

Yeong Guan Energy Technology Group Company Limited
永冠能源科技集團有限公司
Year 2019
Reference of Annual General Meeting of Shareholders

1. Recognition Matters

Proposal No. 1: Proposed by the Board of Directors
Ratification of the Business Report and Consolidated Financial Statements for Fiscal Year 2018

Explanation:

1. The Company's Consolidated Financial Statements for the Fiscal Year 2018 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 12, 2018, 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 2018, CPAs' Audit Report, and Consolidated Financial Statements are attached hereto as Exhibit 1 and Exhibit 4.

Proposal No. 2: Proposed by the Board of Directors
Ratification of the Proposal for Loss Appropriation for Fiscal Year 2018

Explanation:

1. The company's 2018 net loss after tax is NTD\$278,658,163 which will be covered by undistributed retained earnings of NTD\$1,371,298,398 at the beginning of the fiscal year 2018. In addition, after deducting the special reserve of NTD\$184,802,460 in accordance with the applicable law and the Articles of Association of the Company, the amount of NTD\$10,134,504 for the adjustment related to the investment used the equity method, and the amount of NTD\$110,709,730 for the cancellation of treasury stock, the total distributable earnings of the end of the fiscal year 2018 is NTD\$786,993,541.
2. Considering the company's operation, it is proposed not to distribute any profits in the fiscal year 2018.
3. Deficit compensation table for fiscal year 2018 is attached hereto as exhibit 5.

2. Matter for Discussion

Proposal No. 1: Proposed by the Board of Directors
Proposal for the amendment of the Articles of Association of the Company.

Explanation:

1. Due to the amendments to the Shareholders Rights Protection Checklist announced by the Taiwan Stock Exchange November 30, 2018 (Tai-Zheng-Shang-Er-Zi No. 1071703794), it is proposed to the current Articles of Association be amended by replacing 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 Appendix 6.
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 done at the Registrar of Companies in the Cayman Islands.
4. This proposed shall be resolved by special resolution.

Proposal No. 2: Proposed by the Board of Directors
Proposal to amend the Procedures for Endorsement and Guarantees of the Company.

Explanation:

1. Due to the Company's actual operation need, it is proposed to amend the Procedures for Endorsement and Guarantees of the Company.
2. The comparison table for the amendments is attached hereto as Exhibit 7.

Proposal No. 3: 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 amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Financial Supervisory Commission on November 26, 2018 (Jin-Guan-Zheng-Fa-Zi No. 1070341072), 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 8.

Proposal No. 4: Proposed by the Board of Directors
Proposal to amend the Procedures for Financial Derivatives Transactions of the Company.

Explanation:

1. Due to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Financial Supervisory Commission on November 26, 2018 (Jin-Guan-Zheng-Fa-Zi No. 1070341072), it is proposed to amend the Procedures for Financial Derivatives Transactions of the Company.
2. The comparison table for the amendments is attached hereto as Exhibit 9..

3. Election

Proposal 1:

Proposed by the Board of Directors

Election of Directors (including Independent Directors)

Explanation:

1. The term of office of current Directors will end on June 6, 2019. It is proposed to elect 11 Directors (including 3 Independent Directors) according to the Articles of Association of the Company. The term of office of each Director shall be three (3) years and Directors may be eligible for re-election. The election of the Independent Directors shall adopt the candidate nomination system.
2. The term of office of the newly-elected Directors shall commence from June 20, 2019 and end on June 19, 2022. The current Directors will be discharged when this annual general meeting is closed.
3. The name of the Independent Director candidates together with their educational background, experience and shareholding in the Company are as follows:

Name	Educational Background	Experience	Shareholding
Chang, Cheng-Lung	BA in Commerce, Tamkang University Mini MBA, Stanford University	1. Lecturer of Tamkang University 2. Director of President Securities 3. Financial advisor to Taipei Rapid Transit Corporation	0
Wei, Chia-Min	PhD, Graduate Institute of Resource Engineering, National Cheng Kung University	1. Deputy executive officer of Metal Industries R&D Center 2. Managing director of Taiwan Wind Energy Association 3. Managing supervisor of Taiwan Wind Energy Association 4. Director of SAE International Taipei Section 5. Vice chairman of Taiwan Foundry Society 6. Vice chairman of Taiwan Steel & Iron Industries Association Technology & Standards Research Council 7. Director of Taiwan Wind Turbine Industry Association	0
Chen, Tyan-Wen	MBA, University of Southern California	1. President of Jiashi Construction Co., Ltd. 2. Founder and President of Capital Securities Group 3. Vice President at Security of Merrill Lynch 4. Manager of JPMorgan Chase Bank	0

Note: The current candidate Mr. Chang, Cheng-Lung has served as an independent director of the Company for more than three terms. Since he is a financial professional and is familiar with

relevant laws and corporate governance, he shall be greatly helpful to the Company's operation. Therefore, Mr. Chang, Cheng-Lung is still listed as an Independent. Director candidate.

4. It is proposed to elect all of the Directors.

4. Other Matters

Proposal No. 1:

Proposed by the Board of Directors

Proposal for release the newlyelected Directors from non-competition

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 Directors are released from such non-competition restriction.
3. This proposed shall be resolved by supermajority resolution.

5. Ad Hoc Motions

6. Adjournment