

CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements with Independent Auditors' Review Report

For the Six Months Ended June 30, 2025 and 2024

Address: No.128, Gong 5th Rd., Longtan Dist., Taoyuan City, Taiwan (R.O.C.)

TEL: (03)489-9054

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

Table of Contents

Content	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Review Report	3~4
IV. Consolidated Balance Sheets	5
V. Consolidated Statements of Comprehensive Income	6
VI. Consolidated Statements of Changes in Equity	7
VII. Consolidated Statements of Cash Flows	8
VIII. Notes to the Consolidated Financial Statements	
(I) Company history	9
(II) Approval date and procedures of the consolidated financial statements	9
(III) New standards, amendments, and interpretations adopted	9~11
(IV) Summary of material accounting policies	11~13
(V) Significant accounting assumptions, judgments, and major sources of estimation uncertainty	13
(VI) Explanation of significant accounts	14~44
(VII) Related-party transactions	45
(VIII) Pledged assets	45
(IX) Commitments and contingencies	45
(X) Losses due to major disasters	45
(XI) Subsequent events	45
(XII) Others	46
(XIII) Other disclosures	
1. Information on significant transactions	46~48
2. Information on investees	49
3. Information on investment in Mainland China	49~50
(XIV) Segment information	50

Independent Auditors' Review Report

To the Board of Directors of Celxpert Energy Corporation:

Foreword

The consolidated balance sheets of Celxpert Energy Corporation and its subsidiaries as of June 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and consolidated statements of cash flows for the six months ended June 30, 2025 and 2024, as well as the notes to consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the CPA. The preparation of consolidated financial statements that fairly present in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" as recognized and promulgated by the Financial Supervisory Commission is the responsibility of management. The CPA's responsibility is to express a conclusion on the consolidated financial statements based on the review results.

Applicability

The CPA conducted the review in accordance with the Review Standards No. 2410 "Review of Financial Statements." The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and do not present fairly the consolidated financial position of Celxpert Energy Corporation and its subsidiaries as of June 30, 2025 and 2024, and their consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and their consolidated cash flows for the six months ended June 30, 2025 and 2024.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Wang, I-Wen.

KPMG
Taipei, Taiwan (Republic of China)
August 8, 2025

Notes to Readers

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

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

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of June 30, 2025, December 31, 2024, and June 30, 2024

(In Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Total liabilities and equity							
1100	Cash and cash equivalents (note 6(a))	\$ 1,362,183	28.3	1,556,438	27.6	1,558,707	28.8	2100	Long-term borrowings (note 6(h))	\$ 498,100	10.4	658,244	11.7	407,716	7.6
1120	Current financial assets at fair value							2130	Current contract liabilities (note 6(q))	112,129	2.3	114,944	2.0	64,822	1.2
	through other comprehensive income							2170	Notes and accounts payable	1,066,217	22.1	1,257,710	22.3	1,317,291	24.3
	(FVOCI) (note 6(b))	26,089	0.6	29,638	0.5	30,448	0.5	2200	Other payables	168,940	3.5	207,413	3.7	196,494	3.6
1170	Accounts receivable, net (notes 6(c) and							2216	Dividend payables	53,803	1.1	-	-	-	-
	6(q))	1,228,948	25.5	1,572,560	27.9	1,502,177	27.8	2230	Current tax liabilities	29,933	0.6	40,893	0.7	65,869	1.2
1200	Other receivables	1,115	-	7,898	0.1	870	-	2280	Current lease liabilities (note 6(k))	7,776	0.2	7,883	0.1	8,708	0.2
1310	Inventories (note 6(d))	907,535	18.9	929,324	16.5	903,848	16.7	2300	Other current liabilities	75,047	1.6	76,221	1.4	49,104	0.9
1410	Prepayments and other current assets	39,579	0.8	50,453	0.9	29,037	0.5	2321	Bonds payable due within one year (note 6(j))	198,212	4.1	-	-	-	-
1476	Other current financial assets (note 6(a))	611,744	12.7	775,928	13.8	728,682	13.5	2322	Long-term borrowings due within one year (notes 6(i))	-	-	100,000	1.8	-	-
		<u>4,177,193</u>	<u>86.8</u>	<u>4,922,239</u>	<u>87.3</u>	<u>4,753,769</u>	<u>87.8</u>			<u>2,210,157</u>	<u>45.9</u>	<u>2,463,308</u>	<u>43.7</u>	<u>2,110,004</u>	<u>39.0</u>
Non-current assets:								Non-current liabilities:							
1510	Non-current financial assets at fair value							2530	Bonds payable (note 6(j))	-	-	203,134	3.6	344,118	6.4
	through profit or loss (FVTPL) (note							2540	Long-term borrowings (note 6(i))	100,000	2.1	300,000	5.3	400,000	7.4
	6(j))	720	-	3,320	0.1	80	-	2560	Income tax liabilities for the current period - noncurrent	-	-	12,983	0.2	28,563	0.5
1600	Property, plant, and equipment (note 6(f))	414,831	8.6	486,267	8.6	528,328	9.8	2570	Deferred tax liabilities	-	-	-	-	628	-
1755	Right-of-use assets (note 6(g))	117,115	2.4	128,804	2.3	28,936	0.5	2580	Noncurrent lease liabilities (note 6(k))	12,771	0.3	12,371	0.2	13,162	0.2
1780	Intangible assets	3,280	0.1	4,584	0.1	6,096	0.1	2600	Other noncurrent liabilities (note 6(f))	955	-	2,660	0.1	4,250	0.1
1840	Deferred tax assets	74,068	1.5	74,068	1.3	78,132	1.5	2640	Non-current net defined benefit liabilities	980	-	980	-	1,014	-
1900	Other non-current assets (note 6(g) and 8)	27,216	0.6	18,070	0.3	17,059	0.3			<u>114,706</u>	<u>2.4</u>	<u>532,128</u>	<u>9.4</u>	<u>791,735</u>	<u>14.6</u>
		<u>637,230</u>	<u>13.2</u>	<u>715,113</u>	<u>12.7</u>	<u>658,631</u>	<u>12.2</u>		Total liabilities	<u>2,324,863</u>	<u>48.3</u>	<u>2,995,436</u>	<u>53.1</u>	<u>2,901,739</u>	<u>53.6</u>
Total assets		<u>\$ 4,814,423</u>	<u>100.0</u>	<u>5,637,352</u>	<u>100.0</u>	<u>5,412,400</u>	<u>100.0</u>	Equities:							
								Equity attributable to owners of parent (note 6(n)):							
								3110	Ordinary share capital	939,554	19.5	935,536	16.6	883,059	16.3
								3200	Capital surplus	992,654	20.6	963,436	17.1	860,721	15.9
								3310	Legal reserves	378,829	7.9	378,829	6.7	378,829	7.0
								3350	Unappropriated retained earnings	59,938	1.2	231,296	4.1	281,660	5.2
								3400	Other equity interest	17,618	0.4	50,021	0.9	48,609	0.9
									Total equity attributable to owners of parent	<u>2,388,593</u>	<u>49.6</u>	<u>2,559,118</u>	<u>45.4</u>	<u>2,452,878</u>	<u>45.3</u>
								Non-controlling interests:							
								36XX	Non-controlling interests	100,967	2.1	82,798	1.5	57,783	1.1
									Total equity	<u>2,489,560</u>	<u>51.7</u>	<u>2,641,916</u>	<u>46.9</u>	<u>2,510,661</u>	<u>46.4</u>
								Total liabilities and equity		<u>\$ 4,814,423</u>	<u>100.0</u>	<u>5,637,352</u>	<u>100.0</u>	<u>5,412,400</u>	<u>100.0</u>

(Please refer to the notes to the consolidated financial statements attached hereto)

Chairman: Shih-Ming Huang

General Manager: Tsai-Fu Lin

Accounting Supervisor: Chien-Yu Lin

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended June 30, 2025 and 2024, and the Six Months Ended June 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	April to June, 2025		April to June, 2024		January to June, 2025		January to June, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (note 6(q))	\$ 1,358,224	100.0	1,446,699	100.0	2,467,862	100.0	2,641,427	100.0
5110 Operating costs (notes 6(d), 6(l), and 12)	1,294,232	95.3	1,298,852	89.8	2,287,995	92.7	2,425,970	91.8
5900 Gross profit from operations	63,992	4.7	147,847	10.2	179,867	7.3	215,457	8.2
6000 Operating expenses (notes 6(l) and 12):								
6100 Selling expenses	23,261	1.7	29,048	2.0	43,084	1.7	55,895	2.1
6200 Administrative expenses	78,424	5.8	73,437	5.1	160,772	6.5	148,713	5.6
6300 Research and development expenses	40,104	2.9	45,145	3.1	85,504	3.5	82,886	3.2
6450 (Gains on reversal of) loss of expected credit impairment (note 6(c))	62	-	(5)	-	43	-	46	-
	141,851	10.4	147,625	10.2	289,403	11.7	287,540	10.9
6900 Operating net (loss) income	(77,859)	(5.7)	222	-	(109,536)	(4.4)	(72,083)	(2.7)
Non-operating income and expenses:								
7100 Interest income	7,090	0.5	12,874	0.9	13,389	0.5	18,295	0.7
7190 Other income	4,772	0.4	2,316	0.1	8,283	0.3	4,791	0.2
7050 Financial costs (notes 6(j) and 6(k))	(14,534)	(1.1)	(16,572)	(1.1)	(30,379)	(1.2)	(32,801)	(1.2)
7630 Foreign exchange (losses) gains, net (note 6(s))	7,277	0.5	16,067	1.1	14,234	0.6	52,498	2.0
7635 Gains (losses) on financial assets at FVTPL (note 6(j))	(1,640)	(0.1)	40	-	(2,600)	(0.1)	(680)	-
7590 Other expenses	(2,881)	(0.2)	(250)	-	(6,676)	(0.3)	(1,582)	(0.1)
	84	-	14,475	1.0	(3,749)	(0.2)	40,521	1.6
7900 Net income (loss) before tax	(77,775)	(5.7)	14,697	1.0	(113,285)	(4.6)	(31,562)	(1.1)
7950 Less: Income tax expense (note 6(m))	2,075	0.2	8,773	0.6	2,075	0.1	12,590	0.5
8200 Net profit (loss) for the current period	(79,850)	(5.9)	5,924	0.4	(115,360)	(4.7)	(44,152)	(1.6)
8300 Other comprehensive income:								
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences in the translation of foreign financial statements	(36,327)	(2.7)	3,844	0.2	(31,991)	(1.3)	18,112	0.7
8367 Unrealized losses from investments in debt instruments measured at FVOCI	(659)	-	(1,951)	(0.1)	(412)	-	(1,569)	(0.1)
8399 Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	(36,986)	(2.7)	1,893	0.1	(32,403)	(1.3)	16,543	0.6
8300 Other comprehensive (loss) income for the current period	(36,986)	(2.7)	1,893	0.1	(32,403)	(1.3)	16,543	0.6
8500 Total comprehensive (loss) income for the current period	\$ (116,836)	(8.6)	7,817	0.5	(147,763)	(6.0)	(27,609)	(1.0)
Current net (loss) profit attributable to:								
8610 Owners of parent	\$ (81,126)	(6.0)	2,377	0.2	(124,382)	(5.1)	(48,322)	(1.8)
8620 Non-controlling interests	1,276	0.1	3,547	0.2	9,022	0.4	4,170	0.2
	\$ (79,850)	(5.9)	5,924	0.4	(115,360)	(4.7)	(44,152)	(1.6)
Total comprehensive (loss) income attributable to:								
8710 Owners of parent	\$ (118,112)	(8.7)	4,270	0.3	(156,785)	(6.4)	(31,779)	(1.2)
8720 Non-controlling interests	1,276	0.1	3,547	0.2	9,022	0.4	4,170	0.2
	\$ (116,836)	(8.6)	7,817	0.5	(147,763)	(6.0)	(27,609)	(1.0)
(Loss) earnings per share (note 6(p))								
9750 Basic (loss) earnings per share (in NT dollars)	\$ (0.86)		0.03		(1.33)		(0.55)	
9850 Diluted (loss) earnings per share (in NT dollars)	\$ (0.86)		0.03		(1.33)		(0.55)	

(Please refer to the notes to the consolidated financial statements attached hereto)

Chairman: Shih-Ming Huang

General Manager: Tsai-Fu Lin

Accounting Supervisor: Chien-Yu Lin

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Six Months Ended June 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
						Other equity items					
						Exchange differences in the translation of foreign financial statements	Unrealized gains (losses) from financial assets at FVOCI	Total	Total equity attributable to owners of parent	Non- controlling interests	Total equity
	Ordinary share capital	Capital surplus	Legal reserves	Unappropriated retained earnings	Total						
Balance on January 1, 2024	\$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954	17,274	2,502,228
Net (loss) income for the current period	-	-	-	(48,322)	(48,322)	-	-	-	(48,322)	4,170	(44,152)
Other comprehensive (loss) income for the current period	-	-	-	-	-	18,112	(1,569)	16,543	16,543	-	16,543
Total comprehensive (loss) income for the current period	-	-	-	(48,322)	(48,322)	18,112	(1,569)	16,543	(31,779)	4,170	(27,609)
Changes in ownership interests in subsidiaries	-	-	-	(301)	(301)	-	-	-	(301)	301	-
Share-based payment compensation costs	-	4	-	-	-	-	-	-	4	38	42
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	36,000	36,000
Balance on June 30, 2024	\$ 883,059	860,721	378,829	281,660	660,489	51,955	(3,346)	48,609	2,452,878	57,783	2,510,661
Balance on January 1, 2025	\$ 935,536	963,436	378,829	231,296	610,125	54,479	(4,458)	50,021	2,559,118	82,798	2,641,916
Net (loss) income for the current period	-	-	-	(124,382)	(124,382)	-	-	-	(124,382)	9,022	(115,360)
Other comprehensive (loss) income for the current period	-	-	-	-	-	(31,991)	(412)	(32,403)	(32,403)	-	(32,403)
Total comprehensive (loss) income for the current period	-	-	-	(124,382)	(124,382)	(31,991)	(412)	(32,403)	(156,785)	9,022	(147,763)
Earnings appropriation and distribution: Ordinary share cash dividends	-	-	-	(46,976)	(46,976)	-	-	-	(46,976)	-	(46,976)
Difference between actual acquisition or disposal price of subsidiary equity and book value	-	19,345	-	-	-	-	-	-	19,345	15,549	34,894
Changes in ownership interests in subsidiaries	-	576	-	-	-	-	-	-	576	(576)	-
Share-based payment compensation costs	-	1,257	-	-	-	-	-	-	1,257	1,001	2,258
Convertible bond conversion	4,018	8,040	-	-	-	-	-	-	12,058	-	12,058
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(6,827)	(6,827)
Balance on June 30, 2025	\$ 939,554	992,654	378,829	59,938	438,767	22,488	(4,870)	17,618	2,388,593	100,967	2,489,560

(Please refer to the notes to the consolidated financial statements attached hereto)

Chairman: Shih-Ming Huang

General Manager: Tsai-Fu Lin

Accounting Supervisor: Chien-Yu Lin

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	January to June, 2025	January to June, 2024
Cash flows from (used in) operating activities:		
Net loss before tax for the current period	\$ (113,285)	(31,562)
Adjustments:		
Adjustments to reconcile (loss) profit :		
Depreciation	58,216	77,156
Amortization	1,548	1,955
Expected credit loss	43	46
Net losses on financial assets at fair value through profit or loss	2,600	680
Interest expense	30,379	32,801
Interest income	(13,389)	(18,295)
Share-based payment compensation costs	2,258	42
Others	4,075	(2,000)
Total adjustments to reconcile (loss) profit	85,730	92,385
Changes in operating assets and liabilities:		
Decrease in accounts receivable	343,569	92,537
Decrease in other receivables	6,418	937
Decrease (increase) in inventories	21,789	(58,829)
Decrease (increase) in prepayments and other current assets	11,471	(5,512)
Decrease (increase) in current contract liabilities	(2,815)	52,716
Decrease (increase) in notes and accounts payable	(191,493)	321,326
Decrease in other payables and other current liabilities	(36,043)	(65,068)
Decrease in net defined benefit liability	-	(4)
Total changes in operating assets and liabilities	152,896	338,103
Cash flows from operations	125,341	398,926
Interest received	13,754	19,116
Interest paid	(25,622)	(20,457)
Income taxes paid	(26,615)	(19,314)
Net cash inflows from operating activities	86,858	378,271
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(15,156)	(21,173)
Proceeds from disposal of property, plant and equipment	252	43
Decrease (increase) in refundable deposits	1,351	(646)
Acquisition of intangible assets	(348)	(666)
Acquisition of right-of-use assets	(399)	(859)
Decrease (increase) in other financial assets - current	164,184	(272,736)
Increase in prepayments for equipment	-	(57)
Increase in prepaid land payments	(10,497)	-
Net cash inflows (outflows) from investing activities	139,387	(296,094)
Cash flows from financing activities:		
Decrease in short-term borrowings	(132,264)	(165,837)
Repayments of long-term borrowings	(300,000)	-
Payment of lease liabilities	(4,592)	(4,576)
Disposal of subsidiary equity (without loss of control)	34,894	-
Changes in non-controlling interests	-	36,000
Net cash outflows from financing activities	(401,962)	(134,413)
Effect of exchange rate changes on cash and cash equivalents	(18,538)	10,827
Decrease in cash and cash equivalents for the current period	(194,255)	(41,409)
Cash and cash equivalents at the beginning of the period	1,556,438	1,600,116
Cash and cash equivalents at the end of the period	\$ 1,362,183	1,558,707

(Please refer to the notes to the consolidated financial statements attached hereto)

Chairman: Shih-Ming Huang

General Manager: Tsai-Fu Lin

Accounting Supervisor: Chien-Yu Lin

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(I) Company history

Celxpert Energy Corporation (hereinafter referred to as "the Company") was established on November 20, 1997, with approval from the Ministry of Economic Affairs. The Company's primary business activities include the manufacturing, processing, and trading of battery packs and power supply-related products for the 3C industry. Please refer to note 4(b) for related information about the primary business activities of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2025.

(III) New standards, amendments, and interpretations adopted

1. The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C., which have already been adopted

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 "Lack of Exchangeability"

2. The impact of not yet adopting the IFRS accounting standards recognized by the FSC.

The Group has assessed that the application of the following newly amended IFRS accounting standards, effective from January 1, 2026, will not have a material impact on the Consolidated Financial Report.

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7: "Amendment to Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7: "Contracts Involving Reliance on Natural Electricity"

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

3. The impact of IFRS issued by IASB but not yet endorsed by the FSC

Below is a list of standards and interpretations amended and announced by International Accounting Standards Board (IASB) that are yet to be approved by FSC but may be relevant to the Group:

New or revised standards	Key amendments	Effective date of IASB announcement
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new standards introduced three types of income, expense, and loss as well as two income statement subtotals and one footnote on management-defined performance measure. These three amendments and enhancements provide guidelines on how financial statement information can be classified to provide users with better and more consistent information, which will affect all companies. • More structured income statement: The existing standards allow companies to present business outcomes using different formats, which makes it difficult for investors to compare financial performance across companies. The new standards introduce a more structured income statement along with a newly defined subtotal of "operating profit" and the need to classify all income, expenses, and losses into three different categories based on the company's main business activities. • Management Performance Measures (MPMs): The new standard introduces the definition of management performance measures and requires companies to explain in a single note to the financial	January 1, 2027

**CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

New or revised standards	Key amendments	Effective date of IASB announcement
	statements, for each measure, why it provides useful information, how it is calculated, and how to reconcile the measure with amounts recognized under International Financial Reporting Standards.	
	• More disaggregated information: The new standard includes guidance on how companies should enhance the grouping of information in financial statements. These guidelines also address whether information should be included in the main statements or presented in footnotes.	

The Group is currently continuing to assess the impact of the aforementioned standards and interpretations on the Group's financial position and operating results. The related impact will be disclosed upon completion of the assessment.

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

(IV) Summary of material accounting policies

1. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the version of International Accounting Standards No. 34 - "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. The consolidated financial statements do not necessarily include all the information to be disclosed in full-year consolidated financial statements that are prepared in accordance with FSC-approved IFRS, IAS, and interpretations thereof (collectively referred to as "FSC-approved IFRS/IAS" below).

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

Except for the matters explained below, the interim consolidated financial statements were prepared using the same material accounting policies as the 2024 consolidated financial statements. Please see note 4 of the 2024 consolidated financial statements for more details.

2. Basis of Consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activities	Percentage of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Celxpert Holdings Limited (BVI) (CHL)	Foreign investment holding	100%	100%	100%	
"	PT. Celxpert Energy Indonesia (Celxpert (Indonesia))	Manufacturing, processing, and sales of battery packs and power supply related products	100%	100%	100%	Note 3
"	Keelgoal Energy Co., Ltd. (Keelgoal Energy)	Research and development and trading of lithium battery packs, energy storage systems, and others	57.60%	63.81%	65.65%	Note 2
CHL	Advance Smart Industrial Limited (BVI) (ASIL)	Import and export trade	100%	100%	100%	
"	Celxpert Energy (H.K.) Limited (CHK)	Foreign investment holding	100%	100%	100%	
"	Celxpert Energy International Limited (SAMOA) (CEIL)	Foreign investment holding	100%	100%	100%	Note 1
"	Creative Power Enterprises Inc. (CPEI)	Foreign investment holding	100%	100%	100%	
CHK	Celxpert (Kunshan) Energy Co., Ltd. (Celxpert (Kunshan))	Manufacturing and trading of battery parts and battery packs	100%	100%	100%	
CPEI	Celxpert (Nantong) Energy Corporation Ltd. (Celxpert (Nantong))	Manufacturing and trading of battery parts and battery packs	100%	100%	100%	

Note 1: The registration procedures have been completed, and no capital has been injected yet.

Note 2: Keelgoal Energy conducted its first and second cash capital increases in 2024. As the Company did not subscribe in proportion to its original shareholding ratio, the shareholding percentage decreased from 85.15% to 65.65% and 63.81%, respectively, with corresponding adjustments of a decrease in retained earnings of NTD301 thousand and an increase in capital surplus of NTD900 thousand, respectively. Additionally, the Company disposed of part of its shareholding on May 2, 2025, reducing its shareholding percentage from 63.81% to 57.60%, and accordingly adjusted to increase capital surplus by NTD19,345 thousand.

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

Note 3: Celxpert (Indonesia) was established in December 2017. Considering relevant Indonesian regulations, 0.01% of the equity interest acquired in Celxpert (Indonesia) is held under a third party's name. The Company has entered into a contract with such third party specifying the rights and obligations of both parties to safeguard asset security.

3. Employee benefits

Interim pension costs in a defined benefit plan are calculated from the beginning until the end of the interim period using the actuarial pension cost rate determined as of the reporting date of the previous year, and adjusted for major market changes, plan curtailments, settlements, and other one-time events that took place after the reporting date.

4. Income taxes

The Group measures and discloses income tax expense for interim periods in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense is measured by multiplying interim profit before tax with the management's best estimate of effective tax rate for the year. The entirety of the result is recognized as income tax expense for the current period.

Where income tax expense is recognized directly in equity or other comprehensive income, the amount is measured using the temporary differences between asset/liability figures presented for financial reporting purpose and asset/liability figures used for taxation basis and the tax rate applicable at the time when assets/liabilities are expected to be realized/settled.

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

The management is required to make judgments and estimates about the future (including climate-related risks and opportunities) when preparing consolidated financial statements that comply with FSC-approved IAS 34 - "Interim Financial Reporting." These judgments and estimates may affect the types of accounting policies adopted and amounts of asset, liability, income, and expense reported. Actual results may differ from these estimates.

The accounting policies and major sources of uncertainty to significant judgments and estimates involved in the preparation of the consolidated financial statements were identical to note 5 of the 2024 consolidated financial statements.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(VI) Explanation of significant accounts

There was no significant difference in the explanation of significant accounts between the current consolidated financial statements and the 2024 consolidated financial statements, except for the matters discussed below. Please refer to note 6 of the 2024 consolidated financial statements for more details.

1. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Petty cash and cash on hand	\$ 699	701	976
Checking accounts and demand deposits	1,084,984	1,455,737	1,460,381
Time deposits	276,500	100,000	97,350
	<u>\$ 1,362,183</u>	<u>1,556,438</u>	<u>1,558,707</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the time deposits with maturities over three months from the acquisition date amounted to NTD611,281 thousand, NTD775,532 thousand, and NTD728,409 thousand, respectively. These time deposits are recorded as other current financial assets.

Please refer to note 6(s) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

2. Financial assets at FVOCI

	June 30, 2025	December 31, 2024	June 30, 2024
Debt investments at FVOCI:			
Corporate bonds	<u>\$ 26,089</u>	<u>29,638</u>	<u>30,448</u>

(1) Debt investments at FVOCI

The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting contractual cash flows and trading securities. Therefore, they have been classified as financial assets at FVOCI.

A. The Group holds 30-year USD corporate bonds of Taiwan Semiconductor Manufacturing Co., Ltd (TSMC). The bonds have a coupon rate of 4.5%, with interest that is payable semiannually, and will mature in April 2052.

(2) For the credit risk and market risk, please refer to note 6(s).

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(3) As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's financial assets at FVOCI were not pledged as collateral.

3. Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - measured at amortized cost	\$ 1,229,113	1,572,682	1,502,350
Less: Loss allowance	(165)	(122)	(173)
	<u>\$ 1,228,948</u>	<u>1,572,560</u>	<u>1,502,177</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for its receivables. In order to measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, and forward-looking information has been incorporated, including the experience of historical credit loss and reasonable forecast of future economic conditions. The loss allowances were determined as follows:

Credit rating	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 510,122	0.001%	5
B	641,638	0.005%	32
C	52,451	0.100%	53
D	24,902	0.300%	75
	<u>\$ 1,229,113</u>		<u>165</u>

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

December 31, 2024			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 655,444	0.001%	7
B	851,842	0.005%	43
C	63,487	0.100%	63
D	1,909	0.470%	9
	\$ 1,572,682		122

June 30, 2024			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 553,966	0.001%	6
B	853,960	0.005%	43
C	79,528	0.100%	80
D	14,896	0.295%	44
	\$ 1,502,350		173

The aging analysis of accounts receivable was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 1,229,091	1,572,036	1,502,350
1 to 30 days overdue	22	615	-
31 to 60 days overdue	-	31	-
	\$ 1,229,113	1,572,682	1,502,350

The changes in allowance for losses on accounts receivable of the Group

	January to June, 2025	January to June, 2024
Beginning balance	\$ 122	127
Recognition (reversal) of impairment loss	43	46
Ending balance	\$ 165	173

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not provide any notes or accounts receivable as collateral for its loans.

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

4. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 542,654	408,228	430,525
Work in progress	42,823	29,635	37,504
Finished goods	322,058	491,461	435,819
	\$ 907,535	929,324	903,848

(1) The details of inventory-related operating costs and expenses were as follows:

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Transfer from sale of \$ inventories	1,281,819	1,287,002	2,288,292	2,421,144
Inventory write-down losses (reversal gains)	7,471	4,950	(11,439)	(10,314)
Unallocated production overheads	4,872	6,900	11,067	15,139
Inventory obsolescence	70	-	75	1
	\$ 1,294,232	1,298,852	2,287,995	2,425,970

The Group recognized inventory write-down losses due to inventory being written down to net realizable value. Additionally, the Group recognized inventory write-down reversal gains due to increases in net realizable value of inventory resulting from the sale or disposal of obsolete inventory.

(2) As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not provide any inventories as collateral for its loans.

5. Changes in ownership interests in a subsidiary

Except as described below, information regarding the Group's changes in ownership interests in subsidiaries is set forth in Note 6(e) to the consolidated financial statements for 2024.

Keelgoal Energy conducted a cash capital increase in April 2024. The Group did not subscribe in proportion to its original shareholding, resulting in a decrease in shareholding ratio from 85.15% to 65.65%, and a reduction in retained earnings of NTD301 thousand.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

The Company sold 1,000,000 shares of subsidiary Keelgoal Energy to non-related parties in May 2025, reducing the shareholding ratio from 63.81% to 57.60%. The disposal consideration was NTD34,894 thousand, and capital surplus was increased by NTD19,345 thousand.

6. Property, plant and equipment

Details of change in property, plant, and equipment of the Group:

		Land	Buildings and construction	Machinery and equipment	Office, transportation equipment, and others	Construction in progress and equipment pending inspection	Total
Cost:							
Balance on January 1, 2025	\$	46,636	663,338	748,647	152,053	94,360	1,705,034
Addition		-	-	1,394	2,187	10,350	13,931
Disposal		-	(842)	(9,410)	(2,873)	-	(13,125)
Reclassifications		-	1,161	9,720	-	(12,973)	(2,092)
Effect of movements in exchange rates		-	(46,383)	(48,545)	(11,881)	(9,105)	(115,914)
Balance on June 30, 2025	\$	46,636	617,274	701,806	139,486	82,632	1,587,834
Balance on January 1, 2024	\$	46,636	633,538	712,897	137,835	95,157	1,626,063
Addition		-	280	5,759	2,292	9,210	17,541
Disposal		-	-	(12,324)	(1,967)	-	(14,291)
Reclassifications		-	3,330	10,067	440	(15,256)	(1,419)
Effect of movements in exchange rates		-	21,347	22,346	5,421	4,339	53,453
Balance on June 30, 2024	\$	46,636	658,495	738,745	144,021	93,450	1,681,347
Depreciation:							
Balance on January 1, 2025	\$	-	476,167	618,642	123,958	-	1,218,767
Depreciation for the current period		-	20,576	24,425	7,251	-	52,252
Disposal		-	(657)	(8,995)	(2,748)	-	(12,400)
Reclassifications		-	-	573	(573)	-	-
Effect of exchange rate changes		-	(36,199)	(39,003)	(10,414)	-	(85,616)
Balance on June 30, 2025	\$	-	459,887	595,642	117,474	-	1,173,003
Balance on January 1, 2024	\$	-	418,567	537,210	103,539	-	1,059,316
Depreciation for the current period		-	20,617	42,648	8,687	-	71,952
Disposal		-	-	(12,287)	(1,966)	-	(14,253)
Effect of exchange rate changes		-	15,407	16,217	4,380	-	36,004
Balance on June 30, 2024	\$	-	454,591	583,788	114,640	-	1,153,019
Carrying amount:							
January 1, 2025	\$	46,636	187,171	130,005	28,095	94,360	486,267
June 30, 2025	\$	46,636	157,387	106,164	22,012	82,632	414,831
January 1, 2024	\$	46,636	214,971	175,687	34,296	95,157	566,747
June 30, 2024	\$	46,636	203,904	154,957	29,381	93,450	528,328

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

- (1) The Group received a government grant of CNY2,100 thousand for factory renovation project in 2021, which was presented as deferred income (under other non-current liabilities), and recognized as non-operating income on a systematic basis based on the useful life of the asset.
- (2) As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not provide any property, plant and equipment as collaterals for its loans.

7. Right-of-use assets

The Group leases many assets, including leasehold land, buildings, and other equipment. Information about leases for which the Group is a lessee is presented below:

	Right-of-use of land	Buildings and construction	Other equipment	Total
Cost:				
Balance on January 1, 2025	\$ 110,742	34,757	5,239	150,738
Addition	-	9,955	190	10,145
Reduction	-	(8,343)	(590)	(8,933)
Effect of movements in exchange rates	(11,360)	(898)	-	(12,258)
Balance on June 30, 2025	\$ 99,382	35,471	4,839	139,692
Balance on January 1, 2024	\$ 8,323	35,788	5,372	49,483
Addition	-	2,049	-	2,049
Reduction	-	(2,371)	-	(2,371)
Effect of movements in exchange rates	419	(863)	-	(444)
Balance on June 30, 2024	\$ 8,742	34,603	5,372	48,717
Depreciation:				
Balance on January 1, 2025	\$ 1,969	16,459	3,506	21,934
Depreciation for the current period	1,138	3,971	855	5,964
Reduction	-	(3,574)	(590)	(4,164)
Effect of movements in exchange rates	(278)	(879)	-	(1,157)
Balance on June 30, 2025	\$ 2,829	15,977	3,771	22,577
Balance on January 1, 2024	\$ 1,559	13,973	2,195	17,727
Depreciation for the current period	159	4,188	857	5,204
Reduction	-	(2,371)	-	(2,371)
Effect of movements in exchange rates	84	(863)	-	(779)
Balance on June 30, 2024	\$ 1,802	14,927	3,052	19,781
Carrying amount:				
January 1, 2025	\$ 108,773	18,298	1,733	128,804
June 30, 2025	\$ 96,553	19,494	1,068	117,115
January 1, 2024	\$ 6,764	21,815	3,177	31,756
June 30, 2024	\$ 6,940	19,676	2,320	28,936

**CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

Please see note 6(g) of the 2024 consolidated financial statements for information on significant transactions of the Group's right-of-use assets.

Celxpert (Nantong) entered into a contract with the Natural Resources and Planning Bureau of Hai'an City, People's Republic of China, on June 9, 2025, to acquire land use rights. As of June 30, 2025, the land use certificate had not yet been obtained. The Group had prepaid an investment amount of NTD10,497 thousand (CNY2,565 thousand), which was recognized as other non-current assets.

8. Short-term borrowings

The details of short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Credit loans	\$ 498,100	658,244	407,716
Unused credit lines	\$ 2,797,000	3,671,921	3,381,334
Range of interest rates	5.00%~6.15%	1.95%~6.56%	1.65%~6.91%

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not provide any assets as collaterals for its bank borrowings and credit limits.

9. Long-term borrowings

The details of long-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ 100,000	400,000	400,000
Less: Current portion	-	(100,000)	-
Total	\$ 100,000	300,000	400,000
Unused credit lines	\$ 1,650,000	1,500,000	1,600,000
Range of interest rates	2.43%	2.08%~2.48%	1.99%~2.427%
Maturity period	115.8	114.12~115.9	114.8~114.12

(1) Additions or deductions of borrowings

The Group's new borrowings for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024, were all NTD0 thousand. The amounts of borrowings repaid (including early repayments) were NTD200,000 thousand, NTD0 thousand, NTD300,000 thousand, and NTD0 thousand, respectively.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

- (2) The Group did not provide any assets as collaterals for bank borrowings and credit limits.
- (3) For information on the Group's interest risk and liquidity risk, please refer to note 6(s).

10. Bonds payable

- (1) The Company issued the third domestic unsecured convertible bonds at 100% of the par value, with a total amount of NTD400,000 thousand on June 2, 2023.
- (2) The details of bonds payable were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total convertible bonds issued	\$ 400,000	400,000	400,000
Unamortized discounted bonds payable	(14,788)	(23,166)	(55,882)
Cumulative converted amount	(187,000)	(173,700)	-
	198,212	203,134	344,118
Less: Corporate bonds due within one year	(198,212)	-	-
Balance of bonds payable at the reporting date	<u>\$ -</u>	<u>203,134</u>	<u>344,118</u>
Embedded derivative - call options, presented as non-current financial assets at FVTPL	<u>\$ 720</u>	<u>3,320</u>	<u>80</u>
Equity component - conversion options, presented as capital surplus - share options	<u>\$ 44,837</u>	<u>47,637</u>	<u>84,201</u>

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

	<u>April to June, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Embedded derivative instruments - gains (losses) resulting from remeasurement of call option at fair value, presented as gains (losses) on financial assets at FVTPL	<u>\$ 1,640</u>	<u>(40)</u>	<u>2,600</u>	<u>680</u>
Interest expense	<u>\$ 3,853</u>	<u>6,689</u>	<u>7,136</u>	<u>13,247</u>

The Group did not issue, recall, or repay corporate bonds between January 1 and June 30, 2024. Please refer to note 6(j) of the 2024 consolidated financial statements for more information.

For the six months ended June 30, 2025, the par value of convertible corporate bonds converted into the Company's ordinary shares was NTD13,300 thousand, resulting in ordinary share capital of NTD4,018 thousand and capital surplus - premium on stock issuance of NTD10,840 thousand (including NTD2,800 thousand from stock options transferred to premium on stock issuance and NTD1,242 thousand from unamortized discount on corporate bonds payable).

(3) As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group did not provide assets pledged as collateral for corporate bonds payable.

(4) For information on the Group's liquidity risk, please refer to note 6(s).

11. Lease liabilities

The details of lease liabilities were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current	<u>\$ 7,776</u>	<u>7,883</u>	<u>8,708</u>
Non-current	<u>\$ 12,771</u>	<u>12,371</u>	<u>13,162</u>

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

**CELPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

The amounts recognized in profit or loss were as follows:

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Interest on lease liabilities	<u>\$ 109</u>	<u>95</u>	<u>197</u>	<u>194</u>
Expenses relating to short-term leases	<u>\$ 140</u>	<u>214</u>	<u>314</u>	<u>429</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 271</u>	<u>271</u>	<u>516</u>	<u>534</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 5</u>	<u>3</u>	<u>7</u>	<u>5</u>

The amounts recognized in the consolidated statements of cash flows were as follows:

	January to June, 2025	January to June, 2024
Total cash outflow for leases	<u>\$ 5,626</u>	<u>5,738</u>

(1) Building leases

The Group leases buildings and structures for office premises and parking lots, with lease terms ranging from one to six years.

(2) Other leases

The Group leases office equipment and transportation equipment; lease tenor ranges from two to five years.

The Group also leases office equipment and video equipment with a lease tenure of less than one year. These leases are short-term leases or leases of low-value assets. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

12. Employee benefits

(1) Defined benefit plans

No significant market change, plan curtailment, settlement, or other one-time event occurred after the financial reporting date of the previous year. For this reason, the Company adopted the pension cost determined through actuarial means as of December 31, 2024 and 2023, to measure and disclose pension cost for the interim period.

The expenses reported by the Company for the periods for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024 were NTD92 thousand, NTD97 thousand, NTD185 thousand, and NTD204 thousand, respectively.

(2) Defined contribution plans

The retirement benefit expenses under the defined contribution retirement plan for the Company and its domestic subsidiaries for the periods for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024 were NTD3,456 thousand, NTD3,497 thousand, NTD6,885 thousand, and NTD7,079 thousand, respectively, which have been contributed to the Bureau of Labor Insurance.

(3) The other subsidiaries included in the consolidated financial statements

The total retirement benefit expenses and basic pension recognized for the periods for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024 were NTD3,412 thousand, NTD3,563 thousand, NTD7,121 thousand, and NTD7,135 thousand, respectively.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

13. Income taxes

(1) Income tax expenses (benefits)

A. Details of Group income tax expense (benefit):

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Current income tax expense (benefit)				
Current period	\$ 1,347	8,156	1,347	11,973
Additional tax on undistributed earnings	595	253	595	253
Adjustment to current income tax for prior periods	133	364	133	364
Income tax expenses (benefits)	\$ 2,075	8,773	2,075	12,590

- (2) The income tax of the Group shall be reported separately by each Group entity according to the laws of the respective registering countries. It cannot be consolidated for reporting purposes.
- (3) Profit-seeking enterprise income tax returns of the Company and Keelgoal Energy have been certified by the tax authority up to 2022 and 2023, respectively.

14. Capital and other equity

There was no significant change in the Group's other equity items for the six months ended June 30, 2025 and 2024, except for the matters discussed below. Please refer to note 6(n) of the 2024 consolidated financial statements for more information.

(1) Ordinary share capital

In 2024, the Company issued 5,248 thousand new shares at par value due to the exercise of conversion rights by convertible bondholders, totaling NTD52,477 thousand. The capital increase record date was March 14, 2025, and the registration of the change had been completed on April 17, 2025.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

For the six months ended June 30, 2025, the Company issued 402 thousand new shares at par value totaling NTD4,018 thousand due to the exercise of conversion rights by convertible corporate bond holders. Among these, NTD30 thousand with a capital increase record date of September 3, 2025 had not yet completed the registration of changes as of the reporting date.

(2) Capital surplus

The details of capital surplus of the Company were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	\$ 872,574	861,734	723,600
Cash issue reserved for employee subscription	4,392	4,392	4,392
Capital surplus from redemption of convertible bonds—treasury shares	46	46	46
Capital surplus from the recognition of equity items related to the buyback of convertible bonds	48,478	48,478	48,478
Issuance of convertible bonds	44,837	47,637	84,201
Difference between actual acquisition or disposal price and carrying amount of subsidiary equity	19,345	-	-
Others	2,982	1,149	4
	<u>\$ 992,654</u>	<u>963,436</u>	<u>860,721</u>

For information on capital surplus from conversion of convertible bonds to ordinary shares, please refer to Note 6(j).

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(3) Earnings appropriation and dividend policy

According to the Company's Articles of Incorporation before amendment on June 19, 2025, if the Company's annual final accounts show profit, directors' remuneration and employees' remuneration shall be appropriated before tax and distributed upon resolution by the Board of Directors. After paying taxes in accordance with the law, 10% shall be appropriated as legal reserve; however, this shall not apply when the legal reserve has reached the total amount of the Company's share capital. In addition, a special reserve of the same amount as the reduction in shareholders' equity items that occurred in the current year shall be allocated. When the reduction in shareholders' equity items is reversed, a portion of it may be transferred to the current year's earning distribution. If there are still earnings, along with undistributed earnings accumulated from the previous year, the Board of Directors shall prepare a proposal for profit distribution, and when issuing new shares, it shall be submitted to the shareholders' meeting for approval of distribution.

According to the Company's Articles of Incorporation as amended on June 19, 2025, if the Company has profit and after deducting accumulated losses, if there is still a balance, directors' remuneration and employees' remuneration shall be appropriated from such balance and distributed upon resolution by the Board of Directors. After paying taxes in accordance with the law, 10% shall be appropriated as legal reserve; however, this shall not apply when the legal reserve has reached the total amount of the Company's share capital. Subsequently, special reserve shall be appropriated or reversed in accordance with laws and regulations or requirements of competent authorities. If there are still earnings, along with undistributed earnings accumulated from the previous year, the Board of Directors shall prepare a proposal for profit distribution, and when issuing new shares, it shall be submitted to the shareholders' meeting for approval of distribution.

In accordance with the provisions of Paragraph 5 of Article 240 of The Company Act, the Company authorized the Board of Directors to distribute all or part of the dividends and bonuses or all or part of the legal reserves and capital surplus as stipulated in Paragraph 1 of Article 241 of The Company Act in the form of cash distribution with the presence of more than two-thirds of the directors and the resolution of more than half of the directors, and report to the shareholders' meeting.

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

The industry to which the Company belongs is currently in a growth stage. The dividend distribution policy should take into account factors such as the Company's current and future investment environment, capital requirements, domestic and international competition, and capital budgeting, while considering shareholders' interests, balancing dividends, and the Company's long-term financial planning. The Board of Directors shall formulate a distribution proposal each year under the law and report in a shareholders' meeting. Based on the Company's financial, business, and operational considerations, if the Company has distributable earnings for the current year, the distribution principle shall be to allocate no less than 30% of the current year's net income after tax, with cash dividends proposed to account for at least 50% of total shareholder dividends.

A. Earnings distribution

The Company, through a board resolution on March 15, 2024, determined that due to a net loss after tax in 2023, no cash dividends would be distributed.

On May 9, 2025, the cash dividends for 2024 was resolved in a Board of Directors' meeting. The relevant earnings distributions to shareholders were as follows:

	2024	
	Payout per share (in NT dollars)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.5	<u>46,976</u>

Related information on the resolutions of the Board of Directors' and shareholders' meetings can be accessed through the Market Observation Post System website.

15. Share-based payments

Except those described below, there was no significant change in the Group's share-based payments for the six months ended June 30, 2025 and 2024. Please refer to note 6(o) of the 2024 consolidated financial statements for more information.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(1) Share-based payment for cash capital increase

Keelgoal Energy resolved through a Board of Directors' resolution on March 12, 2024, to conduct a cash capital increase by issuing new shares, with a portion of shares reserved for subscription by Group employees. The Group's employee subscription amounted to 426 thousand shares. The share-based payment was estimated using the Black-Scholes option pricing model to determine the fair value on the grant date. The input parameters for this model are as follows:

	First time in 2024
Grant date	April 10, 2024
Grant quantity	450 thousand shares
Vesting conditions	Immediate vesting
Fair value on grant date	NTD12.1
Exercise price	NTD12
Expected volatility	25.12%
Risk-free rate	1.26%

The share-based payment expenses arising from cash capital increase allocated to Group employees by Keelgoal Energy for the three months ended June 30, 2024, and for the six months ended June 30, 2024, were both NTD42 thousand.

(2) Employee stock options

Keelgoal Energy resolved through a Board of Directors resolution on March 13, 2025, to issue employee stock options, with each unit exercisable for 1,000 ordinary shares. The total issuance amount is 2,000 units, which may be issued at one time or in multiple tranches. On May 6, 2025, 1,832 units were actually granted. Information related to employee stock options is as follows:

	January to June, 2025	
	Weighted average exercise price (in NT dollars)	Number of stock options
Outstanding quantity as of January 1	\$ -	-
Granted quantity for the current period	15	1,832
Expired quantity for the current period	-	-
Exercised quantity for the current period	-	-
Outstanding quantity as of June 30	15	1,832
Exercisable quantity as of June 30	-	-

**CELPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

The main issuance terms of the aforementioned employee stock options are as follows:

Issue date	May 6, 2025
Total units issued	2,000 units
Exercise price	NTD15
Vesting period and cumulative exercisable stock option ratio	Upon completion of two years: 50% Upon completion of three years: 100%
Exercise method	Issuance and delivery of new shares.
Grant recipients	Employees of Keelgoal Energy and its domestic and foreign controlling and subsidiary companies
Duration of stock option	The duration of the stock option is 5 years. Upon expiration of the duration period, any unexercised employee stock options shall be deemed waived, and the option holders may no longer assert their stock option rights. Stock options and their associated rights may not be transferred, pledged, gifted to others, or disposed of in any other manner, except in cases of inheritance upon the death of the option holder.

The employee stock options of Keelgoal Energy adopt the Black-Scholes option pricing model to estimate the fair value of stock options granted to employees. The various consideration factors are as follows:

	Employee stock options
Weighted average share price (in NT dollars)	\$ 30.95
Exercise price per share (in NT dollars)	15
Expected volatility	37.10~38.02%
Expected duration	3.5~4.0 years
Risk-free rate	1.38~1.40%

The Group recognized expenses of NTD2,258 thousand for stock options granted to Group employees for the three months ended June 30, 2025 and the six months ended June 30, 2025, respectively, resulting in corresponding adjustments to capital surplus of NTD2,258 thousand.

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

16. Earnings (Loss) per share

The calculation of the Group's basic earnings (loss) per share and diluted earnings (loss) per share is as follows:

	<u>April to June, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Basic earnings (loss) per share (in NT dollars)				
Net (loss) income attributable to ordinary shareholders of the Company	<u>\$ (81,126)</u>	<u>2,377</u>	<u>(124,382)</u>	<u>(48,322)</u>
Weighted average number of ordinary shares outstanding (in thousands)	<u>93,953</u>	<u>88,306</u>	<u>93,774</u>	<u>88,306</u>
	<u>\$ (0.86)</u>	<u>0.03</u>	<u>(1.33)</u>	<u>(0.55)</u>
Diluted earnings (loss) per share (in NT dollars)				
Net (loss) income attributable to ordinary shareholders of the Company (diluted)	<u>\$ (81,126)</u>	<u>2,377</u>	<u>(124,382)</u>	<u>(48,322)</u>
Weighted average number of ordinary shares outstanding (in thousands)	93,953	88,306	93,774	88,306
Effects of dilutive potential ordinary shares				
Employees' stock remuneration	-	-	-	-
Convertible bonds	-	-	-	-
Weighted-average number of outstanding ordinary shares (after adjusting for dilutive effect of potential ordinary shares) (in thousands)	<u>93,953</u>	<u>88,306</u>	<u>93,774</u>	<u>88,306</u>
	<u>\$ (0.86)</u>	<u>0.03</u>	<u>(1.33)</u>	<u>(0.55)</u>

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

- (1) The Company's convertible corporate bonds for the three months ended June 30, 2025 and 2024, as well as the six months ended June 30, 2025 and 2024, had no dilutive effect.
- (2) The Company reported net losses after tax for the periods for the six months ended June 30, 2025 and 2024, with no dilutive potential ordinary shares.

17. Revenue from contracts with customers

- (1) Disaggregation of revenue

	<u>April to June, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Primary geographical markets:				
Taiwan	\$ 368,384	427,970	756,467	739,329
Mainland China	663,415	812,867	1,181,523	1,575,746
Others	326,425	205,862	529,872	326,352
	<u>\$ 1,358,224</u>	<u>1,446,699</u>	<u>2,467,862</u>	<u>2,641,427</u>
Major products:				
Lithium battery packs	\$ 1,349,930	1,436,809	2,449,579	2,623,633
Others	8,294	9,890	18,283	17,794
	<u>\$ 1,358,224</u>	<u>1,446,699</u>	<u>2,467,862</u>	<u>2,641,427</u>

- (2) Contract balances

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivable	\$ 1,229,113	1,572,682	1,502,350
Less: Loss allowance	(165)	(122)	(173)
	<u>\$ 1,228,948</u>	<u>1,572,560</u>	<u>1,502,177</u>
Contract liabilities - advanced receipts	<u>\$ 112,129</u>	<u>114,944</u>	<u>64,822</u>

For the details of accounts receivable and loss allowance, please refer to note 6(c).

NTD37,280 thousand and NTD8,371 thousand of the opening balance of contract liabilities as of January 1, 2025 and 2024, were recognized as income for the six months ended June 30, 2025 and 2024, respectively.

Changes in contract liability were mainly attributed to differences between the timing at which the Group is deemed to have fulfilled its obligations by delivering merchandise or service to customers and the timing at which payment is collected from customers.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

18. Remuneration of employees and directors

In accordance with the Company's Articles of Incorporation before amendments, if the Company is making a profit for the year, the Company should appropriate 3%~12% as remuneration to employees and remuneration to directors not exceeding 3%. However, if the Company has accumulated deficits, the profits shall first be offset against any deficit. The aforementioned employee remuneration may be distributed in shares or in cash to employees of subsidiaries who meet specific conditions; the method of distribution is determined by the Board of Directors.

In accordance with the Company's Articles of Incorporation as amended on June 19, 2025, if the Company has annual profits after deducting accumulated losses and there remains a balance, employee remuneration of 3% to 12% and director remuneration not exceeding 3% shall be appropriated from such balance. The distribution of employee remuneration and director remuneration shall be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the consent of more than half of the attending directors, and shall be reported to the general shareholders' meeting.

For the employee remuneration under the first paragraph, of the total amount resolved for distribution by the Board of Directors, not less than 1% of the total amount shall be distributed as remuneration to grassroots employees.

When employee remuneration is distributed in the form of shares or cash, the recipients may include employees of controlled or subsidiary companies who meet certain conditions. The conditions and distribution method shall be authorized to be determined by the Board of Directors.

The Company incurred net losses before tax for both the six months ended June 30, 2025 and 2024, and therefore no employee and director remuneration was estimated.

In 2024 and 2023, the Company incurred a net loss before tax, and no estimates for employee and director remuneration were made. More information can be found on the Market Observation Post System.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

19. Financial instruments

There was no significant change in the fair value of the Group's financial instruments or credit risk, liquidity risk, and market risk exposures arising from use of financial instruments, except for the matters discussed below. Please refer to note 6(t) of the 2024 consolidated financial statements for more information.

(1) Credit risk

For credit risk exposure of accounts receivables, please refer to note 6(c).

Financial assets measured at amortized cost include other receivables and time deposits; investments in debt instruments measured at fair value through other comprehensive income include debt securities issued by listed companies. The financial assets mentioned above are deemed to be of low risk, therefore allowances are made based on 12-month expected credit loss.

As the counterparties and the performing parties of the Group's bank deposits and fixed-income investments are banks with good credits or financial institutions with investment grades and above, these are considered to have low credit risk.

Changes in loss allowance for the periods for the six months ended June 30, 2025 and 2024, were as follows:

	Other receivables	
	January to June, 2025	January to June, 2024
Beginning balance	\$ -	2,261
The amount written off during the current year due to uncollectibility	-	(2,261)
Ending balance	<u>\$ -</u>	<u>-</u>

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(2) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Contractual cash flows	Within a year	1-5 years
June 30, 2025			
Non-derivative financial liabilities:			
Short-term borrowings	(506,077)	(506,077)	-
Accounts payable	(1,066,217)	(1,066,217)	-
Other payables	(168,940)	(168,940)	-
Dividend payables	(53,803)	(53,803)	-
Lease liabilities (including current & non-current)	(21,478)	(8,116)	(13,362)
Long-term borrowings (including current portion)	(102,837)	(2,432)	(100,405)
Corporate bonds payable (including current portion)	(213,000)	(213,000)	-
	<u>\$ (2,132,352)</u>	<u>(2,018,585)</u>	<u>(113,767)</u>
December 31, 2024			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (671,129)	(671,129)	-
Accounts payable	(1,257,710)	(1,257,710)	-
Other payables	(207,413)	(207,413)	-
Lease liabilities (including current & non-current)	(20,995)	(8,171)	(12,824)
Long-term borrowings (including current portion)	(411,680)	(107,288)	(304,392)
Bonds payable	(226,300)	-	(226,300)
	<u>\$ (2,795,227)</u>	<u>(2,251,711)</u>	<u>(543,516)</u>
June 30, 2024			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (418,213)	(418,213)	-
Accounts payable	(1,317,291)	(1,317,291)	-
Other payables	(196,494)	(196,494)	-
Lease liabilities (including current & non-current)	(22,511)	(9,004)	(13,507)
Long-term borrowings (including current portion)	(413,258)	(9,185)	(404,073)
Bonds payable	(400,000)	-	(400,000)
	<u>\$ (2,767,767)</u>	<u>(1,950,187)</u>	<u>(817,580)</u>

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

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

(3) Currency risk

A. Exposure to foreign currency risk

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

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	\$	48,580 USD/NTD = 29.3	1,423,394	55,604 USD/NTD = 32.785	1,822,977		63,081 USD/NTD = 32.45	2,046,978	
USD		2,839 USD/CNY = 7.1586	83,182	3,803 USD/CNY = 7.1884	124,681		1,532 USD/CNY = 7.1268	49,706	
Financial liabilities									
Monetary items									
USD		49,331 USD/NTD = 29.3	1,445,398	51,036 USD/NTD = 32.785	1,673,215		52,023 USD/NTD = 32.45	1,688,146	
USD		11,383 USD/CNY = 7.1586	333,522	8,305 USD/CNY = 7.1884	272,279		6,323 USD/CNY = 7.1268	205,181	

B. Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at FVOCI, short-term borrowings, accounts payable, and other payables that are denominated in foreign currencies. As of June 30, 2025 and 2024, assuming foreign currencies depreciate or appreciate by 5% relative to the NTD and CNY while all other factors remain constant, the impact on net loss before tax for the six months ended June 30, 2025 and 2024 is as follows. The analysis for both periods is conducted on the same basis.

	January to June, 2025	January to June, 2024
	Decrease (increase) in net loss before tax	Decrease (increase) in net loss before tax
USD (against the NTD)		
Appreciation by 5%	\$ (1,100)	17,942
Depreciation by 5%	1,100	(17,942)
USD (against the CNY)		
Appreciation by 5%	(12,517)	(7,773)
Depreciation by 5%	12,517	7,773

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

C. Foreign exchange gains and losses on monetary items

The exchange gain (loss) on monetary items of the Group (including realized and unrealized) is translated into the amount in the functional currency and the exchange rate information for translating to the functional currency of the parent company, NTD (i.e., the currency expressed in the consolidated financial statements), is as follows:

	April to June, 2025		April to June, 2024		January to June, 2025		January to June, 2024	
	Exchange gains or losses (in thousands of foreign currency)	Average exchange rate	Exchange gains or losses (in thousands of foreign currency)	Average exchange rate	Exchange gains or losses (in thousands of foreign currency)	Average exchange rate	Exchange gains or losses (in thousands of foreign currency)	Average exchange rate
NTD	\$ 5,949	-	14,489	-	10,058	-	50,254	-
CNY	321 CNY/NTD		357 CNY/NTD		952 CNY/NTD		509 CNY/NTD	
		= 4.2598		= 4.4580		= 4.3857		= 4.412

(4) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest risk on the non-derivative financial instruments at the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If interest rate increased/decreased by 0.25% while all other variables remained unchanged, the Group's net losses before tax for the six months ended June 30, 2025 and 2024 would have decreased/increased by NTD955 thousand and NTD815 thousand, respectively. This is primarily due to the Group's demand deposits and bank borrowings with variable interest rates.

(5) Fair value

A. Types and fair value of financial instruments

The Group's financial assets and liabilities at FVTPL and financial assets at FVOCI are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and lease liabilities, the disclosure of fair value information is not required:

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

	June 30, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:					
Derivative financial instruments					
Convertible bonds					
Embedded derivatives	\$ 720	-	-	720	720
Financial assets at FVOCI					
Domestic bonds	26,089	-	26,089	-	26,089
Financial assets at amortized cost					
Cash and cash equivalents	1,362,183	-	-	-	-
Accounts receivable, net	1,228,948	-	-	-	-
Other receivables	1,115	-	-	-	-
Other current financial assets	611,744	-	-	-	-
Refundable deposits (presented as other non-current financial assets)	16,719	-	-	-	-
	<u>3,220,709</u>				
	<u>\$ 3,247,518</u>				
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 498,100	-	-	-	-
Accounts payable	1,066,217	-	-	-	-
Other payables	168,940	-	-	-	-
Dividend payables	53,803	-	-	-	-
Corporate bonds payable (including current portion)	198,212	-	-	210,338	210,338
Lease liabilities (including current & non-current)	20,547	-	-	-	-
Long-term borrowings (including current portion)	100,000	-	-	-	-
	<u>\$ 2,105,819</u>				

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:					
Derivative financial instruments					
Convertible bonds					
Embedded derivatives	\$ 3,320	-	-	3,320	3,320
Financial assets at FVOCI					
Domestic bonds	29,638	-	29,638	-	29,638
Financial assets at amortized cost					
Cash and cash equivalents	1,556,438	-	-	-	-
Accounts receivable, net	1,572,560	-	-	-	-
Other receivables	7,898	-	-	-	-
Other current financial assets	775,928	-	-	-	-
Refundable deposits (presented as other non-current financial assets)	18,070	-	-	-	-
	3,930,894				
	\$ 3,963,852				
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 658,244	-	-	-	-
Accounts payable	1,257,710	-	-	-	-
Other payables	207,413	-	-	-	-
Bonds payable	203,134	-	-	220,145	220,145
Lease liabilities (including current portion)	20,254	-	-	-	-
Long-term borrowings	400,000	-	-	-	-
	\$ 2,746,755				

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

		June 30, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:						
Derivative financial instruments	Convertible bonds Embedded derivatives	\$ 80	-	-	80	80
Financial assets at FVOCI						
Domestic bonds		30,448	-	30,448	-	30,448
Financial assets at amortized cost						
Cash and cash equivalents	1,558,707	-	-	-	-	
Accounts receivable, net	1,502,177	-	-	-	-	
Other receivables	870	-	-	-	-	
Other current financial assets	728,682	-	-	-	-	
Other non-current financial assets	2,000	-	-	-	-	
Refundable deposits (presented as other non-current financial assets)	15,059	-	-	-	-	
	3,807,495	-	-	-	-	
	\$ 3,838,023					
Financial liabilities measured at amortized cost:						
Short-term borrowings	\$ 407,716	-	-	-	-	
Accounts payable	1,317,291	-	-	-	-	
Other payables	196,494	-	-	-	-	
Bonds payable	344,118	-	-	383,360	383,360	
Lease liabilities (including current portion)	21,870	-	-	-	-	
Long-term borrowings	400,000	-	-	-	-	
	\$ 2,687,489					

B. Valuation technique for financial instruments measured at fair value

(a) Non-derivative financial instruments

Financial instruments that are openly quoted in an active market will have fair value determined at the openly quoted price. Fair values of public-listed (OTC-traded) equity instruments and debt instruments openly quoted in active markets are determined using market prices quoted on major exchange and OTC center for actively traded government bonds.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

Except for financial instruments traded in active markets, as described above, fair values of all other financial instruments are obtained either by applying valuation techniques or by making reference to counterparties' quotations. Fair value through valuation technique may be obtained by making reference to the prevailing fair value of financial instruments that share similar terms and characteristics or using valuation techniques such as the discounted cash flow method in conjunction with market information available as at the reporting date.

- (b) Derivative financial instruments are evaluated based on valuation models that are widely accepted by market users, such as the binomial options pricing model.
- C. There was no transfer of fair value hierarchy for the six months ended June 30, 2025 and 2024.
- D. Reconciliation of Level 3 fair values

	FVTPL
	Derivative financial instruments - convertible bonds
January 1, 2025	\$ 3,320
Total profit or loss:	
Recognized in profit or loss	(2,600)
June 30, 2025	<u>\$ 720</u>
January 1, 2024	\$ 760
Total profit or loss:	
Recognized in profit or loss	(680)
June 30, 2024	<u>\$ 80</u>

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

The total gains or losses mentioned above are reported under financial gains (losses) at FVTPL. The assets still held for the three months ended June 30, 2025 and 2024, and the six months ended June 30 of 2025 and 2024 are as follows:

	<u>April to June, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Total losses:				
Recognized in profit or loss (reported under "gains (losses) on financial assets measured at fair value through profit or loss")	<u>\$ (1,640)</u>	<u>40</u>	<u>(2,600)</u>	<u>(680)</u>

- E. Quantitative information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "Financial assets at FVTPL - call option of convertible bonds."

Most of the fair value measurements of the Group categorized within Level 3 used single significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

<u>Content</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at FVTPL - call options of convertible bonds	Binomial convertible bonds pricing models	Volatility (48.93%, 36.34% and 18.25% on June 30, 2025, December 31, 2024, and June 30, 2024)	• The higher the volatility, the higher the fair value.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

- F. Level 3 Sensitivity of reasonable, possible alternative assumptions on fair value, for items that are subject to Level 3 fair value input

The Group considers its fair value assessment of financial instruments to be reasonable, but uses of different valuation model or parameter may lead to different results. For financial instruments that involve the use of Level 3 input, impacts on current profit Level 3 or loss in the event of a change in valuation parameter are explained below:

	Input value	Move up or down variation	Impacts of fair value change on current profit or loss	
			Favorable	Unfavorable
June 30, 2025				
Financial assets at FVTPL - call options of convertible bonds	Volatility	5%	\$ (831)	(1,001)
December 31, 2024				
Financial assets at FVTPL - call options of convertible bonds	Volatility	5%	\$ 3,800	(2,480)
June 30, 2024				
Financial assets at FVTPL - call options of convertible bonds	Volatility	5%	\$ 160	(40)

The favorable and unfavorable effects represent changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

20. Financial risk management

There was no significant change in the Group's financial risk management goals and policies from those disclosed in note 6(u) of the 2024 consolidated financial statements.

21. Capital management

The Group's capital management goals, policies, and procedures were consistent with those disclosed in the 2024 consolidated financial statements. There was no change in the quantitative data used for capital management from that disclosed in the 2024 consolidated financial statements. Please see note 6(v) of the 2024 consolidated financial statements for more information.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

22. Non-cash investing and financing activities

- (1) The Group's investing activities which did not affect the current cash flow for the six months ended June 30, 2025 and 2024, were acquisition of right-of-use assets through lease. Please refer to note 6(g) and note 6(k).
- (2) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flow	Non-cash changes Changes in lease payments and others	June 30, 2025
Short-term borrowings	\$ 658,244	(132,264)	(27,880)	498,100
Lease liabilities	20,254	(4,592)	4,885	20,547
Corporate bonds payable (including current portion)	203,134	-	(4,922)	198,212
Long-term borrowings (including current portion)	400,000	(300,000)	-	100,000
	\$ 1,281,632	(436,856)	(27,917)	816,859

	January 1, 2024	Cash flow	Non-cash changes Changes in lease payments and others	June 30, 2024
Short-term borrowings	\$ 563,082	(165,837)	10,471	407,716
Lease liabilities	25,256	(4,576)	1,190	21,870
Bonds payable	330,871	-	13,247	344,118
Long-term borrowings (including current portion)	400,000	-	-	400,000
	\$ 1,319,209	(170,413)	24,908	1,173,704

**CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(VII) Related-party transactions

1. Transactions with key management personnel

Key management personnel compensation comprised of:

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Short-term employee benefits	\$ 5,333	4,484	10,674	9,465
Post-employment benefits	135	135	270	297
Share-based payments	486	-	486	-
	<u>\$ 5,954</u>	<u>4,619</u>	<u>11,430</u>	<u>9,762</u>

For information regarding share-based payments, please refer to note 6(o).

(VIII) Pledged assets

Carrying amount of assets that the Group had placed as collateral is explained below:

Name of asset	Pledged collateral	June 30, 2025	December 31, 2024	June 30, 2024
Time deposit (presented as other non-current financial assets)	Customs bond	<u>\$ -</u>	<u>-</u>	<u>2,000</u>

(IX) Commitments and contingencies

- As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group had capital commitment for construction and equipment that were contracted but not yet paid for, amounting to NTD65,685 thousand, NTD73,784 thousand, and NTD80,527 thousand, respectively.
- As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's performance guarantees provided by banks for customs guarantee were NTD2,000 thousand, NTD2,000 thousand, and NTD0 thousand, respectively.

(X) Losses due to major disasters: None.

(XI) Subsequent events: None.

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(XII) Others

1. A summary of current-period employee benefits, depreciation, and amortization function is as follows:

By function By nature	April to June, 2025			April to June, 2024		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefits						
Salary	36,554	69,915	106,469	39,863	63,658	103,521
Labor and health insurance	2,497	5,430	7,927	2,525	5,566	8,091
Pension	3,306	3,654	6,960	3,468	3,689	7,157
Others	32,674	4,054	36,728	37,507	4,026	41,533
Depreciation	12,783	14,834	27,617	22,481	16,021	38,502
Amortization	52	623	675	103	900	1,003

By function By nature	January to June, 2025			January to June, 2024		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefits						
Salary	75,412	141,210	216,622	78,599	133,013	211,612
Labor and health insurance	5,215	11,290	16,505	5,070	11,916	16,986
Pension	6,869	7,322	14,191	6,902	7,516	14,418
Others	65,245	8,268	73,513	70,660	8,353	79,013
Depreciation	27,207	31,009	58,216	45,490	31,666	77,156
Amortization	108	1,440	1,548	197	1,758	1,955

2. Seasonality of operations:

The Group's operations are not affected by seasonality or cyclicalities.

(XIII) Other disclosures

1. Information on significant transactions

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2025:

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

(1) Loans to other parties:

Unit: Thousands in foreign currency

Serial No. (Note 1)	Lender of funds	Borrower of funds	Subject	Are they related parties	Maximum amount for the current period	Ending balance	Actual amount utilized	Range of interest rates	Nature of the loan (Note 2)	Business transaction amount	Reasons for the necessity of short-term financing	Amount of provision for bad debt allowance	Collateral		Loan limit amount for each recipient (Note 3)	Total loan limit (Note 3)
													Name	Value		
0	The Company	Celxper (Nantong)	Other receivables	Yes	99,615 (US\$3,000)	87,900 (US\$3,000)	87,900 (US\$3,000)	1.78%	2	-	Operation needs	-	None	-	955,437	955,437

Note 1: The numbers filled in as follows:
1. 0 represents the parent company.
2. 1 represents the subsidiaries.

Note 2:
1. represents business counterparty.
2. represents for those who need a short-term loan.

Note 3: According to the "Operating Procedures for Loans to Other Parties," the total amount of funds lent by the Company shall not exceed 40 percent of the net worth as stated in the most recent financial statements audited or reviewed by CPAs. For companies or businesses that require short-term funding from the Company, the loan amount to each individual entity shall not exceed 40 percent of the Company's net worth.

Note 4: The above-mentioned transactions had been eliminated in the consolidated financial statements.

Note 5: The USD is converted to NTD using the exchange rate of 29.3 at the end of the period.

(2) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars/foreign currencies)

Serial No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a single enterprise	Highest balance of guarantees and endorsements for the current period	Ending balance of guarantees and endorsements	Actual amount utilized	Amount endorsed/ guaranteed by collateral	Cumulative amount of endorsement/ guarantee as a percentage of net worth stated in the latest financial statements	Endorsement/ guarantee limit	Parent company's guarantee/ endorsement to subsidiary	Subsidiary's guarantee/ endorsement to parent company	Guarantee/ endorsement to the Mainland area
		Name of entity	Relationship										
0	The Company	Celxper (Kunshan)	2nd-tier subsidiary	1,194,296	431,665 (US\$13,000)	263,700 (US\$9,000)	263,700 (US\$9,000)	-	11.04%	2,388,593	Y	-	Y
0	The Company	Celxper (Nantong)	2nd-tier subsidiary	1,194,296	232,435 (US\$7,000)	205,100 (US\$7,000)	205,100 (US\$7,000)	-	8.59%	2,388,593	Y	-	Y
0	The Company	Keelgoal Energy	Subsidiary	238,859	240,000	-	-	-	-%	2,388,593	Y	-	-

Note 1: The total amount of endorsements and guarantees provided by the Company to third parties shall not exceed 100% of the latest net worth as reported in the financial statements. The maximum limit for endorsements and guarantees provided to a single enterprise, except for subsidiaries in which the Company directly or indirectly holds more than 90% of the ordinary shares, shall not exceed 50% of the current net worth. For all other enterprises, the maximum limit shall not exceed 10% of the latest net worth as reported in the financial statements.

Note 2: The endorser mentioned above are entities included in the consolidated financial statements.

Note 3: The USD is converted to NTD using the exchange rate of 29.3 at the end of the period.

(3) Significant securities held at period-end (excluding investment in subsidiaries, associates and joint ventures):

Holder	Category and name of security	Relationship with company	Account	End of period				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair Value	
The Company	TSMC 30-year USD corporate bonds	-	Current financial assets at fair value through other comprehensive income	-	26,089	-	26,089	

CELXPART ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

- (4) Related-party purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Companies with purchase (sales) transactions	Name of counterparty	Relationship	Transaction details				Transactions with terms different from others		Notes and accounts receivable (payable)		Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Celxpert (Kunshan)	Subsidiary	Processing fee	201,329	10%	Based on funding needs	Under the Company	Adjustment based on funding needs	Accounts payable (40,849)	(3)%	(Notes 1 and 2)
Celxpert (Kunshan)	The Company	Parent company	(Processing income)	(201,329)	(100)%	"	"	"	Accounts receivable 40,849	100%	(Note 1)

Note 1: The transactions listed on the left had been eliminated in the consolidated financial statements.

Note 2: The remaining balance is the net value of processing outsourced and sales of raw material.

- (5) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.
- (6) Business relationships and significant intercompany transactions between the parent company and subsidiaries:

No. (Note 1)	Name of company	Name of counter-party	Relationship with the counterparty (Note 2)	Transactions details			
				Account	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ASIL	1	Accounts payable	92,604	According to the Company's pricing policies; payment term is granted based on capital requirement	1.92%
0	The Company	Celxpert (Kunshan)	1	Operating costs	201,329	"	8.16%
0	The Company	Celxpert (Kunshan)	1	Accounts payable	40,849	"	0.85%
0	The Company	Keelgoal	1	Sales revenue	68,048	60 days	2.76%
0	The Company	Keelgoal	1	Processing income	2,655	"	0.11%
0	The Company	Keelgoal	1	Accounts receivable	71,252	"	1.48%
0	The Company	Celxpert (Nantong)	1	Other receivables	89,043	Interest rate 1.78%	1.85%

Note 1: The numbers filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

2. Information on investees

The following is the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		End-of-period holding position			(In thousands of shares/USD thousands)		Note
				End of current period	End of previous year	Shares	Percentage of ownership	Carrying amount	Profit (loss) of the investee for the current period	Profit (loss) recognized in the current period	
The Company	CHL	British Virgin Islands	Foreign investment holding	752,490	752,490	24,631	100%	251,178	(71,179)	(60,778)	Subsidiary (Note 3)
"	Celxpert (Indonesia)	Indonesia	Manufacturing, processing, and sales of battery packs and power supply related products	40,767	40,767	10	100%	1,761	(1,462)	(1,462)	Subsidiary (Note 3)
"	Keelgoal Energy	Taiwan	Research and development and trading of lithium battery packs, energy storage systems, and others	165,550	183,401	9,274	57.60%	137,177	24,443	15,429	Subsidiary (Note 3)
CHL	ASIL	British Virgin Islands	Import and export trade	1,465 (US\$50)	1,465 (US\$50)	50	100%	1,494 (US\$51)	6 (US\$0)	Investment gain or loss recognized by CHL	2nd-tier subsidiary (Note 3)
"	CHK	Hong Kong	Foreign investment holding	416,646 (US\$14,220)	416,646 (US\$14,220)	14,220	100%	35,189 (US\$1,201)	(48,999) (US\$(1,538))	"	"
"	CEIL	SAMOA	"	US\$-	US\$-	(Note 1)	100%	US\$-	US\$-	"	"
"	CPEI	"	"	293,000 (US\$10,000)	293,000 (US\$10,000)	10,000	100%	125,404 (US\$4,280)	(22,205) (US\$(697))	"	"
Keelgoal Energy	VoltaEdge Holdings Limited	British Virgin Islands	"	-	-	(Note 1)	40%	-	-	Recognized by Keelgoal Energy	Associate

Note 1: The registration procedures have been completed, and no capital has been injected yet.

Note 2: The USD is converted to NTD using the exchange rate of 29.3 at balance sheet date or the average exchange rate of 31.8586.

Note 3: The transactions listed on the left had been eliminated in the consolidated financial statements.

3. Information on investment in Mainland China:

(1) Information on business investments in Mainland China:

Name of Mainland investee	Main businesses and products	Capital stock (Note 2)	Method of Investment flows	Cumulative investment amount remitted from Taiwan at the beginning of the current period (Note 2)	Investment amount remitted or recovered during the current period		Cumulative investment amount remitted from Taiwan at the end of the current period (Note 2)	Current period profit or loss of investees	The Company's direct or indirect holding percentage	Profit (loss) recognized in the current period (Note 1)	Closing carrying amount of investment	Investment gains recovered to date
					Outflow	Inflow						
Celxpert (Kunshan)	Manufacturing and trading of battery parts and battery packs	Capital verified: 439,500 (US\$15,000)	Indirect investment through CHK	416,207 (US\$14,205)	-	-	416,207 (US\$14,205)	(48,999) (US\$(1,538))	100%	(48,999) (US\$(1,538))	17,814 (US\$608)	-
Celxpert (Nantong)	Manufacturing and trading of battery parts and battery packs	Capital verified: 293,000 (US\$10,000)	Indirect investment through CPEI	293,000 (US\$10,000)	-	-	293,000 (US\$10,000)	(22,205) (US\$(697))	100%	(22,205) (US\$(697))	125,404 (US\$4,280)	-
Celxpert (Changchun)	Business of recycling automotive batteries and electronic components	(Note 3)	Indirect investment through CEIL	-	-	-	-	-	0%	-	-	-

**CELXPRT ENERGY CORPORATION AND SUBSIDIARIES Notes to the
Consolidated Financial Statements (Continued)**

(2) Limitation on investment in Mainland China:

(In Thousands of U.S. Dollars)

Closing cumulative balance of investment capital transferred from Taiwan into the Mainland	Investment limit authorized by the Investment Commission, Ministry of Economic Affairs	Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing in Mainland China
709,207 (US\$24,205)	720,194 (US\$24,580)	1,433,155

Note 1: The investment gains or losses of the current period are recognized according to the financial statements which have been reviewed by the certified public accountant of Taiwan parent company.

Note 2: The USD is converted to NTD using the exchange rate of 29.3 at balance sheet date or the average exchange rate of 31.8586.

Note 3: The registration procedures have been completed, and no capital has been injected yet.

(3) Significant transactions:

Significant inter-company transactions with subsidiaries in Mainland China for the six months ended June 30, 2025, which had been eliminated during the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions."

(XIV) Segment information

The Group has only one reportable segment, the battery pack segment, primarily engaged in the manufacturing, processing, and trading of battery packs and power supply-related products. The Group's other operating segments, primarily engaged in the design, development, and trading of lithium battery packs and energy storage systems, did not meet any quantitative threshold for reportable segments for the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2025 and 2024. The segment's profit, asset, and liability figures are the same as those of the consolidated financial statements. Accounting policies adopted by the operating segment are identical to the summary of significant accounting policies explained in note 4 of the 2024 consolidated financial statements.