

**ADVANCED LITHIUM
ELECTROCHEMISTRY (CAYMAN) CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2026 AND 2025**

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR26000038

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 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 Taiwan 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
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2026		December 31, 2025		March 31, 2025				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	131,177	19	\$	151,724	19	\$	67,201	6
1110	Current financial assets at fair value through profit or loss	6(3)		17,685	3		34,500	4		30,122	3
1136	Current financial assets at amortised cost, net	6(2) and 8		18,879	3		69,179	9		21,794	2
1140	Current contract assets	6(19)		-	-		-	-		60,782	6
1170	Accounts receivable, net	6(4)		11,240	2		19,285	2		49,840	5
1180	Accounts receivable - related parties	6(4) and 7		-	-		-	-		-	-
1200	Other receivables			2,507	-		-	-		8,308	1
1210	Other receivables - related parties	7		-	-		-	-		-	-
1220	Current income tax assets			356	-		329	-		360	-
130X	Inventories	6(5)		99,389	14		141,321	17		123,390	11
1410	Prepayments	6(6)		34,303	5		40,615	5		42,339	4
1470	Other current assets			2,263	-		2,097	-		3,307	-
11XX	Total current assets			317,799	46		459,050	56		407,443	38
Non-current assets											
1535	Non-current financial assets at amortised cost, net	6(2) and 8		4,000	1		4,013	-		4,000	-
1600	Property, plant and equipment	6(7) and 8		198,085	28		189,010	23		533,771	51
1755	Right-of-use assets	6(8)		52,652	7		48,117	6		4,693	1
1780	Intangible assets			1,200	-		1,542	-		2,645	-
1840	Deferred income tax assets			-	-		-	-		13,465	1
1900	Other non-current assets	6(9), 7 and 8		123,526	18		122,630	15		92,504	9
15XX	Total non-current assets			379,463	54		365,312	44		651,078	62
1XXX	Total assets		\$	697,262	100	\$	824,362	100	\$	1,058,521	100

(Continued)

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current liabilities											
2100	Short-term borrowings	6(10) and 8	\$	-	-	\$	-	-	\$	200,000	19
2130	Current contract liabilities	6(19)		416	-		9,809	1		31,975	3
2170	Accounts payable			4,965	1		28,449	3		45,641	4
2200	Other payables	6(11)		139,313	20		138,554	17		195,803	19
2250	Provisions for liabilities - current			34,818	5		34,818	4		34,818	3
2280	Current lease liabilities			15,776	2		14,500	2		2,560	-
2320	Long-term liabilities, current portion	6(12) and 8		5,000	1		5,000	1		5,000	1
2399	Other current liabilities			15,223	2		16,403	2		12,941	1
21XX	Total current liabilities			215,511	31		247,533	30		528,738	50
Non-current liabilities											
2540	Long-term borrowings	6(12) and 8		7,083	1		8,333	1		42,084	4
2580	Non-current lease liabilities			39,267	6		35,871	4		2,133	-
25XX	Total non-current liabilities			46,350	7		44,204	5		44,217	4
2XXX	Total liabilities			261,861	38		291,737	35		572,955	54
Equity attributable to owners of parent											
	Share capital	6(15)									
3110	Common stock			680,000	97		680,000	83		680,000	64
	Capital surplus	6(16)									
3200	Capital surplus			429,000	62		429,000	52		429,000	40
	Accumulated deficit	6(17)									
3350	Accumulated deficit		(	700,766)(	101)(	(	603,207)(	73)(	(	650,625)(	61)
	Other equity interest	6(18)									
3400	Other equity interest			27,167	4		26,832	3		27,191	3
31XX	Equity attributable to owners of the parent			435,401	62		532,625	65		485,566	46
3XXX	Total equity			435,401	62		532,625	65		485,566	46
	Significant contingent liabilities and unrecognised contract commitments	9									
	Significant events after the balance sheet date	11									
3X2X	Total liabilities and equity		\$	697,262	100	\$	824,362	100	\$	1,058,521	100

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
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

			Three months ended March 31			
			2026		2025	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19)		\$ 50,186	100	\$ 194,211	100
5000 Operating costs	6(5)(24)(25)		(85,668)	(171)	(171,426)	(88)
5950 Gross (loss) profit from operations			(35,482)	(71)	22,785	12
Operating expenses	6(24)(25)					
6100 Selling expenses			(9,898)	(20)	(14,072)	(7)
6200 Administrative expenses			(26,701)	(53)	(28,924)	(15)
6300 Research and development expenses			(25,339)	(50)	(28,875)	(15)
6450 Expected credit impairment gain	12(2)		1,007	2	-	-
6000 Total operating expenses			(60,931)	(121)	(71,871)	(37)
6900 Operating loss			(96,413)	(192)	(49,086)	(25)
Non-operating income and expenses						
7100 Interest income	6(20)		417	1	46	-
7010 Other income	6(21)		261	-	16,288	8
7020 Other gains and losses	6(22)		(1,352)	(3)	(464)	-
7050 Finance costs	6(23)		(472)	(1)	(2,355)	(1)
7000 Total non-operating income and expenses			(1,146)	(3)	13,515	7
7900 Loss before income tax			(97,559)	(195)	(35,571)	(18)
7950 Income tax expense	6(26)		-	-	-	-
8200 Loss for the period			(\$ 97,559)	(195)	(\$ 35,571)	(18)
Other comprehensive income	6(18)					
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations			\$ 335	1	\$ 283	-
8300 Total other comprehensive income for the period			\$ 335	1	\$ 283	-
8500 Total comprehensive loss for the year			(\$ 97,224)	(194)	(\$ 35,288)	(18)
Loss attributable to:						
8610 Owners of parent			(\$ 97,559)	(195)	(\$ 35,571)	(18)
Comprehensive loss attributable to:						
8710 Owners of parent			(\$ 97,224)	(194)	(\$ 35,288)	(18)
Loss per share (in dollars)	6(27)					
9750 Basic loss per share			(\$ 1.43)		(\$ 0.52)	
Diluted loss per share						
9850 Diluted loss per share			(\$ 1.43)		(\$ 0.52)	

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
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(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>2025</u>						
Balance at January 1, 2025		\$ 680,000	\$ 429,000	(\$ 615,054)	\$ 26,908	\$ 520,854
Loss for the period		-	-	(35,571)	-	(35,571)
Other comprehensive income for the period	6(18)	-	-	-	283	283
Total comprehensive income (loss) for the period		-	-	(35,571)	283	(35,288)
Balance at March 31, 2025		<u>\$ 680,000</u>	<u>\$ 429,000</u>	<u>(\$ 650,625)</u>	<u>\$ 27,191</u>	<u>\$ 485,566</u>
<u>2026</u>						
Balance at January 1, 2026		\$ 680,000	\$ 429,000	(\$ 603,207)	\$ 26,832	\$ 532,625
Loss for the period		-	-	(97,559)	-	(97,559)
Other comprehensive income for the period	6(18)	-	-	-	335	335
Total comprehensive income (loss) for the period		-	-	(97,559)	335	(97,224)
Balance at March 31, 2026		\$ 680,000	\$ 429,000	(\$ 700,766)	\$ 27,167	\$ 435,401

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
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 97,559)	(\$ 35,571)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	17,070	15,971
Amortisation	6(24)	342	419
Net gain or loss on financial assets at fair value	6(3)(22)		
through profit or loss		(225)	1,379
Interest expense	6(23)	472	2,355
Interest income	6(20)	(417)	(46)
Gain on disposal of property, plant and	6(22)		
equipment		(109)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through			
profit		17,040	-
Accounts receivable		8,045	(18,431)
Contract assets		-	(444)
Other receivables		(2,507)	(8,261)
Inventories		41,932	44,290
Prepayments		6,312	2,701
Other current assets		(166)	(149)
Changes in operating liabilities			
Contract liabilities		(9,393)	(7,416)
Accounts payable		(23,484)	(2,809)
Other payables		(7,543)	3,969
Other current liabilities		(1,180)	55
Cash outflow generated from operations		(51,370)	(1,988)
Interest received		417	46
Interest paid		(72)	(2,273)
Net cash flows used in operating activities		(51,025)	(4,215)

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ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at amortised cost		\$ 50,313	\$ 494
Acquisition of property, plant and equipment	6(28)	(5,020)	(10,015)
Proceeds from disposal of property, plant and equipment		153	-
Acquisition of intangible assets		-	(105)
Increase in refundable deposits		-	(448)
Decrease in refundable deposits		7,648	200
Increase in other non-current assets		(20,813)	(1,121)
Decrease in other non-current assets		2,352	2,352
Net cash flows from (used in) investing activities		34,633	(8,643)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term borrowings	6(29)	-	30,000
Decrease in long-term borrowings	6(29)	(1,250)	(1,249)
Payment of lease liabilities	6(29)	(3,568)	(544)
Net cash flows (used in) from financing activities		(4,818)	28,207
Effect of changes in foreign currency exchange		663	266
Net (decrease) increase in cash and cash equivalents		(20,547)	15,615
Cash and cash equivalents at beginning of period	6(1)	151,724	51,586
Cash and cash equivalents at end of period	6(1)	\$ 131,177	\$ 67,201

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

THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(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 May 13, 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 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (IASB)</u>
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.

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

None.

(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 IASB
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 IASB
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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention.
Financial assets (including derivative instruments) at fair value through profit or loss.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with that for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Research, manufacturing and sales of LFP-NCO and key materials of olivine-type structure lithium battery	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees Eco Ark Co., Ltd.	Manufacturing and distribution of batteries, cars and peripherals	100	100	100	Note 1
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Ltd.	Investment holdings	100	100	100	Note 2
Advanced Lithium Electrochemistry (HK) Co., Ltd.	Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Design of battery and trading	100	100	100	Note 2
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	Investment holdings	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees India Technology Private Limited	Overseas clients developing and services of cathode materials for lithium-ion batteries	0.01	0.01	0.01	
Aleees US, Corp.	Aleees AU Pty. Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	Note 3
Aleees US, Corp.	Aleees Texas, LLC	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees EU SARL	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
Aleees US, Corp.	Aleees UK, Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees India Technology Private Limited	Overseas clients developing and services of cathode materials for lithium-ion batteries	99.99	99.99	99.99	Note 3

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 Company's Board of Directors during its meeting on November 12, 2025 resolved the dissolution and liquidation of the subsidiary, Advanced Lithium Electrochemistry (HK) Co., Ltd., and the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd. The date of dissolution of the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd., was on April 28, 2026. The subsidiary, Advanced Lithium Electrochemistry (HK) Co., Ltd., will be dissolved after the aforementioned second-tier subsidiary completes its dissolution and liquidation process.

Note 3: The Company's Board of Directors during its meeting on March 11, 2026 resolved the dissolution and liquidation of the subsidiaries, Aleees AU Pty. Ltd. and Aleees India Techology Private Limited.

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) Income tax

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

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

There have been no significant changes as of March 31, 2026. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Demand deposits and checking accounts	\$ 106,177	\$ 57,735	\$ 67,201
Time deposits	25,000	93,989	-
	<u>\$ 131,177</u>	<u>\$ 151,724</u>	<u>\$ 67,201</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.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Restricted time deposits with maturity between 3 months and 1 year	\$ 18,879	\$ 69,179	\$ 21,794
Non-current items:			
Restricted cash and cash equivalents	\$ 4,000	\$ 4,013	\$ 4,000

A. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Open-end fund	\$ 15,450	\$ 30,825	\$ 30,825
Valuation adjustment	2,235	3,675	(703)
	<u>\$ 17,685</u>	<u>\$ 34,500</u>	<u>\$ 30,122</u>

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

	Three months ended March 31,	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund	\$ 225	(\$ 1,379)

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

(4) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable – third parties	\$ 12,100	\$ 20,146	\$ 66,924
Accounts receivable – related parties	68,523	82,839	82,839
	80,623	102,985	149,763
Less: Allowance for bad debts	(69,383)	(83,700)	(99,923)
	<u>\$ 11,240</u>	<u>\$ 19,285</u>	<u>\$ 49,840</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	\$ 11,240	\$ 19,285	\$ 34,581
Up to 30 days	-	-	11,367
31 to 90 days	-	-	3,892
91 to 180 days	-	-	-
Over 180 days	69,383	83,700	99,923
	<u>\$ 80,623</u>	<u>\$ 102,985</u>	<u>\$ 149,763</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$131,332.

C. The Group has no accounts receivable pledged to others as collateral.

D. As at March 31, 2026, December 31, 2025 and March 31, 2025, 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 accounts receivable held by the Group was the book value.

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

(5) Inventories

March 31, 2026			
	Allowance for market value decline and obsolescence		
	Cost		Book value
Raw materials	\$ 12,858	(\$ 7,571)	\$ 5,287
Work in progress	463	(375)	88
Semi-finished goods	74,921	(37,439)	37,482
Finished goods	71,259	(14,727)	56,532
Total	<u>\$ 159,501</u>	<u>(\$ 60,112)</u>	<u>\$ 99,389</u>
December 31, 2025			
	Allowance for market value decline and obsolescence		
	Cost		Book value
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
Total	<u>\$ 198,513</u>	<u>(\$ 57,192)</u>	<u>\$ 141,321</u>
March 31, 2025			
	Allowance for market value decline and obsolescence		
	Cost		Book value
Raw materials	\$ 27,209	(\$ 11,398)	\$ 15,811
Work in progress	8,266	(449)	7,817
Semi-finished goods	60,548	(25,496)	35,052
Finished goods	75,592	(10,882)	64,710
Total	<u>\$ 171,615</u>	<u>(\$ 48,225)</u>	<u>\$ 123,390</u>

The cost of inventories recognised as expense for the period:

Three months ended March 31,			
	2026		2025
Cost of inventories sold	\$ 43,533	\$	139,241
Cost of services	-		3,017
Loss on decline in market value (gain from price recovery of inventory)	2,920	(	1,972)
Loss on scrapped inventory	-		4,839
Unallocated fixed overhead cost	39,215		26,301
	<u>\$ 85,668</u>	<u>\$</u>	<u>171,426</u>

For the three months ended March 31, 2025, the Group strengthened the inventory management and sold the inventory, resulting in the reversal of inventory valuation losses.

(6) Prepayments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Overpaid sales tax	\$ 24,376	\$ 24,496	\$ 25,716
Prepayment for purchases	4,018	4,443	7,540
Others	5,909	11,676	9,083
	<u>\$ 34,303</u>	<u>\$ 40,615</u>	<u>\$ 42,339</u>

(7) Property, plant and equipment

	2026					
	Machinery equipment	Testing equipment	Office equipment	Others	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2026</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>\$ 93,985</u>	<u>\$ 40,538</u>	<u>\$ 13</u>	<u>\$ 50,962</u>	<u>\$ 3,512</u>	<u>\$ 189,010</u>
<u>2026</u>						
Opening net book amount as at January 1	\$ 93,985	\$ 40,538	\$ 13	\$ 50,962	\$ 3,512	\$ 189,010
Additions	-	-	-	1,864	11,058	12,922
Disposals	-	-	(11)	(33)	-	(44)
Transfers (Note)	4,699	-	-	6,804	(1,941)	9,562
Depreciation charge	(5,501)	(2,346)	(1)	(5,517)	-	(13,365)
Closing net book amount as at March 31	<u>\$ 93,183</u>	<u>\$ 38,192</u>	<u>\$ 1</u>	<u>\$ 54,080</u>	<u>\$ 12,629</u>	<u>\$ 198,085</u>
<u>At March 31, 2026</u>						
Cost	\$ 330,942	\$ 113,377	\$ 470	\$ 192,221	\$ 12,877	\$ 649,887
Accumulated depreciation and impairment	(237,759)	(75,185)	(469)	(138,141)	(248)	(451,802)
	<u>\$ 93,183</u>	<u>\$ 38,192</u>	<u>\$ 1</u>	<u>\$ 54,080</u>	<u>\$ 12,629</u>	<u>\$ 198,085</u>

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, 2025</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	-	24,808	4,880	666	-	-	-	-	30,354
Disposals	-	-	-	-	-	-	-	-	-
Transfers (Note)	-	-	15,549	3,995	-	-	-	(6,151)	13,393
Depreciation charge	-	(1,763)	(4,875)	(2,342)	(2)	-	(6,445)	-	(15,427)
Closing net book amount as at March 31	<u>\$ 147,910</u>	<u>\$ 130,443</u>	<u>\$ 123,946</u>	<u>\$ 48,528</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 76,932</u>	<u>\$ 5,996</u>	<u>\$ 533,771</u>
<u>At March 31, 2025</u>									
Cost	\$ 147,910	\$ 225,783	\$ 724,080	\$ 144,045	\$ 1,589	\$ 510	\$ 331,292	\$ 5,996	\$ 1,581,205
Accumulated depreciation and impairment	-	(95,340)	(600,134)	(95,517)	(1,573)	(510)	(254,360)	-	(1,047,434)
	<u>\$ 147,910</u>	<u>\$ 130,443</u>	<u>\$ 123,946</u>	<u>\$ 48,528</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 76,932</u>	<u>\$ 5,996</u>	<u>\$ 533,771</u>

Note: The transfers were transferred in from other non-current assets.

A. No interest was capitalised to property, plant and equipment for the three months ended March 31, 2026 and 2025.

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.

(8) Leasing arrangements — lessee

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	<u>\$ 52,652</u>	<u>\$ 48,117</u>	<u>\$ 4,693</u>
	<u>Three months ended March 31,</u>		
	<u>2026</u>	<u>2025</u>	
	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
Buildings	<u>\$ 3,705</u>	<u>\$ 544</u>	

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were \$10,800 and \$5,237, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 402</u>	<u>\$ -</u>
Expense on short-term lease contracts	<u>\$ 10,392</u>	<u>\$ 2,254</u>

E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$14,362 and \$2,798, respectively.

(9) Other non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Guarantee deposits paid	<u>\$ 85,453</u>	<u>\$ 93,455</u>	<u>\$ 65,138</u>
Prepayment for equipment	<u>21,609</u>	<u>10,359</u>	<u>1,494</u>
Other assets	<u>16,464</u>	<u>18,816</u>	<u>25,872</u>
	<u>\$ 123,526</u>	<u>\$ 122,630</u>	<u>\$ 92,504</u>

(10) Short-term borrowings

As of March 31, 2026 and December 31, 2025: None.

<u>Type of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			Property, plant and equipment
Secured borrowings	<u>\$ 200,000</u>	3.44%	

(11) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Payables on equipment	\$ 10,872	\$ 2,970	\$ 26,317
Wages and salaries payable	5,861	4,989	21,760
Professional services fees	4,705	4,253	8,539
Payables on consumables	1,035	6,865	10,406
Others	116,840	119,477	128,781
	<u>\$ 139,313</u>	<u>\$ 138,554</u>	<u>\$ 195,803</u>

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2026
The Shanghai Commercial & Savings Bank secured borrowings	Aug. 4, 2024 ~ Aug. 4, 2028, interest and principal are payable monthly	2.22%	Financial assets at amortised cost	\$ 12,083
Less: Current portion				(5,000)
				<u>\$ 7,083</u>

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%	Financial assets at amortised cost	\$ 13,333
Less: Current portion				(5,000)
				<u>\$ 8,333</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025
The Shanghai Commercial & Savings Bank secured borrowings	Aug. 4, 2024 ~ Aug. 4, 2028, interest and principal are payable monthly	2.22%	Financial assets at amortised cost	\$ 17,084
Sunny Bank secured borrowings	Jan. 23, 2025 ~ May 20, 2026, interest is payable monthly, principal is repayable at maturity	3.62%	Property, plant and equipment	30,000
				<u>47,084</u>
Less: Current portion				(5,000)
				<u>\$ 42,084</u>

(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 subsidiary has no further obligations.
- C. The pension contribution methods of the subsidiaries of the Company's subsidiaries, Aleees Texas, LLC and Aleees UK, Ltd., are not mandatorily required by local laws and regulations and vary according to the system of individual entity.
- D. The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025 were \$1,458 and \$1,987, respectively.

(14) Provisions

	March 31, 2026	December 31, 2025
Provisions - litigation	<u>\$ 34,818</u>	<u>\$ 34,818</u>

Details of provisions are provided in Note 9(1)A.

(15) Share capital

- A. As of March 31, 2026, 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 (unit: share in thousands):

	2026	2025
Options outstanding at January 1 (March 31)	<u>68,000</u>	<u>68,000</u>

- C. As resolved by the shareholders during their meeting on June 27, 2016, the Company planned to privately issue 46,000 thousand shares (7,605 thousand shares after capital reduction) with par value of \$10 (in dollars) per share. On August 23, 2016, the Board of Directors approved the price of private placement at \$35 (in dollars). The rights and obligations afforded by the ordinary shares in the private placement are the same with issued shares except that the shares in the private placement are not allowed to be traded freely within three years after delivery pursuant to Article 43-8 of Securities and Exchange Act. Refer to Note 9(1)B for details.
- D. Aiming to bolster competitiveness, the Company plans to raise additional cash through private placement for future business development or indirect investment or operating needs as resolved by the stockholders 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 the resolution was approaching its one-year expiration date, the Board of Directors during its meeting on May 13, 2026 resolved not to continue to raise additional cash through private placement.
- E. Aiming to bolster competitiveness, the Company plans to raise additional cash by issuing new

shares for future business development or indirect investment or operating needs as resolved by the Board of Directors during its meeting on October 9, 2025. The maximum number of new shares to be issued is 28,000 thousand shares with a par value of NT\$10 (in dollars) per share. The capital increase was applied to the Financial Supervisory Commission, and the capital increase was not completed as of May 13, 2026.

(16) Capital surplus

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

(17) 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 or reverse 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.

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.

(18) Other equity items

	2026	2025
	Currency translation	Currency translation
At January 1	\$ 26,832	\$ 26,908
Foreign currency translation - Group	335	283
At March 31	<u>\$ 27,167</u>	<u>\$ 27,191</u>

(19) Operating revenue

	Three months ended March 31,
	2026 2025
Revenue from contracts with customers	<u>\$ 50,186</u> <u>\$ 194,211</u>

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

	China	Other Asia Countries	Europe	Others	Total
Three months ended March 31, 2026					
Timing of revenue recognition					
At a point in time					
Battery cathode material	<u>\$ 9,517</u>	<u>\$ 29,074</u>	<u>\$ 11,521</u>	<u>\$ 74</u>	<u>\$ 50,186</u>
Three months ended March 31, 2025					
Timing of revenue recognition					
At a point in time					
Battery cathode material	\$ 23,245	\$ 128,736	\$ 41,786	\$ -	\$ 193,767
Over time					
Consulting services	-	-	444	-	444
	<u>\$ 23,245</u>	<u>\$ 128,736</u>	<u>\$ 42,230</u>	<u>\$ -</u>	<u>\$ 194,211</u>

B. Contract assets and liabilities

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

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract assets-				
licence				
contract	\$ 61,104	\$ 61,104	\$ 60,782	\$ 60,338
Less: Allowance				
for bad				
debts	(61,104)	(61,104)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,782</u>	<u>\$ 60,338</u>
Contract				
liabilities-				
product sales				
contract	\$ 416	\$ 9,809	\$ 31,975	\$ 39,391

(b) Significant changes in contract liabilities

For the three months ended March 31, 2026 and 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 \$0 and \$15,614, respectively.

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

	Three months ended March 31,	
	2026	2025
Product sales contract	\$ 9,401	\$ 19,441

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

(20) Interest income

	Three months ended March 31,	
	2026	2025
Bank deposit interest	\$ 417	\$ 46

(21) Other income

	Three months ended March 31,	
	2026	2025
Other income, others	\$ 261	\$ 16,040
Government grants (Note)	-	248
	\$ 261	\$ 16,288

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.

(22) Other gains and losses

	Three months ended March 31,	
	2026	2025
Foreign exchange (loss) gain	(\$ 1,681)	\$ 921
Gain (loss) on financial assets at fair value through profit or loss	225	(1,379)
Gain on disposal of property, plant and equipment	109	-
Other losses	(5)	(6)
	(\$ 1,352)	(\$ 464)

(23) Finance costs

	Three months ended March 31,	
	2026	2025
Lease liability	\$ 402	\$ -
Bank borrowing interest	70	2,355
	<u>\$ 472</u>	<u>\$ 2,355</u>

(24) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	\$ 46,000	\$ 65,340
Depreciation charges on property, plant and equipment	\$ 13,365	\$ 15,427
Depreciation charges on right-of-use assets	\$ 3,705	\$ 544
Amortisation charges on intangible assets	\$ 342	\$ 419

(25) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	\$ 39,802	\$ 57,237
Labour and health insurance fees	3,753	4,423
Pension costs	1,458	1,987
Other personnel expenses	987	1,693
	<u>\$ 46,000</u>	<u>\$ 65,340</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, directors' remuneration and non-managerial employees' compensation. The ratio shall be 1% to 10% for employees' compensation, shall not be higher than 1% for directors' remuneration and shall not be lower than 1% for non-managerial employees' compensation.
- B. The Company had an accumulated deficit as of March 31, 2026 and 2025, thus, the Company did not recognise employees' compensation and directors' remuneration.
- C. Information about the appropriation for employees' compensation and directors' remuneration by the Company as approved 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.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	\$ -	\$ -
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
Income tax expense	\$ -	\$ -

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

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

B. The income tax returns of the Group's domestic subsidiary, Aleees Eco Ark Co., Ltd., through 2018 have been assessed and approved by the Tax Authority.

C. The income tax returns of the Group's domestic subsidiary, Advanced Lithium Electrochemistry Co., Ltd., through 2024 have been assessed and approved by the Tax Authority.

(27) Loss per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 97,559)	68,000	(\$ 1.43)
	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 35,571)	68,000	(\$ 0.52)

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ 12,922	\$ 30,354
Add: Opening balance of payable on equipment	2,970	5,978
Less: Ending balance of payable on equipment	(10,872)	(26,317)
Cash paid during the period	<u>\$ 5,020</u>	<u>\$ 10,015</u>

(29) Changes in liabilities from financing activities

	March 31, 2026	
	Long-term borrowings (including current portion)	Lease liabilities
At January 1, 2026	\$ 13,333	\$ 50,371
Changes in cash flow from financing activities	(1,250)	(3,568)
Changes in other non-cash items	-	8,240
At March 31, 2026	<u>\$ 12,083</u>	<u>\$ 55,043</u>

	March 31, 2025		
	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	-	28,751	(544)
Changes in other non-cash items	-	-	5,237
At March 31, 2025	<u>\$ 200,000</u>	<u>\$ 47,084</u>	<u>\$ 4,693</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable:			
- Other related parties			
FDG Investment Holdings Limited	\$ 68,523	\$ 68,523	\$ 68,523
Tianjin Sinopoly New Energy Technology Co., Ltd.	-	14,316	14,316
	<u>68,523</u>	<u>82,839</u>	<u>82,839</u>
Less: Allowance for bad debts			
FDG Investment Holdings Limited	(68,523)	(68,523)	(68,523)
Tianjin Sinopoly New Energy Technology Co., Ltd.	-	(14,316)	(14,316)
	<u>(68,523)</u>	<u>(82,839)</u>	<u>(82,839)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other receivables:			
- Other related parties			
Aleees Eco Ark (Ningbo) Ltd.	\$ 10,641	\$ 10,641	\$ 10,641
Less: Allowance for bad debts			
Aleees Eco Ark (Ningbo) Ltd.	(10,641)	(10,641)	(10,641)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

B. Other non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Long-term receivables			
- Other related party			
FDG Electric Vehicles Limited	\$ 1,126,688	\$ 1,126,688	\$ 1,126,688
Less: Allowance for bad debts			
FDG Electric Vehicles Limited	(1,126,688)	(1,126,688)	(1,126,688)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(a) On August 25, 2016, the Company invested in five-year unlisted convertible bonds with zero coupon rate issued by FDG Electric Vehicles Limited. The principal of the bond amounted to HK\$275,000,000 upon maturity with conversion price of HK\$0.5. Within 183 days after one year from the completion date of purchase (including the first and the last days), either disposal of such convertible bonds or trading of converted shares are restricted according to the purchase agreement.

- (b) The share consolidation implemented by FDG Electric Vehicles Limited was effective on September 5, 2019, thus, the conversion price of the Company's convertible bonds increased from HK\$0.5 to HK\$10.
- (c) On August 19, 2020, FDG Electric Vehicles Limited announced that its joint and several provisional liquidators had provided notice to former Board of Directors to terminate their position immediately in the HKEX. The joint and several provisional liquidators are fully responsible for the company's management since the appointment. 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 summary, the Company transferred the convertible bonds to long-term receivables due from related parties. In addition, the Company had already carefully assessed the related information on financial condition of FDG Electric Vehicles Limited and its subsidiaries, and estimated its potential loss taking into consideration its financial ability and repayment terms.

(4) Key management compensation

	Three months ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	\$ 2,988	\$ 2,921
Post-employment benefits	77	74
	<u>\$ 3,065</u>	<u>\$ 2,995</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2026	December 31, 2025	March 31, 2025	
Bank deposits (shown as 'current and non-current financial assets at amortised cost')	\$ 22,879	\$ 23,192	\$ 25,794	Short-term and long-term borrowings, letters of credit and trust
Guarantee deposits paid (shown as other non-current assets)	77,380	80,380	62,380	Asset preservation, pledge for customs and performance guarantee
Property, plant and equipment	-	-	278,353	Short-term and long-term borrowings
Total	<u>\$ 100,259</u>	<u>\$ 103,572</u>	<u>\$ 366,527</u>	

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 May 13, 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 trial No. 112-Zon-Su-Zi-832, which is under assessment of the court, the Company and its lawyer decided not to file an appeal after their evaluation to maintain the litigation efficiency. In addition, the Company filed a civil action with the Intellectual Property and Commercial Court

(had been transferred to the Taipei District Court for trial, No. 112-Zon-Su-Zi-832) for the events such as compensation for damage against FDG Electric Vehicles Limited, FDG Kinetic and FDG Investment Holdings before the arbitral award. As of May 13, 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 May 13, 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 May 13, 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 May 13, 2026, the effect to the Group cannot be reliably estimated.

(2) Commitments

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

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	\$ 9,408	\$ 31,150	\$ 30,348

B. 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.

C. Production Pricing Agreement:

The Company's second-tier 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 2,100 tons per month (25,000 tons per year) 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. Based on the opinion of the lawyer, the aforementioned agreement is governed by the Texas law, and Aleees Texas, LLC is the sole contractual entity. Currently, the North American customer has not yet placed an order, and Aleees Texas, LLC has not yet accepted any orders. Therefore, no supply commitments have been incurred, and there are no pre-arranged duties for damage compensation.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. The Company plans to raise additional cash through private placement by issuing 40 million ordinary shares as resolved by the Board of Directors during its meeting on May 13, 2026, which has not yet been resolved by the stockholders at their annual stockholders' meeting.
- B. The Company's significant subsidiary, Advanced Lithium Electrochemistry Co., Ltd. ("Advanced Lithium Electrochemistry"), entered into a Production Pricing Agreement effective as of April 25, 2026 with the North American customer. According to the agreement, Advanced Lithium Electrochemistry shall supply Lithium Iron Phosphate (LFP) Cathode Active Material Precursor from July 1, 2028. According to the agreement, for each product, the service period consists of the production period and an additional 20 years.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

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 March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Total borrowings	\$ 12,083	\$ 13,333	\$ 247,084
Less: Cash and cash equivalents	(131,177)	(151,724)	(67,201)
Net debt	(119,094)	(138,391)	179,883
Total equity	435,401	532,625	485,566
Total capital	<u>\$ 316,307</u>	<u>\$ 394,234</u>	<u>\$ 665,449</u>
Debt to capital ratio	<u>-</u>	<u>-</u>	<u>27%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 17,685	\$ 34,500	\$ 30,122
Financial assets at amortised cost/			
Loan and receivables			
Cash and cash equivalents	131,177	151,724	67,201
Financial assets at amortised cost (including non-current)	22,879	73,192	25,794
Accounts receivable	11,240	19,285	49,840
Other receivables	2,507	-	8,308
Guarantee deposits paid (shown as 'other non-current assets')	85,453	93,455	65,138
	<u>\$ 270,941</u>	<u>\$ 372,156</u>	<u>\$ 246,403</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ -	\$ -	\$ 200,000
Accounts payable	4,965	28,449	45,641
Other accounts payable	139,313	138,554	195,803
Long-term borrowings (including current portion)	12,083	13,333	47,084
	<u>\$ 156,361</u>	<u>\$ 180,336</u>	<u>\$ 488,528</u>
Lease liabilities	<u>\$ 55,043</u>	<u>\$ 50,371</u>	<u>\$ 4,693</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). Group treasury identifies, evaluates and hedges financial risks in close cooperation with the 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:

March 31, 2026			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,073	32.00	\$ 98,336
HKD : NTD	275,000	4.04	1,111,000
RMB : NTD	799	4.630	3,699
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,478	32.00	\$ 111,296
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

March 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	\$ 3,755	33.21	\$ 124,704
HKD : NTD	275,000	4.21	1,158,693
RMB : NTD	799	4.573	3,654
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,093	33.21	\$ 135,929

- v. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025 amounted to (\$1,681) and \$921, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2026			
	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%	\$ 983	\$ -
HKD : NTD	1%	11,110	-
RMB : NTD	1%	37	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 1,113)	\$ -

Three months ended March 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%	\$ 1,247	\$ -
HKD : NTD	1%	11,587	-
RMB : NTD	1%	37	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(\$ 1,359)	\$ -

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. For the three months ended March 31, 2026 and 2025, the Group's borrowings at variable rate were denominated in NTD and USD.
 - 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 three months ended March 31, 2026 and 2025 would have increased/decreased by \$6 and \$124, 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 financial assets at amortised cost and 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 in accordance with product types. The Group applies the simplified approach using the provision matrix 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 of business indicator information to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and long-term accounts receivable. As of March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

	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
<u>March 31, 2026</u>								
Expected loss rate	100%	0%	0%	0%	0%	0%	100%	
Total book value								
- Accounts receivable	\$ 358	\$ 11,240	\$ -	\$ -	\$ -	\$ -	\$ 69,025	\$ 80,623
- Contract assets	\$ 61,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,104
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	<u>\$ 61,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,666</u>	<u>\$ 141,128</u>
Long-term accounts receivable (shown as other non-current assets)								
Expected loss rate	100%	0%	0%	0%	0%	0%	0%	
Total book value	<u>\$ 1,126,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,126,688</u>
Loss allowance	<u>\$ 1,126,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,126,688</u>

	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
<u>December 31, 2025</u>								
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	<u>\$ 61,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,983</u>	<u>\$ 155,445</u>

Long-term accounts receivable (shown as other non-current assets)

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

	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
<u>March 31, 2025</u>								
Expected loss rate	100%	0%	0%	0%	0%	0~7%	100%	
Total book value								
- Accounts receivable	\$ 358	\$ 34,581	\$ 15,259	\$ -	\$ -	\$ -	\$ 99,565	\$ 149,763
- Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,641	\$ 10,641
Loss allowance	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,206</u>	<u>\$ 110,564</u>

Long-term accounts receivable (shown as other non-current assets)

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

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

	2026				
	Accounts receivable	Current contract assets	Other receivables	Long-term receivables	Total
At January 1	\$ 83,700	\$ 61,104	\$ 10,641	\$ 1,126,688	\$ 1,282,133
Write-offs	(13,310)	-	-	-	(13,310)
Reversal of impairment loss	(1,007)	-	-	-	(1,007)
At March 31	<u>\$ 69,383</u>	<u>\$ 61,104</u>	<u>\$ 10,641</u>	<u>\$ 1,126,688</u>	<u>\$ 1,267,816</u>
	2025				
	Accounts receivable	Other receivables	Long-term receivables	Total	
At January 1 (March 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 bank deposits. Such banks 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate:			
Expiring within one year	\$ 19,200	\$ 18,858	\$ 188,000
Expiring more than one year	-	-	120,000
	<u>\$ 19,200</u>	<u>\$ 18,858</u>	<u>\$ 308,000</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>
March 31, 2026				
Accounts payable	\$ 4,965	\$ -	\$ -	\$ -
Other payables	139,313	-	-	-
Long-term borrowings (including current portion)	5,217	5,106	2,095	-
Lease liability	16,303	15,329	28,067	-
<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				
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>
March 31, 2025				
Short-term borrowings	\$ 200,000	\$ -	\$ -	\$ -
Accounts payable	45,641	-	-	-
Other payables	195,803	-	-	-
Long-term borrowings (including current portion)	6,414	36,821	6,772	-
Lease liability	2,560	2,133	-	-

(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. 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.

C. 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:

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

March 31, 2026	<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	\$ 17,685	\$ -	\$ -	\$ 17,685
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
March 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	\$ 30,122	\$ -	\$ -	\$ 30,122

(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 three months ended March 31, 2026 and 2025, there was no transfer between Level 2 and Level 3.

(4) Other matter

Countermeasures to improve operating and financial condition

As of March 31, 2026, the Group's accumulated deficit to be offset was \$700,766, which exceed one half of the paid-in capital each year, and cash used in operating activities was \$51,025. 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 May 13, 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 = 1 : 31.86 for the three months ended March 31, 2026 and 2025 and the exchange rate of USD:NTD = 1 : 32.00 as of March 31, 2026.

(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, it is individually disclosed in management information.

(2) Measurement of segment information

A. The accounting policies, judgements, assumptions and estimates of the operating segments are in agreement with the significant accounting policies summarised in Notes 4 and 5.

B. The Group's assets are shared and liabilities are managed and dispatched under unified policies; thus, under operating management, assets and liabilities are not allocated to each operating segment, financial income and expenses, profit or loss relating to investment and profit or loss on disposal of assets are not distributed to each operating segment, nor used for performance measurement, but are consolidated under 'other segments'.

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

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

Three months ended March 31, 2026:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 50,186	\$ -	\$ -	\$ -	\$ 50,186
Total segment loss	(\$ 89,344)	\$ -	(\$ 7,069)	\$ -	(\$ 96,413)

Three months ended March 31, 2025:

	Battery cathode material	Licensing engagement revenue	Others	Eliminations	Total
Inter-segment revenue					
- external customers	\$ 193,767	\$ 444	\$ -	\$ -	\$ 194,211
Total segment loss	(\$ 40,342)	(\$ 2,573)	(\$ 6,171)	\$ -	(\$ 49,086)

(4) Reconciliation for segment income (loss)

None.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Loans to others
Three months ended March 31, 2026

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 three months ended March 31, 2026	Balance at March 31, 2026 (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		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
1	Advanced Lithium Electrochemistr y Co., Ltd.	Advanced Lithium Electrochemistr y (Cayman) Co., Ltd.	Other receivables - related parties	Y	\$ 190,000	\$ 190,000	\$ 183,600	-	Short-term financing	-	Working capital	-	None	-	\$ 212,363	\$ 212,363	

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, 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 of a public company.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Three months ended March 31, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	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/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	(2)	\$ 870,802	\$ -	\$ -	\$ -	-	0.00%	\$ 870,802	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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
March 31, 2026

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 March 31, 2026				Footnote
				Number of shares/units	Book value	Ownership (%)	Fair value	
Advanced Lithium Electrochemistry Co., Ltd.	ABITL Income Umbrella Multi-asset Income Fund	None	Financial assets at fair value through profit or loss	1,016,949.15	\$ 17,685	-	\$ 17,685	

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
March 31, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2026	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
Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	2	Other receivables	\$ 183,600	Note 5	26%

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 NT\$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)
Three months ended March 31, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income (loss) recognised by the Company for the three months ended March 31, 2026		Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value				
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Taiwan	Research, manufacturing and sale of LFP-structure lithium battery	\$ 3,018,443	\$ 3,018,443	246,640,000	100	\$ 530,907	(\$ 82,398)	(\$ 82,398)		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	7,304 (	300) (	300)		Subsidiary (Note 2)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Limited	Hong Kong	Investments in various businesses	592,862	592,862	19,330,000	100 (	599)	1,137	1,137		Subsidiary (Note 3)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	America	Investments in various businesses	170,215	159,659	55,950,000	100	10,838 (	9,335) (	9,335)		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	-	-	80	0.01	-	-	-		Subsidiary of subsidiary (Note 4)
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	4,840 (	151) (	151)		Subsidiary of subsidiary (Note 4)
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	486 (	134) (	134)		Subsidiary of subsidiary
Aleees US, Corp.	Aleees Texas, LLC	America	Overseas clients development and services of cathode materials for lithium-ion batteries	78,224	71,883	2,500,000	100	976 (	5,169) (	5,169)		Subsidiary of subsidiary
Aleees US, Corp.	Aleees UK. Ltd.	United Kingdom	Overseas clients development and services of cathode materials for lithium-ion batteries	51,282	46,956	1,250,000	100	2,888 (	3,553) (	3,553)		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	1,434 (	177) (	177)		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.

Note 3: The Company's Board of Directors during its meeting on November 12, 2025 resolved the dissolution and liquidation of the subsidiary, Advanced Lithium Electrochemistry (HK) Co., Ltd., and the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd. The date of dissolution of the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd., was on April 28, 2026. The subsidiary, Advanced Lithium Electrochemistry (HK) Co., Ltd., will be dissolved after the aforementioned second-tier subsidiary completes its dissolution and liquidation process.

Note 4: The Company's Board of Directors during its meeting on March 11, 2026 resolved the dissolution and liquidation of the subsidiaries, Aleees AU Pty. Ltd. and Aleees India Technology Private Limited.

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries
Information on investments in Mainland China
Three months ended March 31, 2026

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, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31,2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Design of battery and trading	\$ 481,203	Note 1	\$ -	\$ -	\$ -	\$ -	\$ 1,119	100	\$ 1,119	(\$ 1,604)	\$ -	Note 4

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Advanced Lithium Electrochemistry (China Shanghai) Ltd. (Note 1)	\$ -	\$ -	\$ -

Note 1: The investment in the investee companies are remitted by the parent company-Advanced Lithium Electrochemistry (Cayman) Co., Ltd. through investing in an existing company in the third area -Advanced Lithium Electrochemistry (HK) Co., Limited, which then invested in the investee in Mainland China. Thus, the investment amounts are not applicable for disclosure.

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

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

Note 4: The Company's Board of Directors during its meeting on November 12, 2025 resolved that the date of dissolution of the second-tier subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Ltd., was on April 28, 2026.