



## **Yeong Guan Energy Technology Group Company Limited**

### **永冠能源科技集團有限公司**

## **Year 2023 Reference of Annual General Meeting of Shareholders**

Method of Convening the Meeting: Physical Meeting

Meeting Time: 9:00 a.m. on Friday, June 16, 2023

Meeting Place: No.185, Xinhu 1st Rd., Neihu District, Taipei City, 11494, Taiwan  
(7th floor of Taiwan Design Materials Center)

### **1. Report Matters**

#### **Report No. 1:**

Business Report for Fiscal Year 2022

Explanation:

The Business Report for Fiscal Year 2022 is attached hereto as Exhibit 1.  
Please refer to Meeting Agenda pages 8~10.

#### **Report No. 2**

Audit Committee's Review Report for Fiscal Year 2022

Explanation:

1. The Audit Committee has examined and approved the 2022 financial statements.
2. The Audit Committee's Review Report for Fiscal Year 2022 is attached hereto as Exhibit 2. Please refer to Meeting Agenda page 11.

#### **Report No. 3**

Report on Distribution Plan of Employees' Compensation and Directors' Remuneration for Fiscal Year 2022

Explanation:

1. According to the Articles of Association of the Company, if there is "surplus profit" (as defined below), the Company shall set aside between two per cent (2%) and fifteen per cent (15%) 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 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 term "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. Since the Company suffers losses in Fiscal Year 2022, the Company will not distribute any employee's compensation.
3. The Company will not distribute any director's remuneration.

#### **Report No. 4:**

Status of the Company's Issuance of Domestic Unsecured Convertible Bonds for Fiscal Year 2022

Explanation:

1. For the need of future business development, construction of 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 and Third Domestic Unsecured Convertible Bonds in Taiwan on September 3, 2020. The Taichung Harbor project of such plans is still ongoing and to be completed in the second quarter of 2023.
2. In order to repay bank loans and save interest expenses, the Company issued the Fourth Domestic Unsecured Convertible Bonds in Taiwan on February 20, 2023. The plan has been completed in the first quarter of 2023.
3. The abovementioned 2nd Issue of Domestic Unsecured Convertible Bonds has been due and fully repaid on August 18, 2020. The Status of the Company's 3rd and 4th Issue of Domestic Unsecured Convertible Bonds for Fiscal Year 2022 is attached hereto as Exhibit 3. Please refer to Meeting Agenda page 12.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

## **2. Recognition Matters**

### **Proposal No. 1:**

**Proposed by the Board of Directors**

Ratification of the Business Report and Consolidated Financial Statements for Fiscal Year 2022

Explanation:

1. The Company's Consolidated Financial Statements for Fiscal Year 2022 have been certified and audited by certified public accountants (CPAs), Chih-Yuan, Chen and Yao-Ling, Huang of Deloitte & Touche, approved by the Board of Directors on March 16, 2023, and examined and approved by the Audit Committee. The Audit Committee has issued its Audit's Review Report.
2. The Business Report for Fiscal Year 2022, CPAs' Audit Report, and Consolidated Financial Statements are attached hereto as Exhibit 1 and Exhibit 4. Please refer to Meeting Agenda pages 8~10 (Exhibit 1) and pages 13~20 (Exhibit 4).

Resolution:

### **Proposal No. 2:**

**Proposed by the Board of Directors**

Ratification of the Proposal for Loss Appropriation for Fiscal Year 2022

Explanation:

1. The Company's net loss after tax for Fiscal Year 2022 is NTD438,462,102 which will be covered by undistributed retained earnings of NTD980,449,709 at the beginning of Fiscal Year 2022. In addition, after revolving special reserve of NTD156,576,316 and the amount of NTD2,927,400 for the adjustment related to the investment used the equity method, the total distributable earnings at the end of Fiscal Year 2022 is NTD701,491,323.
2. Considering the Company's operation, it is proposed not to distribute any profits in Fiscal Year 2022.
3. Deficit compensation table for Fiscal Year 2022 is attached hereto as Exhibit 5. Please refer to Meeting Agenda page 21.

Resolution:

### **3. Matters for Discussion**

#### **Proposal No. 1:**

#### **Proposed by the Board of Directors**

Proposal to amend the Memorandum and Articles of Association of the Company.

Explanation:

1. Due to the amendments to the Shareholders Rights Protection Checklist announced by the Taiwan Stock Exchange, it is proposed to amend the current Articles of Association by replacing the current version in its entirety with the revised Articles of Association.
2. The revised Articles of Association and the comparison table for the amendments are attached hereto as Exhibit 6. Please refer to Meeting Agenda pages 22~70.
3. It is proposed that the Registered Office of the Company be and is hereby authorised and instructed to arrange for the requisite filing to be made with the Registrar of Companies in the Cayman Islands.
4. This proposal shall be resolved by special resolution.

Resolution:

#### **Proposal No. 2:**

#### **Proposed by the Board of Directors**

Proposal to amend the Procedures Governing the Acquisition and Disposal of Assets of the Company.

Explanation:

1. Due to the Company's actual operational needs, it is proposed to amend the Procedures Governing the Acquisition and Disposal of Assets of the Company.
2. The comparison table for the amendments is attached hereto as Exhibit 7. Please refer to Meeting Agenda pages 71~73.

Resolution:

### **4. Ad Hoc Motions**

### **5. Adjournment**