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

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR24000036

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, 2024 and 2023, 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, 2024 and 2023, 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.

Wu, Wei-Hao　　　　　　　　　　Li, Yen-Na

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 10, 2024

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.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

	Assets	Notes	March 31, 2024	December 31, 2023	March 31, 2023
	Current assets				
1100	Cash and cash equivalents	6(1)	$ 133,014	$ 383,301	$ 221,508
1110	Current financial assets at fair value through profit or loss	6(2)	31,936	-	-
1136	Current financial assets at amortised cost, net	6(1) and 8	103,431	54,653	55,740
1140	Current contract assets	6(16)	58,885	43,437	-
1170	Accounts receivable, net	6(3)	39,945	31,950	83,415
1180	Accounts receivable - related parties	6(3) and 7	-	-	-
1200	Other receivables		3,523	54	4,915
1210	Other receivables - related parties	7	-	-	-
1220	Current income tax assets		325	287	185
130X	Inventory	6(4)	184,856	153,273	369,021
1410	Prepayments	6(5)	55,357	50,371	78,041
1470	Other current assets		2,093	9,100	14,220
11XX	**Total current assets**		613,365	726,426	827,045
	Non-current assets				
1535	Non-current financial assets at amortised cost, net	6(1) and 8	-	-	20,021
1600	Property, plant and equipment	6(6) and 8	481,260	492,537	496,933
1755	Right-of-use assets	6(7)	1,001	1,377	2,503
1780	Intangible assets		2,687	3,012	1,533
1840	Deferred income tax assets		13,465	13,465	13,465
1900	Other non-current assets	7 and 8	78,502	77,401	72,162
15XX	**Total non-current assets**		576,915	587,792	606,617
1XXX	**Total assets**		$ 1,190,280	$ 1,314,218	$ 1,433,662

(Continued)

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

	Liabilities and Equity	Notes	March 31, 2024	December 31, 2023	March 31, 2023
	Current liabilities				
2100	Short-term borrowings	6(8)	$ 227,822	$ 220,000	$ 309,533
2130	Current contract liabilities	6(16)	16,715	27,572	68,753
2170	Accounts payable		59,299	72,102	69,062
2200	Other payables	6(9)	162,672	182,083	178,632
2250	Provisions for liabilities - current		34,818	34,818	34,818
2280	Current lease liabilities	6(7)	1,001	1,377	1,502
2320	Long-term liabilities, current portion	6(10)	-	-	15,736
2365	Current refund liabilities		-	6,859	13,451
2399	Other current liabilities		14,589	13,281	15,039
21XX	**Total current liabilities**		516,916	558,092	706,526
	Non-current liabilities				
2540	Long-term borrowings	6(10)	-	-	109,201
2580	Non-current lease liabilities	6(7)	-	-	1,001
25XX	**Total non-current liabilities**		-	-	110,202
2XXX	**Total liabilities**		516,916	558,092	816,728
	Equity attributable to owners of parent				
	Share capital	6(12)			
3110	Common stock		830,000	830,000	700,000
	Capital surplus	6(13)			
3200	Capital surplus		429,000	429,000	515,044
	Accumulated deficit	6(14)			
3350	Accumulated deficit		(612,715)	(529,783)	(621,615)
	Other equity interest	6(15)			
3400	Other equity interest		27,079	26,909	23,505
31XX	**Equity attributable to owners of the parent**		673,364	756,126	616,934
3XXX	**Total equity**		673,364	756,126	616,934
	Significant contingent liabilities and unrecognised contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	**Total liabilities and equity**		$ 1,190,280	$ 1,314,218	$ 1,433,662

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	Three months ended March 31 2024	2023
4000	Operating revenue	6(16)	$ 114,009	$ 271,366
5000	Operating costs	6(4)(21)(22)	(120,881)	(227,383)
5950	Gross (loss) profit from operations		(6,872)	43,983
	Operating expenses	6(21)(22)		
6100	Selling expenses		(21,978)	(32,303)
6200	Administrative expenses		(30,460)	(63,993)
6300	Research and development expenses		(21,716)	(14,952)
6000	Total operating expenses		(74,154)	(111,248)
6900	Operating loss		(81,026)	(67,265)
	Non-operating income and expenses			
7100	Interest income	6(17)	600	429
7010	Other income	6(18)	138	807
7020	Other gains and losses	6(19)	(1,074)	566
7050	Finance costs	6(20)	(1,570)	(3,294)
7000	Total non-operating income and expenses		(1,906)	(1,492)
7900	**Loss before income tax**		(82,932)	(68,757)
7950	Income tax expense	6(23)	-	(27,387)
8200	**Loss for the year**		($ 82,932)	($ 96,144)
	Other comprehensive income	6(15)		
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations		$ 170	($ 911)
8300	**Total other comprehensive income (loss) for the year**		$ 170	($ 911)
8500	**Total comprehensive loss for the year**		($ 82,762)	($ 97,055)
	Loss attributable to:			
8610	Owners of parent		($ 82,932)	($ 96,144)
	Comprehensive loss attributable to:			
8710	Owners of parent		($ 82,762)	($ 97,055)
	Loss per share (in dollars)	6(24)		
9750	Basic loss per share		($ 1.00)	($ 1.37)

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent					
			Capital Reserves				
	Notes	Share capital - common stock	Additional paid-in capital	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Total equity
2023							
Balance at January 1, 2023		$ 700,000	$ 500,257	$ 14,787	($ 525,471)	$ 24,416	$ 713,989
Loss for the period		-	-	-	(96,144)	-	(96,144)
Other comprehensive loss for the period	6(15)	-	-	-	-	(911)	(911)
Total comprehensive loss		-	-	-	(96,144)	(911)	(97,055)
Balance at March 31, 2023		$ 700,000	$ 500,257	$ 14,787	($ 621,615)	$ 23,505	$ 616,934
2024							
Balance at January 1, 2024		$ 830,000	$ 429,000	$ -	($ 529,783)	$ 26,909	$ 756,126
Loss for the period		-	-	-	(82,932)	-	(82,932)
Other comprehensive income for the period	6(15)	-	-	-	-	170	170
Total comprehensive loss		-	-	-	(82,932)	170	(82,762)
Balance at March 31, 2024		$ 830,000	$ 429,000	$ -	($ 612,715)	$ 27,079	$ 673,364

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 82,932)	($ 68,757)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(21)	14,451	14,370
Amortisation	6(21)	325	6,544
Net gain or loss on financial assets at fair value through profit or loss	6(19)	(1,036)	-
Interest expense	6(20)	1,570	3,294
Interest income	6(17)	(600)	(429)
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		(30,900)	-
Accounts receivable		(7,995)	(13,511)
Contract assets		(15,448)	-
Other receivables		(3,469)	(4,915)
Inventories		(31,583)	(125,474)
Prepayments		(4,986)	(23,423)
Other current assets		7,007	(1,362)
Changes in operating liabilities			
Contract liabilities		(10,857)	34,099
Accounts payable		(12,803)	20,214
Other payables		(10,206)	(1,883)
Refund liabilities		(6,859)	1,842
Other current liabilities		1,308	4,382
Cash outflow generated from operations		(195,013)	(155,009)
Interest received		600	429
Interest paid		(1,584)	(3,063)
Income tax paid		-	(27,387)
Net cash flows used in operating activities		(195,997)	(185,030)

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ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 50,000)	($ 35,022)
Proceeds from disposal of financial assets at amortised cost		1,222	43,746
Acquisition of property, plant and equipment	6(25)	(11,989)	(18,589)
Acquisition of intangible assets		-	(735)
Increase in refundable deposits		(473)	(449)
Decrease in refundable deposits		-	251
(Increase) decrease in other non-current assets		(606)	2,108
Net cash flows used in investing activities		(61,846)	(8,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		7,822	285,173
Decrease in short-term borrowings		-	(100,000)
Decrease in long-term borrowings		-	(3,826)
Payment of lease liabilities	6(26)	(376)	(375)
Net cash flows from financing activities		7,446	180,972
Effect of changes in foreign currency exchange		110	(1,139)
Net decrease in cash and cash equivalents		(250,287)	(13,887)
Cash and cash equivalents at beginning of period		383,301	235,395
Cash and cash equivalents at end of period		$ 133,014	$ 221,508

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, 2024 AND 2023
(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. As of March 31, 2024, the number of shares authorised amounted to 83,000,000 shares with a par value of $10 (in dollars) per share, and the paid-in capital was $830,000.

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 reported to the Board of Directors on May 10, 2024.

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 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current''	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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 International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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, 2023, 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, 2023.

(2) Basis of preparation

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

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, 2023.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of Investor	Name of Subsidiary	Main Business Activities	March 31, 2024	December 31, 2023	March 31, 2023	Remark
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Research, manufacturing and sales of LFP-NCO and key materials of olivine-type structure lithium battery	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees Eco Ark Co., Ltd.	Manufacturing and distribution of batteries, cars and peripherals	100	100	100	Note 1
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry (HK) Co., Ltd.	Investment holdings	100	100	100	
Advanced Lithium Electrochemistry (HK) Co., Ltd.	Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Research and development, trading	100	100	100	
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	Investment holdings	100	100	100	
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	-	Note 2
Aleees US, Corp.	Aleees AU Pty. Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees Texas, LLC	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2024	Ownership (%) December 31, 2023	Ownership (%) March 31, 2023	Remark
Aleees US, Corp.	Aleees EU SARL	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees UK, Ltd.	Overseas clients developing and services of cathode materials for lithium-ion batteries	100	100	100	
Aleees US, Corp.	Aleees India Technology Private Limited	Overseas clients developing and services of cathode materials for lithium-ion batteries	99.99	99.99	-	Note 2

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 registration of Aleees India Technology Private Limited was completed on November 28, 2023, and the Group held a 100% equity interest in Aleees India Technology 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) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(5) Employee benefits

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

(6) Income tax

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

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

There have been no significant changes as of March 31, 2024. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Demand deposits and checking accounts	$ 87,528	$ 248,637	$ 221,508
Time deposits	45,486	134,664	-
	$ 133,014	$ 383,301	$ 221,508

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

B. As at March 31, 2024, December 31, 2023 and March 31, 2023, the Group's time deposits maturing over three months amounted to $75,000, $25,000 and $0, respectively, and were classified as current financial assets at amortised cost.

C. As at March 31, 2024, December 31, 2023 and March 31, 2023, the Group's cash and cash equivalents pledged to others as collateral amounted to $28,431, $29,653 and $75,761, respectively, and were classified as financial assets at amortised cost. The information on collateral is provided in Note 8.

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Open-end fund	$ 30,900	$ -	$ -
Valuation adjustment	1,036	-	-
	$ 31,936	$ -	$ -

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, 2024	Three months ended March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Open-end fund-valuation	$ 1,036	$ -

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

(3) Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable – third parties	$ 57,029	$ 49,034	$ 103,361
Accounts receivable – related parties	91,108	91,108	91,108
	148,137	140,142	194,469
Less: Allowance for bad debts	(108,192)	(108,192)	(111,054)
	$ 39,945	$ 31,950	$ 83,415

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

	March 31, 2024	December 31, 2023	March 31, 2023
Not past due	$ 39,029	$ 30,917	$ 78,619
Up to 30 days	-	-	4,796
31 to 90 days	-	154	-
91 to 180 days	916	879	-
Over 180 days	108,192	108,192	111,054
	$ 148,137	$ 140,142	$ 194,469

The above ageing analysis was based on past due date.

B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to $180,958.

C. For the three months ended March 31, 2024 and 2023, no interest income was recognised in profit or loss for both periods.

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

E. As at March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable and accounts receivable held by the Group was the book value.

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

(4) Inventories

	March 31, 2024		
	Cost	Allowance for value decline and obsolescence	Book value
Raw materials	$ 53,371	($ 6,408)	$ 46,963
Work in progress	4,689	-	4,689
Semi-finished goods	37,022	(7,569)	29,453
Finished goods	116,504	(12,753)	103,751
	$ 211,586	($ 26,730)	$ 184,856

	December 31, 2023		
	Cost	Allowance for value decline and obsolescence	Book value
Raw materials	$ 22,946	($ 4,527)	$ 18,419
Work in progress	8,098	-	8,098
Semi-finished goods	45,868	(12,389)	33,479
Finished goods	108,097	(14,820)	93,277
	$ 185,009	($ 31,736)	$ 153,273

	March 31, 2023		
	Cost	Allowance for value decline and obsolescence	Book value
Raw materials	$ 226,325	($ 3,689)	$ 222,636
Work in progress	17,917	-	17,917
Semi-finished goods	74,827	(958)	73,869
Finished goods	69,615	(15,016)	54,599
	$ 388,684	($ 19,663)	$ 369,021

Expenses and losses incurred on inventories for the year:

	Three months ended March 31,	
	2024	2023
Cost of inventories sold	$ 97,362	$ 202,694
Cost of services	4,451	-
Gain from price recovery of inventory	(5,006)	(22,425)
Loss on scrapping inventory	3,595	23,474
Unallocated fixed overhead cost	20,479	23,640
	$ 120,881	$ 227,383

For the three months ended March 31, 2024 and 2023, the Group strengthened the inventory management, resulting in the reversal of inventory valuation losses.

(5) Prepayments

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayment for purchases	$ 9,963	$ 6,018	$ 25,332
Overpaid sales tax	35,899	34,363	42,109
Others	9,495	9,990	10,600
	$ 55,357	$ 50,371	$ 78,041

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery equipment	Testing equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
At January 1, 2024									
Cost	$ 147,910	$ 195,366	$ 668,450	$ 139,934	$ 1,572	$ 510	$ 328,719	$ 3,258	$ 1,485,719
Accumulated depreciation and impairment	-	(86,994)	(588,152)	(89,287)	(1,541)	(510)	(226,698)	-	(993,182)
	$ 147,910	$ 108,372	$ 80,298	$ 50,647	$ 31	$ -	$ 102,021	$ 3,258	$ 492,537
2024									
Opening net book amount as at January 1	$ 147,910	$ 108,372	$ 80,298	$ 50,647	$ 31	$ -	$ 102,021	$ 3,258	$ 492,537
Additions	-	-	1,422	132	-	-	999	245	2,798
Transfers	-	-	3,258	-	-	-	-	(3,258)	-
Depreciation charge	-	(1,627)	(3,911)	(2,257)	(20)	-	(6,260)	-	(14,075)
Closing net book amount as at March 31	$ 147,910	$ 106,745	$ 81,067	$ 48,522	$ 11	$ -	$ 96,760	$ 245	$ 481,260
At March 31, 2024									
Cost	$ 147,910	$ 195,366	$ 673,311	$ 140,271	$ 1,571	$ 510	$ 329,718	$ 245	$ 1,488,902
Accumulated depreciation and impairment	-	(88,621)	(592,244)	(91,749)	(1,560)	(510)	(232,958)	-	(1,007,642)
	$ 147,910	$ 106,745	$ 81,067	$ 48,522	$ 11	$ -	$ 96,760	$ 245	$ 481,260

	Land	Buildings and structures	Machinery equipment	Testing equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
At January 1, 2023									
Cost	$ 147,910	$ 195,366	$ 643,623	$ 107,529	$ 1,573	$ 510	$ 313,565	$ 28,015	$ 1,438,091
Accumulated depreciation and impairment	-	(80,459)	(572,155)	(81,590)	(1,374)	(510)	(202,328)	-	(938,416)
	$ 147,910	$ 114,907	$ 71,468	$ 25,939	$ 199	$ -	$ 111,237	$ 28,015	$ 499,675
2023									
Opening net book amount as at January 1	$ 147,910	$ 114,907	$ 71,468	$ 25,939	$ 199	$ -	$ 111,237	$ 28,015	$ 499,675
Additions	-	-	800	4,231	-	-	3,290	2,932	11,253
Transfers	-	-	-	21,503	-	-	1,696	(23,199)	-
Depreciation charge	-	(1,656)	(4,590)	(1,299)	(42)	-	(6,408)	-	(13,995)
Closing net book amount as at March 31	$ 147,910	$ 113,251	$ 67,678	$ 50,374	$ 157	$ -	$ 109,815	$ 7,748	$ 496,933
At March 31, 2023									
Cost	$ 147,910	$ 195,366	$ 644,423	$ 133,263	$ 1,573	$ 510	$ 318,551	$ 7,748	$ 1,449,344
Accumulated depreciation and impairment	-	(82,115)	(576,745)	(82,889)	(1,416)	(510)	(208,736)	-	(952,411)
	$ 147,910	$ 113,251	$ 67,678	$ 50,374	$ 157	$ -	$ 109,815	$ 7,748	$ 496,933

A. No interest was capitalised to property, plant and equipment for the three months ended March 31, 2024 and 2023.

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

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

(7) Leasing arrangements－lessee

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The warehouses leased by the Group have lease terms which were not longer than 12 months.

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

	March 31, 2024	December 31, 2023	March 31, 2023
	Carrying amount	Carrying amount	Carrying amount
Buildings	$ 1,001	$ 1,377	$ 2,503

	Three months ended March 31,	
	2024	2023
	Depreciation charge	Depreciation charge
Buildings	$ 376	$ 375

D. For the three months ended March 31, 2024 and 2023, there were no additions to right-of-use assets.

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

	Three months ended March 31,	
	2024	2023
Items affecting profit or loss		
Expense on short-term lease contracts	$ 2,360	$ 2,824

F. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases were $2,736 and $3,272, respectively.

(8) Short-term borrowings

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 220,848	2.10%~3.07%	Current financial assets at amortised cost, net and Property, plant and equipment
Unsecured borrowings	6,974	2.72%	Credit Guarantee Fund
	$ 227,822		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 220,000	2.10%~3.07%	Current financial assets at amortised cost, net and Property, plant and equipment

Type of borrowings	March 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 309,553	2.94%~6.36%	Current financial assets at amortised cost, net and Property, plant and equipment

For the three months ended March 31, 2024 and 2023, interest expense arising from short-term borrowings that were recognised in profit or loss amounted to $1,570 and $2,112, respectively.

(9) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Wages and salaries payable	$ 21,459	$ 28,541	$ 28,622
Professional services fees	6,930	4,126	9,638
Payables on equipment	2,936	12,127	8,421
Payables on consumables	5,177	7,411	6,575
Others	126,170	129,878	125,376
	$ 162,672	$ 182,083	$ 178,632

(10) Long-term borrowings (March 31, 2024 and December 31, 2023：None.)

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2023
Sunny Bank secured borrowings	Aug. 24, 2020 ~ Aug. 24, 2027, interest and principal payable monthly	3.75%	Property, plant and equipment	$ 27,221
〃	Aug. 24, 2020 ~ Aug. 24, 2035, interest and principal payable monthly	2.94%	〃	59,686
〃	Dec. 28, 2021 ~ Dec. 28, 2028, interest and principal payable monthly (Note)	4.96%	Property, plant and equipment and Non-current financial assets at amortised cost, net	38,030
				124,937
Less: Current portion				(15,736)
				$ 109,201

Note: The borrowing was fully settled in December 2023.

Interest expense on the long-term borrowings recognised in profit or loss amounted to $1,182 for the three months ended March 31, 2023.

(11) Pensions

A. Effective July 1, 2005, Advanced Lithium Electrochemistry Co., Ltd., Aleees Eco Ark Co., Ltd. and Emerald Battery Technologies Co., Ltd. have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The Company's Mainland China subsidiary, Advanced Lithium Electrochemistry (China Shanghai) Co., Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on 21% of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

C. The pension contribution methods of the subsidiaries of the Company's subsidiaries, Aleees Texas, LLC and Aleees UK, Ltd., are not mandatorily required by local laws and regulations and vary according to the system of individual entity.

D. The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2024 and 2023 were $2,195 and $1,822, respectively.

(12) Share capital

A. As of March 31, 2024, the Company's authorised capital was $3,000,000, consisting of 300,000 thousand shares of ordinary stock, and the paid-in capital was $830,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows (in shares):

	2024	2023
Options outstanding at January 1	83,000,000	70,000,000
Cash capital increase	-	-
Options outstanding at March 31	83,000,000	70,000,000

C. As resolved by the shareholders during their meeting on June 27, 2016, the Company planned to privately issue 46,000 thousand shares (9,283 thousand shares after capital reduction) with par value of $10 per share. On August 23, 2016, the Board of Directors approved the price of private placement at $35. The rights and obligations afforded by the ordinary shares in the private placement are the same with issued shares except that the shares in the private placement are not allowed to be traded freely within three years after delivery pursuant to Article 43-8 of Securities and Exchange Act. Refer to Note 9(1)B for details.

D. On March 10, 2023, the Board of Directors during its meeting resolved to increase its capital by issuing 13,000 thousand new shares with a par value of NT$10 (in dollars) per share, which was approved by the FSC on July 27, 2023. The issuance price was NT$43 (in dollars) per share, and the capital increase was completed in September 2023.

E. Aiming to bolster competitiveness, the Company plans to raise additional cash through private placement for future business development, indirect investment and operating needs as resolved by the stockholders at their annual stockholders' meeting on June 15, 2023. The maximum number of shares to be issued through the private placement is 40,000 thousand shares. On April 11, 2024, the Board of Directors resolved to discontinue the private placement, which has not yet been approved by the shareholders as of May 10, 2024.

F. Aiming to bolster competitiveness, the Company plans to raise additional cash through private placement for future business development, indirect investment and operating needs as resolved by the Board of Directors at their annual stockholders' meeting on April 11, 2024. The maximum number of shares to be issued through the private placement is 40,000 thousand shares. As of May 10, 2024, the capital increase has not yet been approved by the shareholders.

(13) Capital surplus

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

(14) Retained earnings (accumulated deficit)

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

(a) Pay all taxes;

(b) The current year's earnings are to offset prior years' operating losses;

(c) 10% of the remaining amount shall be set aside as legal reserve, until the legal reserve equals the total capital stock balance;

(d) Set aside as special reserve in accordance with regulations governing listed companies or requests of the competent authority;

(e) After setting aside in accordance with (a) through (c) stated above, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

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

B. The Company has incurred operating losses for the years ended December 31, 2023 and 2022, and thus had no earnings for distribution.

(15) Other equity items

	2024
	Currency translation
At January 1	$ 26,909
Foreign currency translation - Group	170
At March 31	$ 27,079

	2023
	Currency translation
At January 1	$ 24,416
Foreign currency translation - Group	(911)
At March 31	$ 23,505

(16) Operating revenue

	Three months ended March 31,	
	2024	2023
A.Revenue from contracts with customers	$ 114,009	$ 271,366

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

Three months ended March 31, 2024	China	Other Asia Countries	Europe	America	Total
Timing of revenue recognition					
At a point in time					
Cathode Material revenue	$ 19,035	$ 49,460	$ 28,974	$ 1,092	$ 98,561
Licensing Engagement revenue	-	-	-	-	-
	19,035	49,460	28,974	1,092	98,561
Over time					
Consulting services	-	-	5,646	9,802	15,448
	$ 19,035	$ 49,460	$ 34,620	$ 10,894	$114,009

Three months ended March 31, 2023	China	Other Asia Countries	Europe	America	Total
Timing of revenue recognition					
At a point in time					
Battery power	$ 67,740	$ 67,315	$ 40,257	$ 4,764	$ 180,076
Technology licencing	-	-	-	91,290	91,290
	67,740	67,315	40,257	96,054	271,366
Over time					
Consulting services	-	-	-	-	-
	$ 67,740	$ 67,315	$ 40,257	$ 96,054	$ 271,366

B. Contract assets and liabilities

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

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract assets-licence contract	$ 58,885	$ 43,437	$ -	$ -
Contract liabilities-product sales contract	$ 16,715	$ 27,572	$ 68,753	$ 34,654

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

	Three months ended March 31,	
	2024	2023
Product sales contract	$ 11,569	$ 34,275

(17) Interest income

	Three months ended March 31,	
	2024	2023
Bank deposit interest	$ 600	$ 429

(18) Other income

	Three months ended March 31,	
	2024	2023
Government grants (Note)	$ 108	$ 787
Other income	30	20
	$ 138	$ 807

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

(19) Other gains and losses

	Three months ended March 31, 2024	Three months ended March 31, 2023
Foreign exchange (loss) gain	($ 2,104)	$ 572
Loss on financial assets at fair value through profit or loss	1,036	-
Other losses	(6)	(6)
	($ 1,074)	$ 566

(20) Finance costs

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest expense	$ 1,570	$ 3,294

(21) Expenses by nature

	Three months ended March 31, 2024	Three months ended March 31, 2023
Employee benefit expense	$ 59,026	$ 58,993
Depreciation charges on property, plant and equipment	14,075	13,995
Depreciation charges on right-of-use assets	376	375
Amortisation charges on intangible assets	325	6,544

(22) Employee benefit expense

	Three months ended March 31, 2024	Three months ended March 31, 2023
Wages and salaries	$ 48,453	$ 50,973
Labour and health insurance fees	4,584	4,252
Pension costs	2,195	1,822
Other personnel expenses	3,794	1,946
	$ 59,026	$ 58,993

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 10% for employees' compensation and shall not be higher than 1% for directors' remuneration.

B. The Company had an accumulated deficit as of March 31, 2024 and 2023, thus, the Company did not recognise employees' compensation and directors' and supervisors' remuneration.

C. Information about the appropriation of employees' compensation and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Current tax:		
Current tax on profits for the period	$ -	$ -
Others	-	27,387
Total current tax:	$ -	$ 27,387
Deferred tax:		
Origination and reversal of temporary differences	$ -	$ -
Income tax expense	$ -	$ 27,387

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

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

B. Reconciliation between income tax expense and accounting profit

	Three months ended March 31, 2024	Three months ended March 31, 2023
Tax calculated based on loss before tax and statutory tax rate	$ -	$ -
Others	-	27,387
Income tax expense	$ -	$ 27,387

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

D. The income tax returns of Advanced Lithium Electrochemistry Co. through 2022 have been assessed and approved by the Tax Authority.

(24) Loss per share

	Three months ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 82,932)	83,000	($ 1.00)

	Three months ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 96,144)	70,000	($ 1.37)

(25) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment	$ 2,798	$ 11,253
Add: Opening balance of payable on equipment	12,127	15,757
Less: Ending balance of payable on equipment	(2,936)	(8,421)
Cash paid during the period	$ 11,989	$ 18,589

(26) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities
At January 1, 2024	$ 220,000	$ -	$ 1,377
Changes in cash flow from financing activities	7,822	-	(376)
Changes in other non-cash items	-	-	-
At March 31, 2024	$ 227,822	$ -	$ 1,001

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities
At January 1, 2023	$ 124,568	$ 128,763	$ 4,505
Changes in cash flow from financing activities	185,173	(3,826)	(375)
Changes in other non-cash items	(208)	-	(1,627)
At March 31, 2023	$ 309,533	$ 124,937	$ 2,503

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

(3) Significant related party transactions and balances:

A. Receivables from related parties:

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable:			
- Other related parties			
FDG Investment Holdings Limited	$ 68,523	$ 68,523	$ 68,523
Tianjin Sinopoly New Energy Technology Co., Ltd.	14,316	14,316	14,316
Others	8,269	8,269	8,269
	91,108	91,108	91,108
Less: Allowance for bad debts			
FDG Investment Holdings Limited	(68,523)	(68,523)	(68,523)
Tianjin Sinopoly New Energy Technology Co., Ltd.	(14,316)	(14,316)	(14,316)
Others	(8,269)	(8,269)	(8,269)
	(91,108)	(91,108)	(91,108)
	$ -	$ -	$ -

	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables:			
- Other related parties			
Aleees Eco Ark (Ningbo) Ltd.	$ 10,641	$ 10,641	$ 10,641
Less: Allowance for bad debts			
Aleees Eco Ark (Ningbo) Ltd.	(10,641)	(10,641)	(10,641)
	$ -	$ -	$ -

B. Other non-current assets

	March 31, 2024	December 31, 2023	March 31, 2023
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)
	$ -	$ -	$ -

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

(b) The share consolidation implemented by FDG Electric Vehicles Limited was effective on September 5, 2019, thus, the conversion price of the Company's convertible bonds increased from HK$0.5 to HK$10.

(c) On August 19, 2020, FDG Electric Vehicles Limited announced that its joint and several provisional liquidators had provided notice to former Board of Directors to terminate their position immediately in the HKEX. The joint and several provisional liquidators are fully responsible for the company's management since the appointment. Due to the aforementioned event, the Company will have the right to ask the company to pay the unpaid principal of the convertible bonds immediately in accordance with the terms of convertible bonds. On August 31, 2020, the Company issued an immediate repayment request to FDG Electric Vehicles Limited and appointed lawyers to handle subsequent legal matters. In addition, the Company had already carefully assessed the related information on financial condition of FDG Electric Vehicles Limited and its subsidiaries, and estimates its potential loss taking into consideration its financial ability and repayment terms.

(4) Key management compensation

	Three months ended March 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 2,536	$ 2,039
Post-employment benefits	77	30
	$ 2,613	$ 2,069

8. PLEDGED ASSETS

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

	Book value			
Pledged asset	March 31, 2024	December 31, 2023	March 31, 2023	Purpose
Bank deposits (shown as ‘Current and Non-current financial assets at amortised cost, net’)	$ 28,431	$ 29,653	$ 75,761	Short-term and long-term borrowings, letters of credit, trust and pledge for customs
Refundable deposits paid (recognised in other non-current assets)	62,380	62,380	62,380	Asset preservation and pledge for customs
Property, plant and equipment	254,655	256,282	261,161	Short-term and long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

A. On July 18, 2016, the Group’s subsidiary, Aleees Eco Ark Co., Ltd. (hereafter referred as “Aleees”) received a notice of civil charge issued by Hsinchu District Court No. 105-Zon-Su-Zi-147 and on April 6, 2017, received continued indictment (hereafter referred as “Zon-Su-Zi-147”). In addition to that, a bill of indictment issued by Hsinchu District Court No. 107-Zon-Su-Zi-216 (hereafter referred as “Zon-Su-Zi-216”) was received by Aleees on October 31, 2018. The civil charges Zon-Su-Zi-147 and Zon-Su-Zi-216 were filed by Hsin Chu Bus Co., Ltd. claiming for compensation for the driver’s fee totaling $34,946 and $51,030, respectively, plus interest at 5% per annum until the debt is repaid. In its verdict on Zon-Su-Zi-147 on September 11, 2018, the Hsinchu District Court stated that the accused, Aleees, shall compensate the complainant, Hsin Chu Bus Co., Ltd., for the driver’s fee. In the Group’s opinion, Aleees is not entirely accountable for the driver’s fee, which involved the issue regarding land utilisation for recharging. As the Group believes that there was misinterpretation of the facts during the first trial, the Group has filed an appeal with the Taiwan High Court (No. 107-Zon- Shang -Zi-a805 (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. The Group disagreed with the above remanded judgment and filed an appeal. The case had been transferred to the Supreme Court. The ultimate outcome of the case cannot presently be determined. However, the Group has recognised the amount of possible losses after 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 Taiwan High Court (No. 111-Zon-Shang-Geng-Yi-Zi-150 (Yu-Gu)), 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. As of the report date, the effect to the Group cannot be estimated.

The land utilisation for recharging was recognised as illegal use by the government authority and Aleees believes it cannot provide recharge service due to the problem of land use right. The problem was caused by Hsinchu City Government handing over the land to Hsin Chu Bus Co., Ltd. which then commissioned Aleees to provide recharge service. However, Aleees was mandatorily asked to demolish any structures built on the land and recover the land, causing damages to Aleees. Thus, on July 6, 2017, Aleees filed for state compensation with the Hsinchu District Court against Hsinchu City Government, seeking for $10,000 as compensation, and retained the right of claim for the remaining amount. The case is under trial with the Hsinchu District Court (No.106-Zon-Guo-Zi-2) and in order to avoid the differences in the judgments between the case and the aforementioned retrial of Taiwan High Court (No. 111-Zon-Shang-Geng-Yi-Zi-150 (Yu-Gu)), the court decided to cease the appeal procedures for No.106-Zon-Guo-Zi-2 on October 24, 2018. As of the report date, the ultimate outcome of the case cannot presently be determined.

B. The Company and FDG Electric Vehicles (Group) Co., Ltd. (hereinafter referred to as “FDG Electric Vehicles Limited”) established a long-term cooperative relationship, whereby both parties made investment in each other to achieve capital cooperation of strategic alliance during the year ended December 31, 2016. In August 2020, the Company asked FDG Electric Vehicles Limited to early repay the convertible corporate bonds, but FDG Electric Vehicles Limited did not repay the bonds. To ensure the right of the Company and shareholders, the Company filed with the court a request for a ruling that prohibits the borrower, FDG Investment Holdings Limited (hereinafter referred to as FDG Investment Holdings), which is a subsidiary of FDG Electric Vehicles Limited, to transfer, pledge and dispose its shareholding of the Company's 9,283 thousand private placement shares (after completing the capital reduction in 2021).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 9,283 thousand private placement shares (after completing the capital reduction in 2021).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 9,283 thousand private placement shares in March 2021. However, the Chinese Arbitration Association, Taipei issued an arbitral award denying the arbitration of the Group 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 Group has appointed another legal counsel to file an appeal for the revocation of the arbitral award and 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, that is December 13, 2022. As of the report date, 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 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 stated that the arbitration of FDG Investment Holdings was denied. Therefore, the provisional injunction of the case is still valid. As of the report date, FDG Investment Holdings shall not transfer, pledge and dispose the aforementioned private placement shares in part or in whole.

(2) Commitments

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

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	$ 11,529	$ 11,691	$ 3,042

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. In addition, due to prudent consideration, the Group still prepared and amortised related expenses in accordance with the original contract period and IFRSs.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To improve financial structure and offset accumulated deficit, on April 11, 2024, the Board of Directors of the Company resolved to reduce its capital in the amount of $150,000 and retired 15,000 thousand shares of common shares in proportion to the shareholders' ownership. For every one thousand shares held, approximately 180.7228916 shares will be retired, and the capital reduction ratio was approximately 18.0722892%. The capital reduction is pending approval from the shareholders.

12. OTHERS

(1) Capital management

The Group monitors capital on the basis of the gearing ratio, taking into account that the Group belongs to an emerging industry. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios as at March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total borrowings	$ 227,822	$ 220,000	$ 434,470
Less: Cash and cash equivalents	(133,014)	(383,301)	(221,508)
Net debt	94,808	(163,301)	212,962
Total equity	673,364	756,126	616,934
Total capital	$ 768,172	$ 592,825	$ 829,896
Debt to capital ratio	12%	-	26%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 31,936	$ -	$ -
Financial assets at amortised cost/ Loan and receivables			
Cash and cash equivalents	133,014	383,301	221,508
Current and non-current financial assets at amortised cost, net	103,431	54,653	75,761
Accounts receivable (including related parties)	39,945	31,950	83,415
Other receivables (including related parties)	3,523	54	4,915
Guarantee deposits paid (shown as 'Other current assets')	64,856	64,362	64,406
	$ 376,705	$ 534,320	$ 450,005
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 227,822	$ 220,000	$ 309,533
Accounts payable	59,299	72,102	69,062
Other accounts payable	162,672	182,083	178,632
Long-term borrowings (including current portion)	-	-	124,937
Refund liabilities	-	6,859	13,451
	$ 449,793	$ 481,044	$ 695,615
Lease liabilities	$ 1,001	$ 1,377	$ 2,503

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group evaluates abovementioned risks periodically in order to minimise potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group expected that currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB,USD and AUD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 3,530	32.00	$ 112,960
HKD : NTD	275,000	4.05	1,113,750
RMB : NTD	810	4.408	3,570
Financial liabilities			
Monetary items			
USD : NTD	$ 4,759	32.00	$ 152,288

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 4,981	30.71	$ 152,967
HKD : NTD	275,000	4.00	1,100,000
RMB : NTD	810	4.327	3,505
Financial liabilities			
Monetary items			
USD : NTD	$ 5,635	30.71	$ 173,051

	March 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 7,962	30.45	$ 242,443
HKD : NTD	275,000	3.89	1,069,750
RMB : NTD	23,312	4.431	103,295
Financial liabilities			
Monetary items			
USD : NTD	$ 5,811	30.45	$ 176,945

v. The total exchange 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, 2024 and 2023 amounted to ($2,104) and $572, respectively.

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

	Three months ended March 31, 2024		
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income (loss)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 1,130	$ -
HKD : NTD	1%	11,140	-
RMB : NTD	1%	36	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 1,523)	$ -

	Three months ended March 31, 2023		
	Degree of variation	Effect on profit (loss)	Effect on other comprehensive income (loss)
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 2,424	$ -
HKD : NTD	1%	10,706	-
RMB : NTD	1%	1,033	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 1,769)	$ -

Price risk

None.

Cash flow and fair value interest rate risk

i. The Group’s interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. The Group’s borrowings are at floating rates. As at March 31, 2024 and 2023, the Group’s borrowings at variable rate were denominated in NTD.

ii. If the borrowing interest rate of bank had increased/decreased by 0.25% with all other variables held constant, post-tax profit for the three months ended March 31, 2024 and 2023 would have decreased/increased by $114 and $217, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Credit risk arises from deposits with banks and financial institutions, including outstanding receivables and contractual cash flows of debt instruments at fair value through profit or loss. For bank and financial institutions, only institutions with good credit quality are accepted.

ii. The Group adopts the assumption under IFRS 9 that if the contract payments were past due over 60 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iii. In line with credit risk management procedure, the default occurs when the contract payments are not expected to be recovered and are reclassified to overdue receivables.

iv. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with product types. The Group applies the simplified approach using the provision matrix, loss rate methodology to estimate expected credit loss.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix is as follows:

March 31, 2024	Individual disclosure	Not past due	Up to 60 days past due	61-120 days past due	121-180 days past due	181-360 days past due	Over 360 days	Total
Expected loss rate	100%	0%	0%	0%	0%	0~7%	100%	
Total book value								
- Accounts receivable	$ 358	$ 39,029	$ -	$ -	$ 916	$ -	$ 107,834	$ 148,137
- Other receivables	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,641	$ 10,641
Loss allowance	$ 358	$ -	$ -	$ -	$ -	$ -	$ 118,475	$ 118,833

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

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

December 31, 2023	Individual disclosure	Not past due	Up to 60 days past due	61-120 days past due	121-180 days past due	181-360 days past due	Over 360 days	Total
Expected loss rate	100%	0%	0%	0%	0%	0-8%	100%	
Total book value								
- Accounts receivable	$ 358	$ 30,917	$ 154	$ 879	$ -	$ -	$ 107,834	$ 140,142
- Other receivables	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,641	$ 10,641
Loss allowance	$ 358	$ -	$ -	$ -	$ -	$ -	$ 118,475	$ 118,833

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

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

March 31, 2023	Individual disclosure	Not past due	Up to 60 days past due	61-120 days past due	121-180 days past due	181-360 days past due	Over 360 days	Total
Expected loss rate	100%	0%	0%	0%	0%	0-7%	100%	
Total book value								
- Accounts receivable	$ 3,220	$ 78,619	$ 4,796	$ -	$ -	$ -	$ 107,834	$ 194,469
- Other receivables	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,641	$ 10,641
Loss allowance	$ 3,220	$ -	$ -	$ -	$ -	$ -	$ 118,475	$ 121,695

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

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

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

	2024			
	Accounts receivable	Other receivables	Long-term receivables	Total
At January 1 (March 31)	$ 108,192	$ 10,641	$ 1,126,688	$ 1,245,521

	2023			
	Accounts receivable	Other receivables	Long-term receivables	Total
At January 1 (March 31)	$ 111,054	$ 10,641	$ 1,126,688	$ 1,248,383

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

(c) Liquidity risk

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

ii.The Group has the following undrawn borrowing facilities:

	March 31, 2024	December 31, 2023	March 31, 2023
Floating rate:			
Expiring within one year	$ 229,858	$ 276,269	$ 108,917
Expiring more than one year	-	-	-
	$ 229,858	$ 276,269	$ 108,917

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.

Non-derivative financial liabilities	Within 1 year	Over 1 year	2 ~ 5 years	Over 5 years
March 31, 2024				
Short-term borrowings	$ 227,822	$ -	$ -	$ -
Accounts payable	59,299	-	-	-
Other payables	162,672	-	-	-
Long-term borrowings (including current portion)	-	-	-	-
Refund liabilities	-	-	-	-
Lease liability	1,001	-	-	-

Non-derivative financial liabilities	Within 1 year	Over 1 year	2 ~ 5 years	Over 5 years
December 31, 2023				
Short-term borrowings	$ 220,000	$ -	$ -	$ -
Accounts payable	72,102	-	-	-
Other payables	182,083	-	-	-
Long-term borrowings (including current portion)	-	-	-	-
Refund liabilities	6,859	-	-	-
Lease liability	1,377	-	-	-

Non-derivative financial liabilities	Within 1 year	Over 1 year	2 ~ 5 years	Over 5 years
March 31, 2023				
Short-term borrowings	$ 309,533	$ -	$ -	$ -
Accounts payable	69,062	-	-	-
Other payables	178,632	-	-	-
Long-term borrowings (including current portion)	20,056	20,056	56,262	48,310
Refund liabilities	13,451	-	-	-
Lease liability	1,502	1,001	-	-

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

C. Financial instruments not measured at fair value

(a)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.

The related information on the nature of the assets and liabilities is as follows: (December 31, 2023 and March 31, 2023: None)

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 31,936	$ -	$ -	$ 31,936

ii. 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:

	Open-end fund
Market quoted price	Net asset value

D. For the three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 3

(4) Other matter

None.

13. SUPPLEMENTARY DISCLOSURES

The disclosures on investee companies were based on the financial statements reviewed 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 rates of USD:NTD = 1:31.69 and USD:NTD = 1:32 for the three months ended March 31, 2024 and 2023, respectively.

(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 marketable securities at the end of the period: Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: 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.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Measurement of segment information

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

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

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

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

Three months ended March 31, 2024:

	Cathode Material revenue	Licensing Engagement revenue	Others	Eliminations	Total
Inter-segment revenue - external customers	$ 98,561	$ 15,448	$ -	$ -	$ 114,009
Total segment loss	($ 81,598)	$ 5,322	($ 4,750)	$ -	($ 81,026)

Three months ended March 31, 2023:

	Cathode Material revenue	Licensing Engagement revenue	Others	Eliminations	Total
Inter-segment revenue - external customers	$ 180,076	$ 91,290	$ -	$ -	$ 271,366
Total segment loss	($ 126,210)	$ 79,571	($ 20,626)	$ -	($ 67,265)

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

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

Loans to others

Three months ended March 31, 2024

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, 2024	Balance at March 31, 2024 (Note 4)	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Other receivables - related parties	Y	$ 80,000	$ 80,000	$ 43,500	-	Short-term financing	-	Working capital financing	-	None	-	$ 248,384	$ 248,384	

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 leanding is 40% of the lending company's net assets while the ceiling of individual lending is 40% of the lending company's net assets.

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

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

Provision of endorsements and guarantees to others

Three months ended March 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2024	Outstanding endorsement/ guarantee amount at March 31, 2024	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
0	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	(2)	$ 1,346,727	$ 428,000	$ 428,000	$ 200,848	-	63.56%	$ 1,346,727	Y	N	N	
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	(3)	1,241,920	35,370	-	-	-	-	1,241,920	N	Y	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 six 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 endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

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

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

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

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

Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of March 31, 2024				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Advanced Lithium Electrochemistry Co., Ltd.	ABITL Income Umbrella Multi-asset Income Fund-Accumulate	None	Financial assets at fair value through profit or loss	1,016,949.15	$ 15,885	-	$ 15,885	
Advanced Lithium Electrochemistry Co., Ltd.	Franklin Templeton SinoAm Multi-Asset Income Fund-Accu.-USD	None	Financial assets at fair value through profit or loss	1,297,577.90	$ 16,051	-	16,051	

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

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2024	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
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, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Advanced Lithium Electrochemistry Co., Ltd.	Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	2	Other receivables	43,500	Note 5	4%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories;
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

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

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

Note 5: It refers to loans between affiliates.

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

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

Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at March 31, 2024	Initial investment amount: Balance as at December 31, 2023	Shares held as at March 31, 2024: Number of shares	Shares held as at March 31, 2024: Ownership (%)	Shares held as at March 31, 2024: Book value	Net profit (loss) of the investee for the three months ended March 31, 2024	Investment income (loss) recognised by the Company for the three months ended March 31, 2024	Footnote
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithium Electrochemistry Co., Ltd.	Taiwan	Research, manufacturing and sale of LFP-NCO and key materials of olivine-type structure lithium battery	$ 3,018,443	$ 3,018,443	246,640,000	100	$ 620,960	($ 65,356)	($ 65,356)	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	12,719	(1,230)	(1,230)	Subsidiary (Note 2)
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Advanced Lithum Electrochemistry (HK) Co., Limited	Hong Kong	Investment holdings	592,862	592,862	19,330,000	100	(27)	(310)	(310)	Subsidiary
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees US, Corp.	America	Investment holdings	96,080	86,017	32,300,000	100	15,219	(11,771)	(11,771)	Subsidiary
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Aleees India Technology Private Limited	India	Overseas clients developing and services of cathode materials for lithium-ion batteries	-	-	80	0.01	-	-	-	Subsidiary of subsidiary (Note 3)
Aleees US, Corp.	Aleees AU Pty. Ltd.	Australia	Overseas clients developing and services of cathode materials for lithium-ion batteries	32,767	32,767	1,630,000	100	6,445	(2,091)	(2,091)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees EU SARL	France	Overseas clients developing and services of cathode materials for lithium-ion batteries	3,255	3,255	100,000	100	849	(58)	(58)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees Texas, LLC	America	Overseas clients developing and services of cathode materials for lithium-ion batteries	33,903	30,748	1,100,000	100	(570)	(5,028)	(5,028)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees UK. Ltd.	United Kingdom	Overseas clients developing and services of cathode materials for lithium-ion batteries	21,550	17,455	550,000	100	4,808	(4,467)	(4,467)	Subsidiary of subsidiary
Aleees US, Corp.	Aleees India Technology Private Limited	India	Overseas clients developing and services of cathode materials for lithium-ion batteries	3,113	-	799,920	99.99	3,064	(6)	(6)	Subsidiary of subsidiary (Note 3)

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: Aleees India Technology Private Limited was established on November 28, 2023, and the Group holds a 100% equity interest in the company.

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

Information on investments in Mainland China

Three months ended March 31, 2024

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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net income of investee for the three months ended March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2)	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Advanced Lithium Electrochemistry (China Shanghai) Ltd.	Design of battery and trading	$ 481,203	Note 1	$ -	$ -	$ -	$ -	($ 357)	100	($ 357)	($ 1,190)	$ -	

Company name (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	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 Lithum 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.

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

Information on investees

Three months ended March 31, 2024

Table 8

Investee	Shares held as at March 31, 2024	
	Number of shares	Ownership
FDG Kinetic Limited’s custodian account with KGI BANK	9,283,146	11.18%

Note 1：The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

Note 2：If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and shares held in trust, at the same time, shareholders who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.