

Yeong Guan Energy Technology Group Company Limited

永冠能源科技集團有限公司

Year 2021 Reference of Annual General Meeting of Shareholders

1. Reporting Matters

Report No. 1:

Business Report for Fiscal Year 2020

Explanation:

The Business Report for Fiscal Year 2020 is attached hereto as Exhibit 1. Please refer to page 10~12.

Report No. 2

Audit Committee's Review Report for Fiscal Year 2020

Explanation:

1. The Audit Committee has examined and approved the 2020 financial statements.
2. The Audit Committee's Review Report for Fiscal Year 2020 is attached hereto as Exhibit 2. Please refer to page 13

Report No. 3

Report of Distribution Plan of Compensation for the director and employees as compensation for Fiscal Year 2020

Explanation:

1. According to the Articles of Association of the Company, the Company shall set aside between two per cent (2%) and fifteen per cent (15%) of the surplus profit as compensation to employees (including the employees of the Company's subsidiaries, who meet certain qualifications) and shall set aside no more than three per cent (3%) of the surplus profit as remuneration for the directors. The distribution proposals in respect of employees' compensation and directors' remuneration shall be approved by a majority of the directors at a meeting attended by two-thirds or more of the total number of the directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax of the Company and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors

2. Pursuant to the relevant laws and the Articles of Association of the Company, NT\$ 10,500,000) will be set aside as compensation to employees and will be distributed in cash.
3. The Company will not distribute any director's remuneration for Fiscal Year 2020.

Report No. 4:

Status of the Company's 3rd Issuance of Domestic Unsecured Convertible Bonds for Fiscal Year 2020

Explanation:

1. For the need of future business development, construction of the factory, purchase of machines and equipment and increase in the working capital, the Company issued the Second Domestic Unsecured Convertible Bonds in Taiwan on August 18, 2015. To work with localization development schedule for offshore wind power industry prescribed in Taichung Port "Establishment of Offshore Wind Power Industry Assembly Park" issued by Taichung Port of the Ministry of Economic Affairs of Taiwan as well as to meet customer's demand for casting product order, the Company will continue to proceed with its Taichung Casting Iron Factory building plan. This has resulted in the increase of amounts for factory building and purchase of machine and equipment prescribed in the original project. Total amount increased has exceeded more than 20% of total capital from original offering. As such, the Board of Directors passed a resolution on March 12, 2020 to amend capital utilization plan and such project is still ongoing.
2. For the need of future business development, construction of the factory, purchase of machines and equipment and increase in the working capital, the Company issued the Third Domestic Unsecured Convertible Bonds in Taiwan on September 3, 2020 and such project is still ongoing.
3. The Status of the Company's Domestic Unsecured Convertible Bonds for Fiscal Year 2020 is attached hereto as Exhibit 3. Please refer to pages 14.

Report No. 5:

Report on the amendment to the Codes of Ethical Conduct of the Company

Explanation:

1. Certain provisions of the Codes of Ethical Conduct of the Company are proposed to be amended pursuant to Ordinance Tai-Zheng-Zhi-Li-Zi No. 1090009468 issued by the Taiwan Stock Exchange Corporation on June 3, 2020 and due to actual operation need.
2. A comparison table of the amended provisions is attached; please refer to pages 15-18 (Exhibit 4).

2. Recognition Matters

Proposal No. 1: Proposed by the Board of Directors
Ratification of the Business Report and Consolidated Financial Statements for
Fiscal Year 2020

Explanation:

1. The Company's Consolidated Financial Statements for the Fiscal Year 2020 have been certified and audited by certified public accountants (CPAs), Chih-Yuan, Chen and Ching-Jen, Chang of Deloitte & Touche, approved by the Board of Directors on March 16, 2021, and examined and approved by the Audit Committee. The Audit Committee has issued its Audit's Review Report.
2. The Business Report for the Fiscal Year 2020, CPAs' Audit Report, and Consolidated Financial Statements are attached hereto as Exhibit 1 and Exhibit 5. Please refer to page 10~12 (Exhibit 1) and pages 19~27 (Exhibit 5).

Proposal No. 2: Proposed by the Board of Directors
Ratification of the Proposal for Distribution of Profits for Fiscal Year 2020

Explanation:

1. The Company's 2020 net profit after tax is NTD\$513,143,216. The Company set aside statutory reserve of NTD\$51,314,322 (10% of the net profit) in accordance with the applicable law and the Articles of Association of the Company, and revolving special reserve in the amount of NT\$9,604,814. Together with the increase on the retained earnings due to the investment adjustment for the investment used the equity method and the undistributed earnings of NT\$495,011,044 at the beginning of Fiscal Year 2020, the total distributable earnings is NT\$966,444,752.
2. It is proposed to set aside NTD\$165,926,279 from the distributable net profit of 2020 to distribute NTD\$1.5 per share to shareholders as cash dividend. The distribution of cash dividend will be calculated by the method of "rounding down the digits below dollar", and the amount of less than one dollar will be counted as the other income of the Company. After the ratification of this proposal in the Annual General Meeting, it is proposed that the Board is authorized with full power to take any actions that may be required in connection with the related issues of dividend distribution.
3. It is proposed to authorize the Board of Directors of the Company to set the record date, distribution date and to handle other relevant matters after the proposal is approved in the Annual General Meeting. It is further proposed to authorize the Chairman with full power to handle relevant matters if the distribution ratio needs to be adjusted due to purchase of the Company's shares by the Company, transfer, cancellation of the treasury shares,

conversion of convertible bonds, or exercise of employee stock options.

4. Profit Distribution Table for Fiscal Year 2020 is attached hereto as Exhibit 6. Please refer to page 28.

3. Matters for Discussion

Proposal No. 1: Proposed by the Board of Directors
Proposal for the amendments to the Rules of Procedure for Shareholders Meetings of the Company.

Explanation:

1. Certain provisions of the Rules of Procedure for Shareholders Meetings of the Company are proposed to be amended pursuant to Ordinance Tai-Zheng-Zhi-Li-Zi No. 11000014461 issued by the Taiwan Stock Exchange Corporation on January 28, 2021 and due to actual operation need.
2. The comparison table for the amendments is attached hereto as Exhibit 7. Please refer to page 29~33.

Discussion No. 2: Proposed by the Board of Directors
Proposal to amend the Procedures for Election of Directors of the Company.

Explanation:

1. Due to the amendments to the Taiwan Company Act, the ruling issued by Taiwan competent authority and the Company's actual operation need, it is proposed that the Rules of Procedure for Shareholders Meetings of the Company be amended.
2. The comparison table for the amendments is attached hereto as Exhibit 8. Please refer to page 34~38.

4. Election

Proposal No. 1: Proposed by the Board of Directors
Proposal to elect one Independent Director.

Explanation:

1. The number of directors elected (including independent directors) for this term are 11 seats. Due to the death of Mr. Chang, Cheng-Lung, the Company proposes to elect one independent director to meet the needs for operation. This election will adopt candidate nomination method.
2. Term for the newly-elected independent director shall end on June 19, 2022.
3. The education, work experience, and number of shares held by the candidate are as follows:

Name	Education	Work experience	Number of shares held by the candidates
Chang, Te-Wen	Department of Business, National Taiwan University	Director of Ushi Certified Public Accountants	0 shares

5. Other Matters

Proposal No. 1: Proposed by the Board of Directors
 Proposal for release the newly-elected Independent Director from non-competition restriction

Explanation:

1. The Articles of Association of the Company provides that "a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by supermajority resolution".
2. Considering the business need, it is proposed that the newly-elected independent director is released from such non-competition restriction.
3. This proposed shall be resolved by supermajority resolution.

Independent Director	Company names and positions of concurrent employment
Chang, Te-Wen	Director of Ushi Certified Public Accountants

6. Ad Hoc Motions