

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



**Minutes of the Annual Shareholders' Meeting**

Time: 9:00 a.m., Friday, June 28, 2024

Place: No. 398, Taoying Road., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)

(Chuto Plaza Hotels)

Meeting type : Video-conferencing assisted shareholders meeting(physical shareholders meeting supported by video conferencing)

E-Meeting Platform: "Shareholders meeting e-Voting Platform-Hybrid Shareholders' Meeting" by Taiwan Depository & Clearing Corporation(website: <http://www.stockvote.com.tw>)

Quorum: 57,093,304 shares were represented by the shareholders and proxies present at the meeting (including e-voting 18,198,221 shares), which accounts 68.79% of the Company's 83,000,000 issued and outstanding shares.

President (Directors): Chang, Sheng-Shih 、 Cnu, Jui-Yang 、 Lee, Yu-Mei 、 Lee, Chao-Chin

Chairman of Meeting: Chang, Sheng-Shih

Prepared by: Chao, Yen-Ling

1. The Chairman declared the meeting duly constituted.

2. Chairman's speech: Omitted.

3. Report Items

Proposal 1:

Proposal: Business Report of 2023

Explanation: Business Report of 2023, attached in Attachment 1 of the Meeting Agenda, page 11-12.

Proposal 2:

Proposal: Inspection Report of Audit Committee of 2023.

Explanation:

1. In accordance with Article 14, paragraph 4, subparagraph 3 of the Taiwan Securities Transaction Act, when the company sets up the audit committee, the provisions of the Taiwan Securities Transaction Act, the Company Act and other relevant laws for the supervisor are approved by the audit committee.
2. In accordance with the above provisions, the Audit Committee shall use the provisions of Article 228 of the Company Act to review the business report, financial statements and proposals of the deficit compensation approved by the 9th meeting of the 9th Board of Directors, and issue a verification report. Please refer to Attachment 2 of the Meeting Agenda, page 13.

Proposal 3:

Proposal: Report on the Implementation of Sound Operation Plan 2023.

Explanation:

1. In accordance with No.1030051218 of the Financial Supervisory Commission on December 26, 2014, the company has reported the implementation of sound business operation 2023 at the 9nd meeting of the 8th Board of Directors on March 8, 2024.
2. The report of sound business operation 2023 are as attached in Attachment 3 of the Meeting Agenda, page 14-18.

Proposal 4:

Proposal: Report of private equity 2023.

Explanation: Capital injection by issuance of 40 million shares of common stocks through private placement had been terminated by the resolution of the board of Directors due to can not be done before the expiry date on June 14, 2024.

4. Proposed Items

Proposal 1: (By the Board of Directors)

Proposal: Proposal for the Business Report and Financial Statements 2023, please approve it.

Explanation:

1. The consolidated financial statements 2023 of the company was reviewed by the accountant Wei-Hao Wu and Yen-Na Li of PwC Taiwan, and reports were issued with unreserved opinions.
2. The business report and financial statements 2023 accepted by the board of directors, and it is proposed to the shareholders' meeting for approval.
3. Business report are as attached in Attachment 1 of the Meeting Agenda, page 11-12.
4. The consolidated financial statements are attached in Attachment 4 of the Meeting Agenda, pages 19-31.

Vote Results,

	Votes	% of the total represented share present
For	46,669,754 (e-vote 17,595,862)	82.51%
Against	65,234 (e-vote 65,234)	0.12%
Invalid/Abstain	9,828,581 (e-vote 537,125)	17.38%

Resolution: The above proposed was approved as proposed.

Proposal 2: (By the Board of Directors)

Proposal: Proposal for Deficit Compensation 2023, please approve it.

Explanation:

1. In the fiscal year 2023, the after-tax loss of the company amounted to NT\$519,356,819. Taking into account the accumulated deficit brought forward from previous periods of NT\$10,426,406, the total accumulated deficit to be offset was NT\$529,783,225. Additionally, the deficit was mitigated by reducing the paid-in capital by NT\$150,000,000, resulting in an ending accumulated deficit of NT\$379,783,225.
2. Since the company has a loss after tax in 2023, it will not allocate or distribute dividends in accordance with the Articles of Incorporation.
3. The proposal for the deficit compensation for 2023 is attached in Attachment 5 of the Meeting Agenda, page 32.

Vote Results,

	Votes	% of the total represented share present
For	55,942,391 (e-vote 17,585,353)	98.90%
Against	71,451 (e-vote 71,451)	0.13%
Invalid/Abstain	549,727 (e-vote 541,417)	0.97%

Resolution: The above proposed was approved as proposed.

Proposal 3: (By the Board of Directors)

Proposal: Proposal for Amendment to the Cash Capital Increase and Issuance of New Shares in 2023

Explanation:

1. The company's cash capital increase and issuance of 13,000 thousand new shares raised NT\$559,000 thousand in 2023. Initially, the funds were intended for the purpose of replenishing working capital, purchasing machinery and equipment, and repaying bank loans. However, due to a decrease in the amount allocated for purchasing machinery and equipment, it is proposed to revise the fund utilization plan. The original allocation of NT\$120,000 thousand for purchasing machinery and equipment will be redirected towards replenishing working capital. The proposed amendment to the fund utilization plan is outlined as follows:

Unit: NTD Thousand

Items	Before Amendment	After Amendment	
Replenishment of working capital	187,000	307,000	Starting from the fourth quarter of 2023, due to significant price drops in equipment during the procurement inquiry process, the purchase of equipment has

Purchasing machinery and equipment	200,000	80,000	been postponed to save costs. Additionally, to reduce expenses, the company plans to reconfigure production lines using the existing factory space at the Guishan plant, and leverage equipment commonality to minimize additional purchases of equipment already present at the Guishan plant. Therefore, the originally planned budget of NT\$120,000 thousand for purchasing machinery and equipment will be redirected to bolster operational funds.
Repayment of bank loans	172,000	172,000	-
Total	559,000	559,000	-

2. Estimated Implementation Schedule: The revised plan is expected to be completed by the first quarter of 2025.

3. Explanation of Variances from Expected Benefits:

Unit: NTD Thousand

Items	Expected Benefits	Before Amendment	After Amendment
Replenishment of working capital	Saving on interest expenses	5,498	9,424
Purchasing machinery and equipment	To increase in operating profit	500,188	202,500

4. Impact on Shareholders' Equity: The proposed amendment will not have a significant impact on shareholders' equity.

5. This amendment was approved by the 9th meeting of the 9th Board of Directors on April 11, 2024, and received approval under Foreign Exchange of Central Bank No. 1130013690. The Lead Underwriter's Assessment Opinion is attached in Attachment 6 of the Meeting Agenda, pages 33-39.

Vote Results,

	Votes	% of the total represented share present
For	46,649,114 (e-vote 17,575,222)	82.47%
Against	9,367,799 (e-vote 84,653)	16.56%
Invalid/Abstain	546,656 (e-vote 538,346)	0.97%

Resolution: The above proposed was approved as proposed.

5. Discussion Items

Proposal 1: (By the Board of Directors)

Proposal: Proposal for a Capital Reduction Plan to Offset Company Losses.

Explanation:

1. The Company's paid-in capital is NT\$ 830,000,000 and it has issued 83,000,000 shares. As of December 31, 2023, deficit yet to be compensated is NT\$ 529,783,225.
2. To improve the financial structure and offset the accumulated deficit, a capital reduction of NT\$150,000,000 is proposed, involving the cancellation of 15,000,000 ordinary shares. Based on proportional shareholding, it is estimated that approximately 180.7228916 shares will be reduced per thousand shares, resulting in a reduction ratio of about 18.0722892%.
3. If the shares are less than one share after capital reduction, the shareholder may be required to complete the registration with the Company's stock agency with five days before the share stop-transfer date. If such registration is not completed within the prescribed time limit, the shareholder shall, reissue the cash as per the denomination of shares to the nearest NTD (round down). For those share less than one share, the Chairman of the company is authorized to contact specific persons to subscribe for the shares at denomination.
4. This time, for the shares replacement due to capital reduction, the new shares will be issued as shares in scripless form, the rights and obligations of which are the same as those of ordinary shares already issued; the paid-up capital after the reduction shall be NT\$ 680,000,000 divided into 68,000,000 shares at NT\$10 per share.
5. The base date of the share replacement due to capital reduction, the operation plan of share replacement due to capital reduction or the ratio of capital reduction shall be adjusted as a result of the change of the capital stock and other related matter, etc. When such matters are required by actual facts or as amended by the competent authority, the Chairman of the company shall be authorized by the shareholder's meeting to handle the affairs.
6. In accordance with the letter Cheng Pao Fa Tzu No. 1130001358 from Securities and Futures Investors Protection Center on April 24, 2024, the Company explained relevant matters in the reply Cayman Aleees Tzu No. AC240507001 on May 07, 2024.

(1) Reasons for this Capital Reduction

In order to offset accumulated losses from previous years, improve financial structure, and enhance the company's net worth, we propose a capital reduction to address these losses and ensure sustainable long-term development of the company.

As of December 31, 2023, the company's total net worth was NT\$756,126

thousand. The issued capital amounts to 83,000 thousand shares, with a net asset value per share of approximately NT\$9.11. Based on simulated reduction ratios, the net asset value per share after reduction would be NT\$11.12. However, the actual post-reduction net worth will depend on the financial report issued at that time.

(2) Sound Business Plan and Implemented Control Measures

A. The execution of the company's sound business plan for the fiscal year 2023 will be documented in the Shareholders' Meeting Handbook (please refer to pages 14 to 18). A brief overview of the strategic elements of the business plan is provided below:

In the past, our company has relied on the development of the Chinese new energy vehicle market, and we have accumulated more than ten years of sales performance. We have over 150 exclusive patents worldwide, and we are one of the few companies outside of China that has complete LFP lithium battery material manufacturing technology and patents. With leading electric vehicle companies are using lithium iron phosphate batteries on a large scale and several traditional carmakers indicating they will use them in entry-level models, this type of battery is gaining attention in the electric vehicle market, which will benefit the future development of the lithium iron phosphate battery industry. Our company will continue to optimize our products and customer portfolio, actively expand the energy storage battery market and electric vehicle battery market for lithium batteries (including the market for replacing lead-acid batteries in vehicles), develop long-term partnerships with well-known customers in Europe, America, Japan, South Korea, and transition to a technology licensing model to establish a good foundation for the company's future development and enhance new momentum for stable business growth.

B. Implementation of Control Measures

To effectively implement the sound business plan and achieve financial and operational performance, the company will regularly convene management meetings led by the executive management team. These meetings will focus on comparative analysis and management tracking of planned improvements in operations, research and development, finance, and expenses. Necessary adjustments and improvements will be made, and quarterly reports will be submitted to the Board of Directors for review. It is essential to ensure the progress of plan implementation, aiming to achieve continuous improvement in financial and business conditions, enhance operational efficiency, and report on the execution status to all shareholders at the annual general meeting.

	Votes	% of the total represented share present
For	46,647,523 (e-vote 17,573,631)	82.47%
Against	9,367,765 (e-vote 84,619)	16.56%
Invalid/Abstain	548,281 (e-vote 539,971)	0.97%

Resolution: The above proposed was approved as proposed.

Proposal 2: (By the Board of Directors)

Proposal: Proposal for the Raising of Private Equity.

Explanation:

1. In order to cope with the company's future development or reinvestment or increase the working capital, and enhance the company's competitiveness, it is proposed the company to handle no more than 40 million shares of private equity to issue new shares of capital increase in cash. It is proposed the shareholders' meeting to authorize the board of directors to take into account the market conditions and meet the actual needs of the company, and handle the following financing methods and principles.
2. In accordance with Article 43 paragraph 6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", statements are as follows:
  - A. Basis and reasonableness of private equity pricing
    - (1). Basis for the issuing price: The price of the common stock issued by the private capital increase in cash will be no less than 80% of the reference price, which will be determined on the pricing date. The reference price is calculated based on the highest price in the following two benchmarks.
      - (a) The issuing price shall be determined by the average of the common stock closing price which is calculated on 1, 3 or 5 business days before the pricing date, deducting the bonus shares' ex-right and dividends, and adding back the stock price after the capital reduction.
      - (b) The issuing price shall be determined by the average of the common stock closing price which is calculated on 30 business days before the pricing date, deducting the bonus shares' ex-right and dividends, and adding back the stock price after the capital reduction.
    - (2). Reasonableness of the issuing price: The actual issue price is intended to be authorized by the board of directors in accordance with the law and to be within the range of no less than the resolutions of the shareholders' general meeting, depending on the specific future contacts, market conditions and the company's future prospects. The basis for the above-mentioned private placement price is in accordance with the regulations of the competent

authority, and at the same time, the timing, object and quantity of the transfer of private equity are in strict restrictions. Also, it is not allowed to be listed in the OTC within 3 years, and the liquidity is poor. Therefore, the portion of private placements should be reasonable.

#### B. The means of selecting the specified persons

- (1). Private placements of securities are limited to the specific persons pursuant to Article 43 paragraph 6 of the Securities and Exchange Act and the Financial Supervisory certificate No. 0910003455 of the Financial Supervisory Commission on June 13, 2002.
- (2). If the subscriber is a strategic investor: The company will choose the subscriber with good understanding of the company's operations and is beneficial to future operations. Individuals or legal persons who assists the company to improve its quality, reduce costs, and increase efficiency by applying the person's own experience, techniques, brand reputation or channel programs, etc. In order to improve the company's financial structure and strengthen its solvency, the funds of the subscribers can improve the overall financial quality of the company. The huge cost of capital and operational risks can be reduced, and the company's financial structure can be improved. It is proposed that the board of directors to be authorized to review the relevant qualifications of strategic investors.
- (3). If the subscriber is an insider or related parties of the company: Currently there are no planned applicants for insider or related parties.
- (4). The subscriber has not yet been arranged by the company, and it is proposed that the board of directors to be authorized to decide the arrangement of the actual subscriber.

#### C. Reasons for private placement

- (1). Reasons for not using public offerings: Considering the timeliness, convenience and issuing costs, we plan on cash capital increase through private placement.
  - (2). The purpose and the expected benefits of the private equity shares: The total number of private equity shares is limited to no more than 40 million shares, and the book value per share is NT\$10. It is proposed to authorize the board of directors for private placement several times within one year from the date of resolution of the shareholders' meeting. The funds for each of the private placements are used to enrich working capital, reinvestment or other capital needs for future development, and effectively reduce the cost of capital, strengthen the company's competitiveness and enhance operational efficiency.
3. Private shares of the private placement of securities shall have the same rights and obligations as issued shares, and shall not be transferred except to the



transferees specified in Article 43 paragraph 8 of the Securities and Exchange Act within three years from the delivery date. After three full years since the delivery date, it is proposed to authorize the board of directors to apply to the competent authority for the privately placed securities to be traded on the over-the-counter markets in accordance with the relevant laws and regulations.

4. Except for the portion of private placements, the essential contents of the private placement plan includes issuing price, number of shares, issuance conditions, project plans, progress in the use of funds, expected benefits, and other unfinished matters. If there are any modifications in the future due to changes in objective environmental factors, it is proposed that the board of directors is authorized to fully handle it in accordance with relevant regulations.
5. In accordance with the letter Cheng Pao Fa Tzu No. 1130001358 from Securities and Futures Investors Protection Center on April 24, 2024, the Company explained relevant matters in the reply Cayman Alees Tzu No. AC240507001 on May 07, 2024.

Please carefully evaluate the purpose of private placement, its impact on management rights, and the impact on shareholders' equity

#### A. Purpose of private placement

The purpose of private placement is to response to other funding needs for future development, enrich working capital and repay loans. Therefore, the timeliness, convenience, and issuance cost of the private placement are included in consideration. Private placement has quick and easy features. In the other side, it has restrictions that cannot be transferred within three years. It ensures a stable long-term relationship between the company and strategic investors. As a result, the company plans to raise funds through private placement.

#### B. Impact on management rights

Although the scheduled shares of this private placement represent 48.19% of the paid-in capital, the Company has not yet confirmed the list of candidates, and this case is only a fallback plan to increase the fundraising pipeline. If there is an identified need to issue the capital increase, no more than 10 offerings will be made in a year to avoid any significant impact on the Company's management rights.

The Company election of the Board of Directors in 2023, in accordance with the " Directions for Public Companies Conducting Private Placements of Securities" we have commissioned Concord Securities Co., Ltd. to provide an assessment opinion on the necessity and reasonableness of the private placement. The assessment opinion is as attached in Attachment 7 of the Meeting Agenda, page 40-46.

#### C. Impact on shareholders' equity

The company expects to enhance business performance through the assistance of strategic investors' experience, technology and knowledge. This will help the company to grow steadily in the future. It will also have positive benefits for enhancing shareholders' equity.

	Votes	% of the total represented share present
For	46,596,992 (e-vote 17,523,100)	82.38%
Against	9,420,972 (e-vote 137,826)	16.66%
Invalid/Abstain	545,605 (e-vote 537,295)	0.96%

Resolution: The above proposed was approved as proposed.

Proposal 3: (By the Board of Directors)

Proposal: Proposal for Modification of the "Articles of Incorporation".

Explanation: In accordance with the Company Law and the operational requirements of the company, certain articles of the "Articles of Association" of our company have been revised. The modified "Articles of Incorporation" table is attached in Attachment 8 of the Meeting Agenda, pages 47-49.

Vote Results,

	Votes	% of the total represented share present
For	46,664,007 (e-vote 17,590,115)	82.5%
Against	9,355,339 (e-vote 72,193)	16.54%
Invalid/Abstain	544,223 (e-vote 535,913)	0.96%

Resolution: The above proposed was approved as proposed.

## 6. Election Items

Proposal 1: (By the Board of Directors)

Proposal: To elect one independent director

Explanation:

1. Mr. Chang, Chuan-Chang, the 9th Independent Director of the Company, resigned due to personal reasons, and a seat of Independent Director was elected at this Annual General Meeting.
2. In accordance with Article 90 of the Company's Articles of Incorporation, the Independent Directors shall be elected by adoption of candidate nomination system, and shall take office on the date of their election for a term commencing on June 28, 2024 and ending on Jun 14, 2026.
3. The list of candidates for Independent Directors has been reviewed and approved by the Board of Directors' meeting, and the shareholders shall elect the candidates from the list of candidates, and the list of candidates for Independent Director is as follows:

Name	Education	Current occupation	Number of Shares
Ying-Chou Wang	<ul style="list-style-type: none"> <li>■ Ph.D., Department of Psychology, National Chung Cheng University</li> <li>■ Vice President for Academic Affairs</li> <li>■ Dean, College of Innovation Interdisciplinary Studies, Fu Jen Catholic University</li> <li>■ Director, Indigenous Students Resource Center, Fu Jen Catholic University</li> <li>■ Fu Jen Catholic University Distinguished Research Professor</li> </ul>	<ul style="list-style-type: none"> <li>■ Vice President for Academic Affairs</li> <li>■ Director, Indigenous Students Resource Center, Fu Jen Catholic University</li> <li>■ Professor, Department of Clinical Psychology, Fu Jen Catholic University</li> <li>■ Executive Director, Chinese Association for Student Affairs</li> <li>■ Trustee, Indigenous Peoples Cultural Foundation Board of Trustees</li> <li>■ Independent Director of Excelsior Biopharma Inc.</li> <li>■ Director of GIANT SHOW CO., LTD.</li> <li>■ Director of Jingxin Recreation Enterprise Co., Ltd.</li> </ul>	0

Voting Results:

Position	Candidate	Votes	Note
Independent Director	Ying-Chou Wang	34,877,985 (e-vote 5,804,093)	Elected

7. Other Items

Proposal 1: (By the Board of Directors)

Proposal: Proposal to Release the Prohibition on Independent Directors from Participation in Competitive Business.

Explanation:

1. The Corporate Guideline Article No. 108 stipulates that a director should make a briefing on the shareholders meeting should any actions be taken by the director for the business operation of his own company or other companies, and the proposal should be accepted by majority of the attendees on a meeting with presence of over 2/3 of the shareholders.
2. In order to leverage the expertise and experience of the Company's Independent Directors, and without prejudice to the interests of the Company, we intend to agree on lifting the non-competition prohibition by the Company's Independent Directors (including newly appointed Independent Directors).
3. The following table summarizes the contents of the petition to lift the prohibition on Independent Directors (including newly appointed Independent

Directors) from competing for office:

Category	Name	Positions in Other Companies	Business Scope
Independent Directors	Ying-Chou Wang	Independent Director of Excelsior Biopharma Inc.	Biotechnology and medical services.
		Director of GIANT SHOW CO., LTD.	Planning and organizing events such as fireworks displays, water shows, and sports competitions.
		Director of Jingxin Recreation Enterprise Co., Ltd.	Operation and management of various sports facilities for activities like ball sports practice.

Vote Results,

	Votes	% of the total represented share present
For	46,016,291 (e-vote 16,942,399)	81.35%
Against	9,985,207 (e-vote 702,061)	17.65%
Invalid/Abstain	562,071 (e-vote 553,761)	0.99%

Resolution: The above proposed was approved as proposed.

8. Extemporaneous Motions

(Questions raised by the shareholders and the management's responses were omitted)

9. Closure of the Meeting: 10:20 a.m., Friday, June 28, 2024

This meeting minutes was recorded in accordance with Article 183, paragraph 4 of the provisions of the Company Act. The meeting audio recording still prevail regarding the meeting content, proceedings and shareholders' statements.

For the convenience of readers, the minutes of the Annual Shareholders' Meeting have been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.



Chairman



Recorder