cash and cash equivalents on September 30, 2025 is provided in Note 6(8) and other information on collateral is provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Open-end fund	\$ 30,825	\$ 30,825	\$ 30,900
Valuation adjustment	3,212	676	2,745
	<u>\$ 34,037</u>	<u>\$ 31,501</u>	<u>\$ 33,645</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended September 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund-valuation	\$ 2,430	\$ 690
	Nine months ended September 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund-valuation	\$ 2,536	\$ 2,745

B. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable – third parties	\$ 19,291	\$ 48,493	\$ 50,770
Accounts receivable – related parties	82,839	82,839	82,839
	102,130	131,332	133,609
Less: Allowance for bad debts	(99,923)	(99,923)	(99,923)
	\$ 2,207	\$ 31,409	\$ 33,686

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Not past due	\$ -	\$ 14,704	\$ 31,243
Up to 30 days	2,207	3,773	2,156
31 to 90 days	-	12,932	287
91 to 180 days	-	-	-
Over 180 days	99,923	99,923	99,923
	\$ 102,130	\$ 131,332	\$ 133,609

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$140,142.

C. For the nine months ended September 30, 2025 and 2024, no interest income was recognised in profit or loss for both periods.

D. The Group has no notes and accounts receivable pledged to others as collateral.

E. As at September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable and accounts receivable held by the Group was the book value.

F. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	September 30, 2025		
	Allowance for market value decline		
	Cost	and obsolescence	Book value
Raw materials	\$ 25,265	(\$ 10,392)	\$ 14,873
Work in progress	3,270	(138)	3,132
Semi-finished goods	91,824	(31,915)	59,909
Finished goods	102,811	(13,963)	88,848
	<u>\$ 223,170</u>	<u>(\$ 56,408)</u>	<u>\$ 166,762</u>
	December 31, 2024		
	Allowance for market value decline		
	Cost	and obsolescence	Book value
Raw materials	\$ 30,600	(\$ 10,999)	\$ 19,601
Work in progress	6,188	(269)	5,919
Semi-finished goods	56,560	(25,366)	31,194
Finished goods	124,529	(13,563)	110,966
	<u>\$ 217,877</u>	<u>(\$ 50,197)</u>	<u>\$ 167,680</u>
	September 30, 2024		
	Allowance for market value decline		
	Cost	and obsolescence	Book value
Raw materials	\$ 30,843	(\$ 10,869)	\$ 19,974
Work in progress	1,465	(400)	1,065
Semi-finished goods	58,470	(40,110)	18,360
Finished goods	127,840	(13,825)	114,015
	<u>\$ 218,618</u>	<u>(\$ 65,204)</u>	<u>\$ 153,414</u>

Expenses and losses incurred on inventories for the period:

	Three months ended September 30,	
	2025	2024
Cost of inventories sold	\$ 37,127	\$ 72,575
Cost of services	587	2,090
Loss on decline in market value	4,720	32,411
Loss on scrapped inventory	-	4,878
Unallocated fixed overhead cost	30,611	29,506
	<u>\$ 73,045</u>	<u>\$ 141,460</u>
	Nine months ended September 30,	
	2025	2024
Cost of inventories sold	\$ 247,415	\$ 282,026
Cost of services	5,484	14,733
Loss on decline in market value	6,211	33,468
Loss on scrapped inventory	4,839	8,473
Unallocated fixed overhead cost	81,113	59,923
	<u>\$ 345,062</u>	<u>\$ 398,623</u>

(5) Prepayments

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayment for purchases	\$ 7,659	\$ 5,001	\$ 5,695
Overpaid sales tax	27,506	29,390	33,654
Others	7,587	10,649	6,853
	<u>\$ 42,752</u>	<u>\$ 45,040</u>	<u>\$ 46,202</u>

(6) Property, plant and equipment

	2025									
	Land	Buildings and structures	Machinery equipment	Testing equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total	
At January 1										
Cost	\$ 147,910	\$ 200,975	\$ 703,652	\$ 144,549	\$ 1,589	\$ 510	\$ 333,137	\$ 12,147	\$ 1,544,469	
Accumulated depreciation and impairment	-	(93,577)	(595,260)	(98,340)	(1,571)	(510)	(249,760)	-	(1,039,018)	
	<u>\$ 147,910</u>	<u>\$ 107,398</u>	<u>\$ 108,392</u>	<u>\$ 46,209</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 83,377</u>	<u>\$ 12,147</u>	<u>\$ 505,451</u>	
2025										
Opening net book amount as at January 1	\$ 147,910	\$ 107,398	\$ 108,392	\$ 46,209	\$ 18	\$ -	\$ 83,377	\$ 12,147	\$ 505,451	
Additions	-	24,807	9,767	2,595	-	-	11,364	12,494	61,027	
Transfers (Note 1)	-	-	16,125	3,995	-	-	-	(6,727)	13,393	
Reclassifications (Note 2)	(147,910)	(128,521)	(4,785)	-	-	-	(18,964)	(12,303)	(312,483)	
Depreciation charge	-	(3,684)	(15,876)	(7,344)	(5)	-	(19,333)	-	(46,242)	
Impairment loss	-	-	(430)	(4,432)	-	-	(2,883)	-	(7,745)	
Closing net book amount as at September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,193</u>	<u>\$ 41,023</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 53,561</u>	<u>\$ 5,611</u>	<u>\$ 213,401</u>	
At September 30										
Cost	\$ -	\$ -	\$ 315,460	\$ 119,787	\$ 817	\$ -	\$ 188,474	\$ 5,611	\$ 630,149	
Accumulated depreciation and impairment	-	-	(202,267)	(78,764)	(804)	-	(134,913)	-	(416,748)	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,193</u>	<u>\$ 41,023</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 53,561</u>	<u>\$ 5,611</u>	<u>\$ 213,401</u>	

Note 1: The transfers were transferred in from other non-current assets amounting to \$13,393.

Note 2: The transfers were transferred to non-current assets held for sale amounting to \$312,483. Details on the sales of the non-current assets are provided in Note 6(8).

	2024								Construction in progress and equipment to be inspected	
	Land	Buildings and structures	Machinery equipment	Testing equipment	Office equipment	Leasehold improvements	Others		Total	
<u>At January 1</u>										
Cost	\$ 147,910	\$ 195,366	\$ 668,450	\$ 139,934	\$ 1,572	\$ 510	\$ 328,719	\$ 3,258	\$ 1,485,719	
Accumulated depreciation and impairment	-	(86,994)	(588,152)	(89,287)	(1,541)	(510)	(226,698)	-	(993,182)	
	<u>\$ 147,910</u>	<u>\$ 108,372</u>	<u>\$ 80,298</u>	<u>\$ 50,647</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 102,021</u>	<u>\$ 3,258</u>	<u>\$ 492,537</u>	
<u>2024</u>										
Opening net book amount as at January 1	\$ 147,910	\$ 108,372	\$ 80,298	\$ 50,647	\$ 31	\$ -	\$ 102,021	\$ 3,258	\$ 492,537	
Additions	-	4,509	26,608	770	19	-	3,741	13,567	49,214	
Disposals	-	-	-	-	-	-	(35)	-	(35)	
Transfers	-	-	3,258	-	-	-	-	(3,258)	-	
Depreciation charge	-	(4,908)	(12,536)	(6,798)	(29)	-	(18,882)	-	(43,153)	
Closing net book amount as at September 30	<u>\$ 147,910</u>	<u>\$ 107,973</u>	<u>\$ 97,628</u>	<u>\$ 44,619</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 86,845</u>	<u>\$ 13,567</u>	<u>\$ 498,563</u>	
<u>At September 30</u>										
Cost	\$ 147,910	\$ 199,875	\$ 697,476	\$ 140,908	\$ 1,590	\$ 510	\$ 332,034	\$ 13,567	\$ 1,533,870	
Accumulated depreciation and impairment	-	(91,902)	(599,848)	(96,289)	(1,569)	(510)	(245,189)	-	(1,035,307)	
	<u>\$ 147,910</u>	<u>\$ 107,973</u>	<u>\$ 97,628</u>	<u>\$ 44,619</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 86,845</u>	<u>\$ 13,567</u>	<u>\$ 498,563</u>	

A. No interest was capitalised to property, plant and equipment for the three months and nine months ended September 30, 2025 and 2024.

B. The Group's buildings and structures include buildings and improvements, piping and system construction which are depreciated over 25 years and 6 years, respectively.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements – lessee

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The warehouses leased by the Group have lease terms which were not longer than 12 months.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Buildings	\$ 51,348	\$ -	\$ 250
Three months ended September 30,			
	2025	2024	
	Depreciation charge	Depreciation charge	
Buildings	\$ 3,231	\$ 376	
Nine months ended September 30,			
	2025	2024	
	Depreciation charge	Depreciation charge	
Buildings	\$ 5,710	\$ 1,127	

- D. For the three months and nine months ended September 30, 2025 and 2024, the additions to right-of-use assets were \$0, \$0, \$57,058 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 442	\$ -
Expense on short-term lease contracts	\$ 2,694	\$ 2,936
Nine months ended September 30,		
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 591	\$ -
Expense on short-term lease contracts	\$ 9,172	\$ 8,131

- F. For the three months and nine months ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$5,693, \$3,312, \$13,377 and \$9,258, respectively.

(8) Non-current assets held for sale and discontinued operations

The assets and liabilities related to the Group's subsidiary, Advanced Lithium Electrochemistry Co., Ltd., have been reclassified as disposal group held for sale following the approval of the board of directors on May 7, 2025 to dispose the subsidiary's land, buildings and structures using a public auction process. The disposal group held for sale belongs to the battery powder manufacturing division. On July 17, 2025, the land, buildings and structures were sold by auction for the selling price amounting to \$821,901. In September 2025, the subsidiary had received the consideration based on the agreement and completed the related procedure of transfers. As of September 30, 2025, the balance of the trust property account of the consideration amounted to \$202,402 (shown as current financial assets at amortised cost), of which the selling price amounting to \$577,620 (shown as other receivables) has not yet been fully collected. On October 21, 2025, the proceeds had been fully collected. Details of the relevant gain and loss on the disposal are provided in Note 6(21).

No impairment loss has been incurred as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(9) Other non-current assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Prepayment for equipment	\$ 852	\$ 13,766	\$ 35,481
Guarantee deposits paid	67,640	64,873	64,874
Other assets	21,168	28,224	-
	<u>\$ 89,660</u>	<u>\$ 106,863</u>	<u>\$ 100,355</u>

(10) Short-term borrowings

Type of borrowings	<u>September 30, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			Current financial assets at amortised cost, net
Secured borrowings	\$ 385,000	3.44%~3.69%	
Type of borrowings	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			Property, plant and equipment
Secured borrowings	\$ 200,000	3.44%	
Type of borrowings	<u>September 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			Property, plant and equipment
Secured borrowings	\$ 200,000	3.19%	

For the three months and nine months ended September 30, 2025 and 2024, interest expense arising from short-term borrowings that were recognised in profit or loss amounted to \$3,180, \$1,596, \$6,815 and \$4,694, respectively.

(11) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Wages and salaries payable	\$ 5,715	\$ 25,726	\$ 21,554
Professional services fees	13,415	2,793	4,657
Payables on equipment	21,283	5,978	10,707
Payables on consumables	7,966	10,506	8,078
Others	118,355	126,410	124,777
	<u>\$ 166,734</u>	<u>\$ 171,413</u>	<u>\$ 169,773</u>

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2025
The Shanghai Commercial & Savings Bank secured borrowings	Aug. 4, 2024 ~ Aug. 4, 2028, interest and principal are payable monthly	2.22%	Current financial assets at amortised cost, net	\$ 14,583
Sunny Bank secured borrowings	Jan. 23, 2025 ~ May 20, 2026, interest is payable monthly, principal is payable at maturity	3.62%	Current financial assets at amortised cost, net	115,000
Less: Current portion				129,583
				(120,000)
				<u>\$ 9,583</u>
Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
The Shanghai Commercial & Savings Bank secured borrowings	Aug. 4, 2024 ~ Aug. 4, 2028, interest and principal are payable monthly	2.22%	Current financial assets at amortised cost, net	\$ 18,333
Less: Current portion				(5,000)
				<u>\$ 13,333</u>
Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2024
The Shanghai Commercial & Savings Bank secured borrowings	Aug. 4, 2024 ~ Aug. 4, 2028, interest and principal are payable monthly	2.22%	Current financial assets at amortised cost, net	\$ 19,584
Less: Current portion				(5,000)
				<u>\$ 14,584</u>

Interest expense on the long-term borrowings recognised in profit or loss amounted to \$703, \$38, \$1,421 and \$38 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(13) Pensions

- A. The Company and its domestic subsidiaries, Advanced Lithium Electrochemistry Co., Ltd. and Aleees Eco Ark Co., Ltd., have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The Company’s Mainland China subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Co., Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on 21% of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- C. The pension contribution methods of the subsidiaries of the Company's subsidiaries, Aleees Texas, LLC and Aleees UK, Ltd., are not mandatorily required by local laws and regulations and vary according to the system of individual entity.
- D. The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2025 and 2024 were \$1,677, \$1,960, \$5,478 and \$6,197, respectively.

(14) Share capital

- A. As of September 30, 2025, the Company’s authorised capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock, and the paid-in capital was \$680,000 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. Movements in the number of the Company’s ordinary shares outstanding are as follows (in shares):

	2025	2024
Options outstanding at January 1	68,000,000	83,000,000
Capital reduction to cover the deficit	- (15,000,000)	
Options outstanding at September 30	68,000,000	68,000,000

- C. As resolved by the shareholders during their meeting on June 27, 2016, the Company planned to privately issue 46,000 thousand shares (7,605 thousand shares after capital reduction) with par value of \$10 per share. On August 23, 2016, the Board of Directors approved the price of private placement at \$35. The rights and obligations afforded by the ordinary shares in the private placement are the same with issued shares except that the shares in the private placement are not allowed to be traded freely within three years after delivery pursuant to Article 43-8 of Securities and Exchange Act. Refer to Note 9(1)B for details.
- D. As resolved by the shareholders during their meeting on June 28, 2024, the Company reduced its capital to offset against the accumulated deficit with 15,000 thousand shares, and the ratio of capital reduction was 18.0722892%. The capital reduction was completed in September 2024.

E. Aiming to bolster competitiveness, the Company plans to raise additional cash through private placement for future business development, indirect investment and operating needs as resolved by the Board of Directors at their annual stockholders' meeting on June 3, 2025. The maximum number of shares to be issued through the private placement is 20,000 thousand shares. As of November 12, 2025, the capital increase has not yet been approved by the shareholders.

(15) Capital surplus

The Board of Directors exercises its authority accordingly when appropriating net income, for which provision is appropriated to be paid for contingencies and commitments, dividends, operations, investments or other purposes.

(16) Retained earnings (accumulated deficit)

A. Under the Company's Articles of Incorporation, the Company shall appropriate net income in accordance with the appropriation plan proposed by the Board of Directors and approved at the stockholders' meeting. The Board of Directors shall propose the appropriation of net income in conformity with the following:

- (a) Pay all taxes;
- (b) The current year's earnings are to offset prior years' operating losses;
- (c) 10% of the remaining amount shall be set aside as legal reserve, until the legal reserve equals the total capital stock balance;
- (d) Set aside as special reserve in accordance with regulations governing listed companies or requests of the competent authority;
- (e) After setting aside in accordance with (a) through (c) stated above, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

The Board of Directors should determine the percentage for directors', supervisors' and employees' bonus when appropriating net income. However, stockholders can recommend the percentage during resolution. Any remaining profit is for dividend appropriation. The Company is at the early stage of industrial development, and enterprise life cycle is at the growing stage. In order to respond to future operating expansion plans, along with maintaining dividend balance and stockholders' return, the dividend policy is to appropriate through cash or new share issuance or through both or as bonus. The Board of Directors is authorized to determine actual appropriation percentage in accordance with the Company's Articles of Incorporation and regulations governing publicly listed companies, and takes into consideration the financials, business and operations. However, dividend appropriation should not be less than 10% of the remaining profit and cash dividends should not be less than 10% of the total dividends.

B. The Company has incurred operating losses for the years ended December 31, 2024 and 2023, and thus had no earnings for distribution.

(17) Other equity items

	2025
	Currency translation
At January 1	\$ 26,908
Foreign currency translation - Group	(411)
At September 30	<u><u>\$ 26,497</u></u>
	2024
	Currency translation
At January 1	\$ 26,909
Foreign currency translation - Group	393
At September 30	<u><u>\$ 27,302</u></u>

(18) Operating revenue

	Three months ended September 30,	
	2025	2024
Revenue from contracts with customers	<u><u>\$ 49,561</u></u>	<u><u>\$ 133,205</u></u>
Nine months ended September 30,		
	2025	2024
Revenue from contracts with customers	<u><u>\$ 336,509</u></u>	<u><u>\$ 415,742</u></u>

A. The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

Three months ended September 30, 2025	China	Other Asia Countries	Europe	All other segments	Total
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 25,102	\$ 24,046	\$ 413	\$ -	\$ 49,561
Technology licencing	-	-	-	-	-
Others	-	-	-	-	-
	<u><u>25,102</u></u>	<u><u>24,046</u></u>	<u><u>413</u></u>	<u><u>-</u></u>	<u><u>49,561</u></u>
Over time					
Consulting services	-	-	-	-	-
	<u><u>\$ 25,102</u></u>	<u><u>\$ 24,046</u></u>	<u><u>\$ 413</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,561</u></u>

	China	Countries	Europe	America	Total
Other Asia					
<u>Three months ended September 30, 2024</u>					
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 2,232	\$ 109,847	\$ 19,163	\$ 1,058	\$ 132,300
Licensing Engagement revenue	-	-	-	-	-
Others	-	-	-	421	421
	<u>2,232</u>	<u>109,847</u>	<u>19,163</u>	<u>1,479</u>	<u>132,721</u>
Over time					
Consulting services	-	-	484	-	484
	<u>\$ 2,232</u>	<u>\$ 109,847</u>	<u>\$ 19,647</u>	<u>\$ 1,479</u>	<u>\$ 133,205</u>
<u>Nine months ended September 30, 2025</u>					
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 55,654	\$ 193,999	\$ 85,990	\$ 99	\$ 335,742
Technology licencing	-	-	-	-	-
Others	-	-	-	-	-
	<u>55,654</u>	<u>193,999</u>	<u>85,990</u>	<u>99</u>	<u>335,742</u>
Over time					
Consulting services	-	-	767	-	767
	<u>\$ 55,654</u>	<u>\$ 193,999</u>	<u>\$ 86,757</u>	<u>\$ 99</u>	<u>\$ 336,509</u>
<u>Nine months ended September 30, 2024</u>					
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 21,267	\$ 266,557	\$ 107,741	\$ 2,915	\$ 398,480
Licensing Engagement revenue	-	-	-	-	-
Others	-	-	-	846	846
	<u>21,267</u>	<u>266,557</u>	<u>107,741</u>	<u>3,761</u>	<u>399,326</u>
Over time					
Consulting services	-	-	6,614	9,802	16,416
	<u>\$ 21,267</u>	<u>\$ 266,557</u>	<u>\$ 114,355</u>	<u>\$ 13,563</u>	<u>\$ 415,742</u>

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract assets-				
licence				
contract	\$ 61,104	\$ 60,338	\$ 59,853	\$ 43,437
Less: Allowance				
for bad debts	(27,832)	-	-	-
	<u>\$ 33,272</u>	<u>\$ 60,338</u>	<u>\$ 59,853</u>	<u>\$ 43,437</u>
Contract				
liabilities-				
product sales				
contract	\$ 393	\$ 39,391	\$ 39,655	\$ 27,572

(b) Significant changes in contract liabilities

For the nine months ended September 30, 2025, the Group and the customers of the license contracts agreed to terminate the production license and the service contracts. Thus, the Group reclassified the contract liabilities to other income amounting to \$15,614.

(c) Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended September 30,	
	2025	2024
Product sales contract	\$ -	\$ -
Nine months ended September 30,		
	2025	2024
Product sales contract	\$ 23,371	\$ 11,587

(d) Related information of business combination is provided in Note 12(2).

(19) Interest income

	Three months ended September 30,	
	2025	2024
Bank deposit interest	\$ 21	\$ 184
Nine months ended September 30,		
	2025	2024
Bank deposit interest	\$ 331	\$ 1,470

(20) Other income

	Three months ended September 30,	
	2025	2024
Government grants (Note)	\$ 12	\$ 4
Other income	153	3,686
	<u>\$ 165</u>	<u>\$ 3,690</u>
	Nine months ended September 30,	
	2025	2024
Government grants (Note)	\$ 314	\$ 138
Other income	17,448	3,957
	<u>\$ 17,762</u>	<u>\$ 4,095</u>

Note: Since the Group is entitled to the related subsidy regulations of the Ministry of Labor, the Group received government grant for operating expenses.

(21) Other gains and losses

	Three months ended September 30,	
	2025	2024
Loss on disposal of property, plant and equipment	\$ -	(\$ 8)
Gain on disposals of non-current assets held for sale	477,982	-
Foreign exchange (loss) gain	(1,141)	2,865
Gain on financial assets at fair value through profit or loss	2,430	690
Impairment loss recognised in profit or loss, property, plant and equipment.	(7,745)	
Other losses	(3)	3,507
	<u>\$ 471,523</u>	<u>\$ 7,054</u>
	Nine months ended September 30,	
	2025	2024
Loss on disposal of property, plant and equipment	\$ -	(\$ 6)
Gain on disposals of non-current assets held for sale	477,982	-
Foreign exchange gain	10,788	533
Gain on financial assets at fair value through profit or loss	2,536	2,745
Impairment loss recognised in profit or loss, property, plant and equipment.	(7,745)	-
Other losses	(9)	(162)
	<u>\$ 483,552</u>	<u>\$ 3,110</u>

(22) Finance costs

	Three months ended September 30,	
	2025	2024
Bank borrowing interest	\$ 3,884	\$ 1,634
Other interest expense	442	-
	<u>\$ 4,326</u>	<u>\$ 1,634</u>
	Nine months ended September 30,	
	2025	2024
Bank borrowing interest	\$ 8,236	\$ 4,732
Other interest expense	591	-
	<u>\$ 8,827</u>	<u>\$ 4,732</u>

(23) Expenses by nature

	Three months ended September 30,	
	2025	2024
Employee benefit expense	\$ 53,712	\$ 48,316
Depreciation charges on property, plant and equipment	14,496	14,678
Depreciation charges on right-of-use assets	3,231	376
Amortisation charges on intangible assets	366	408
	Nine months ended September 30,	
	2025	2024
Employee benefit expense	\$ 177,787	\$ 171,957
Depreciation charges on property, plant and equipment	46,242	43,153
Depreciation charges on right-of-use assets	5,710	1,127
Amortisation charges on intangible assets	1,158	1,098

(24) Employee benefit expense

	Three months ended September 30,	
	2025	2024
Wages and salaries	\$ 46,738	\$ 41,355
Labour and health insurance fees	4,091	3,131
Pension costs	1,677	1,960
Other personnel expenses	1,206	1,870
	<u>\$ 53,712</u>	<u>\$ 48,316</u>
	Nine months ended September 30,	
	2025	2024
Wages and salaries	\$ 156,476	\$ 146,130
Labour and health insurance fees	11,527	11,696
Pension costs	5,478	6,197
Other personnel expenses	4,306	7,934
	<u>\$ 177,787</u>	<u>\$ 171,957</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 10% for employees' compensation and shall not be higher than 1% for directors' remuneration.
- B. The Company had an accumulated deficit as of September 30, 2025 and 2024, thus, the Company did not recognise employees' compensation and directors' and supervisors' remuneration.
- C. Information about the appropriation for employees' compensation and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ -	\$ -
Others	<u>22,053</u>	-
Total current tax:	<u>\$ 22,053</u>	\$ -
Deferred tax:		
Origination and reversal of temporary differences	<u>\$ 13,465</u>	\$ -
Income tax expense	<u>\$ 35,518</u>	\$ -
	Nine months ended September 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ -	\$ -
Others	<u>22,053</u>	-
Total current tax:	<u>\$ 22,053</u>	\$ -
Deferred tax:		
Origination and reversal of temporary differences	<u>\$ 13,465</u>	\$ -
Income tax expense	<u>\$ 35,518</u>	\$ -

(b) The income tax charge/(credit) relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

- B. The income tax returns of Aleees Eco Ark Co., Ltd. through 2018 have been assessed and approved by the Tax Authority.
- C. The income tax returns of Advanced Lithium Electrochemistry Co. through 2023 have been assessed and approved by the Tax Authority.

(26) Earnings per share

Three months ended September 30, 2025		
Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 340,112	68,000 \$ 5.00
Basic loss per share		
Loss attributable to ordinary shareholders of the parent	(\$ 66,250)	68,000 (\$ 0.97)
Basic earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 203,599	68,000 \$ 2.99
Basic loss per share		
Loss attributable to ordinary shareholders of the parent	(\$ 203,673)	68,000 (\$ 3.00)

Note: For the three months and nine months ended September 30, 2025 and 2024, the weighted average number of outstanding shares was retrospectively adjusted by 18.0722892% which is the ratio of capital reduction to offset against accumulated deficit in August 2024.

(27) Supplemental cash flow information

Investing activities with partial cash payments:

	Nine months ended September 30,	
	2025	2024
Purchase of property, plant and equipment	\$ 61,027	\$ 49,214
Add: Opening balance of payable on equipment	5,978	12,127
Less: Ending balance of payable on equipment	(21,283)	(10,707)
Cash paid during the period	<u>\$ 45,722</u>	<u>\$ 50,634</u>

	Nine months ended September 30,	
	2025	2024
Proceeds from disposal of non-current assets held for sale	\$ 821,901	\$ -
Add: Opening balance of receivables from real estate	-	-
Less: Ending balance of receivables from real estate	(577,620)	-
Less: Costs of auction service fees	(31,436)	-
Cash received during the period	<u>\$ 212,845</u>	<u>\$ -</u>

(28) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities
At January 1, 2025	\$ 200,000	\$ 18,333	\$ -
Changes in cash flow from financing activities	185,000	111,250	(4,205)
Interest expense	-	-	591
Changes in other non-cash items	-	-	57,058
At September 30, 2025	<u>\$ 385,000</u>	<u>\$ 129,583</u>	<u>\$ 53,444</u>
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities
At January 1, 2024	\$ 220,000	\$ -	\$ 1,377
Changes in cash flow from financing activities	(20,000)	19,584	(1,127)
Interest expense	-	-	-
Changes in other non-cash items	-	-	-
At September 30, 2024	<u>\$ 200,000</u>	<u>\$ 19,584</u>	<u>\$ 250</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party: None.

(2) Names of related parties and relationship:

Names of related parties	Relationship with the Group
FDG Electric Vehicles Limited	Other related party
FDG Kinetic Limited	Other related party
FDG Investment Holdings Limited	Other related party
Tianjin Sinopoly New Energy Technology Co., Ltd.	Other related party
Jillin Sinopoly New Energy Technology Co., Ltd.	Other related party
Aleees Eco Ark (Ningbo) Ltd.	Other related party
Chairman and general manager, etc.	Key management personnel of the Group

(3) Significant related party transactions and balances:

A. Receivables from related parties:

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable:			
- Other related parties			
FDG Investment Holdings Limited	\$ 68,523	\$ 68,523	\$ 68,523
Tianjin Sinopoly New Energy Technology Co., Ltd.	14,316	14,316	14,316
Others	-	-	-
	82,839	82,839	82,839
Less: Allowance for bad debts			
FDG Investment Holdings Limited	(68,523)	(68,523)	(68,523)
Tianjin Sinopoly New Energy Technology Co., Ltd.	(14,316)	(14,316)	(14,316)
Others	-	-	-
	(82,839)	(82,839)	(82,839)
	\$ -	\$ -	\$ -
	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables:			
- Other related parties			
Aleees Eco Ark (Ningbo) Ltd.	\$ 10,641	\$ 10,641	\$ 10,641
Less: Allowance for bad debts			
Aleees Eco Ark (Ningbo) Ltd.	(10,641)	(10,641)	(10,641)
	\$ -	\$ -	\$ -

B. Other non-current assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Long-term receivables			
- Other related party			
FDG Electric Vehicles Limited	\$ 1,126,688	\$ 1,126,688	\$ 1,126,688
Less: Allowance for bad debts			
FDG Electric Vehicles Limited	<u>(1,126,688)</u>	<u>(1,126,688)</u>	<u>(1,126,688)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (a) On August 25, 2016, the Company invested in five-year unlisted convertible bonds with zero coupon rate issued by FDG Electric Vehicles Limited. The principal of the bond amounted to HK\$275,000,000 upon maturity with conversion price of HK\$0.5. Within 183 days after one year from the completion date of purchase (including the first and the last days), either disposal of such convertible bonds or trading of converted shares are restricted according to the purchase agreement.
- (b) The share consolidation implemented by FDG Electric Vehicles Limited was effective on September 5, 2019, thus, the conversion price of the Company's convertible bonds increased from HK\$0.5 to HK\$10.
- (c) On August 19, 2020, FDG Electric Vehicles Limited announced that its joint and several provisional liquidators had provided notice to former Board of Directors to terminate their position immediately in the HKEX. The joint and several provisional liquidators are fully responsible for the company's management since the appointment. Due to the aforementioned event, the Company will have the right to ask the company to pay the unpaid principal of the convertible bonds immediately in accordance with the terms of convertible bonds. On August 31, 2020, the Company issued an immediate repayment request to FDG Electric Vehicles Limited and appointed lawyers to handle subsequent legal matters. In addition, the Company had already carefully assessed the related information on financial condition of FDG Electric Vehicles Limited and its subsidiaries, and estimates its potential loss taking into consideration its financial ability and repayment terms.

(4) Key management compensation

	Three months ended September 30,	
	2025	2024
	\$ 2,608	\$ 2,826
Salaries and other short-term employee benefits	\$ 2,608	\$ 2,826
Post-employment benefits	76	74
	<u>\$ 2,684</u>	<u>\$ 2,900</u>
Nine months ended September 30,		
	2025	2024
	\$ 8,065	\$ 7,886
	226	225
	<u>\$ 8,291</u>	<u>\$ 8,111</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	September 30, 2025	December 31, 2024	September 30, 2024	
Bank deposits (shown as 'Current and Non-current financial assets at amortised cost, net')	\$ 226,040	\$ 26,288	\$ 26,474	Short-term and long-term borrowings, letters of credit, trust and pledge for customs
Refundable deposits paid (recognised in other non-current assets)	62,380	62,380	62,380	Asset preservation and pledge for customs
Property, plant and equipment	-	255,308	255,883	Short-term and long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

A. On July 18, 2016, the Group's subsidiary, Aleees Eco Ark Co., Ltd. (hereafter referred as "Aleees") received a notice of civil charge issued by Hsinchu District Court No. 105-Zon-Su-Zi-147 and on April 6, 2017, received continued indictment (hereafter referred as "Zon-Su-Zi-147"). In addition to that, a bill of indictment issued by Hsinchu District Court No. 107-Zon-Su-Zi-216 (hereafter referred as "Zon-Su-Zi-216") was received by Aleees on October 31, 2018. The civil charges Zon-Su-Zi-147 and Zon-Su-Zi-216 were filed by Hsin Chu Bus Co., Ltd. claiming for compensation for the driver's fee totaling \$34,946 and \$51,030, respectively, plus interest at 5% per annum until the debt is repaid. In its verdict on Zon-Su-Zi-147 on September 11, 2018, the Hsinchu District Court stated that the accused, Aleees, shall compensate the complainant, Hsin Chu Bus Co., Ltd., for the driver's fee. In the Group's opinion, Aleees is not entirely accountable for the driver's fee, which involved the issue regarding land utilisation for recharging. As the Group believes that there was misinterpretation of the facts during the first trial, the Group has filed an appeal with the Taiwan High Court (No. 107-Zon- Shang-Zi-805 (hereafter referred as "Zon-Shang-Zi-805"))), which had been denied by the Taiwan High Court on June 27, 2019. The Group filed an appeal,

and, on August 18, 2022, as stated in the judgement No.109-Tai-Shang-Zi-002292 of the Supreme Court, ‘the original judgment was rescinded and remanded back to the Taiwan High Court for retrial’ (No. 111-Zon-Shang-Geng-Yi-Zi-150 (Yu-Gu)). On November 29, 2023, the Taiwan High Court rendered a judgment to rescind the ruling whereby Aleees shall pay more than \$10,032, plus interest at 5% per annum from July 17, 2016 until the debt is repaid. Both the Group and Hsin Chu Bus Co., Ltd. disagreed with the above remanded judgment and filed appeals separately. The case was transferred to the Supreme Court (No. 113-Tai-Shang-629) and the Supreme Court dismissed the appeals from both parties on November 20, 2024. The case was confirmed. The Group had recognised the amount of possible losses after previous careful evaluation. The oral argument procedure for Zon-Su-Zi-216 was originally set on January 24, 2019 but the argument for the case is the same as that for the aforementioned retrial of Supreme Court (No. 113-Tai-Shang-629), Aleees is not entirely accountable for the driver’s fee. In order to avoid the differences in the judgments between two cases, the court decided to cease the appeal procedures for Zon-Su-Zi-216 on January 22, 2019. However, the aforementioned retrial of Supreme Court (No. 113-Tai-Shang-629) was confirmed, the Hsinchu District Court revoked the ruling of ceasing the appeal procedures for Zon-Su-Zi-216. The court will continue the trial on December 23, 2025. As of November 12, 2025, the effect to the Group cannot be estimated.

The land utilisation for recharging was recognised as illegal use by the government authority and Aleees believes it cannot provide recharge service due to the problem of land use right. The problem was caused by Hsinchu City Government handing over the land to Hsin Chu Bus Co., Ltd. which then commissioned Aleees to provide recharge service. However, Aleees was mandatorily asked to demolish any structures built on the land and recover the land, causing damages to Aleees. Thus, on July 6, 2017, Aleees filed for state compensation with the Hsinchu District Court against Hsinchu City Government, seeking for \$10,000 as compensation, and retained the right of claim for the remaining amount. The case is under trial with the Hsinchu District Court (No.106-Zon-Guo-Zi-2) and in order to avoid the differences in the judgments between the case and the aforementioned retrial of Supreme Court (No. 113-Tai-Shang-629), the court originally decided to cease the appeal procedures for No.106-Zon-Guo-Zi-2 on October 24, 2018. However, the aforementioned retrial of Supreme Court (No. 113-Tai-Shang-629) was confirmed. After the continuation of the proceedings, the case was dismissed by the Hsinchu District Court on August 15, 2025. Subsequently, Aleees discussed the argument for the case with its lawyer. Since the aforementioned retrial of Supreme Court (No. 113-Tai-Shang-629) had confirmed that the Hsinchu City Government was not accountable for the process and siting of the construction of the Jiangong recharging, the possibility of overturning the verdict was low. Thus, Aleees decided not to file an appeal. As of November 12, 2025, the ultimate outcome of the case cannot presently be determined.

B. The Company and FDG Electric Vehicles (Group) Co., Ltd. (hereinafter referred to as “FDG Electric Vehicles Limited”) established a long-term cooperative relationship, whereby both parties made investment in each other to achieve capital cooperation of strategic alliance during the year

ended December 31, 2016. In August 2020, the Company asked FDG Electric Vehicles Limited to early repay the convertible corporate bonds, but FDG Electric Vehicles Limited did not repay the bonds. To ensure the right of the Company and shareholders, the Company filed with the court a request for a ruling that prohibits the borrower, FDG Investment Holdings Limited (hereinafter referred to as FDG Investment Holdings), which is a subsidiary of FDG Electric Vehicles Limited, to transfer, pledge and dispose its shareholding of the Company's 7,605 thousand private placement shares (after completing the capital reduction in 2024). The Company pledged \$50,000 as collateral to the Taiwan Taipei District Court and received the execution order from the Court in December 2020 (Bei-Yuan-Zhong 109 Si-Zhi-Quan-Mu-Zi No. 644). Subsequently, the Company filed with the court a request for a ruling that prohibits FDG Investment Holdings to exercise the rights of shareholders on its shareholding of the Company's 7,605 thousand private placement shares (after completing the capital reduction in 2024). The Company pledged \$9,380 as collateral to the Taiwan Taoyuan District Court and received the execution order from the Court in April 2021 (110 Si-Zhi-Quan-Zi No. 78). The Company filed with the Chinese Arbitration Association, Taipei for an arbitration of the aforementioned strategic alliance against FDG Kinetic Limited (hereinafter referred to as "FDG Kinetic") and FDG Investment Holdings and requested FDG Investment Holdings to return its shareholding of the Company's 7,605 thousand private placement shares in March 2021. However, the Chinese Arbitration Association, Taipei issued an arbitral award denying the arbitration of the Company on March 14, 2023. Based on the opinion of the lawyer and the letter which stated that FDG Electric Vehicles Limited admitted the strategic alliance, it shall be considered a misinterpretation that the Chinese Arbitration Association, Taipei did not list FDG Electric Vehicles Limited as a counterparty of the arbitration. Therefore, the Company filed an appeal for the revocation of the arbitral award (113 Zhong-Su-Zi No. 5). However, on March 6, 2025, the Company received a ruling from the Taipei District Court stating that the appeal was rejected. Taking into consideration that the claim of this case has been included in trial No. 112-Zon-Su-Zi-832, which is under assessment of the court, the Company and its lawyer decided not to file an appeal after their evaluation to maintain the litigation efficiency. In addition, the Company filed a civil action with the Intellectual Property and Commercial Court (had been transferred to the Taipei District Court for trial, No. 112-Zon-Su-Zi-832) for the events such as compensation for damage against FDG Electric Vehicles Limited, FDG Kinetic and FDG Investment Holdings before the arbitral award. As of November 12, 2025, the ultimate outcome of the case cannot presently be determined. In May 2023, the Company received a ruling from the Taoyuan District Court which states that the provisional injunction prohibiting FDG Investment Holdings from exercising shareholders' rights shall be revoked. However, in May 2023, the Company has filed an interlocutory appeal. On October 30, 2023, the Company received the 112 Kang-Zi No. 749 ruling from the Taiwan High Court which stated that the aforementioned ruling from the Taoyuan District Court of revoking the provisional injunction shall be rescinded and the arbitration of FDG Investment Holdings in the Taoyuan District Court shall be denied. Moreover, FDG Investment Holdings has filed an interlocutory appeal. On January 22, 2024, the Company

received the 112 Tai-Kang-Zi No. 1076 ruling from the Supreme Court which stated that the original ruling from the Taiwan High Court of the 112 Kang-Zi No. 749 shall be rescinded, and the case was confirmed. FDG Investment Holdings claimed that it suffered the damage due to the abovementioned issue and filed a lawsuit with the court, requesting a compensation of \$ 27,420 from the Company (No. 113-Guo-Mao-Zi-12). As of November 12, 2025, the case is still under judgement, and the effect to the Company cannot be estimated. FDG Investment Holdings held the aforementioned arbitral award which was issued by the Chinese Arbitration Association, Taipei on March 14, 2023 and applied for the revocation of the provisional injunction prohibiting the transfers. On February 7, 2024, the Company received the 112 Sheng-Zi No. 451 ruling from the Taiwan High Court stating that the arbitration of FDG Investment Holdings was denied. FDG Investment Holdings filed an interlocutory appeal with the Supreme Court, but the Supreme Court rejected the appeal according to the 113 Tai-Kang-Zi No. 282 ruling. Therefore, the provisional injunction of the case is still valid. As of November 12, 2025, FDG Investment Holdings shall not transfer, pledge and dispose the aforementioned private placement shares in part or in whole.

C. The Company and its subsidiary, Advanced Lithium Electrochemistry Co., Ltd. (“Advanced Lithium Electrochemistry”), had previously reached an agreement with LiReP04+C Licensing AG to terminate the license reauthorization contract (“license contract”). However, LiReP04+C Licensing AG subsequently had concerns about the termination date. To maintain shareholders’ interests, multiple negotiations were conducted, but no consensus was reached. Therefore, LiReP04+C Licensing AG has filed an appeal against the Company and Advanced Lithium Electrochemistry with the Superior Court of Quebec. As of November 12, 2025, the effect to the Group cannot be reliably estimated.

(2) Commitments

A. Issued but unused letters of credit for raw materials imports :

	September 30, 2025	December 31, 2024	September 30, 2024
JPY (In thousands)	\$ -	\$ -	\$ -
USD (In thousands)	\$ -	\$ 216	\$ 611

B. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 22,382	\$ 35,289	\$ 25,519

C. Licence reauthorization contract:

- The Group has signed a licence reauthorization contract with LiFePO4+C Licensing AG on July 4, 2011. The contract requires the Group to construct a plant and produce cathode materials for Lithium iron phosphate (LiFePO4) with annual production of 1,000 tons in Quebec, Canada during the extended 3 years as stated in the contract (before July 4, 2014).
- The Group assessed that the needs in American and European markets were lower than its expectation, thus, the Group and LiFePO4+C Licensing AG completed an amendment for the licence reauthorization contract on August 26, 2013. The amendment extends the construction of the plant and the completion requirement for operation for 12 months, which is, to build a

cathode materials plant with a minimum of annual production of 1,000 tons in Quebec, Canada as of July 4, 2015. If the Group fails to build the plant on schedule, LiFePO4+C Licencing AG has the right to claim an extension fee of US\$300,000 and to terminate the licence reauthorization contract.

- (c) The Group assessed the potential for growth in electric cars and energy storage system in Europe, U.S. and Canada. Thus, the Group and LiFePO4+C Licencing AG completed an amendment for the licence reauthorization contract on November 19, 2014. The amendment states that the Group can choose to build a powder plant, battery plant, battery module plant or electric bus system integration plant in Quebec, Canada, whereby the capital expenditure shall be at least US\$6 million as of July 4, 2015, and that the average annual full-time employment shall be at least 10 employees as of July 4, 2018. If the Group fails to meet its obligations as stated in the amendment and thus influences rights of the licence contract, there may be an impact on the Group's operations and financial position.
- (d) The Group has negotiated with LiFePO4+C Licencing AG to terminate the aforementioned licence reauthorization contract by consent on September 21, 2021. However, as LiFePO4+C Licencing AG still had unresolved issues with the contract termination, the subsequent relevant legal matters are ongoing. Refer to Note 9(1)C for details. In addition, due to prudent consideration, the Group still prepared and amortised related expenses in accordance with the original contract period and IFRSs.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On October 9, 2025, the Board of Directors resolved the following:

In order to purchase equipment and strengthen working capital for improving its financial structure, the Company plans to increase its capital by issuing new shares. The total number of shares issued shall not exceed 28,000 thousand shares (10% of the new shares shall be reserved for subscription by the employees in accordance with the Company's Articles of Incorporation and 10% of the new shares shall be appropriated for the public underwriting in accordance with the Securities and Exchange Act), with a par value of NT\$10 (in dollars) per share.

(2) On November 12, 2025, the Board of Directors resolved the following:

Since the Company's subsidiary, Advanced Lithium Electrochemistry (HK) Co., Ltd., and the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd., did not reach the expected performance targets and they are in an inactive state, the Company plans to conduct the related matters of dissolution and liquidation of the subsidiary and the second-tier subsidiary in order to save management costs based on the Company's consideration of overall long-term operation planning.

12. OTHERS

(1) Capital management

The Group monitors capital on the basis of the gearing ratio, taking into account that the Group

belongs to an emerging industry. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including ‘current and non-current borrowings’ as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated balance sheet plus net debt.

The gearing ratios as at September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Total borrowings	\$ 514,583	\$ 218,333	\$ 219,584
Less: Cash and cash equivalents	(98,603)	(51,586)	(107,948)
Net debt	415,980	166,747	111,636
Total equity	724,042	520,854	552,846
Total capital	\$ 1,140,022	\$ 687,601	\$ 664,482
Debt to capital ratio	36%	24%	17%

(2) Financial instruments

A. Financial instruments by category

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 34,037	\$ 31,501	\$ 33,645
Financial assets at amortised cost/			
Loan and receivables			
Cash and cash equivalents	98,603	51,586	107,948
Current and non-current financial assets at amortised cost, net	226,040	26,288	26,474
Accounts receivable (including related parties)	2,207	31,409	33,686
Other receivables (including related parties)	579,494	47	5,905
Guarantee deposits paid (shown as ‘Other current assets’)	67,640	64,873	64,874
	\$ 1,008,021	\$ 205,704	\$ 272,532
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 385,000	\$ 200,000	\$ 200,000
Accounts payable	35,683	48,450	55,984
Other accounts payable	166,734	171,413	169,773
Long-term borrowings (including current portion)	129,583	18,333	19,584
	\$ 717,000	\$ 438,196	\$ 445,341
Lease liabilities	\$ 53,444	\$ -	\$ 250

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group evaluates abovementioned risks periodically in order to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

- (a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group expected that currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, USD and AUD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 2,754	30.45	\$ 83,859
HKD : NTD	275,000	3.90	1,072,500
RMB : NTD	799	4.271	3,413
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,151	30.45	\$ 126,398

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(December 31, 2024)			

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,699	32.79	\$ 121,290
HKD : NTD	275,000	4.16	1,144,000
RMB : NTD	799	4.478	3,578
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,969	32.79	\$ 130,144

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(September 30, 2024)			

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,918	31.65	\$ 124,005
HKD : NTD	275,000	4.07	1,120,350
RMB : NTD	799	4.523	3,614
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,582	31.65	\$ 145,020

v. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2025 and 2024 amounted to (\$1,141), \$2,865, \$10,788 and \$533, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange

variation:

Nine months ended September 30, 2025						
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income (loss)			
(Foreign currency : functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	1%	\$ 839	\$	-		
HKD : NTD	1%	10,725		-		
RMB : NTD	1%	34		-		
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	1%	(\$ 1,264)	\$	-		
Nine months ended September 30, 2024						
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income (loss)			
(Foreign currency : functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	1%	\$ 1,240	\$	-		
HKD : NTD	1%	11,204		-		
RMB : NTD	1%	36		-		
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	1%	(\$ 1,450)	\$	-		

Price risk

None.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. The Group's borrowings are at floating rates. As at September 30, 2025 and 2024, the Group's borrowings at variable rate were denominated in NTD.
- ii. If the borrowing interest rate of bank had increased/decreased by 0.25% with all other variables held constant, post-tax profit for the nine months ended September 30, 2025 and 2024 would have decreased/increased by \$772 and \$329, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Credit risk arises from deposits with banks and financial institutions, including outstanding receivables and contractual cash flows of debt instruments at fair value through profit or loss. For bank and financial institutions, only institutions with good credit quality are accepted.
- ii. The Group adopts the assumption under IFRS 9 that if the contract payments were past due over 60 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iii. In line with credit risk management procedure, the default occurs when the contract payments are not expected to be recovered and are reclassified to overdue receivables.
- iv. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with product types. The Group applies the simplified approach using the provision matrix, loss rate methodology to estimate expected credit loss.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix is as follows:

	Individual disclosure	Up to 60 days past due		61-120 days past due		121-180 days past due		Over 360 days	Total
		Not past due	0%	days past due	0%	days past due	0~7%		
<u>September 30, 2025</u>									
Expected loss rate	100%	0%	0%	0%	0%	0%	0~7%	100%	
Total book value									
- Accounts receivable	\$ 358	\$ -	\$ 2,207	\$ -	\$ -	\$ -	\$ 99,565	\$ 102,130	
- Contract assets	\$ 27,832	\$ 33,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,104
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	\$ 28,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,206	\$ 138,396	

Long-term accounts receivable (included in other non-current assets)

Expected loss rate	100%	0%	0%	0%	0%	0%	0%	0%
Total book value	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688
Loss allowance	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688

	Individual disclosure	Up to 60 days past due		61-120 days past due		121-180 days past due		Over 360 days	Total
		Not past due	0%	days past due	0%	days past due	0~7%		
<u>December 31, 2024</u>									
Expected loss rate	100%	0%	0%	0%	0%	0%	0~7%	100%	
Total book value									
- Accounts receivable	\$ 358	\$ 14,704	\$ 16,705	\$ -	\$ -	\$ -	\$ 99,565	\$ 131,332	
- Contract assets	\$ -	\$ 60,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,338
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	\$ 358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,206	\$ 110,564	

Long-term accounts receivable (included in other non-current assets)

Expected loss rate	100%	0%	0%	0%	0%	0%	0%	0%
Total book value	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688
Loss allowance	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688

	Individual disclosure	Up to 60 days past due		61-120 days past due		121-180 days past due		Over 360 days	Total
		Not past due	0%	days past due	0%	days past due	0~7%		
<u>September 30, 2024</u>									
Expected loss rate	100%	0%	0%	0%	0%	0%	0~7%	100%	
Total book value									
- Accounts receivable	\$ 358	\$ 31,243	\$ 2,156	\$ 287	\$ -	\$ -	\$ 99,565	\$ 133,609	
- Contract assets	\$ -	\$ 60,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,338
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	\$ 358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,206	\$ 110,564	

Long-term accounts receivable (included in other non-current assets)

Expected loss rate	100%	0%	0%	0%	0%	0%	0%	0%
Total book value	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688
Loss allowance	\$ 1,126,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,688

vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025				
	Accounts receivable	Current contract assets	Other receivables	Long-term receivables	Total
At January 1	\$ 99,923	\$ -	\$ 10,641	\$ 1,126,688	\$ 1,237,252
Reversal of impairment loss	-	27,832	-	-	27,832
At September 30	<u>\$ 99,923</u>	<u>\$ 27,832</u>	<u>\$ 10,641</u>	<u>\$ 1,126,688</u>	<u>\$ 1,265,084</u>

	2024				
	Accounts receivable	Other receivables	Long-term receivables	Total	
At January 1	\$ 108,192	\$ 10,641	\$ 1,126,688	\$ 1,245,521	
Reversal of impairment loss	(5,663)	-	-	-	(5,663)
Reversed during the period	(2,606)	-	-	-	(2,606)
At September 30	<u>\$ 99,923</u>	<u>\$ 10,641</u>	<u>\$ 1,126,688</u>	<u>\$ 1,237,252</u>	

viii. The amount recognised under the financial assets at amortised cost are mainly restricted deposits. Such financial institutions are with high credit quality, so it expects that the probability of counterparty default is remote.

(c) Liquidity risk

- Cash flow forecasting is performed and aggregated by Group treasury. Group treasury monitors rolling forecasts of the operating entities' liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.
- The Group has the following undrawn borrowing facilities:

	September 30, 2025	December 31, 2024	September 30, 2024
Floating rate:			
Expiring within one year	\$ 21,270	\$ 185,772	\$ 182,207
Expiring more than one year	<u>\$ 35,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>
	<u>\$ 56,270</u>	<u>\$ 335,772</u>	<u>\$ 332,207</u>

- The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>2 ~ 5 years</u>	<u>Over 5 years</u>
September 30, 2025				
Short-term borrowings	\$ 385,000	\$ -	\$ -	\$ -
Accounts payable	35,683	-	-	-
Other payables	166,734	-	-	-
Long-term borrowings				
(including current portion)	120,615	7,762	4,634	-
Lease liability	14,558	24,181	19,481	-
<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>2 ~ 5 years</u>	<u>Over 5 years</u>
December 31, 2024				
Short-term borrowings	\$ 200,000	\$ -	\$ -	\$ -
Accounts payable	48,450	-	-	-
Other payables	171,413	-	-	-
Long-term borrowings				
(including current portion)	5,356	5,245	8,495	-
Lease liability	-	-	-	-
<u>Non-derivative financial liabilities</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>2 ~ 5 years</u>	<u>Over 5 years</u>
September 30, 2024				
Short-term borrowings	\$ 200,000	\$ -	\$ -	\$ -
Accounts payable	55,984	-	-	-
Other payables	169,773	-	-	-
Long-term borrowings				
(including current portion)	5,384	5,273	9,796	-
Lease liability	250	-	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows: (For instruments that are not measured at fair value but whose fair value should be disclosed, their fair value and level are recommended to be described in the notes of each account as the information required to be disclosed is different)

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, accounts payable and other payables are approximate to their fair values.

(a) The related information on the nature of the assets and liabilities is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 34,037	\$ -	\$ -	\$ 34,037
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	-	-	-	-
Total	\$ 34,037	\$ -	\$ -	\$ 34,037
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 31,501	\$ -	\$ -	\$ 31,501
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	-	-	-	-
Total	\$ 31,501	\$ -	\$ -	\$ 31,501
September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 33,645	\$ -	\$ -	\$ 33,645
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	-	-	-	-
Total	\$ 33,645	\$ -	\$ -	\$ 33,645

(b) The methods and assumptions the Group used to measure fair value are as follows:

The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Market quoted price	<u>Open-end fund</u>
	Net asset value

D. For the nine months ended September 30, 2025 and 2024, there was no transfer between Level 1 and Level 3.

(4) Other matter

None.

13. SUPPLEMENTARY DISCLOSURES

The disclosures on investee companies were based on the financial statements audited by independent auditors and the following transactions with subsidiaries were eliminated when preparing consolidated financial statements. The following disclosure information is for reference only. The related information on investee companies was translated using the average exchange rate of USD:NTD = 31.22 for the nine months ended September 30, 2025 and the exchange rate of USD:NTD = 30.45 as of September 30, 2025.

(5) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting period: Refer to table 5.

(6) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(7) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Group manages through product types. Each significant product type needs a different technique and market strategy, thus, is individually disclosed in management information.

(2) Measurement of segment information

- A. The accounting policies, judgements, assumptions and estimates of the operating segments are in agreement with the significant accounting policies summarised in Notes 4 and 5.
- B. The Group's assets are shared and liabilities are managed and dispatched under unified policies; thus, under operating management, assets and liabilities are not allocated to each operating segment, financial income and expenses, profit or loss relating to investment and profit or loss on disposal of assets are not distributed to each operating segment, nor used for performance measurement, but are consolidated under 'other segments'.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Three months ended September 30, 2025:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 49,561	\$ -	\$ -	\$ -	\$ 49,561
Total segment loss	(\$ 56,910)	(\$ 27,832)	(\$ 7,011)	\$ -	(\$ 91,753)

Nine months ended September 30, 2025:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 335,742	\$ 767	\$ -	\$ -	\$ 336,509
Total segment loss	(\$ 197,943)	(\$ 31,963)	(\$ 23,795)	\$ -	(\$ 253,701)

Three months ended September 30, 2024:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 132,721	\$ 484	\$ -	\$ -	\$ 133,205
Total segment loss	(\$ 62,589)	\$ 137	(\$ 13,092)	\$ -	(\$ 75,544)

Nine months ended September 30, 2024:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 399,326	\$ 16,416	\$ -	\$ -	\$ 415,742
Total segment loss	(\$ 174,533)	(\$ 5,355)	(\$ 27,728)	\$ -	(\$ 207,616)

(4) Reconciliation for segment income (loss): None.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries

Loans to others

Nine months ended September 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Maximum outstanding balance during the nine months				Actual amount drawn	Nature of transactions	Reason for short-term financing	Allowance for doubtful accounts	Limit on loans granted to a single party	Ceiling on total loans granted	
				Is a related party	ended September 30, 2025	Balance at September 30, 2025	(Note 4)							
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Other receivables	Y	\$ 170,000	\$ 170,000	\$141,100	-	Short-term financing	-	Working capital financing	-	None	\$ 314,896

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The column of "Nature of loan" shall fill in "Business transaction" or "Short-term financing".

Note 3: (1) For the Company's loans to investee companies accounted for using equity method, the ceiling of the total lending is 100% of the parent company's net assets while the ceiling of individual lending is 100% of the parent company's net assets;

(2) For loans of the subsidiary - Advanced Lithium Electrochemistry Co., Ltd. To affiliates, the ceiling of the total lending is 40% of the lending company's net assets while the ceiling of individual lending is 40% of the lending company's net assets.

Note 4: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Number (Note 1)	Party being endorsed/guaranteed		Maximum				Ratio of accumulated endorsement/ guarantee		Ceiling on		Provision of		Provision of	
	Endorser/ guarantor	Company name (Note 2)	Relationship with the endorser/ guarantor	Limit on endorsements/ provided for a single party (Note 3)	outstanding endorsement/ guarantee	Outstanding endorsement/ guarantee	Amount of endorsements/ guarantees	amount to net asset value of the endorser/ guarantor company	total amount of endorsements/ guarantees	Provision of endorsements/guar antees by parent company to subsidiary	Provision of endorsements/guar antees by subsidiary to parent company	Provision of endorsements/guar antees to the party in Mainland China	Footnote	
				September 30, 2025	September 30, 2025	Actual amount drawn down (Note 4)	secured with collateral	74.31%	\$ 1,448,084	Y	N	N		
0	Advanced Lithium Electrochemistry Co., Ltd. (Cayman) Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	(2)	\$ 1,448,084	\$ 538,000	\$ 538,000	\$ 500,000	-	74.31%	\$ 1,448,084	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 3: Unless agreed by stockholders, the ceiling of the Company's guarantee to other companies and individual entity is 200% of the Company's net assets based on the latest financial statements audited or reviewed by accountants; unless agreed by stockholders, the ceiling of the Company and its subsidiaries' guarantee to other companies and individual entity is 200% of the Company's net assets based on the latest financial statements audited or reviewed by independent accountants. The Company may provide endorsements and guarantees to the entities that are directly or indirectly owned by the Company for more than 90% ownership as long as the total amount is not higher than 10% of the Company's net worth. For the entities that are 100% directly or indirectly owned by the Company are not subject to the 10% net worth limit.

Note 4: The amount drawn down is the actual credit line obtained from banks or the endorsement/ guarantee actually completed.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Nine months ended September 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Advanced Lithium Electrochemistry Co., Ltd.	ABITL Income Umbrella Multi-asset Income Fund-Accumulate	None	Financial assets at fair value through profit or loss	1,016,949.15	\$ 17,492	-	\$ 17,492	
Advanced Lithium Electrochemistry Co., Ltd.	TCB Multi-Asset AI Theme Fund A USD	None	Financial assets at fair value through profit or loss	1,500,000.00	16,545	-	16,545	

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Nine months ended September 30, 2025

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	FDG Electric Vehicles Limited	Other related party	Long-term receivable (Note 1) \$1,126,688	-	\$ 1,126,688	Note 2	\$ -	\$ 1,126,688

Note 1: The Company's investment in convertible corporate bonds early expired on August 31, 2020, therefore, the Company transferred the convertible bonds to long-term receivables due from related parties.

Note 2: The Company has appointed lawyers to handle the related legal process.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

Nine months ended September 30, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	2	Other receivables	\$ 141,100	Note 5	14%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories;

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

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: No further disclosure of counterparty transactions, and disclosure standard of significant transactions is above \$20 million.

Note 5: It refers to loans between affiliates.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

Nine months ended September 30, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Investment income (loss) recognised by the Company for the nine months ended September 30, 2025			Footnote
				Balance as at September 30, 2025		Balance as at December 31, 2024		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	30, 2025
				\$	3,018,443	\$	3,018,443	246,640,000	100	\$ 787,241	\$ 259,645	\$ 259,645	Subsidiary (Note 1)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Taiwan	Research, manufacturing and sale of LFP-NCO and key materials of olivine-type structure lithium battery	\$ 3,018,443	\$ 3,018,443	246,640,000	100	\$ 787,241	\$ 259,645	\$ 259,645	\$ 259,645	Subsidiary (Note 1)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees Eco Ark Co., Ltd.	Taiwan	Manufacturing and distribution of batteries, cars and peripherals	1,675,000	1,675,000	52,800,000	100	8,042 (	2,601) (	2,601)	2,601)	Subsidiary (Note 2)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Limited	Hong Kong	Investment holdings	592,862	592,862	19,330,000	100 (	1,001) (	1,014) (	1,014)	1,014)	Subsidiary
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	America	Investment holdings	149,381	120,556	49,190,000	100	8,767 (	30,644) (	30,644)	30,644)	Subsidiary
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees India Technology Private Limited	India	Overseas clients development and services of cathode materials for lithium-ion batteries	0	0	80	0.01	0 (	0) (	0)	0)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees AU Pty. Ltd.	Australia	Overseas clients development and services of cathode materials for lithium-ion batteries	32,767	32,767	1,630,000	100	4,680 (	489) (	489)	489)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees EU SARL	France	Overseas clients development and services of cathode materials for lithium-ion batteries	3,255	3,255	100,000	100	619 (	120) (	120)	120)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees Texas, LLC	America	Overseas clients development and services of cathode materials for lithium-ion batteries	65,669	50,084	2,100,000	100	19 (	16,282) (	16,282)	16,282)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees UK. Ltd.	United Kingdom	Overseas clients development and services of cathode materials for lithium-ion batteries	42,753	30,187	1,050,000	100	879 (	12,216) (	12,216)	12,216)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees India Technology Private Limited	India	Overseas clients development and services of cathode materials for lithium-ion batteries	3,113	3,113	799,920	99.99	1,885 (	571) (	571)	571)	Subsidiary of subsidiary

Note 1: Unrealised gain on sidestream intercompany transaction was included.

Note 2: The Board of Directors during its meeting on December 28, 2018 resolved the dissolution of the subsidiary, Aleees Eco Ark Co., Ltd., and the date of dissolution was on December 31, 2018. It is under liquidation.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China		Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee for the nine months ended September 30, 2025	Ownership held by the Company	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	Book value of investments in Mainland China as of September 30, 2025	
				as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	as of September 30, 2025		September 30, 2025		(direct or indirect)	(Note 2)	Footnote
Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Design of battery and trading	\$481,203	Note 1	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 853)	100	(\$ 853)	(\$ 1,954)	\$ -

Company name (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Advanced Lithium Electrochemistry (China Shanghai) Ltd. (Note 1)	\$ -	\$ -	\$ -

Note 1: The investment in the investee companies are remitted by the parent company-Advanced Lithium

Electrochemistry (Cayman) Co., Ltd. through investing in an existing company in the third area -Advanced Lithium Electrochemistry (HK) Co., Limited, which then invested in the investee in Mainland China. Thus, the investment amounts are not applicable for disclosure.

Note 2: Information based on financial statements reviewed by the parent company's independent auditors.

Note 3: The figures in this table are presented in NTD.