

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



Minutes of the Annual General Meeting

Time: 9:00 a.m., Friday, April 12, 2019

Place: No. 200, Sec. 1, Daxing W. Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.) (at Fullon Hotels and Resorts - Taoyuan 3F Sakura Room)

Quorum: 153,092,962 shares were represented by the shareholders and proxies present at the meeting (including e-voting 52,676,025 shares), which amounted to 72.70% of the Company's 210,573,654 issued and outstanding shares.

President (Directors): Chang, Yie-Yun 、 Wang, Husan

Chairman of Meeting: Chang, Sheng-Shih

Prepared by: Lee, I-Ching

1. The Chairman declared the meeting duly constituted.

2. Chairman's speech: Omitted.

3. Report Items

Proposal 1:

Proposal: Business Report of 2018.

Explanation: Business Report of 2018, attached in Attachment 1 of the Meeting Agenda, page 13~15.

Supplementary explanation:

1. The company had the capital increased by cash in 2014. The capital expenditure plans are mainly used to construct the Bade R&D center renovation project and build a factory in Canada. According to the plans, the company has completed the construction of the Bade R&D center renovation project. With the company's technical advantages in battery materials and battery cell for long life, we tried to develop a power-exchange electric bus business and had had the first market share in Taiwan. Finally, we found when it comes to unfamiliar areas which are also in the same industry chain, the cost of learning is huge. The company was difficult to afford and faced huge losses and severe cash flow challenges. For the purpose of stopping the losses, the company sold the patents and equipments related to the electric bus business to FDG Electric Vehicles Limited. Recently, the company resolved to dissolve Aleees Eco Ark CO., LTD. at the end of 2018. As a result, the company can reduce operating costs and focus on the development of lithium battery materials business.

Besides, in order to open up the overseas market, obtain the qualifications for the positive materials and comply with the contractual obligations, the company should complete the construction of factory in Canada as scheduled. However, the company and the licensor, LiFePO₄+C Licensing AG, agree that the world's largest LFP market is China and the competition in China is fierce. We reached a consensus and agreed to adjust the plan of construction in Canada to meet the needs of high quality LFP materials in Chinese market in the future. The adjustments for the construction of the factory will be continuously negotiated by both parties before 2023 to meet the actual market demand.

2. The company had the cash increased of private equity securities in 2016. The strategic alliance

between the company and FDG Electric Vehicles Limited was completed through private equity and capital cooperation transactions in August 2016. We will form a clear industrial division of labor in China, Taiwan, Hong Kong, and international markets. The company will continue to invest resources in the development, manufacture and sales of related cathode materials. In order to meet the upstream material needs of electric vehicle industry which was included in the 13th Five-Year Plan in China, the company cooperated with FDG Kinetic Limited to construct a positive electrode material factory in China. The company will provide consulting services for production management and process technology of phosphoric acid battery cathode material products.

In 2017, the company, Kinetic Limited, and the management committee of Guian New District in Guizhou Province had jointly signed a cooperation agreement. Also, we established a joint venture to set up a new company that produces and sells cathode materials. However, the Chinese government has proposed a more rigorous policy about new energy vehicle subsidy and has increased the decline in subsidies of the subsequent year. It reveals the cruel competition in the power battery industry in the Chinese market. Also, it makes the power battery industry face serious capital shortage and the supply chain fall rapidly into the bubble. Moreover, it affects the progress of the cooperative plan to build a cathode material factory in China. In order to keep on cooperating and developing the upstream cathode material market of new energy automobile industry in China, the management committee of Guian New District intends to separately agree with the company on the investment cooperation case for new battery material production project because FDG Kinetic Limited has not invested in the capital of the joint venture company.

3. Rationality of directors' remuneration in 2018

- (1). The main reason for the loss of the Company in the year 107 was the loss from the end of the electric bus business and the liquidation. One of the company's subsidiaries (Taiwan Likai Green Energy Mobile Co., Ltd.) electric bus independent production and battery research and development two business ends; Second, the company's investment company liquidation is over; the current board of directors' task is to bring this The company moved from mainland China to the international market, while leaving high-end product lines in Taiwan, turning the company into a profit
- (2). The directors of the current board of directors were elected at the shareholders' meeting on June 16, 106, and included members of the board of directors with strong financial, accounting, legal, international and other professional and experience, including one Hong Kong citizen and one Australian citizen. director. And the company has set up 4 independent directors to supervise corporate governance, which is stricter than the requirements of the competent authorities.
The task of the current director :
 - i. Assisting in corporate governance, this is 5% of the company's acquisition of listed cabinet companies in 2018 years
 - ii. Promote the transformation of the company and promote the market to establish transactions with Japanese and Korean customers in Europe and America. This will be effective in the first quarter of 2019.
 - iii. Control company risk, this is to take a sound account receivable strategy - payment to delivery,

effectively control operational risks and protect the company's cash inventory security.

(3). Looking at the remuneration of directors of the Company compared with the compensation of directors of other listed cabinet companies, the company's directors' compensation is a backward group, and we are grateful to all the directors for their efforts in the transformation of the company to promote various businesses and to give each other their duties. Without remuneration, we actively lead the company to another new future. It is expected that under the management of all directors, we can create a more favorable business environment for the company, improve operational efficiency and create corporate value to give back to all shareholders and society.

Proposal 2:

Proposal: Inspection Report of Audit Committee of 2018.

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 22nd meeting of the 7th Board of Directors, and issue a verification report. Please refer to Attachment 2 of the Meeting Agenda, page 16.

Proposal 3:

Proposal: The report of sound business operation 2018.

Explanation:

1. In accordance with the Financial Supervisory certificate No.1030051218 of the Financial Supervisory Commission on December 26, 2014 the company has reported the implementation of sound business operation 2018 at the 22th meeting of the 7th term board of directors on February 26, 2019.
2. The report of sound business operation 2018 are as attached in Attachment 3 of the Meeting Agenda, page 17~21.

Proposal 4:

Proposal: Modification of the 2017 Employee Stock Warrants Issuance and Management Regulations.

Explanation:

1. In accordance with the company's contract with the employees, the 19th meeting of the 7th term board of directors has passed the Modification of the Employee Stock Warrants Issuance and Management Regulations 2018 on December 14, 2018.
2. The modification revision table is attached in Attachment 4 of the Meeting Agenda, page 22~23.

Proposal 5:

Proposal: The report of company's accumulated loss amounted to half of the paid-in capital.

Explanation: The accumulated loss of the company as of December 31, 2018 were NT\$2,148,790 thousand, and is over one-half of the paid-in capital amount NT\$2,105,737 thousand, but the total assets were NT\$2,105,011 thousand, which was still sufficient to cover the debt of NT\$609,573 thousand. This is reported at the current shareholders' meeting in accordance with Article 211 of the Company Act.

Proposal 6:

Proposal: The report of necessity and reasonableness when the company and its subsidiaries have determined that the total amount of endorsements for other companies and single enterprises are 100% of the company's net worth.

Explanation: According to the "In accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", if the aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting, as explained below:

For the new business development of the subsidiary Advanced Lithium Electrochemistry Co., Ltd., it is actively competing to enter the terminal application market of other products, and transforming to develop the new kinetic energy of the operation. Thus the company is expected to handle financing with financial institutions, and it is necessary for the company to make endorsements and guarantees for its subsidiary in order to successfully obtain loan commitments. Therefore, it is necessary and reasonable to increase the total amount of endorsements and guarantees, in order to expand the company's operational scope and strengthen its business advantage.

4. Proposed Items**Proposal 1: (By the Board of Directors)**

Proposal: Proposal for Business Report and Financial Statements 2018, please approve it.

Explanation:

1. The consolidated financial statements 2018 of the company was reviewed by the accountant Yu-Kuan Lin and Tien-Yi Lee of PwC Taiwan, and reports were issued with unreserved opinions.
2. The business report and financial statements 2018 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 13~15.
4. Consolidated financial statements are as attached in Attachment 5 of the Meeting Agenda, page 24~35.

VOTE RESULTS,

	Votes	% of the total represented share present
For	150,342,559(e-vote50,291,903)	98.20%
Against	17,703(e-vote17,703)	0.01%
Invalid/Abstain	2,732,700(e-vote2,366,419)	1.78%

Resolution:The above proposed was approved as proposed.

Proposal 2: (By the Board of Directors)

Proposal: Proposal of the deficit compensation 2018, please approve it.

Explanation:

- 1.The Company's 2018 loss after tax was NT\$1,107,499,368, plus the deficits not yet compensated at the beginning of the period NT\$253,329,126, and the disposal of loss of equity instruments measured at fair value through other comprehensive income is recognized as deficits not yet compensated in NT\$787,962,284, making a total of NT\$2,148,790,778 of accumulated deficits not yet compensated. The company intends to compensate on deficits with a capital reserve - share premium of NT\$1,501,021,002. The accumulated deficits not yet compensated at the end of the period is NT\$647,769,776.
- 2.Since the company has a loss after tax in 2018, it will not allocate or distribute dividends in accordance with the Articles of Incorporation.
- 3.Proposal of the deficit compensation 2018 are as attached in Attachment 6 of the Meeting Agenda, page 36.

VOTE RESULTS,

	Votes	% of the total represented share present
For	150,361,485(e-vote50,310,829)	98.21%
Against	10,759(e-vote10,759)	0.00%
Invalid/Abstain	2,720,718(e-vote2,354,437)	1.77%

Resolution:The above proposed was approved as proposed.

5.Discussion Items

Proposal 1: (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 30 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:

(1)Basis and reasonableness of private equity pricing

A.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.

i.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.

ii.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.

B.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.

(2)The means of selecting the specified persons

A.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

B.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.

C.If the subscriber is an insider or related parties of the company: With good

understanding of the company's operations and is beneficial to future operations, or if the subscriber is a director or related parties of the company, the related parties or insiders that may apply for the subscription of private equities will be listed as follows:

Name of the subscriber	Relationship with the company
Sheng-Shi Chang	Chairman of the company
FDG Kinetic Investment Limited	The company holds more than 10% of the major shareholder

FDG Kinetic Investment Limited is 100% subsidiary of FDG Kinetic Limited., the top 10% shareholders of FDG Kinetic Limited. as described below :

Top 10% shareholders	Percentage (%)	The relations with the Company
HKSCC NOMINEES LIMITED	95.94%	Nil
SK CHINA COMPANY LIMITED	3.62%	Nil
SKC CO.LTD.	0.36%	Nil
STANDARD UNION INVESTMENT LIMITED	0.04%	Nil
CHOW SIU LUNG HERBERT + CHOW YU JO WAN JOANNE	0.01%	Nil
CHOW SIU LUNG HERBERT	0.00%	Nil
GO DANIEL T	0.00%	Nil
FUNG KWAI LIN	0.00%	Nil
CHENG YU KUEN	0.00%	Nil
NGO HOK YU	0.00%	Nil

D.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.

(3)Reasons for private placement

A.Reasons for not using public offerings: Considering the timeliness, convenience and issuing costs, we plan on cash capital increase through private placement.

B.The purpose and the expected benefits of the private equity shares: The total number of private equity shares is limited to no more than 30 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 (up to three 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. For your adoption.

Supplementary explanation:

According to Securities Investor and Futures Trader Protection Act letter no.1080000767 which was released by Securities and Futures Investors Protection Center (SFIPC) at March 6, 2019., the company replies to matters about the private placement by Aleees ' letter no. AC190315001 as follows:

1. The purpose of this private placement is to enrich working capital, transfer investment, or response to other funding needs for future development. However, we overviewed "cash and cash equivalents" in the consolidated balance sheet of September 30, 2018 announced by the Company. It amounted to 47.87% of the "operating income" in the 2018 consolidated income statement. Also, no major capital expenditures had been released in the media reports and public information observation website recently. Please explain the necessity and rationality of the private placement to raise funds.

【Company description】

The company had passed a resolution for private placement at February 26, 2019. The purpose of this private placement is to response to other funding needs for future development, transfer investment which is expected to invest in high-end production lines in Taiwan, or enrich working capital. The company' s "cash and cash equivalents" in the consolidated financial statements for September 30, 2018 and December 31, 2018 were NT\$358,334 thousand and NT\$349,928 thousand, respectively. However, the business activities on the consolidated financial statements on September 30, 2018 and December 31, 2018 showed a net cash outflow of NT\$270,424 thousand and NT\$268,781 thousand. The main reason is that new energy vehicle subsidy policy has become rigorous and the subsidy decline has gradually increased. It began to show the cruel competition in the power battery industry. Moreover, it makes the power battery industry face a serious shortage of funds and the supply chain rapidly fall into a bubble. Under the influence of the aforementioned unfavorable factors, the Company's 2018 annual operating income decreased significantly by NT\$597,787 thousand compared with 2017. Besides, the current ratio and quick ratio of the Company's consolidated financial statements at the end of 2018 were 120.71% and 92.18%. It' s lower than the ratios which were 448.59% and 346.72% at the end of 2017. (Please refer to the following chart about the details.)

The company's capital sources rely heavily on financial institutions. The short-term loan amount of the

Company's consolidated financial statements at the end of 2018 is NT\$246,462 thousand and the long-term loan amount is NT\$74,604 thousand including the long-term loan due within one year of NT\$23,068 thousand. In order to effectively control operational risks and ensure the safe and stable support of cash inflows, the company must increase the proportion of long-term funding sources. First, the private fund will improve the company's financial structure. Second, it will enhance the flexibility of fund scheduling. Third, it's positive for business operations and it will avoid the risk of product development being interrupted due to insufficient capital. Therefore, the company plans to handle the private placement. It's reasonable and necessary that the company enrich the working capital and repay the loans, in order to invest in the high-end production line of the Taiwan subsidiary.

Item		Year	
		In the end of 2017	In the end of 2018
Solvency	Current ratio (%)	448.59	120.71
	Quick ratio (%)	346.72	92.18

2. It is expected to apply for private placement with no more than 30 million common shares. The private placement amount in the previous will exceed 14.25% of the company's paid-in capital. Please carefully evaluate the purpose of private placement, its impact on management rights, and the impact on shareholders' equity. The proportion of shareholding ratio of private equity shares, the characteristics of applicants, and the purpose of private placement should be considered comprehensively. If there is a significant change in the right to operate after the private placement, the securities underwriter should be consulted to provide detailed and specific assessment opinions on the rationality and necessity of it. The opinions should include the impact of the transfer of management rights on the company's business, finance and shareholders' rights. Also, it should include the choice of the applicant and its feasibility and necessity. Moreover, it should include the expected benefits of the private placement and any more. Securities underwriters should also announce related matters and put the assessment comments on the notice of the shareholders meeting.

【Company description】

(1) 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.

(2) Impact on management rights

A、Board operation

The company re-elected the directors who has a three-year term of office from 2017/6/16 to 2020/6/15 at the shareholders' meeting on June 16, 2017. The shareholders appointed seven directors, four of whom are independent directors who specialize in different professional backgrounds and fields. Furthermore, independent directors exceed one-half of all directors. It can maintain most minority shareholders' rights and stabilize business direction. It helps the

company's operations and can strengthen the board's functions.

B · The shareholding ratio of the private placement of the shares is 14.25%. At present, the company's management team can control the equity at more than 30%. It is estimated that the controllable equity after this private placement can still be maintained at more than 30%. There is no significant impact on management rights. As a result, the company does not need to ask the securities underwriters to provide an assessment of the rationality and necessity of the transfer of management rights for private placements.

(3) 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.

VOTE RESULTS,

	Votes	% of the total represented share present
For	147,762,878(e-vote47,712,222)	96.51%
Against	2,602,480(e-vote2,602,480)	1.69%
Invalid/Abstain	2,727,604(e-vote2,361,323)	1.78%

Resolution: The above proposed was approved as proposed.

Proposal 2: (By the Board of Directors)

Proposal: Proposal for modification of the “Articles of Incorporation”.

Explanation:

1. It is proposed to modify parts of the “Articles of Incorporation” in accordance with revisions of the law and necessary operations of the company.
2. Modified Articles of Incorporation Revision Table are as attached in Attachment 7 of the Meeting Agenda, page 37~46.

VOTE RESULTS,

	Votes	% of the total represented share present
For	150,362,363(e-vote50,311,707)	98.21%
Against	9,972(e-vote9,972)	0.00%
Invalid/Abstain	2,720,627(e-vote2,354,346)	1.77%

Resolution: The above proposed was approved as proposed.

Proposal 3: (By the Board of Directors)

Proposal: Proposal for modification of the “Regulations for the Loaning of funds”

Explanation:

1. It is proposed to modify parts of the “Regulations for the Loaning of funds” in accordance with in accordance with necessary operations of the company, the Financial Supervisory certificate No. 1080304826 of the Financial Supervisory Commission on March 7, 2019. It is proposed to relax the foreign companies that directly and indirectly hold 100% of the voting shares of the Company to engage in capital lending to the

Company, which is not subject to net worth.

2.Modified Regulations for the Loaning of funds Revision Table are as attached in Attachment 8 of the Meeting Agenda, page 47~48.

VOTE RESULTS,

	Votes	% of the total represented share present
For	150,355,460(e-vote50,304,804)	98.21%
Against	13,885(e-vote13,885)	0.00%
Invalid/Abstain	2,357,336(e-vote2,723,617)	1.77%

Resolution:The above proposed was approved as proposed.

Proposal 4: (By the Board of Directors)

Proposal: Proposal for modification of the “Regulations Governing Endorsement & Guarantee Operations”.

Explanation:

- 1.It is proposed to modify parts of the “Regulations Governing Endorsement & Guarantee Operations” in conjunction with necessary operations of the company.
- 2.Modified Regulations Governing Endorsement & Guarantee Operations Table are as attached in Attachment 9 of the Meeting Agenda, page 49~50.

VOTE RESULTS,

	Votes	% of the total represented share present
For	148,933,470(e-vote48,882,814)	97.28%
Against	1,438,873(e-vote1,438,873)	0.93%
Invalid/Abstain	2,720,619(e-vote2,364,338)	1.77%

Resolution:The above proposed was approved as proposed.

Proposal 5: (By the Board of Directors)

Proposal: Proposal for modification of the “Regulations of Acquisition or Disposal of Assets”

Explanation:

- 1.It is proposed to modify parts of the “Regulations of Acquisition or Disposal of Assets” in accordance with the Financial Supervisory certificate No. 1070341072 of the Financial Supervisory Commission on November 26, 2018.
- 2.Modified Regulations of Acquisition or Disposal of Assets Revision Table are as attached in Attachment 10 of the Meeting Agenda, page51~70.

VOTE RESULTS,

	Votes	% of the total represented share present
For	148,939,591(e-vote48,888,935)	97.28%
Against	1,437,874(e-vote1,437,874)	0.93%
Invalid/Abstain	2,715,497(e-vote2,349,216)	1.77%

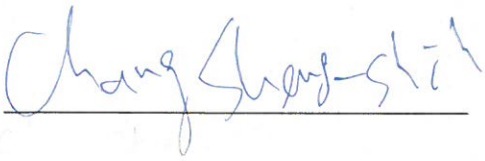
Resolution:The above proposed was approved as proposed.

6. Extemporaneous Motions:


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

7. Closure of the Meeting: 10:36 a.m., Friday, April 12, 2019

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



Chairman



Recorder