

**ADVANCED LITHIUM
ELECTROCHEMISTRY (CAYMAN) CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000614

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

Opinion

We have audited the accompanying consolidated balance sheets of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of

China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements is stated as follows:

Valuation of property, plant, and equipment

Description

Refer to Note 4(18) for accounting policy on impairment of property, plant and equipment, and Note 6(6) for details of accounts. The recoverable amounts of property, plant and equipment of the Group are measured based on fair value less costs of disposal, which is used to determine whether there is any impairment. The estimation of the aforementioned measurement of fair value is subject to the professional judgment of management and involves numerous assumptions and material unobservable inputs. Any changes in judgments and estimates may affect the ultimate result of accounting estimates and may have a material impact on the financial statements. Thus, we have included the key assumptions in estimating the recoverable amounts used in the valuation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained the appraisal report from the external valuation expert who was commissioned by the management to determine whether the measurement method the management used is commonly adopted in the industry and considered appropriate; and
- B. Examined whether the significant unobservable input had reflected the assumptions that would be used for similar assets, and assessed the reasonableness of the assumptions used.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wu, Wei-Hao

Li, Yen-Na

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 25, 2026

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

DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025	December 31, 2024
	Current assets			
1100	Cash and cash equivalents	6(1)	\$ 151,724	\$ 51,586
1110	Current financial assets at fair value through profit or loss	6(2)	34,500	31,501
1136	Current financial assets at amortised cost, net	6(1) and 8	69,179	22,288
1140	Current contract assets	6(18)	-	60,338
1170	Accounts receivable, net	6(3)	19,285	31,409
1180	Accounts receivable - related parties	6(3) and 7	-	-
1200	Other receivables		-	47
1210	Other receivables - related parties	7	-	-
1220	Current income tax assets		329	360
130X	Inventory	6(4)	141,321	167,680
1410	Prepayments	6(5)	40,615	45,040
1460	Non-current assets held for sale - net	6(8)	-	-
1470	Other current assets		2,097	3,158
11XX	Total current assets		<u>459,050</u>	<u>413,407</u>
	Non-current assets			
1535	Non-current financial assets at amortised cost, net	6(1) and 8	4,013	4,000
1600	Property, plant and equipment	6(6) and 8	189,010	505,451
1755	Right-of-use assets	6(7)	48,117	-
1780	Intangible assets		1,542	2,959
1840	Deferred income tax assets	6(25)	-	13,465
1900	Other non-current assets	6(9), 7 and 8	122,630	106,863
15XX	Total non-current assets		<u>365,312</u>	<u>632,738</u>
1XXX	Total assets		<u>\$ 824,362</u>	<u>\$ 1,046,145</u>

(Continued)

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

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025	December 31, 2024
	Current liabilities			
2100	Short-term borrowings	6(10)	\$ -	\$ 200,000
2130	Current contract liabilities	6(18)	9,809	39,391
2170	Accounts payable		28,449	48,450
2200	Other payables	6(11)	138,554	171,413
2250	Provisions for liabilities - current		34,818	34,818
2280	Current lease liabilities	6(7)	14,500	-
2320	Long-term liabilities, current portion	6(12)	5,000	5,000
2399	Other current liabilities		16,403	12,886
21XX	Total current liabilities		<u>247,533</u>	<u>511,958</u>
	Non-current liabilities			
2540	Long-term borrowings	6(12)	8,333	13,333
2580	Non-current lease liabilities	6(7)	35,871	-
25XX	Total non-current liabilities		<u>44,204</u>	<u>13,333</u>
2XXX	Total liabilities		<u>291,737</u>	<u>525,291</u>
	Equity attributable to owners of parent			
	Share capital	6(14)		
3110	Common stock		680,000	680,000
	Capital surplus	6(15)		
3200	Capital surplus		429,000	429,000
	Accumulated deficit	6(16)		
3350	Accumulated deficit		(603,207)	(615,054)
	Other equity interest	6(17)		
3400	Other equity interest		26,832	26,908
31XX	Equity attributable to owners of the parent		<u>532,625</u>	<u>520,854</u>
3XXX	Total equity		<u>532,625</u>	<u>520,854</u>
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	Total liabilities and equity		<u>\$ 824,362</u>	<u>\$ 1,046,145</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
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Items	Notes	Year ended December 31	
			2025	2024
4000	Operating revenue	6(18)	\$ 400,650	\$ 591,256
5000	Operating costs	6(4)(23)(24)	(428,999)	(527,623)
5950	Gross (loss) profit from operations		(28,349)	63,633
	Operating expenses	6(23)(24)		
6100	Selling expenses		(51,859)	(63,902)
6200	Administrative expenses		(131,012)	(138,886)
6300	Research and development expenses		(159,347)	(97,372)
6450	Expected credit impairment (loss) gain	12(2)	(60,869)	2,606
6000	Total operating expenses		(403,087)	(297,554)
6900	Operating loss		(431,436)	(233,921)
	Non-operating income and expenses			
7100	Interest income	6(19)	1,203	1,832
7010	Other income	6(20)	32,429	4,618
7020	Other gains and losses	6(21)	455,431	(1,222)
7050	Finance costs	6(22)	(10,262)	(6,578)
7000	Total non-operating income and expenses		478,801	(1,350)
7900	Profit (loss) before income tax		47,365	(235,271)
7950	Income tax expense	6(25)	(35,518)	-
8200	Profit (loss) for the period		<u>\$ 11,847</u>	<u>(\$ 235,271)</u>
	Other comprehensive income	6(17)		
	Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations		(\$ 76)	(\$ 1)
8300	Total other comprehensive loss for the period		<u>(\$ 76)</u>	<u>(\$ 1)</u>
8500	Total comprehensive income (loss) for the year		<u>\$ 11,771</u>	<u>(\$ 235,272)</u>
	Profit (loss) attributable to:			
8610	Owners of parent		<u>\$ 11,847</u>	<u>(\$ 235,271)</u>
	Comprehensive income (loss) attributable to:			
8710	Owners of parent		<u>\$ 11,771</u>	<u>(\$ 235,272)</u>
	Earnings (loss) per share (in dollars)	6(26)		
9750	Basic earnings (loss) per share		<u>\$ 0.17</u>	<u>(\$ 3.46)</u>

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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent				
	Notes	Share capital - common stock	Additional paid-in capital	Accumulated deficit	Financial statements translation differences of foreign operations	Total equity
<u>2024</u>						
Balance at January 1, 2024		\$ 830,000	\$ 429,000	(\$ 529,783)	\$ 26,909	\$ 756,126
Loss for the year		-	-	(235,271)	-	(235,271)
Other comprehensive loss for the year	6(17)	-	-	-	(1)	(1)
Total comprehensive loss for the year		-	-	(235,271)	(1)	(235,272)
Capital reduction to offset against accumulated deficit	6(14)	(150,000)	-	150,000	-	-
Balance at December 31, 2024		\$ 680,000	\$ 429,000	(\$ 615,054)	\$ 26,908	\$ 520,854
<u>2025</u>						
Balance at January 1, 2025		\$ 680,000	\$ 429,000	(\$ 615,054)	\$ 26,908	\$ 520,854
Profit for the year		-	-	11,847	-	11,847
Other comprehensive loss for the year	6(17)	-	-	-	(76)	(76)
Total comprehensive income (loss) for the year		-	-	11,847	(76)	11,771
Balance at December 31, 2025		\$ 680,000	\$ 429,000	(\$ 603,207)	\$ 26,832	\$ 532,625

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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit (loss) before tax		\$ 47,365	(\$ 235,271)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	60,869	-
Depreciation (including right-of-use assets)	6(23)	68,080	59,447
Amortisation	6(23)	1,522	1,547
Net gain or loss on financial assets at fair value through profit or loss	6(21)	(2,999)	(3,211)
Interest expense	6(22)	10,262	6,578
Interest income	6(19)	(1,203)	(1,832)
Gain on disposal of property, plant and equipment	6(21)	(287)	(39)
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)	34,338	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		-	(28,290)
Accounts receivable		12,359	541
Contract assets		(766)	(16,901)
Other receivables		47	7
Inventories		26,359	(14,407)
Prepayments		4,425	5,331
Other current assets		1,061	5,942
Changes in operating liabilities			
Contract liabilities		(29,582)	11,819
Accounts payable		(20,001)	(23,652)
Other payables		(29,880)	(4,537)
Refund liabilities		-	(6,859)
Other current liabilities		3,517	(395)
Cash outflow generated from operations		(292,496)	(244,182)
Interest received		1,203	1,832
Interest paid		(9,218)	(6,562)
Income tax paid		(22,053)	-
Net cash flows used in operating activities		(322,564)	(248,912)

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ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 256,559)	(\$ 50,127)
Proceeds from disposal of financial assets at amortised cost		209,655	78,492
Acquisition of property, plant and equipment	6(27)	(79,134)	(77,168)
Proceeds from disposal of property, plant and equipment		287	74
Proceeds from disposal of non-current assets classified as held for sale	6(27)	790,465	-
Acquisition of intangible assets		(105)	(1,494)
Increase in refundable deposits		(29,249)	(660)
Decrease in refundable deposits		667	149
Increase in other non-current assets		(10,359)	(28,951)
Decrease in other non-current assets		9,780	-
Net cash flows from (used in) investing activities		<u>635,448</u>	<u>(79,685)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		385,000	200,000
Decrease in short-term borrowings		(585,000)	(220,000)
Increase in long-term borrowings		115,000	20,000
Decrease in long-term borrowings		(120,000)	(1,667)
Payment of lease liabilities	6(28)	(7,702)	(1,377)
Net cash flows used in financing activities		<u>(212,702)</u>	<u>(3,044)</u>
Effect of changes in foreign currency exchange		(44)	(74)
Net increase (decrease) in cash and cash equivalents		100,138	(331,715)
Cash and cash equivalents at beginning of year		51,586	383,301
Cash and cash equivalents at end of year		<u>\$ 151,724</u>	<u>\$ 51,586</u>

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

YEARS ENDED DECEMBER 31, 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 March 25, 2026.

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
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	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

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(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 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:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Remark
			December 31, 2025	December 31, 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	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees Eco Ark Co., Ltd.	Manufacturing and distribution of batteries, cars and peripherals	100	100	Note 1
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Ltd.	Investment holdings	100	100	Note 2
Advanced Lithium Electrochemistry (HK) Co., Ltd.	Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Research and development, trading	100	100	Note 2
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	Investment holdings	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd. Aleees US, Corp.	Aleees India Technology Private Limited Aleees AU Pty. Ltd.	Overseas clients developing and services of cathode materials for lithium-ion	0.01	0.01	
		Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	
Aleees US, Corp.	Aleees Texas, LLC	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	
Aleees US, Corp.	Aleees EU SARL	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	
Aleees US, Corp.	Aleees UK, Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	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	

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.

Note 2: The Board of Directors during its meeting on November 12, 2025 resolved that the date of dissolution of the subsidiary, Advanced Lithium Electrochemistry (HK)Co., Ltd., and the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd.

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) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets that are held primarily for the purpose of trading;

- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; and the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the standard costs. Standard costs take into consideration the normal production capacity and differences that arise during the period are amortised into cost of sales. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Non-current assets/liabilities 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.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3~26 years
Machinery and equipment	3~8 years
Testing equipment	3~8 years
Office equipment	3~4 years
Others	3~8 years

(16) Leasing arrangements (lessee) — right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.
- The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- The amount of the initial measurement of lease liability; and
 - Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

Intangible assets, mainly licence fees and computer software costs, are amortised on a straight-line basis over their estimated useful lives of 3 years.

(18) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at cash amount of original invoice.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Provisions

Provisions (including warranties and sales returns and discounts, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings of the Company's Taiwan subsidiaries and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise

to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(26) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders.

Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sale Revenue

- (a) The Group manufactures and sells Battery powder. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The product is often sold with volume discounts based on aggregate sales over a 6-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns, discounts and allowances. Accumulated experience is used to estimate and provide for the sales returns, discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting

date. A refund liability is recognised for expected sales returns, discounts and allowances payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the credit term for sales transaction is consistent with market practice.

- (c) The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.
- (d) receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Technical service revenue

- (a) The Group entered into a contract with a customer whereby the Company will grant a licence of patents to the customer. Given that the licence is distinct from other promised goods or services in the contract, the Group recognises the revenue from licencing when the licence is transferred to a customer either at a point in time or over time based on the nature of the licence granted. The nature of the Group's promise in granting a licence is a promise to provide a right to access the Group's intellectual property if the Group undertakes activities that significantly affect the patents to which the customer has rights, the customer is affected by the Group's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licencing period. In case the abovementioned conditions are not met, the nature of the Group's promise in granting a licence is a promise to provide a right to use the Group's intellectual property and therefore the revenue is recognised when the licence is transferred to a customer at a point in time.
- (b) Some contracts require a sales-based royalty in exchange for a licence of intellectual property. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

C. Sales of services

The Group provides manufacturing consulting and support services for cathode materials of lithium batteries. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the percentage of actual services provided as of the end of the reporting period to the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which

the Group recognises expenses for the related costs for which the grants are intended to compensate.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of property, plant and equipment

When assessing the impairment, the Group determines the valuation technique and assumptions of a specific group of assets based on how assets are utilised and industrial characteristics. Fair value measurement depends on estimates based on the management's subjective judgement as well as multiple assumptions and significant unobservable inputs. The final result of accounting estimates may vary as a result of any changes in these judgements and estimates.

As of December 31, 2025, the carrying amount of property, plant, and equipment was \$189,010.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Demand deposits and checking accounts	\$ 57,735	\$ 51,586
Time deposits	93,989	-
	<u>\$ 151,724</u>	<u>\$ 51,586</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 December 31, 2025 and 2024, the Group's cash and cash equivalents pledged to others as collateral and time deposits with maturity over three months amounted to \$73,192 and \$26,288, respectively, and were classified as financial assets at amortised cost. Information about the restricted cash and cash equivalents on December 31, 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

	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund	\$ 30,825	\$ 30,825
Valuation adjustment	3,675	676
	<u>\$ 34,500</u>	<u>\$ 31,501</u>

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

	Years ended December 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund-valuation	<u>\$ 2,999</u>	<u>\$ 3,211</u>

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

	December 31, 2025	December 31, 2024
Accounts receivable – third parties	\$ 20,146	\$ 48,493
Accounts receivable – related parties	82,839	82,839
	102,985	131,332
Less: Allowance for bad debts	(83,700)	(99,923)
	<u>\$ 19,285</u>	<u>\$ 31,409</u>

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

	December 31, 2025	December 31, 2024
Not past due	\$ 19,285	\$ 14,704
Up to 30 days	-	3,773
31 to 90 days	-	12,932
91 to 180 days	-	-
Over 180 days	83,700	99,923
	<u>\$ 102,985</u>	<u>\$ 131,332</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 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 years ended December 31, 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 December 31, 2025 and 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

	December 31, 2025		
		Allowance for market value decline and obsolescence	Book value
	Cost		
Raw materials	\$ 18,607	(\$ 10,691)	\$ 7,916
Work in progress	3,703	-	3,703
Semi-finished goods	74,562	(33,467)	41,095
Finished goods	101,641	(13,034)	88,607
	<u>\$ 198,513</u>	<u>(\$ 57,192)</u>	<u>\$ 141,321</u>
	December 31, 2024		
		Allowance for market value decline and obsolescence	Book value
	Cost		
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>

Expenses and losses incurred on inventories for the year:

	Years ended December 31,	
	2025	2024
Cost of inventories sold	\$ 295,862	\$ 402,555
Cost of services	4,897	15,491
Loss on decline in market value	6,995	18,461
Loss on scrapped inventory	4,839	13,379
Unallocated fixed overhead cost	116,406	77,737
	<u>\$ 428,999</u>	<u>\$ 527,623</u>

(5) Prepayments

	December 31, 2025	December 31, 2024
Prepayment for purchases	\$ 4,443	\$ 5,001
Overpaid sales tax	24,496	29,390
Others	11,676	10,649
	<u>\$ 40,615</u>	<u>\$ 45,040</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
<u>At January 1</u>									
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>
<u>2025</u>									
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	17,423	4,400	-	-	14,710	14,786	76,126
Transfers (Note 1)	-	-	20,268	3,995	-	-	-	(10,870)	13,393
Reclassifications (Note 2)	(147,910)	(128,521)	(4,785)	-	-	-	(18,964)	(12,303)	(312,483)
Depreciation charge	-	(3,684)	(21,151)	(9,634)	(5)	-	(24,665)	-	(59,139)
Impairment loss	-	-	(26,162)	(4,432)	-	-	(3,496)	(248)	(34,338)
Closing net book amount as at December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,985</u>	<u>\$ 40,538</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 50,962</u>	<u>\$ 3,512</u>	<u>\$ 189,010</u>
<u>At December 31</u>									
Cost	\$ -	\$ -	\$ 326,633	\$ 113,377	\$ 817	\$ -	\$ 184,231	\$ 3,760	\$ 628,818
Accumulated depreciation and impairment	-	-	(232,648)	(72,839)	(804)	-	(133,269)	(248)	(439,808)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,985</u>	<u>\$ 40,538</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 50,962</u>	<u>\$ 3,512</u>	<u>\$ 189,010</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

	Land	Buildings and structures	Machinery equipment	Testing equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	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	-	5,609	41,944	4,615	19	-	6,685	12,147	71,019
Disposals	-	-	-	-	-	-	(35)	-	(35)
Transfers	-	-	3,258	-	-	-	-	(3,258)	-
Depreciation charge	-	(6,583)	(17,108)	(9,053)	(32)	-	(25,294)	-	(58,070)
Closing net book amount as at December 31	<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>
<u>At December 31</u>									
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>

A. No interest was capitalised to property, plant and equipment for the years ended December 31, 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 48,117	\$ -
	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 8,941	\$ 1,377

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$57,058 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,015	\$ -
Expense on short-term lease contracts	\$ 18,566	\$ 11,222

- F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$26,268 and \$12,599, 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. In October 2025, the related 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

	December 31, 2025	December 31, 2024
Prepayment for equipment	\$ 10,359	\$ 13,766
Guarantee deposits paid	93,455	64,873
Other assets	18,816	28,224
	<u>\$ 122,630</u>	<u>\$ 106,863</u>

(10) Short-term borrowings (December 31, 2025 : None)

Type of borrowings	December 31, 2024	Interest rate	Collateral
Bank borrowings			Property, plant and equipment
Secured borrowings	<u>\$ 200,000</u>	3.44%	

For the years ended December 31, 2025 and 2024, interest expense arising from short-term borrowings that were recognised in profit or loss amounted to \$7,515 and \$6,434, respectively.

(11) Other payables

	December 31, 2025	December 31, 2024
Wages and salaries payable	\$ 4,989	\$ 25,726
Professional services fees	4,253	2,793
Payables on equipment	2,970	5,978
Payables on consumables	6,865	10,506
Others	119,477	126,410
	<u>\$ 138,554</u>	<u>\$ 171,413</u>

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 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	\$ 13,333
Less: Current portion				(5,000)
				<u>\$ 8,333</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>

Interest expense on the long-term borrowings recognised in profit or loss amounted to \$1,703 and \$144 for the years ended December 31, 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 years ended December 31, 2025 and 2024 were \$7,205 and \$8,231, respectively.

(14) Share capital

- A. As of December 31, 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 December 31	68,000,000	68,000,000

- C. On October 9, 2025, the Company’s Board of Directors resolved to increase capital by issuing 28,000 thousand new shares with a par value of NT\$10 (in dollars). The capital increase was applied to the Financial Supervisory Commission, and the registration of the capital increase was not completed as of March 25, 2026.
- D. 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.

- E. 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.
- F. 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 March 25, 2026, 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, 2025 and 2024, and thus had no earnings for distribution.

(17) Other equity items

	2025
	Currency translation
At January 1	\$ 26,908
Foreign currency translation - Group	(76)
At December 31	<u>\$ 26,832</u>
	2024
	Currency translation
At January 1	\$ 26,909
Foreign currency translation - Group	(1)
At December 31	<u>\$ 26,908</u>

(18) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	<u>\$ 400,650</u>	<u>\$ 591,256</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:

		Other Asia		All other segments	
Year ended December 31, 2025	China	Countries	Europe		Total
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 68,033	\$ 224,373	\$ 105,792	\$ 263	\$ 398,461
Technology licencing	-	-	-	-	-
Others	-	-	1,422	-	1,422
	<u>68,033</u>	<u>224,373</u>	<u>107,214</u>	<u>263</u>	<u>399,883</u>
Over time					
Consulting services	-	-	767	-	767
	<u>\$ 68,033</u>	<u>\$ 224,373</u>	<u>\$ 107,981</u>	<u>\$ 263</u>	<u>\$ 400,650</u>

<u>Year ended December 31, 2024</u>	<u>China</u>	<u>Other Asia Countries</u>	<u>Europe</u>	<u>America</u>	<u>Total</u>
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 45,075	\$ 370,975	\$ 150,189	\$ 7,183	\$ 573,422
Licensing engagement revenue	-	-	-	-	-
Others	-	-	-	933	933
	<u>45,075</u>	<u>370,975</u>	<u>150,189</u>	<u>8,116</u>	<u>574,355</u>
Over time					
Consulting services	-	-	7,099	9,802	16,901
	<u>\$ 45,075</u>	<u>\$ 370,975</u>	<u>\$ 157,288</u>	<u>\$ 17,918</u>	<u>\$ 591,256</u>

B. Contract assets and liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract assets-			
licence contract	\$ 61,104	\$ 60,338	\$ 43,437
Less: Allowance for			
bad debts	(61,104)	-	-
	<u>\$ -</u>	<u>\$ 60,338</u>	<u>\$ 43,437</u>
Contract			
liabilities-			
product sales			
contract	\$ 9,809	\$ 39,391	\$ 27,572

(b) Significant changes in contract liabilities

For the year ended December 31, 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 year:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Product sales contract	\$ 23,371	\$ 11,587

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

(19) Interest income

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Bank deposit interest	\$ 1,203	\$ 1,832

(20) Other income

	Years ended December 31,	
	2025	2024
Government grants (Note)	\$ 13,516	\$ 598
Other income	18,913	4,020
	<u>\$ 32,429</u>	<u>\$ 4,618</u>

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

(21) Other gains and losses

	Years ended December 31,	
	2025	2024
Gain on disposal of property, plant and equipment	\$ 287	\$ 39
Gain on disposals of non-current assets held for sale	477,982	-
Foreign exchange gain (loss)	8,521	(3,147)
Gain on financial assets at fair value through profit or loss	2,999	3,211
Impairment loss recognised in profit or loss, property, plant and equipment	(34,338)	-
Other losses	(20)	(1,325)
	<u>\$ 455,431</u>	<u>(\$ 1,222)</u>

(22) Finance costs

	Years ended December 31,	
	2025	2024
Bank borrowing interest	\$ 9,218	\$ 6,578
Other interest expense	1,044	-
	<u>\$ 10,262</u>	<u>\$ 6,578</u>

(23) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense	\$ 243,646	\$ 238,848
Depreciation charges on property, plant and equipment	59,139	58,070
Depreciation charges on right-of-use assets	8,941	1,377
Amortisation charges on intangible assets	1,522	1,547

(24) Employee benefit expense

	Years ended December 31,	
	2025	2024
Wages and salaries	\$ 216,660	\$ 204,210
Labour and health insurance fees	14,229	16,927
Pension costs	7,205	8,231
Other personnel expenses	5,552	9,480
	<u>\$ 243,646</u>	<u>\$ 238,848</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 December 31, 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:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ -	\$ -
Land value increment tax	22,053	-
Total current tax:	<u>\$ 22,053</u>	<u>\$ -</u>
Deferred tax:		
Origination and reversal of temporary differences	\$ 13,465	\$ -
Income tax expense	<u>\$ 35,518</u>	<u>\$ -</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. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2025	2024
Tax calculated based on profit (loss) before tax	\$ 23,270	(\$ 32,490)
and statutory tax rate		
Effects from items adjusted in accordance with tax regulation	820	377
Tax exempt income by tax regulation	(115,894)	-
Taxable loss not recognised as deferred tax assets	84,840	26,833
Temporary differences not recognised as deferred tax assets	6,964	5,280
Prior year income tax underestimation	13,465	-
Land value increment tax	22,053	-
Income tax expense	<u>\$ 35,518</u>	<u>\$ -</u>

C. Amounts of deferred tax assets and liabilities as a result of taxable loss are as follows:

	2025				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Taxable loss	<u>\$ 13,465</u>	<u>(\$ 13,465)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Taxable loss	<u>\$ 13,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,465</u>

D. Expiration dates of unused taxable loss and amounts of unrecognised deferred tax assets are as follows:

Year ended December 31, 2025				
Year incurred	Amount filed / Assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	162,344	162,344	162,344	2026
2017	162,179	162,179	162,179	2027
2018	269,026	269,026	269,026	2028
2019	345,879	345,879	345,879	2029
2020	370,001	370,001	370,001	2030
2021	296,421	296,421	296,421	2031
2022	177,877	177,877	177,877	2032
2023	325,869	325,869	325,869	2033
2024	135,711	135,711	135,711	2034
2025	422,363	422,363	422,363	2035
	<u>\$ 2,667,670</u>	<u>\$ 2,667,670</u>	<u>\$ 2,667,670</u>	

Year ended December 31, 2024				
Year incurred	Amount filed / Assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	418,448	418,448	418,448	2025
2016	162,344	162,344	162,344	2026
2017	162,179	162,179	94,856	2027
2018	269,026	269,026	269,026	2028
2019	345,879	345,879	345,879	2029
2020	370,001	370,001	370,001	2030
2021	296,421	296,421	296,421	2031
2022	177,877	177,877	177,877	2032
2023	325,869	325,869	325,869	2033
2024	133,722	133,722	133,722	2034
	<u>\$ 2,661,766</u>	<u>\$ 2,661,766</u>	<u>\$ 2,594,443</u>	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31,	
	2025	2024
Deductible temporary differences	<u>\$ 500,580</u>	<u>\$ 465,760</u>

F. The income tax returns of Aleees Eco Ark Co., Ltd. through 2018 have been assessed and approved by the Tax Authority.

G. The income tax returns of Advanced Lithium Electrochemistry Co. through 2023 have been assessed and approved by the Tax Authority.

(26) Earnings (loss) per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 11,847	68,000	\$ 0.17
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 235,271)	68,000	(\$ 3.46)

Note: For the year ended December 31, 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:

	Years ended December 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 76,126	\$ 71,019
Add: Opening balance of payable on equipment	5,978	12,127
Less: Ending balance of payable on equipment	(2,970)	(5,978)
Cash paid during the year	<u>\$ 79,134</u>	<u>\$ 77,168</u>
	Years ended December 31,	
	2025	2024
Proceeds from disposal of non-current assets held for sale	\$ 821,901	\$ -
Less: Costs of auction service fees	(31,436)	-
Cash received during the year	<u>\$ 790,465</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	(200,000)	(5,000)	(7,702)
Interest expense	-	-	1,015
Changes in other non-cash items	-	-	57,058
At December 31, 2025	<u>\$ -</u>	<u>\$ 13,333</u>	<u>\$ 50,371</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)	18,333	(1,377)
Interest expense	-	-	-
Changes in other non-cash items	-	-	-
At December 31, 2024	<u>\$ 200,000</u>	<u>\$ 18,333</u>	<u>\$ -</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:

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

B. Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Long-term receivables		
- Other related party		
FDG Electric Vehicles Limited	\$ 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>\$ -</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

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 14,387	\$ 12,127
Post-employment benefits	302	295
	<u>\$ 14,689</u>	<u>\$ 12,422</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Bank deposits (shown as 'Current and Non-current financial assets at amortised cost, net')	\$ 23,192	\$ 26,288	Short-term and long-term borrowings, letters of credit, trust and pledge for customs
Refundable deposits paid (recognised in other non-current assets)	80,380	62,380	Asset preservation and pledge for customs and performance guarantee
Property, plant and equipment	-	255,308	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. In addition to that, a ruling from Hsinchu District Court No. 107-Zon-Su-Zi-216 was received by Aleees on March 11, 2026. Aleees shall compensate the complainant, Hsin Chu Bus Co., Ltd., totaling \$14,580, plus interest at 5% per annum until the debt is repaid. The Group will discuss the subsequent legal procedures with its lawyers. As of March 25, 2026, the effect to the Group cannot be estimated. The Group had recognised the amount of possible losses of Hsin Chu Bus Co., Ltd. after previous careful evaluation.

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. The case was confirmed.

- 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 trail 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 March 25, 2026, 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 March 25, 2026, 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 March 25, 2026, 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 March 25, 2026, the effect to the Group cannot be reliably estimated.

(2) Commitments

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

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

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

	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 31,150	\$ 35,289

C. Licence reauthorization contract:

- (a) The Group has signed a licence reauthorization contract with LiFePO4+C Licencing 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).
- (b) The Group assessed that the needs in American and European markets were lower than its expectation, thus, the Group and LiFePO4+C Licencing 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.

D. Production Pricing Agreement:

The Company's sub-subsidiary, Aleees Texas, LLC, entered into a Production Pricing Agreement effective as of September 1, 2025 with a certain North American customer. According to the agreement, Aleees Texas, LLC shall supply 25,000 tons of Lithium Iron Phosphate (LFP) Cathode Active Material from the plant in Texas, U.S.A. starting from January 1, 2028 (hereinafter referred to as "SOP Date").

In the event of a supply delay, Aleees Texas, LLC shall compensate the certain North American customer liquidated damages representing a reasonable estimate of losses the customer may incur due to the delay, the amount of which shall be the greater of the following two: (i) ten million US dollars (\$10,000,000) ; or (ii) nine million eight hundred thousand US dollars (\$9,800,000) per month, calculated on a monthly basis from the SOP Date until the actual supply date. If the payment of the aforementioned liquidated damages is held to be unenforceable, the certain North American customer shall be entitled to claim from Aleees Texas, LLC the actual damages suffered.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On March 11, 2026, the Board of Directors resolved the following:

Since the Company's second-tier subsidiaries, Aleees AU Pty. Ltd., and Aleees India Technology Private Limited, do 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 second-tier subsidiaries 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 December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Total borrowings	\$ 13,333	\$ 218,333
Less: Cash and cash equivalents	(151,724)	(51,586)
Net debt	(138,391)	166,747
Total equity	532,625	520,854
Total capital	\$ 394,234	\$ 687,601
Debt to capital ratio	-	24%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 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	\$ 34,500	\$ 31,501
Financial assets at amortised cost/		
Loan and receivables		
Cash and cash equivalents	151,724	51,586
Current and non-current financial assets at amortised cost, net	73,192	26,288
Accounts receivable (including related parties)	19,285	31,409
Other receivables (including related parties)	-	47
Guarantee deposits paid (shown as 'Other current assets')	93,455	64,873
	<u>\$ 372,156</u>	<u>\$ 205,704</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 200,000
Accounts payable	28,449	48,450
Other accounts payable	138,554	171,413
Long-term borrowings (including current portion)	13,333	18,333
	<u>\$ 180,336</u>	<u>\$ 438,196</u>
Lease liabilities	<u>\$ 50,371</u>	<u>\$ -</u>

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:

December 31, 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	\$ 3,194	31.43	\$ 100,387
HKD : NTD	275,000	4.03	1,108,250
RMB : NTD	799	4.500	3,596
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,910	31.43	\$ 122,891
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

- v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to \$8,521 and (\$3,147), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 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%	\$ 1,004	\$ -
HKD : NTD	1%	11,083	-
RMB : NTD	1%	36	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 1,229)	\$ -

Year ended December 31, 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%	\$ 1,213	\$ -
HKD : NTD	1%	11,440	-
RMB : NTD	1%	36	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 1,301)	\$ -

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 December 31, 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 years ended December 31, 2025 and 2024 would have decreased/increased by \$27 and \$437, 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 December 31, 2025 and 2024, the provision matrix is as follows:

December 31, 2025	Individual disclosure	Not past due	Up to 60 days past due	61-120 days past due	121-180 days past due	181-360 days past due	Over 360 days	Total
Expected loss rate	100%	0%	0%	0%	0%	0~7%	100%	
Total book value								
- Accounts receivable	\$ 358	\$ 19,285	\$ -	\$ -	\$ -	\$ -	\$ 83,342	\$ 102,985
- Contract assets	\$ 61,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,104
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	\$ 61,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,983	\$ 155,445

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

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

December 31, 2024	Individual disclosure	Not past due	Up to 60 days past due	61-120 days past due	121-180 days past due	181-360 days past due	Over 360 days	Total
Expected loss rate	100%	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%	
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
Write-offs	(15,988)	-	-	-	(15,988)
Provision for impairment	-	61,104	-	-	61,104
Reversal of impairment loss	(235)	-	-	-	(235)
At December 31	\$ 83,700	\$ 61,104	\$ 10,641	\$ 1,126,688	\$ 1,282,133

	2024			
	Accounts receivable	Other receivables	Long-term receivables	Total
At January 1	\$ 108,192	\$ 10,641	\$ 1,126,688	\$ 1,245,521
Write-offs	(5,663)	-	-	(5,663)
Reversal of impairment loss	(2,606)	-	-	(2,606)
At December 31	<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

- i. 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.
- ii. The Group has the following undrawn borrowing facilities:

	December 31, 2025	December 31, 2024
Floating rate:		
Expiring within one year	\$ 18,858	\$ 185,772
Expiring more than one year	-	150,000
	<u>\$ 18,858</u>	<u>\$ 335,772</u>

- iii. 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>
December 31, 2025				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Accounts payable	28,449	-	-	-
Other payables	138,554	-	-	-
Long-term borrowings (including current portion)	5,245	5,134	3,361	-
Lease liability	14,933	23,628	16,539	-
<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	-	-	-	-

(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:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 34,500	\$ -	\$ -	\$ 34,500
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	-	-	-	-
Total	<u>\$ 34,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,500</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	<u>\$ 31,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,501</u>

(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:

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

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 3.

(4) Other matter

Countermeasures to improve operating and financial condition

As of December 31, 2025, the Group's accumulated deficit to be offset was \$603,207, which exceed one half of the paid-in capital each year, and cash used in operating activities was \$322,564. The Group proposed to adopt the following countermeasures to improve operating and financial condition:

A. Business development plan

The Group will actively expand its customer base and obtain more orders from existing customers, as well as improve production, processing processes and supply chain management to increase production efficiency, reduce unit costs and thereby gradually improve product profitability.

B. Operational organisation adjustment

The Group will optimize its organisational structure, strengthen budget management, and control operating expenses (including personnel costs and daily expenses) to improve operational efficiency and reduce operating costs.

C. Fundraising plan

On October 9, 2025, the Company's Board of Directors resolved to increase capital by issuing 28,000 thousand new shares with a par value of NT\$10 (in dollars). The capital increase was applied to the Financial Supervisory Commission, and the registration of the capital increase was not completed as of March 25, 2026.

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 = 31.18 for the year ended December 31, 2025 and the exchange rate of USD:NTD = 31.43 as of December 31, 2025.

(1) 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.

(2) Information on investees

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

(3) 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:

Year ended December 31, 2025:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 399,883	\$ 767	\$ -	\$ -	\$ 400,650
Total segment loss	(\$ 368,972)	(\$ 31,963)	(\$ 30,501)	\$ -	(\$ 431,436)

Year ended December 31, 2024:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 574,355	\$ 16,901	\$ -	\$ -	\$ 591,256
Total segment loss	\$ 192,863	(\$ 5,627)	(\$ 35,431)	\$ -	\$ 151,805

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

(5) Information on products and services

Revenue from external customers is mainly from the manufacture and sales of Lithium Iron Phosphate Nano Co-Crystalline Olivine (LEP-NCO) and key materials of Olivine-type structure lithium battery, licence of patented technology and provision of manufacturing consulting and support services for cathode materials of lithium batteries. Details of revenue are as follows:

	Years ended December 31,	
	2025	2024
Cathode Material revenue	\$ 399,883	\$ 574,355
Licensing Engagement revenue and services	767	16,901
	<u>\$ 400,650</u>	<u>\$ 591,256</u>

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
China	\$ 68,033	\$ -	\$ 45,075	\$ -
Europe	107,981	-	157,288	-
Other asia countries	146,711	-	365,895	-
Taiwan	77,662	267,832	5,080	508,383
Others	263	12	17,918	27
	<u>\$ 400,650</u>	<u>\$ 267,844</u>	<u>\$ 591,256</u>	<u>\$ 508,410</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

Client	Year ended December 31, 2025		Client	Year ended December 31, 2024	
	Revenue	Segment		Revenue	Segment
D	\$ 136,412	Battery powder-manufacturing	D	\$ 340,410	Battery powder-manufacturing
C	103,142	Battery powder-manufacturing	C	142,042	Battery powder-manufacturing
A	62,287	Battery powder-manufacturing			
B	54,717	Battery powder-manufacturing			

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Loans to others
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025 (Note 4)	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry - related (Cayman) Co., Ltd.	Other receivables	Y	\$ 190,000	\$ 190,000	\$159,900	-	Short-term financing	-	Working capital financing	-	None	-	\$ 245,322	\$ 245,322	

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.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	Actual amount drawn down (Note 4)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/guara ntees by parent company to subsidiary	Provision of endorsements/guara ntees by subsidiary to parent company	Provision of endorsements/guara ntees to the party in Mainland China	Footnote
0	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	(2)	\$ 1,065,250	\$ 538,000	\$ -	\$ -	-	0.00%	\$ 1,065,250	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 the celing 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 logn 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 woth 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)
Year ended December 31, 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 December 31, 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	\$ 18,000	-	\$ 18,000	
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	16,500	-	16,500	

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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
Year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	2	Other receivables	\$ 159,900	Note 5	19%

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)
Year ended December 31, 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 December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
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	\$ 613,305	\$ 85,709	\$ 85,709	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	7,604 (	3,038) (	3,038)	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 (	1,727) (	1,623) (	1,623)	Subsidiary
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	America	Investment holdings	159,659	120,556	52,550,000	100	9,273 (	40,869) (	40,869)	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)	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	4,783 (	594) (	594)	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	622 (	135) (	135)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees Texas, LLC	America	Overseas clients development and services of cathode materials for lithium-ion batteries	71,883	50,084	2,300,000	100 (	232) (	22,814) (	22,814)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees UK. Ltd.	United Kingdom	Overseas clients development and services of cathode materials for lithium-ion batteries	46,956	30,187	1,150,000	100	2,185 (	15,512) (	15,512)	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	1,662 (	830) (	830)	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

Year ended December 31, 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 as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Design of battery and trading	\$481,203	Note 1	\$ -	\$ -	\$ -	\$ -	(\$ 1,496)	100	(\$ 1,496)	(\$ 2,714)	\$ -	

Company name (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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 audited by the parent company's independent auditors.

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