

FALCON POWER CO., LTD
2023 ANNUAL SHAREHOLDERS' MEETING MINUTES
(Translation)

Type of Meeting: Physical Meeting

Time and Date: 10:00 a.m., June 7, 2023

Place: Pacific Business Hotel

(11F, NO. 495, Guangfu S. Rd, Taipei City, Taiwan)

The total number of shares (including electronic voting) represented by attending shareholders and shareholders' proxies was 19,802,463 shares, accounting for 55.49% of the total number of 35,684,174 issued shares of the company.

Attendees: President Hsieh Ying-yu, General Manager Steve Tu, Independent director Fang Feng-qi, Accountant Luo Xiao-jing from Ernst & Young, Accountant Zheng Qing-biao from Ernst & Young, Lawyer Miao Ji-ye, Chief Finance Officer Huang Yao-de.

Chairman: Director Hsieh Ying-yu

Secretary: Chen Jian-yan

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's Address (omitted)

B. Report Items

- I. 2022 Business Report and 2023 Business Plans (Please refer to the Business Report in Attachment 1 on page 18 of the manual)
- II. Audit Committee's review report (Please refer to the Audit Committee's Audit Report in Attachment 2 on page 21 of this manual .)
- III. Reported 2022 employees' profit sharing and directors' compensation
Explanatory Notes:
(1) According to Article 30, Paragraph 1 of the Company's Articles of Incorporation, "If the Company has a profit for the year (the so-called profit refers to the profit before tax, excluding employee compensation and director compensation), it shall allocate no less than 1.5% for employee compensation and no more than 3% for director compensation. However, when the Company has accumulated losses, it should cover the losses first." The aforementioned employee compensation can be in the form of stocks

or cash. The aforementioned director compensation can only be in the form of cash.

- (2) For 2022, the proposed employee compensation is set at 1.5479%, amounting to NT\$960,000, and director compensation is set at 1.0158%, amounting to NT\$630,000.
- (3) There is no difference between the estimated amounts of employee compensation and director compensation for 2022 and the recognized expenses for the year, both are to be distributed in cash.

C. Proposals

- I. Adoption of the 2022 Business Report and Financial Statements (Proposed by the Board)

Explanation:

- (1) The Company's 2022 financial statements were approved by the Board of Directors on January 18, 2023. The 2022 financial statements have been audited and certified by LO, HSIAO-CHIN and HONG, MAO-YI, certified public accountants from Ernst & Young, and an unqualified audit report has been issued. The business report, balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flow are attached herewith and submitted to the Audit Committee for review.
- (2) Please refer to the aforementioned business report and financial statements in Attachment 1 on page 18 and Attachment 3 on page 24 of this manual.

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,873,946	votes	95.31%
Votes in against:	1,631	votes	0.01%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	926,886	votes	4.68%

*including votes casted electronically

RESOLVED , that the Adoption of the 2022 Business Report and Financial

Statements were hereby accepted as submitted.

II. Adoption of the Proposal for Distribution of 2022 Profits (Proposed by the Board)

Explanation:

(1) The 2022 earnings distribution table is as follows

Item	Amount
Accumulated earnings available for distribution at the beginning of the period	0
Add: Disposal of equity instruments measured at fair value through other comprehensive income	1,257,100
Add: Net income after tax for the year 2022	48,520,182
Accumulated earnings available for distribution at the end of the period	49,777,282
Less: Provision for legal reserve	(4,977,728)
Less: Distribution of cash dividends to stockholders	(13,439,864)
Less: Distribution of stock dividends to shareholders	(31,359,690)
Total	0

(2) Related matters are handled in accordance with Article 228 and Article 230 of the Company Act.

(3) The amount of unrealized valuation gains on equity instruments measured at fair value through other comprehensive income for the Company's other comprehensive income, which is included in the undistributed earnings for the year, is NT\$1,257,100.

(4) The pre-tax profit for 2022 is NT\$62,016,779, after deducting employee compensation of NT\$960,000, director compensation of NT\$630,000, and other expenses, as well as income tax expenses of NT\$11,906,597, the net profit after tax for 2022 is NT\$48,520,182.

(5) After the Company allocates the legal reserve according to the law, it proposes to allocate a shareholder dividend of NT\$44,799,554, with a distribution of NT\$1.25544601 per share. Among them, NT\$0.37663374 will be distributed in cash, totaling NT\$13,439,864 in cash dividends, and NT\$0.87881227 will be distributed in stocks, totaling NT\$31,359,690 in stock dividends. After distribution, the undistributed earnings at the end of the period will be NT\$0. The shareholder dividend is calculated based on the estimated total number of outstanding shares at the time of distribution, 35,684,174 shares. The distribution base date will be determined by the Board of

Directors after the resolution of the 2023 Annual Shareholders' Meeting. If the above dividend/stock distribution ratio changes due to other factors affecting the number of the Company's outstanding shares, it is proposed to authorize the Board of Directors to make adjustments at the Annual Shareholders' Meeting.

- (6) Cash dividends will be distributed to the nearest dollar, with any amounts less than a dollar being rounded down. The total amount of any odd-lot amounts less than one dollar will be recorded as other income for the Company.

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,871,940	votes	95.30%
Votes in against:	1,633	votes	0.01%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	928,890	votes	4.69%

*including votes casted electronically

RESOLVED , that the 2022 Business Report and Financial Statements were hereby accepted as submitted.

D. Discussion

I. Amendments to the Company's "Rules of Procedure for Shareholder Meetings" (Proposed by the Board)

Explanation:

- (1) In order to comply with the amendments to the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies," it is considered necessary to amend the wording of the Company's current "Rules of Procedure for Shareholder Meetings." In accordance with the letter Jin-Guan-Zheng-Jiao-Zi No. 1110380914 issued by the Financial Supervisory Commission, it is proposed to amend the Company's "Rules of Procedure for Shareholder Meetings.".
- (2) Please find attached the comparison table of the amended articles (as

detailed in Table 1 and Table 2).

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,869,789	votes	95.29%
Votes in against:	3,792	votes	0.02%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	928,882	votes	4.69%

*including votes casted electronically

RESOLVED , that the Amendments to the Company's "Rules of Procedure for Shareholder Meetings" were hereby accepted as submitted.

II. Amendments to the Company's "Regulations Governing the Acquisition and Disposal of Assets" (Proposed by the Board)

Explanation:

- (1) The Financial Supervisory Commission revised and issued the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" on January 28, 2022. The Company has amended its "Regulations Governing the Acquisition and Disposal of Assets" in accordance with the newly issued guidelines.
- (2) Please find attached the comparison table of the amended articles (as detailed in Table 3 and Table 4).

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,871,792	votes	95.30%
Votes in against:	1,788	votes	0.01%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	928,883	votes	4.69%

*including votes casted electronically

RESOLVED , that the Amendments to the Company's "Regulations Governing the Acquisition and Disposal of Assets" were hereby accepted as submitted.

III. Proposal for Issuance of New Shares through Capitalization of Earnings
(Proposed by the Board)

Explanation:

- (1) Considering the future business development needs, the Company plans to allocate a shareholder dividend of NT\$31,359,690 from the distributable earnings of 2022 to increase capital, issuing 3,135,969 new common shares, each with a par value of NT\$10.
- (2) The capital increase for this issue will be based on the shareholder's holding ratio recorded in the shareholder register on the record date, with 87.88122712 shares being distributed for every 1,000 shares held without compensation. Any fractional shares less than one share will be distributed in cash according to the par value as stipulated in Article 240 of the Company Act (rounded down to the nearest dollar). If there are any remaining shares, the Chairman is authorized to negotiate their purchase at par value with specific individuals. For shareholders participating in the book-entry distribution of shares, the cost of processing the book-entry transfer will be deducted from the amount of any fractional shares less than one share.
- (3) The newly issued shares will have the same rights and obligations as the original shares. If subsequent changes in the Company's share capital due to other factors affect the number of outstanding shares, causing the shareholder's stock distribution ratio to change, the Board of Directors is authorized to make relevant adjustments.
- (4) Upon approval by the Annual Shareholders' Meeting and the competent authority, the Board of Directors is authorized to determine the ex-rights date and record date for the capital increase by issuing new shares from retained earnings.
- (5) If the issuance of new shares must be changed due to factual necessity or review by the competent authority, the Board of Directors is authorized to handle it.

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,866,722	votes	95.27%
Votes in against:	4,873	votes	0.02%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	930,868	votes	4.70%

*including votes casted electronically

RESOLVED , that the Proposal for Issuance of New Shares through Capitalization of Earnings were hereby accepted as submitted.

E. Election

15th Election of Directors (including Independent Directors) (Proposed by the Board)

Explanation:

- (1) The Company's independent director, LI, KUN-MING, resigned on December 30, 2022, and his vacancy was legally filled by the election of a new independent director.
- (2) According to the regulations, the Company must have at least 4 independent directors by December 31, 2023. The Company has elected 3 independent directors and plans to elect one additional independent director. In addition, the Company plans to elect one more director based on its needs.
- (3) Three director seats (including two independent director seats) are proposed to be elected, with shareholders choosing from the list of director and independent director candidates. The newly elected directors will take office immediately after the shareholders' meeting, serving a term from June 7, 2023, to June 7, 2025.
- (4) The Company's director election adopts a candidate nomination system, and shareholders should elect from the list of director candidates. The list of director candidates was reviewed and approved by the Company's Board of Directors on April 20, 2023. Please refer to page 34 of this manual and Attachment 4 for their education, experience, and other relevant information.
- (5) The Company's Procedures for Election of Directors is detailed in Appendix 3 (please refer to page 108 of the manual).

Election Results:

Three Directors (including two Independent Directors) were elected by the shareholders present.

The tenure of the newly elected directors commences on June 7, 2023 and shall expire on June 7, 2025. The list of the newly elected directors with votes received follows:

Title	Name	Votes Received*
Director	Hsiu, Chi-Zhong	21,500,976 votes
Independent Director	Ko, Chong-Yu	17,384,921 votes
Independent Director	He, Chen-Chun	17,359,675 votes

*including votes casted electronically

F. Other Matters

Proposal of Release the Prohibition on Directors from Participation in Competitive Business. (Proposed by the Board)

Explanation:

- (1) In accordance with Article 209 of the Company Act, a director must explain the significant content of any actions taken on behalf of themselves or others within the scope of the Company's business to the shareholders' meeting and obtain permission.
- (2) It is proposed that the Annual Shareholders' Meeting agree to remove the competition restriction for the newly elected directors from the date of their appointment.

Speech by the chairman: Ke Zhongyou, an independent director, has lifted his non-competition restrictions, and his concurrent Position should be an accountant of Songcheng Certified Public Accountants.

Position in the company	Name	Concurrent Position
Director	Chen, Ding-Quan	Director of Dahe Environmental Incinerator
Director	Hsiu, Chi-Zhong	China Life Sales Manager
Independent Director	Ko, Chong-Yu	SONGCHEN CPAs /CPA
Independent Director	He, Chen-Chun	YONGHSIN CPAs /CPA

Voting Results:

Shares represented at the time of voting:19,802,463.

Voting Results*			% of the total represented share present
Votes in favor:	18,847,181	votes	95.17%
Votes in against:	24,454	votes	0.12%
Votes in invalid:	0	votes	0.00%
Votes in abstained:	930,828	votes	4.70%

*including votes casted electronically

RESOLVED ,that the Proposal of Release the Prohibition on Directors from Participation in Competitive Business were hereby accepted as submitted.

G. Questions and Motions

There being no other questinos and special motion, upon a motion duly made and seconded, the meeting was adjourned.

Closing time: 10:47 a.m., June 7, 2023

Note to Readers:

This English translation is prepared in accordance with the Chinese version and is for reference purpose only. If there is any inconsistency between the Chinese version and the English translation, the Chinese version shall prevail.