

Stock code

2457

Phihong Technology Co., Ltd.

2023 Annual Shareholders' Meeting

Meeting Agenda

Date: 9:00am Friday, June 9, 2023

Location: Fullon Hotel Taoyuan Airport Access MRT A8 (3F., No. 2, Fuxing 1st Rd., Guishan Dist., Taoyuan City)

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I. Call to Order

II. Meeting Agenda

PHIHONG TECHNOLOGY CO., LTD.
AGENDA OF 2023 SHAREHOLDERS' MEETING

Method: Physical shareholders' meeting.

Time: Friday, June 9, 2023 at 9:00 a.m.

Location: Fullon Hotel Taoyuan Airport Access MRT A8
(3F., No. 2, Fuxing 1st Rd., Guishan Dist., Taoyuan City)

I. Speech Delivery by Chairman

II. Reporting Issues

- (1) 2022 Business Report
- (2) The Audit Committee's Review Report on the 2022 Financial Statements.
- (3) Amendments to the Company's report on "Regulations Governing the Meetings of the Board of Directors"
- (4) Report on Employee Compensation and Directors' Remuneration for 2022.

III. Recognizing Issues

- (1) Adoption of the 2022 Business Report and Financial Statements
- (2) Adoption of the Proposal for Distribution of 2022 Profits

IV. Issues to be Discussed

- (1) The amendment to "Articles of Incorporation."
- (2) The amendment to "Operating Procedures of Endorsement/Guarantees"
- (3) The Company "Rules of Procedure for Shareholders' Meetings".

V. Elections

- (1) General re-election of directors

VI. Other Proposals

- (1) Release of the Non-competition Restriction of Newly Elected Directors.

VII. Questions and Motions

VIII. Meeting Adjourned

Reporting Issues

1. 2022 Business Report, hereby submitted for review.

Description: 2022 Business Report (please refer to Attachment 1 on pages 11 to 14 of the Handbook).

2. Audit Committee's Review Report on the 2022 Financial Statements, hereby submitted for review.

Description: 2022 Annual Audit Committee's Review Report (please refer to Attachment 2 on page 15 of the Handbook).

3. The amendment to the Company's report on "Rules of Procedure for Board of Directors Meetings", hereby submitted for review.

Description: In accordance with the Financial Supervisory Commission's Order No. 1110383263 dated August 5, 2022, the Company amended certain provisions of the "Regulations Governing the Meetings of the Board of Directors". Please refer to Attachment 3 on pages 16 to 18 of the Handbook for the comparison table of the provisions before and after the revision.

4. Report on Employee Compensation and Directors' Remuneration for 2022, hereby submitted for review.

Description: (1) The Company's Employee Compensation and Director's Remuneration for 2022 was approved by the Board of Directors on 9 March 2023, being paid in cash.
(2) In 2022, the Company's Employee Compensation amounted to NT\$13,462,466 and Directors' Remuneration amounted to NT\$2,692,493.

Recognizing Issues

1. Subject: Adoption of the 2022 Business Report and Financial Statements, submitted for adoption. (Proposed by the Board of Directors)

Description: (1) The Company's 2022 business report and financial statements were approved by the Board of Directors on March 9, 2023 and the financial statements were audited by CPAs Wu, Ke-Chang and Hong, Kuo-Tien from Deloitte & Touche.

(2) The final account statements have been submitted to and reviewed by the Audit Committee of the Company, and the review report has been issued.

(3) The following statements are enclosed:

1. 2022 Business Report (please refer to the Attachment 1 on pages 11 to 14 of the Handbook).
2. 2022 consolidated financial statements and standalone financial statements (please refer to Attachments 4 and 5 on pages 19 to 40 of the Handbook).

Resolution:

2. Subject: Adoption of the Proposal for Distribution of 2022 Profits, hereby submitted for adoption. (Proposed by the board of directors)

Description: (1) The company's net profit after tax in 2022 was NT\$71,327,397. In accordance with the company's articles of association and relevant laws and regulations, 10% of the legal reserve of NT\$9,127,296 and the special reserve of NT\$82,145,663 were allocated, and the distributable surplus was NT\$ 0 yuan.

(2) The "2022 Earning Distribution Statement" (please refer to Attachment 6 on page 41 of the Handbook)

Resolution:

Issues to be Discussed

1.Subject: Amendments to Provisions of the “Articles of Incorporation,” submitted for determination. (Proposed by the Board of Directors)

Description: Please refer to Attachment 7 on page 42 to 43 of the Handbook for a comparison of the provisions before and after the amendments to the Company’s “Articles of Incorporation”.

Resolution:

2.Subject: Amendments to Provisions of the “Operating Procedures of Endorsement/Guarantees”, submitted for determination. (Proposed by the Board of Directors)

Description:

(1) For the Group’s financing needs and to enhance the efficiency of capital utilization, it is proposed to revise the total amount of guarantee endorsement and the single limit requirement.

(2) Please refer to Attachment 8 on page 44 to 45 of the Handbook for a comparison of the provisions before and after the amendments to the Company's "Operating Procedures of Endorsement/Guarantees".

(3) The necessity and reasonableness of the Company and its subsidiaries as a whole being able to endorse guarantees amounting to more than 50% of the Company’s net worth:

As the Company's 100%-owned subsidiary, Zerova, is undergoing a period of rapid growth, in order to support the capital requirements of the Zerova's operations and business and to enhance the Company's overall capital utilization efficiency, it is proposed to increase the total amount of external guarantee endorsements by the

Company and its subsidiaries to a limit of 100% of the latest net financial statements and a single limit to a limit of 75% of the latest net financial statements.

Resolution:

3.Subject: Amendments to Provisions of the “Rules of Procedure for Shareholders’ Meetings”, submitted for determination. (Proposed by the Board of Directors)

Description: In order to comply with the amendments to the regulations and for practical implementation, it is proposed to amend some of the provisions of the "Rules of Procedure for Shareholders’ Meetings", with a comparison of the provisions before and after the amendments (please refer to Attachment 9 on pages 46 to 54 of the Handbook).

Resolution:

Elections

1. Subject: General re-election of directors, submitted for election. (Proposed by the Board of Directors)

Description:

- (1) The term of office of the Company's directors (including independent directors) will expire on June 9, 2023. In accordance with Article 13 of the Company's "Articles of Incorporation", the Company has seven to fifteen directors; Article 13-1 requires the presence of at least three independent directors.
- (2) The list of the director candidates is approved by the Board of the Company through a resolution, and shareholders shall elect the directors from the list of candidates (please refer to Attachment 10 on pages 55 to 56).
- (3) The term of office of the nine new directors (including four independent directors) following the re-election will be for a period of three years from June 9, 2023 to June 8, 2026.
- (4) Regulations for Election of Directors (please refer to Appendix 4 on page 75 to 76).

Election Result:

Other Proposals

- 1. Subject: Release of the Non-competition Restriction of Newly Elected Directors, submitted for determination. (Proposed by the Board of Directors)**

Description:

- (1) According to Article 209 of the Company Act: “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- (2) In order to meet actual business needs and based on investment or other business development considerations, the directors of the Company intend to lift the non-competition restrictions of directors (including independent directors) without prejudice to the interests of the company (please refer to Attachment 11 on page 57).

Resolution:

Questions and Motions

III. Attachments

【Attachment 1】 2022 Business Report

In 2022, the whole world was under the shadow of the COVID-19 pandemic, Russia-Ukraine war, the Fed lifting rates, inflation and high inventory in the supply chain; the global economy is underperforming and financial markets are highly volatile. Fortunately, with the concerted efforts made by all of the staff, we managed to overcome these problems, achieved the highest revenue in the past 10 years, and realized profitability in a year full of uncertainties. We also gradually witnessed a return to pre-epidemic normality in the power supply industry, including the easing of semiconductor shortages, shipping congestion, and rising raw material prices.

In 2022, we successfully spun off our Electric Vehicle Power business to form Zerova and achieved a proud revenue growth of NT\$1,877 million. Zerova has become an important engine of revenue and profit growth for the Company, and we expect that the business will continue to increase its revenue contribution in the coming years, which will help to continue to improve the Company's profitability.

In addition, management is restructuring the power supply business by consolidating manufacturing sites, optimizing product and customer mix, and streamlining the organizational structure to reduce costs and increase profit margins.

2023 will still be a year full of challenges and opportunities, and the management team will face all the challenges proactively. We remain cautious about the power supply business yet adopt a relatively aggressive strategy to drive Zerova's growth as we look at the company's growth and prospects for 2023. We value the sustainable development of the Group and will continue to improve the overall operational efficiency to maximize the interests of our shareholders.

I. Financial Performance

(1) Implementation of business plan and budget execution

The Company's net operating income for 2022 was NT\$14,017,575 thousand, an increase of approximately 14.1% from the NT\$12,284,041 thousand for 2021. The net income after tax for 2022 was NT\$71,306 thousand, an increase of approximately 122.8% from the NT\$312,618 thousand in 2021, which resulted in a significant loss recovery and a turnaround from loss to profit.

(2) Analysis of Financial Income and Expenditure and Profitability

1. Financial Income and Expenditure Analysis Unit: NT\$1,000, %

Year	2021	2022	Changes %
Item			
Non-operating income and expenses	41,374	174,483	321.72

The Company's increase in non-operating income and expenses in 2022 as compared to 2021 was mainly due to the increase in exchange gains as a result of exchange rate fluctuations and the increase in sample revenue in 2022.

2. Profitability Analysis

Year		2021	2022	
Item				
Profitability	Return on assets (%)	(2.34)	0.95	
	Return on equity (%)	(5.91)	1.18	
	Paid-in capital This ratio (%)	Operating net profit (loss)	(9.04)	0.36
		Net profit (loss) before tax	(7.94)	5.01
	Net profit margin (%)	(2.54)	0.51	
	loss per share (thousand)	(0.92)	0.19	

II. Research and Development Status

(1) Zerova Charging Pile Products

Zerova continues to innovate and expand its product applications in key verticals, and focuses on the research and development of high power and high margin charging equipment above 180kw. Its main products include DC fast charging piles, liquid-cooled charging piles, electric bus charging stations, and large-scale charging systems.

- DC fast charging pile: With large display screens that can be used for advertising, its maximum power can be increased to 960 kW and it can connect up to 6 charging devices at the same time. Fleet charging is fast and safe, charging up to 90% in 18 minutes.
- Liquid-cooled charging pile: Equipped with liquid-cooled charger, it can DC charge 4 vehicles at once.
- Electric bus charging station: A pantograph charging pile for charging electric buses, compatible with all standard charging technologies. Fully modular, no manual plugging or unplugging required.
- Large-scale charging system: A 3.84 MW system for commercial fleets, which can connect to 24 charging devices at the same time. Integrated in an electrical cabinet, the energy storage system can be upgraded.

(2) Power Supply Products

We focus on the development of high power and high margin models, and improve the cost structure of existing products and process optimization to reduce production costs and increase production capacity.

- Research and development of water-cooled bidirectional charging technology development technology: Power modules and bidirectional CSU controllers are designed to meet the 2025 CCS regulations for bidirectional charging systems to

integrate with the power grid and energy storage systems.

- Research and development of ESS energy storage technology: Combine the integrated design of energy storage and charging system with CSU software control, and develop ESS related active balancing technology in BMS.
- USB PD 3.1 product and technology development: Comply with the maximum output power and maximum output voltage requirements under the new regulations, enabling applications of USD PD from consumer products to gaming laptops, electric tools, electric bicycles, network communications, etc.
- 300-1500W power supply product and technology development: Proactively enter high-end niche markets such as 5G communication, power battery charging, robotics and industrial control applications.

III. Business Policies and Objectives

(1) Company Development:

- Focusing on maximizing the efficiency of the Company and accelerating its transformation
- Strengthening emphasis on strategy and capital allocation
- Enhancing corporate governance practices
- Prioritizing shareholder return and value

(2) Zerova:

- Focusing on expanding its scale and increasing the global sales network
- Recruit and build international management team to accelerate growth
- Continuing research and development and innovation to ensure long-term competitiveness
- Strategically selecting the right markets to achieve healthy and sustainable growth
- Pursuing high-quality revenue
- Concentrating on quality, customer service and delivery capability
- Continuing to establish a strong business model with diversified revenues

(3) Power Supply:

- Focusing on cost structure improvements
- Reorganizing production layouts to reduce costs and improve competitiveness
- Strategically reviewing the products and customer mix
- Emphasizing high margin, small and diversified business model
- Emphasizing high-quality profits and not blindly pursuing revenue growth

IV. Sales Policies

- We continue to work closely with our customers and supply chain to accelerate our global layout and capacity deployment, and actively adopt mutually beneficial solutions in the face of raw material shortages and price uncertainties.

- The current production and marketing strategy is as follows:
- Deeply cultivating international brand customers and establishing a multi-point production and marketing and after-sales service system;
- Establishing a lean supply chain and increasing production capacity, and dynamically adjusting production capacity to meet customer demand.

IV. Effect of External Competition, Legal Environment, and Overall Business Environment

In terms of the legal environment, with the rise of environmental sustainability awareness, customers of well-known international brands are setting high standards of supplier management code of conduct and requiring supply chain compliance. Our company upholds the spirit of sustainable development and incorporates this spirit into the research, development and mass production process to achieve the production goal of net-zero emissions. The Company continues to track changes in the legal environment and actively proposes contingency measures to reduce operational risks.

The global situation is undergoing rapid changes, including the COVID-19 pandemic, inflation, geopolitical conflicts and rivalries, monetary policy tightening, and rates lifted by the Fed, further deepening the degree of risk of uncertainty. The Company will pay close attention to the general economic changes and formulate the best business strategy to cope with the changes in the international situation.

Looking ahead to 2023, we will uphold our business philosophy of “superior design, excellent quality, and accurate delivery” and use our strong core competitiveness to gain customers’ trust and provide high-quality services to move towards our goal of sustainable growth and profitability, creating higher value for our customers and shareholders.

Finally, I would like to express my sincere gratitude to all the staff and shareholders for your long-standing support and encouragement for the Company. Thank you very much.

Chairman: Lin, Chung-Ming President: Lin, Yang-Hung Head of accounting: Chen, Kuei-Chih

【Attachment 2】 Audit Committee's Review Report

Phihong Technology Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, 2022 Standalone and Consolidated Financial Statements, and the Proposal for Deficit Compensation. Deloitte & Touche has completed the audit on the 2022 Standalone and Consolidated Financial Statements, and has issued an audit report accordingly. The 2022 Business Report, 2022 Standalone and Consolidated Financial Statements, and the Proposal for Deficit Compensation 1 been reviewed and determined to be adequate by the Audit Committee. Therefore, we hereby submit this report pursuant to relevant provisions of the Securities and Exchange Act and Company Act for you to review.

Sincerely,

2023 Shareholders Meeting of Phihong Technology Co., Ltd.

Convener of the Audit Committee: Hong, Yu-Yuan

March 9, 2023

【Attachment 3】 Comparison Table for the provisions Before and After the Amendments to the “Regulations Governing the Meetings of the Board of Directors”

**Phihong Technology Co., Ltd.
Comparison Table for the provisions Before and After the Amendments to the “Regulations Governing the Meetings of the Board of Directors”**

Provisions Before Amendments	Provisions After Amendments	Description
<p>Article 3 (Convening of the Board and Notice of Meetings) The Board of the Company shall be convened at least once every quarter. A notice, which shall set out the reason for convening the Board meeting, shall be provided to directors seven days in advance, but they may be called upon at any time in case of emergency. The convening notice referred to in the preceding paragraph may be done electronically with the counterpart's consent. Unless there is a sudden emergency or justifiable reason, the matters set out in paragraph 1 of Article 12 of these regulations shall be set out in the grounds for the convening of the meeting and shall not be proposed as an extempore motion.</p>	<p>Article 3 (Convening of the Board and Notice of Meetings) The Board of the Company shall be convened at least once every quarter. A notice, which shall set out the reason for convening the Board meeting, shall be provided to directors seven days in advance, but they may be called upon at any time in case of emergency. The convening notice referred to in the preceding paragraph may be done electronically with the counterpart's consent. The matters set out in paragraph 1 of Article 12 of these regulations shall be set out in the grounds for the convening of the meeting and shall not be proposed as a extempore motion.</p>	<p>In order to strengthen corporate governance, the directors should have sufficient information and time to evaluate the proposals before making decisions on important matters relating to the operation of the Company. Therefore, they should be notified about the reason for the convening, and extempore motions should not be raised for emergencies or justifiable reasons.</p>
<p>Article 12 (Matters to be Discussed by the Board) The following matters should be brought to the attention of the Board of the Company for discussion: 1. The Company's business plan. 2. Annual financial report and semi-annual financial report However, according to the regulations, this restriction does not apply to the semi-annual financial report being audited and certified by an accountant.</p>	<p>Article 12 (Matters to be Discussed by the Board) The following matters should be brought to the attention of the Board of the Company for discussion: 1. The Company's business plan. 2. Annual financial report and semi-annual financial report However, according to the regulations, this restriction does not apply to the semi-annual financial report being audited and certified by an accountant. 3. To establish or amend an internal</p>	<p>The Chairman of the Board shall be elected by resolution of the Board or of the Managing Board and shall be removed by resolution of the Board or of the Managing Board at the time of his/her election. Based on the fact that the dismissal and election of the Chairman are both important matters of the</p>

Provisions Before Amendments	Provisions After Amendments	Description
<p>3. To establish or amend an internal control system in accordance with Article 14-1 of the “Securities and Exchange Act” (hereinafter referred to as “Securities Act”), and to evaluate the effectiveness of the internal control system.</p> <p>4. To establish or amend procedures for the acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsement or guarantee of others, in accordance with Article 36-1 of the “Securities Act”.</p> <p>5. Raising, issue or private placement of marketable securities of an equity nature.</p> <p>6. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>7. Donations to a related party or major donations to an unrelated party. However, donations of a public nature for emergency relief due to a major natural disaster may be submitted to the next Board of Directors for ratification.</p> <p>8. Any other matters that should be resolved by the shareholders’ meeting or referred to the Board of Directors in accordance with Article 14-3 of the “Securities Act” or any other significant matters stipulated by the competent authorities.</p> <p>The term “related party” in the preceding paragraph 7 refers to a related party as defined in the Guidelines Governing the Preparation of Financial Reports by Securities</p>	<p>control system in accordance with Article 14-1 of the “Securities and Exchange Act” (hereinafter referred to as “Securities Act”), and to evaluate the effectiveness of the internal control system.</p> <p>4. To establish or amend procedures for the acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsement or guarantee of others, in accordance with Article 36-1 of the “Securities Act”.</p> <p>5. Raising, issue or private placement of marketable securities of an equity nature.</p> <p>6. Election and dismissal of Directors.</p> <p>7. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>8. Donations to a related party or major donations to an unrelated party. However, donations of a public nature for emergency relief due to a major natural disaster may be submitted to the next Board of Directors for ratification.</p> <p>9. Any other matters that should be resolved by the shareholders’ meeting or referred to the Board of Directors in accordance with Article 14-3 of the “Securities Act” or any other significant matters stipulated by the competent authorities.</p> <p>The term “related party” in the preceding paragraph 8 refers to a related party as defined in the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; the term “significant donation to an unrelated party” refers to a donation of at least NT\$100 million per donation or an accumulation of donations</p>	<p>Company, it is stipulated that the election or dismissal of the Chairman should be discussed by the Board of Directors or the Managing Board of Directors.</p>

Provisions Before Amendments	Provisions After Amendments	Description
<p>Issuers; the term “significant donation to an unrelated party” refers to a donation of at least NT\$100 million per donation or an accumulation of donations to the same person within one year, or an amount of at least 1% of the net operating income or 5% of the paid-in capital of the most recent annual financial report certified by an accountant.(If the shares of a foreign company have no denomination or have a denomination other than NT\$10 per share, the amount of the second paragraph relating to 5% of the paid-in capital shall be calculated on the basis of 2.5% of the shareholders’ equity).</p> <p>Omitted below</p>	<p>to the same person within one year, or an amount of at least 1% of the net operating income or 5% of the paid-in capital of the most recent annual financial report certified by an accountant.(If the shares of a foreign company have no denomination or have a denomination other than NT\$10 per share, the amount of the second paragraph relating to 5% of the paid-in capital shall be calculated on the basis of 2.5% of the shareholders’ equity).</p> <p>Omitted below</p>	
<p>Article 18 (By-law)</p> <p>The adoption and amendment of the “Regulations Governing the Meetings” shall be agreed by the Board of Directors of the Company and reported to the Shareholders’ Meeting.</p> <p>The “Regulations Governing the Meetings”was adopted on January 14, 2005</p> <p>The 1st amendment was made on December 11, 2016.</p> <p>The 2nd amendment was made on March 22, 2013.</p> <p>The 3rd amendment was made on November 10, 2017.</p> <p>The 4th amendment was made on March 13, 2020.</p>	<p>Article 18 (By-law)</p> <p>The adoption and amendment of the “Regulations Governing the Meetings” shall be agreed by the Board of Directors of the Company and reported to the Shareholders’ Meeting.</p> <p>The “Regulations Governing the Meetings”was adopted on January 14, 2005</p> <p>The 1st amendment was made on December 11, 2016.</p> <p>The 2nd amendment was made on March 22, 2013.</p> <p>The 3rd amendment was made on November 10, 2017.</p> <p>The 4th amendment was made on March 13, 2020.</p> <p>The 5th amendment was made on November 3, 2022.</p>	<p>Added the date of amendments</p>

【Attachment 4】 2022 Independent Auditors' Report and Consolidated Financial Statements

Independent Auditors' Report

Official Handbook Pihong Technology Co., Ltd.:

Opinion

We have audited the accompanying consolidated balance sheets of Pihong Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) as of December 31, 2022 and 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows from January 1 to December 31 for the years 2022 and 2021, and related notes, including a summary of significant accounting policies “(collectively referred to as the consolidated financial statements)”.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows from January 1 to December 31 for the years 2022 and 2021 then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section in our report. We are independent of Pihong Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements as of and for the year ended December 31, 2022 is as follows.

The Accuracy of Sales Revenue from Telecom Brand Operation

Description of the key audit matter:

As Pihong Technology Company shifted its focus to the electric vehicle energy market in recent years, orders for electric vehicle energy have also increased significantly during the years. The electric vehicle charging market is booming rapidly with the popularity of electric vehicles, and the share of electric vehicle energy revenue to the Pihong Technology Group's product revenue has increased significantly. Therefore, the veracity of the sales revenue of the electric vehicle energy business has been identified as a key audit issue in the current year. Refer to Note 4 to the accompanying consolidated financial statements for the related disclosures.

Corresponding audit procedures

We conducted tests of internal control to understand the design and implementation of the internal control system over the recognition of sales revenue for the Pihong Technology Company. We conducted random audits of sales revenue for the electric vehicle energy business, issued letters of inquiry and reviewed significant post-period sales returns to confirm that sales transactions had actually occurred.

Others Matters

We have also audited the standalone financial statements of Pihong Technology Company as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified audit report for your information.

Responsibilities of Management and Those Charged with Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they may reasonably be expected to affect the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with CPAs, we exercise professional judgment and professional skepticism audit. We also carry out the following work:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Limited

CPA: Wu, Ke-chang

CPA: Hong, Kuo-Tien

Financial Supervisory Commission
Approval No.

Golden Management Certificate No.
1000028068

Approved by the Securities and Futures
Management Commission

Taiwan Finance Certificate No.
0920123784

Taipei, Taiwan
Republic of China
March 9, 2023

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$2,990,883	20	\$3,590,920	26
Financial assets at amortized cost - current (Notes 4, 8 and 30)	541,072	4	224,588	2
Notes receivables (Notes 4 and 9)	16,159	-	16,886	-
Trade receivables (Notes 4 and 9)	2,664,733	18	2,229,231	16
Other receivables	41,934	-	21,905	-
Other receivables from related parties (Note 29)	3,654	-	-	-
Inventories (Notes 4 and 10)	3,296,580	23	3,204,432	24
Non-current assets held for sale (Note 11)	-	-	244,696	2
Other current assets	282,685	2	146,685	1
Total current assets	9,837,700	67	9,679,343	71
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	99,764	1	87,226	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	22,030	-	20,458	-
Investments accounted for using equity method (Notes 4 and 13)	112,871	1	111,326	1
Property, plant and equipment (Notes 4 and 14)	3,986,175	27	3,262,587	24
Right-of-use assets (Notes 4 and 15)	357,042	3	294,723	2
Other intangible assets (Notes 4 and 16)	41,098	-	30,540	-
Deferred tax assets (Notes 4 and 24)	57,493	-	53,114	-
Other non-current assets	75,304	1	73,343	1
Total non-current assets	4,751,777	33	3,933,317	29
TOTAL	\$14,589,477	100	\$13,612,660	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$1,328,070	9	\$962,781	7
Short-term notes and bills payable (Note 17)	69,740	-	-	-
Contract liabilities - current (Notes 22 and 29)	420,025	3	159,714	1
Trade payables	2,655,491	18	3,200,680	24
Trade payables to related parties (Note 29)	86,319	1	61,122	-
Other payables (Note 19)	898,467	6	613,750	5
Current tax liabilities (Notes 4 and 24)	136,533	1	23,612	-
Lease liabilities - current (Notes 4 and 15)	44,518	-	20,547	-
Current portion of long-term borrowings (Note 17)	398,592	3	832,930	6
Other current liabilities (Notes 12 and 19)	148,379	1	258,154	2
Total current liabilities	6,186,134	42	6,133,290	45
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 18)	698,688	5	698,283	5
long-term borrowings (Note 17)	1,333,583	9	766,108	6
Deferred tax liabilities (Notes 4 and 24)	44,649	-	56,520	-
Lease liabilities - non-current (Notes 4 and 15)	51,292	1	24,704	-
Net defined benefit liability - non-current (Notes 4 and 20)	49,017	-	87,092	1
Other non-current liabilities	10,697	-	9,305	-
Total non-current liabilities	2,187,926	15	1,642,012	12
Total liabilities	8,374,060	57	7,775,302	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Ordinary shares	3,752,084	26	3,752,084	28
Capital surplus	2,179,372	15	2,179,372	16
Retained earnings				
Legal reserve	295,992	2	612,916	4
Special reserve	230,859	1	230,859	2
Accumulated earnings (deficits)	91,273	1	(316,924)	(2)
Total retained earnings	618,124	4	526,851	4
Other equity				
Exchange differences on translating the financial statements of foreign operations	(244,171)	(2)	(523,866)	(4)
Unrealized loss on financial assets at fair value through other Comprehensive income	(80,339)	-	(88,412)	(1)
Total other equity	(324,510)	(2)	(612,278)	(5)
Total equity attributable to owners of the Company	6,225,070	43	5,846,029	43
NON-CONTROLLING INTERESTS (Note 21)	(9,653)	-	(8,671)	-
Total equity	6,215,417	43	5,837,358	43
TOTAL LIABILITIES AND EQUITY	\$14,589,477	100	\$13,612,660	100

The accompanying notes are an integral part of the consolidated financial statements.

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (NOTES 4 , 22, 29 AND 34)	\$14,017,575	100	\$12,284,041	100
OPERATING COST (NOTES 4, 10 AND 29)	11,875,937	85	10,810,739	88
OPERATING GROSS PROFIT	2,141,638	15	1,473,302	12
OPERATING EXPENSES				
Sales and marketing expenses	768,098	6	549,147	5
General and administration expenses	604,148	4	502,237	4
Research and development expenses	755,214	5	760,997	6
Excepted credit loss recognized	521	-	245	-
Total operating expenses	2,127,981	15	1,812,626	15
INCOME(LOSS) FROM OPERATIONS	13,657	-	(339,324)	(3)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	38,017	-	28,000	-
Other income (Note 23)	165,206	1	88,319	1
Other gains and losses (Note 23)	(55,720)	1	(26,496)	-
Finance costs (Note 23)	(77,918)	-	(40,297)	-
Share of profit or loss of from associates account for using the equity method (Note 13)	(6,542)	-	(8,152)	-
Total non-operating income and expenses	174,483	2	41,374	1

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	2022		2021	
	Amount	%	Amount	%
NET PROFIT (LOSS) BEFORE TAX	\$188,140	2	(\$297,950)	(2)
INCOME TAX EXPENSE (Notes 4 and 24)	(116,834)	(1)	(14,668)	-
NET INCOME (LOSS) FOR THE YEAR	71,306	1	(312,618)	(2)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	24,932	-	(5,405)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income (Note 21)	(862)	-	3,804	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method (Note 21)	8,935	-	(30,209)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(4,986)	-	1,081	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 21)	278,734	2	(74,731)	(1)
Total other comprehensive income (loss) for the period	306,753	2	(105,460)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$378,059	3	(\$418,078)	(3)
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the company	\$71,327	1	(\$312,600)	(3)
Non-controlling interests	(21)	-	(18)	-
Total	\$71,306	1	(\$312,618)	(3)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the company	\$379,041	3	(\$418,316)	(3)
Non-controlling interests	(982)	-	238	-
Total	\$378,059	3	(\$418,078)	(3)
EARNINGS (LOSS) PER SHARE (NOTE 25)				
Basic	\$0.19		(\$0.92)	
Diluted	\$0.19			

The accompanying notes are an integral part of the consolidated financial statements.

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company

	Retained earnings					Other equity		Total	Non-controlling interests	Total Equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Accumulated deficits	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income FVTPL			
Balance at January 1, 2021	\$ 3,376,884	\$ 1,044,017	\$ 767,660	\$ 230,859	(\$ 154,744)	(\$ 448,879)	(\$ 62,007)	\$ 4,753,790	(\$ 8,909)	\$ 4,744,881
Capital increase (Note 21)	375,200	1,135,355	-	-	-	-	-	1,510,555	-	1,510,555
Legal reserve used to offset accumulated deficits (21)	-	-	(154,744)	-	154,744	-	-	-	-	-
Net loss for the year ended December 31, 2021	-	-	-	-	(312,600)	-	-	(312,600)	(18)	(312,618)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(4,324)	(74,987)	(26,405)	(105,716)	256	(105,460)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(316,924)	(74,987)	(26,405)	(418,316)	238	(418,078)
Balance at December 31, 2021	3,752,084	2,179,372	612,916	230,859	(316,924)	(523,866)	(88,412)	5,846,029	(8,671)	5,837,358
Legal reserve used to offset accumulated deficits (21)	-	-	(316,924)	-	316,924	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	71,327	-	-	71,327	(21)	71,306
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	19,946	279,695	8,073	307,714	(961)	306,753
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	91,273	279,695	8,073	379,041	(982)	378,059
Balance at December 31, 2022	<u>\$ 3,752,084</u>	<u>\$ 2,179,372</u>	<u>\$ 295,992</u>	<u>\$ 230,859</u>	<u>\$ 91,273</u>	<u>(\$ 244,171)</u>	<u>(\$ 80,339)</u>	<u>\$ 6,225,070</u>	<u>(\$ 9,653)</u>	<u>\$ 6,215,417</u>

The accompanying notes are an integral part of the consolidated financial statements.

PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT (LOSS) BEFORE TAX	\$ 188,140	(\$ 297,950)
Adjustments for:		
Depreciation expense	315,388	285,785
Amortization expense	15,113	13,380
Excepted credit loss recognized	521	245
Finance costs	77,918	40,297
Interest income	(38,017)	(28,000)
Dividend income	(2,995)	-
Share of loss from associates accounted for using the equity method	6,542	8,152
Loss on disposal of property, plant and equipment	9,063	3,279
Loss on disposal of intangible assets	44	8
Proceeds from disposal of non-current assets held for sale	(11,765)	-
Gain on disposal of investment	(3,334)	(795)
Allowance for inventory valuation and obsolescence loss	144,071	63,120
Net changes in operating assets and liabilities		
Notes receivables	727	(16,886)
Trade receivables	(436,165)	(210,023)
Other receivables	(16,510)	13,487
Other receivables from related parties	(3,654)	-
Inventories	(236,219)	(1,252,483)
Other current assets	(132,121)	(23,436)
Other non-current assets	242	-
LIABILITIES AND EQUITY	260,311	137,548
Trade payables	(545,189)	353,948
Trade payables to related parties	25,197	(21,375)
Other payables	263,916	43,047
Other current liabilities	(109,775)	(10,793)
Net defined benefit liability	(13,143)	(12,381)
Cash (used in) generated from operations	(241,694)	(911,826)
Interest received	34,498	17,937
Interest paid	(69,287)	(39,575)
Income tax paid	(22,191)	(12,473)
Net cash (used in) generated from operating activities	(298,674)	(945,937)

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	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through other comprehensive income	(\$ 16,104)	(\$ 18,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	406
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2704	-
Purchase of financial assets at amortized cost	(300,634)	(485,788)
Proceeds from disposal of financial assets at amortized cost	949	265,124
Purchase of financial assets at fair value through profit or loss	(833,529)	(303,997)
Proceeds from sale of financial assets at fair value through profit or loss	836,871	347,361
Proceeds from disposal of non-current assets held for sale	257,048	-
Payments for property, plant and equipment	(832,436)	(841,816)
Proceeds from disposal of property, plant and equipment	3579	833
Payments for intangible assets	(25,167)	(15,886)
Increase in refundable deposits	(4,178)	(184)
Increase in prepayments for equipment	(57,815)	(63,599)
Dividends received	3,843	2,679
Receiving government grants	4,057	-
Net cash used in investing activities	<u>(960,812)</u>	<u>(1,112,867)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	352,325	706,461
Increase in short-term bills payable	69,740	-
Issuance of corporate bonds	-	700,000
Repayment of corporate bonds	-	(1,000,000)
Proceeds from long-term borrowings	3,365,461	2,251,960
Repayment of long-term borrowings	(3,232,887)	(1,023,399)
Increase in guarantee deposits received	1,392	8,676
Repayment of the principal portion of lease liabilities	(27,604)	(19,713)
Capital increase	-	1,510,555
Payment for the cost of ordinary corporate bonds issuance	-	(2,028)
Net cash generated from financing activities	<u>528,427</u>	<u>3,132,512</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>131,022</u>	<u>(28,592)</u>

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	<u>2022</u>	<u>2021</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(\$ 600,037)	\$ 1,045,116
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,590,920</u>	<u>2,545,804</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,990,883</u>	<u>\$ 3,590,920</u>

The accompanying notes are an integral part of the consolidated financial statements.

【Attachment 5】 2022 Independent Auditors' Report and Standalone Financial Statement Independent Auditors' Report

Official Handbook Pihong Technology Co., Ltd.:

Opinion

We have audited the accompanying consolidated balance sheets of Pihong Technology Co., Ltd. as of December 31, 2022 and 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows from January 1 to December 31 for the years 2022 and 2021, and related notes, including a summary of significant accounting policies.

In our opinion, the standalone financial statements present fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the financial position of the Pihong Technology Co., Ltd. as of December 31, 2022 and 2021, and its financial performance and cash flows for those years.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section in our report. We are independent of Pihong Technology Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022 of Pihong Technology Co., Ltd. These matters were addressed in the context of our audit on the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of Pihong Technology Co., Ltd.'s standalone financial statements as of and for the year ended December 31, 2022 is as follows:

The Accuracy of Sales Revenue from Telecom Brand Operation

Description of the key audit matter:

As Pihong Technology Company shifted its focus to the electric vehicle energy market in recent years, orders for electric vehicle energy have also increased significantly during the years. The electric vehicle charging market is booming rapidly with the popularity of electric vehicles, and the share of electric vehicle energy revenue to the Pihong Technology Group's product revenue has increased significantly. Therefore, the veracity of the sales revenue of the electric vehicle energy business has been identified as a key audit issue in the current year. For disclosures related to sales revenue, please refer to Note 4 to the standalone financial statements.

Corresponding audit procedures

We conducted tests of internal control to understand the design and implementation of the internal control system over the recognition of sales revenue for the Pihong Technology Company. We conducted random audits of sales revenue for the electric vehicle energy business, issued letters of inquiry and reviewed significant post-period sales returns to confirm that sales transactions had actually occurred.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as the management deems necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Pihong Technology Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and adopting the accounting on a going concern basis, unless the management either intends to liquidate Pihong Technology Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Pihong Technology Co., Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they may reasonably be expected to affect the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with CPAs, we exercise professional judgment and professional skepticism audit. We also carry out the following work:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pihong Technology Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Pihong Technology Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Pihong Technology Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Pihong Technology Co., Ltd. to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of Pihong Technology Co., Ltd.'s audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Pihong Technology Co., Ltd.'s standalone financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ker-Chang Wu and Kuo-Tien Hung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

PHIHONG TECHNOLOGY CO., LTD
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,721,093	14	\$ 2,359,514	20
Financial assets at amortized cost --current (Notes 4, 8 and 28)	61,450	1	-	-
Notes receivables (Notes 4 and 9)	-	-	3,056	-
Trade receivables (Notes 4 and 9)	1,127,924	9	1,075,605	9
Trade receivables from related parties (Notes 4, 9 and 27)	395,597	3	391,256	4
Other receivables (Note 9)	14,143	-	3,958	-
Other receivables from related parties (Note 9 and 27)	1,336,759	11	1,042,894	9
Inventories (Notes 4 and 10)	14,032	-	112,813	1
Other current assets	79,139	1	70,257	1
Total current assets	<u>4,750,137</u>	<u>39</u>	<u>5,059,353</u>	<u>44</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	96,270	1	82,231	1
Financial assets at amortized cost - Non-current (Notes 4, 8 and 28)	22,030	-	20,458	-
Investments accounted for using equity method (Notes 4 and 11)	6,598,775	54	5,412,514	47
Property, plant and equipment (Notes 4 and 12)	670,682	5	912,712	8
Right-of-use assets (Notes 4 and 13)	28,823	-	3,348	-
Investment properties (Note 4 and 14)	23,168	-	-	-
Other intangible assets (Notes 4 and 15)	26,895	-	18,641	-
Deferred tax assets (Notes 4 and 23)	57,493	1	53,114	-
Other non-current assets	19,794	-	25,232	-
Total non-current assets	<u>7,543,930</u>	<u>61</u>	<u>6,528,250</u>	<u>56</u>
TOTAL	<u>\$ 12,294,067</u>	<u>100</u>	<u>\$ 11,587,603</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 832,900	7	\$ 636,180	5
Short-term notes and bills payable (Note 16)	69,740	1	-	-
Contract liabilities - current (Notes 21 and 27)	267,961	2	86,770	1
Trade payables	4,125	-	35,255	-
Trade payables to related parties (Note 27)	44,565	-	498	-
Other payables (Notes 18 and 27)	1,761,362	14	2,062,906	18
Current tax liabilities (Notes 4 and 23)	83,393	1	-	-
Lease liabilities - current (Notes 4 and 13)	5,048	-	2,387	-
Current portion of long-term borrowings (Note 16)	398,592	3	832,930	7
Other current liabilities	149,555	1	81,816	1
Total current liabilities	<u>3,617,241</u>	<u>29</u>	<u>3,738,742</u>	<u>32</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	698,688	6	698,283	6
Long-term borrowings (Note 16)	1,333,583	11	766,108	7
Deferred tax liabilities (Notes 4 and 24)	44,649	-	56,520	1
Lease liabilities - non-current (Notes 4 and 13)	23,980	-	1,001	-
Net defined benefit liability - non-current (Notes 4 and 19)	49,017	-	87,092	1
Other non-current liabilities (Notes 4 and 11)	301,839	3	393,828	3
Total non-current liabilities	<u>2,451,756</u>	<u>20</u>	<u>2,002,832</u>	<u>18</u>
Total liabilities	<u>6,068,997</u>	<u>49</u>	<u>5,741,574</u>	<u>50</u>
Equity (Notes 4 and 20)				
Ordinary shares	<u>3,752,084</u>	<u>31</u>	<u>3,752,084</u>	<u>32</u>

Capital surplus	<u>2,179,372</u>	<u>18</u>	<u>2,179,372</u>	<u>19</u>
Retained earnings				
Legal reserve used to offset accumulated deficits	295,992	2	612,916	5
Special reserve	230,859	2	230,859	2
Accumulated earnings (deficits)	<u>91,273</u>	<u>1</u>	<u>(316,924)</u>	<u>(3)</u>
Total retained earnings	<u>618,124</u>	<u>5</u>	<u>526,851</u>	<u>4</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(244,171)	(2)	(523,866)	(4)
Unrealized loss on financial assets at fair value through other comprehensive income	(<u>80,339</u>)	(<u>1</u>)	(<u>88,412</u>)	(<u>1</u>)
Total other equity	(<u>324,510</u>)	(<u>3</u>)	(<u>612,278</u>)	(<u>5</u>)
Total equity	<u>6,225,070</u>	<u>51</u>	<u>5,846,029</u>	<u>50</u>
 TOTAL LIABILITIES AND EQUITY	 <u>\$ 12,294,067</u>	 <u>100</u>	 <u>\$ 11,587,603</u>	 <u>100</u>

The accompanying notes are an integral part of the standalone financial statements.

PHIHONG TECHNOLOGY CO., LTD

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 , 21 and 27)	\$ 11,202,956	100	\$ 9,450,799	100
OPERATING COSTS (Notes 4, 10 and 27)	<u>9,885,426</u>	<u>88</u>	<u>8,490,981</u>	<u>90</u>
OPERATING GROSS PROFIT	1,317,530	12	959,818	10
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES (Note 4)	<u>40,158</u>	<u>-</u>	<u>2,587</u>	<u>-</u>
GROSS PROFIT AND REALIZED GAIN FORM SUBSIDIARIES AND ASSOCIATES	<u>1,357,688</u>	<u>12</u>	<u>962,405</u>	<u>10</u>
OPERATING EXPENSES				
Sales and marketing expenses	356,737	3	341,248	3
General and administration expenses	207,023	2	168,189	2
Research and development expenses	462,133	4	548,916	6
Expected credit loss recognized (Note 9)	(<u>742</u>)	<u>-</u>	(<u>13</u>)	<u>-</u>
Total operating expenses	<u>1,025,151</u>	<u>9</u>	<u>1,058,340</u>	<u>11</u>
INCOME (LOSS) FROM OPERATIONS	<u>332,537</u>	<u>3</u>	(<u>95,935</u>)	(<u>1</u>)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22 and 27)	12,271	-	1,241	-
Other income (Notes 22 and 27)	197,157	2	123,152	1
Other gains and losses (Note 22)	121,767	1	(21,836)	-
Finance costs (Note 22)	(57,547)	(1)	(35,124)	-
Share of profit or loss of equity-accounted subsidiaries and associates (Notes 4 and 11)	(<u>471,561</u>)	(<u>4</u>)	(<u>290,378</u>)	(<u>3</u>)
Total non-operating income and expenses	(<u>197,913</u>)	(<u>2</u>)	(<u>222,945</u>)	(<u>2</u>)

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	2022		2021	
	Amount	%	Amount	%
NET PROFIT (LOSS) BEFORE TAX	\$ 134,624	1	(\$ 318,880)	(3)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	(63,297)	(1)	6,280	-
NET LOSS FOR THE PERIOD	71,327	-	(312,600)	(3)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	24,932	-	(5,405)	-
Unrealized loss on financial assets at fair value through other comprehensive income (Note 20)	743	-	966	-
Share of the other comprehensive income of associates accounted for using the equity method (Note 20)	7,330	-	(27,371)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(4,986)	-	1,081	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 20)	279,695	3	(74,987)	(1)
Total other comprehensive income(loss)	307,714	3	(105,716)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 379,041	3	(\$ 418,316)	(4)
EARNINGS (LOSS) PER SHARE (Note 24)				
Basic	\$ 0.19		(\$ 0.92)	
Diluted	\$ 0.19			

The accompanying notes are an integral part of the standalone financial statements.

PHIHONG TECHNOLOGY CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve used to offset accumulated deficits	Retained earnings		Other equity		Total Equity
				Special reserve	Accumulated Deficit	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
Balance at January 1, 2021	\$ 3,376,884	\$ 1,044,017	\$ 767,660	\$ 230,859	(\$ 154,744)	(\$448,879)	(\$62,007)	\$4,753,790
Capital increase (Note 20)	375,200	1,135,355	-	-	-	-	-	1,510,555
Legal reserve used to offset accumulated deficits (Note 20)	-	-	(154,744)	-	154,744	-	-	-
Net loss for the year ended December 31, 2021	-	-	-	-	(312,600)	-	-	(312,600)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(4,324)	(74,987)	(26,405)	(105,716)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(316,924)	(74,987)	(26,405)	(418,316)
Balance at December 31, 2021	3,752,084	2,179,372	612,916	230,859	(316,924)	(523,866)	(88,412)	5,846,029
Legal reserve used to offset accumulated deficits (Note 20)	-	-	(316,924)	-	316,924	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	71,327	-	-	71,327
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	19,946	279,695	8,073	307,714
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	91,273	279,695	8,073	379,041
Balance at the December 31, 2022	<u>\$3,752,084</u>	<u>\$2,179,372</u>	<u>\$295,992</u>	<u>\$230,859</u>	<u>\$91,273</u>	<u>(\$ 244,171)</u>	<u>(\$80,339)</u>	<u>\$6,225,070</u>

The accompanying notes are an integral part of the standalone financial statements.

PHIHONG TECHNOLOGY CO., LTD

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax	\$ 134,624	(\$ 318,880)
Adjustments for:		
Depreciation expense	58,536	68,303
Amortization expense	9,109	7,860
Excepted credit gain	(742)	(13)
Finance costs	57,547	35,124
Interest income	(12,271)	(1,241)
Dividend income	(2,995)	-
Share of loss from associates accounted for using the equity method	471,561	290,378
Loss on disposal of property, plant and equipment	2,706	-
Allowance for inventory valuation and obsolescence loss	36,943	11,039
Realized gain on transactions with subsidiaries	(40,158)	(2,587)
Net changes in operating assets and liabilities		
Notes receivables	3,056	(3,056)
Trade receivables	(51,577)	(241,426)
Trade receivables from related parties	(4,341)	(34,570)
Other receivables	(10,923)	8,898
Other receivables from related parties	(293,865)	(471,670)
Inventories	(73,149)	(71,489)
Other current assets	830	(24,228)
Liabilities and Equity	181,191	77,754
Trade payables	(31,130)	23,475
Trade payables to related parties	93,852	(700)
Other payables	(84,382)	208,650
Other current liabilities	67,843	5,337
Net defined benefit liability	(13,143)	(12,381)
Cash (used in) generated from operations	499,122	(445,423)
Interest received	12,200	1,232
Interest paid	(54,171)	(35,768)
Income tax paid	(620)	(530)
Net cash generated from (used in) operating activities	<u>456,531</u>	<u>(480,489)</u>

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	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through other comprehensive income	(\$ 16,000)	(\$ 18,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,704	406
Purchase of financial assets at amortized cost	(63,971)	(8,808)
Proceeds from disposal of financial assets at amortized cost	949	25,450
Net cash outflow on acquisition of subsidiaries	(824,885)	(841,430)
Payments for property, plant and equipment	(212,526)	(216,255)
Proceeds from disposal of property, plant and equipment	3,425	-
Payments for intangible assets	(18,943)	(13,665)
Increase in refundable deposits	(2,229)	-
Decrease in refundable deposits	-	314
Increase in prepayments for equipment	(2,608)	(12,942)
Dividends received	2,995	2,679
Cash outflow from divestiture	(358,670)	-
Net cash used in investing activities	<u>(1,489,759)</u>	<u>(1,082,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	196,720	379,860
Increase in short-term bills payable	69,740	-
Issuance of corporate bonds	-	700,000
Repayment of corporate bonds	-	(1,000,000)
Proceeds from long-term borrowings	3,365,461	2,251,960
Repayment of long-term borrowings	(3,232,887)	(1,023,399)
Increase in guarantee deposits received	1,258	-
Repayment of the principal portion of lease liabilities	(5,485)	(3,710)
Capital increase	-	1,510,555
Payment for the cost of ordinary corporate bonds issuance	-	(2,028)
Net cash generated from financing activities	<u>394,807</u>	<u>2,813,238</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(638,421)	1,250,498
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,359,514</u>	<u>1,109,016</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,721,093</u>	<u>\$ 2,359,514</u>

The accompanying notes are an integral part of the standalone financial statements.

【Attachment 6】 2022 Earning Distribution Statement

**Phihong Technology Co., Ltd.
2022 Earning Distribution Statement**

Unit: NT\$

Item	Amount	
	Subtotal	Total
Accumulated deficits at beginning of period	-	
Add: Re-measurement of the defined benefit plans earnings	19,945,562	
Add: Net income after tax for the year	71,327,397	
List of items		
Provision of legal reserve (10%)	(9,127,296)	
Provision of special reserve	(82,145,663)	
Earnings available for distribution for the year		-
Allocated items		
Shareholders	-	
Subtotal		-
Unallocated earnings at the end of the period		-

Note:

- The special reserve is set aside in accordance with the provisions of the Financial Management Certificate No.1090150022.
- The decrease in shareholders' equity of \$324,510,860 in 2022 was due to the translation of financial statements of foreign operating institutions of \$244,171,400. And unrealized gains or losses in equity instruments at fair value through other comprehensive income of \$80,339,460. A special reserve of \$230,858,838 has been provided for in previous years and a special reserve of \$82,145,663 should be provided for in the current year.

Chairman: Lin, Chung-Ming

President: Lin, Yang-Hung

Head of accounting: Chen, Kuei-Chih

【Attachment 7】 Comparison Table for the Provisions Before and After the Amendments to the “Articles of Incorporation”

Phihong Technology Co., Ltd.

Comparison Table for the Provisions Before and After the Amendments to the “Procedures for Acquisition or Disposal of Assets

Provisions Before Amendments	Provisions After Amendments	Description
Article 13 The Company shall have seven to thirteen Directors with a term of office of three years and shall be eligible for re-election.	Article 13: The Company shall have nine to eleven Directors who shall be elected for a term of three years and shall be eligible for re-election.	For practical implementation purposes
<p>Article 21-1 If the Company makes a profit in a year, it shall pay taxes in accordance with the laws and regulations and make up for any accumulated losses first, and set aside 10% of the remaining amount as legal reserve, unless the legal reserve has already reached the total capital; then, the Company may set aside or reverse special reserves according to the statutory requirements. After the dividends are distributed, the shareholders’ meeting shall decide whether to distribute bonuses to shareholders using the surplus, if any, and submit the proposal to the board of directors to make resolutions for distributing bonuses to shareholders.</p> <p>The Company’s dividend policy is based on the consideration of future capital needs and long-term financial planning. The distribution of dividends will not be less than 50% of the after-tax surplus earning of the year, and cash dividend will not be less than 10% of the total amount of dividends distributed each year.</p>	<p>Article 21-1 If the Company makes a profit in a year, it shall pay taxes in accordance with the laws and regulations and make up for any accumulated losses first, and set aside 10% of the remaining amount as legal reserve, unless the legal reserve has already reached the total capital; then, the Company may set aside or reverse special reserves according to the statutory requirements. After the dividends are distributed, the shareholders’ meeting shall decide whether to distribute bonuses to shareholders using the surplus, if any, and submit the proposal to the board of directors to make resolutions for distributing bonuses to shareholders.</p> <p>The Company’s dividend policy is based on the consideration of future capital needs and long-term financial planning. If the distributable earnings for the year does not reach 15% of the paid-in capital, no dividend will be distributed; if the distributable earnings for the year exceeds 15% of the paid-in capital, no less than 10% of the distributable earnings for the year will be distributed as dividends to shareholders, and no less than 10% of the total annual cash dividends will be distributed.</p>	This provision has been amended to allow for flexibility in the dividend policy.
<p>Article 23 The Articles of Incorporation was stipulated on December 7, 1972.</p> <p>The 1st amendment was made on May 1, 1973.</p> <p>.</p> <p>.</p>	<p>Article 23 The Articles of Incorporation was stipulated on December 7, 1972.</p> <p>The 1st amendment was made on May 1, 1973.</p> <p>.</p> <p>.</p>	Added the date of amendments.

Provisions Before Amendments	Provisions After Amendments	Description
<p>.</p> <p>The 35th amendment was made on June 8, 2022.</p>	<p>.</p> <p>The 35th amendment was made on June 8, 2022.</p> <p>The 36th amendment was made on June 9, 2023.</p>	

【Attachment 8】 Comparison of the provisions Before and After the amendments to the “Operating Procedures of Endorsement/Guarantees”

**Phihong Technology Co., Ltd.
Comparison Table for the Provisions Before and After the Amendments to the “Operating Procedures of Endorsement/Guarantees”**

Provisions Before Amendments	Provisions After Amendments	Description
<p>IV. Amount of Endorsement/Guarantees</p> <p>The total amount of the Company's external endorsement guarantee shall not exceed 50% of the Company's latest net financial statements and the amount of endorsement guarantee to a single enterprise shall not exceed 30% of the Company's latest net financial statements.</p> <p>Subject to the approval of the Board of Directors, the amount of guarantees endorsed by the Company to subsidiaries directly and indirectly holding 100% of the voting shares shall not be subject to the aforementioned limit on the amount of guarantees endorsed to a single enterprise.</p> <p>The total amount of external endorsements and guarantees by the company and its subsidiaries as a whole shall not exceed 50% of the net value of the company's latest financial statements, and the amount of endorsement and guarantees by the company as a whole for a single enterprise shall not exceed 30% of the Company's latest net financial statements.</p> <p>Omitted below</p>	<p>IV. Amount of Endorsement/Guarantees</p> <p>The total amount of the Company's external endorsement guarantee shall not exceed 100% of the Company's latest net financial statements and the amount of endorsement guarantee to a single enterprise shall not exceed 75% of the Company's latest net financial statements.</p> <p>Subject to the approval of the Board of Directors, the amount of guarantees endorsed by the Company to subsidiaries directly and indirectly holding 100% of the voting shares shall not be subject to the aforementioned limit on the amount of guarantees endorsed to a single enterprise.</p> <p>The total amount of external endorsements and guarantees by the company and its subsidiaries as a whole shall not exceed 100% of the net value of the company's latest financial statements, and the amount of endorsement and guarantees by the company as a whole for a single enterprise shall not exceed 30% of the Company's latest net financial statements.</p> <p>Omitted below</p>	<p>Revised to meet actual implementation needs</p>

Provisions Before Amendments	Provisions After Amendments	Description
<p>XIV</p> <p>This regulation was adopted on May 11, 1990.</p> <p>The 1st amendment was made on June 16, 1997.</p> <p>The 2nd amendment was made on June 18, 1998.</p> <p>The 3rd amendment was made on June 9, 2003.</p> <p>The 4th amendment was made on June 9, 2006.</p> <p>The 5th amendment was made on June 13, 2007.</p> <p>The 6th amendment was made on June 13, 2008.</p> <p>The 7th amendment was made on June 10, 2009.</p> <p>The 8th amendment was made on June 15, 2010.</p> <p>The 9th amendment was made on June 14, 2013.</p> <p>The 10th amendment was made on June 8, 2016</p> <p>The 11th amendment was made on June 19, 2019</p>	<p>XIV</p> <p>This regulation was adopted on May 11, 1990.</p> <p>The 1st amendment was made on June 16, 1997.</p> <p>The 2nd amendment was made on June 18, 1998.</p> <p>The 3rd amendment was made on June 9, 2003.</p> <p>The 4th amendment was made on June 9, 2006.</p> <p>The 5th amendment was made on June 13, 2007.</p> <p>The 6th amendment was made on June 13, 2008.</p> <p>The 7th amendment was made on June 10, 2009.</p> <p>The 8th amendment was made on June 15, 2010.</p> <p>The 9th amendment was made on June 14, 2013.</p> <p>The 10th amendment was made on June 8, 2016</p> <p>The 11th amendment was made on June 19, 2019</p> <p><u>The 12th amendment was made on June 9, 2023.</u></p>	<p>Added latest revision date</p>

【Attachment 9】 Comparison Table for the Provisions Before and After the Amendments to the “Rules of Procedure for Shareholders’ Meetings”

Phihong Technology Co., Ltd.

Comparison Table for the Provisions Before and After the Amendments to the Rules of Procedure for Shareholders’ Meetings”

Amended provisions	Current provisions	Description
<p>2. The Company shall keep a sign-in book for attendance by the members present in person or by the presentation of a sign-in card by the members present to sign in for them.</p> <p>The number of shares present is calculated on the basis of the number of shares reported in the sign-in book or on the attendance card and the video conferencing platform, plus the number of shares for which the right to vote is exercised by written or electronic means.</p> <p><u>The Company shall specify in the notice of meeting the time and place of registration of admissible shareholders, solicitors and authorized agents (hereinafter referred to as shareholders) and other matters to be noted.</u></p> <p><u>The above-mentioned time for receiving shareholders' report shall be at least 30 minutes prior to the commencement of the meeting; the check-in area shall be clearly marked and adequate and appropriate personnel shall be assigned to handle the check-in; the video conference of shareholders' meeting shall be accepted at the video conference platform 30 minutes prior to the commencement of the meeting, and shareholders who have completed the check-in shall be deemed to attend the shareholders' meeting in person.</u></p> <p><u>If a shareholders' meeting is convened by video conference, shareholders wishing to attend by video should register with the Company two days prior to the meeting.</u></p> <p><u>If a shareholders' meeting is held by</u></p>	<p>2. The Company shall keep a sign-in book for attendance by the members present in person or by the presentation of a sign-in card by the members present to sign in for them.</p> <p>The number of shares for attending the session shall be calculated on the basis of the number of shares specified in the sign-in book or the attendance cards submitted for registration to the session.</p>	<p>Revised to meet actual implementation needs</p>

Amended provisions	Current provisions	Description
<p><u>video conference, the Company shall upload the meeting booklet, annual report and other relevant information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose them until the end of the meeting.</u></p>		
<p><u>2.1 When the Company convenes a shareholders meeting via video conference, the following items shall be specified in the shareholders meeting convening notice:</u></p> <p><u>1. Participation of shareholders in video conferences and methods of exercising their rights.</u></p> <p><u>2. The handling of obstacles to the video conferencing platform or participation by video means due to natural disasters, events or other force majeure events, including at least the following.</u></p> <p><u>(a) The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.</u></p> <p><u>(b) Shareholders who have not registered to attend the original shareholders' meeting by video are not allowed to attend the postponed or continued meeting.</u></p> <p><u>(c) If a video-assisted shareholders' meeting cannot be continued, the shareholders' meeting shall be continued if the total number of shares present reaches the quorum for the shareholders' meeting after deducting the number of shares present at the video-assisted shareholders' meeting, and the number of shares present at the video-assisted shareholders' meeting shall be counted as the total number of shares present, and shall be deemed to be abstained from voting on all motions at the shareholders' meeting.</u></p> <p><u>(d) How to deal with the situation where all the motions have been announced and no extempore</u></p>		<p>New provision</p>

Amended provisions	Current provisions	Description
<p><u>motions have been made.</u></p> <p><u>3. To convene a video-conference shareholders meeting, which shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.</u></p>		
<p>4. A general meeting shall be convened at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the holding of a general meeting, and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.</p> <p><u>When the company holds a video conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.</u></p>	<p>4. A general meeting shall be convened at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the holding of a general meeting, and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.</p>	<p>Revised to meet actual implementation needs</p>
<p>7. Item 1 (Omitted)</p> <p><u>The preceding audio-visual materials should be kept for at least one year. However, if a lawsuit is brought by a shareholder in accordance with Article 189 of the Companies Act, it shall be preserved until the conclusion of the lawsuit.</u></p> <p><u>If a shareholders' meeting is held by video conference, the Company shall keep records of the registration, registration, attendance, questions, voting and the results of the Company's vote count of the shareholders, and shall record and video the entire video conference continuously and without interruption.</u></p> <p><u>The Company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.</u></p>	<p>7. Item 1 (Omitted)</p>	<p>Revised to meet actual implementation needs</p>
<p>8. When a meeting has been called to order, the Chairman shall immediately <u>declare the meeting open and shall at the same time announce the number of non-voting</u></p>	<p>8. The chairman shall declare a meeting open at the time when it is due to commence, provided that if members representing more than half of the total number of</p>	<p>Revised to meet actual implementation needs</p>

Amended provisions	Current provisions	Description
<p><u>members and the number of shares present, etc. If members representing more than half of the total number of shares in issue are not present, the Chairman may postpone the meeting for a period not exceeding one hour in total. If there are not enough shareholders representing at least one-third of the total number of issued shares to attend the meeting after the second postponement, the Chairman will announce that the meeting will be postponed. If a shareholders' meeting is convened by video conference, the Company shall also announce the streaming of the meeting on the video conference platform of the shareholders' meeting.</u></p> <p><u>In the event that the aforementioned two delays are still insufficient and more than one-third of the total number of issued shares are present, a bogus resolution may be made in accordance with Paragraph 1, Article 175 of the Company Act, and the shareholders shall be notified of the bogus resolution and a shareholders' meeting shall be reconvened within one month; if the shareholders' meeting is convened by video conference, the shareholders who wish to attend by video shall re-register with the Company in accordance with Article 2.</u></p> <p>Item 3 (Omitted)</p>	<p>shares in issue are not present, the chairman may adjourn the meeting for a period not exceeding one hour in total. If there are not enough shareholders representing at least one-third of the total number of issued shares to attend the meeting after the second postponement, a bogus resolution may be made in accordance with Paragraph 1, Article 175 of the Company Act.</p> <p>Item 3 (Omitted)</p>	
<p>9. Item 1, 2 (Omitted)</p> <p><u>Any change in the manner of holding a general meeting of the Company shall be resolved by the Board of Directors and shall be made at the latest before the despatch of the notice of the general meeting.</u></p> <p>The Chairman shall not declare the meeting closed without a resolution before the conclusion of the first three items on the agenda (extempore motion).</p> <p>The shareholders cannot designate any other person as chairman and continue the meeting in the same</p>	<p>9. Item 1, 2 (Omitted)</p> <p>The Chairman shall not announce conclusion of the meeting unless the scheduled agenda items (including extempore motions) set forth in the preceding two paragraphs are concluded. The shareholders cannot designate any other person as chairman and continue the meeting in the same place or any other place after the meeting is adjourned. In the event</p>	<p>Revised to meet actual implementation needs</p>

Amended provisions	Current provisions	Description
<p>place or any other place after the meeting is adjourned. In the event that the chairman of the meeting adjourns the meeting in violation of the rules of procedure, the other members of the Board of Directors shall elect a chairman by a majority of the voting rights of the shareholders present and continue the meeting.</p>	<p>that the chairman of the meeting adjourns the meeting in violation of the rules of procedure, the other members of the Board of Directors shall elect a chairman by a majority of the voting rights of the shareholders present and continue the meeting.</p>	
<p>11. Item 1,2 (Omitted)</p> <p><u>If a shareholders' meeting is convened by video conference, shareholders participating by video means may ask questions by text on the video conference platform after the Chairman announces the meeting and before the meeting is concluded, with the number of questions per motion not exceeding two and each time limited to 200 words, without applying the provisions of items 1 to 2.</u></p>	<p>11. Item 1,2 (Omitted)</p>	<p>New provision</p>
<p>13. Unless otherwise provided in the Company Act or the Articles of Incorporation, the voting of a motion shall be deemed passed with the consent of a majority of the shareholders present. A motion shall be deemed passed if no objection is voiced by any of the attending shareholders after being proposed by the chairman.</p> <p><u>When a video conference is convened by the Company, shareholders participating by video means should vote on each of the motions and election motions through the video conference platform after the Chairman has announced the commencement of the meeting and should complete the voting before the Chairman announces the close of the voting, and any time overrun shall be deemed to be abstained.</u></p> <p><u>If a shareholders' meeting is convened by video conference, a single count shall be made and the results of the voting and election announced after the Chairman has announced the close of the poll.</u></p> <p>When the Company convenes a</p>	<p>13. Unless otherwise provided in the Company Act or the Articles of Incorporation, the voting of a motion shall be deemed passed with the consent of a majority of the shareholders present. A motion shall be deemed passed if no objection is voiced by any of the attending shareholders after being proposed by the chairman.</p>	<p>New provision</p>

Amended provisions	Current provisions	Description
<p><u>video-assisted shareholders' meeting, shareholders who have registered to attend the meeting by video in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they registered two days prior to the shareholders' meeting; if they deregister afterwards, they may attend the shareholders' meeting by video only.</u></p> <p><u>A person who has exercised his or her voting rights in writing or by electronic means and has not revoked his or her intention to participate in a shareholders' meeting by video means may not exercise his or her voting rights on the original motion or to propose amendments to the original motion or to exercise his or her voting rights on amendments to the original motion, except in the case of an ad hoc motion.</u></p>		
<p><u>16. The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The production and distribution of the meeting minutes may be done electronically.</u></p> <p><u>Distribution of the foregoing minutes may be made by means of announcements entered into the Public Information Observation System.</u></p> <p><u>The meeting minutes shall be kept permanently during the existence of the company.</u></p> <p><u>If a shareholders' meeting is convened by video conference, the minutes of the meeting shall record the starting and ending time of the meeting, the manner in which the meeting is convened, the name of the Chairman and the minutes, and the manner and circumstances in which the video conference platform or video participation is impeded due to natural disasters, events or other force majeure.</u></p> <p><u>The Company shall hold a video-</u></p>		New provision

Amended provisions	Current provisions	Description
<p><u>conference shareholders meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulties participating in video-conferencing.</u></p>		
<p><u>17. The number of shares solicited by the solicitor, the number of shares represented by an authorized agent and the number of shares attended by shareholders in writing or by electronic means shall be clearly disclosed by the Company on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format in the venue of the shareholders' meeting; if the shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the commencement of the meeting and continue to disclose the information until the end of the meeting.</u></p> <p><u>When the Company convenes a video conference of shareholders, the total number of shares of shareholders present shall be disclosed on the video conference platform when the meeting is announced. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.</u></p>		New provision
<p><u>18. If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and the election results on the video conference platform of the shareholders' meeting immediately after the close of the poll, and shall continue to do so for at least 15 minutes after the Chairman has declared the meeting adjourned.</u></p>		New provision
<p><u>19. The Chairman and the recorder shall be present at the same place in</u></p>		New provision

Amended provisions	Current provisions	Description
<p><u>the country when the Company holds a video shareholders' meeting and the Chairman shall announce the address of such place at the time of the meeting.</u></p>		
<p><u>20. If a shareholders' meeting is convened by video conference, a separate announcement shall be made at the time of the announcement of the meeting that, except for the circumstances specified in Paragraph 4, Article 44-20 of the Guidelines Governing the Procedures of Publicly Traded Companies that do not require the adjournment or continuation of the meeting, if, before the adjournment of the meeting by the Chairman, a natural disaster, event or other force majeure causes an impediment to participation on the video conference platform or by means of video for a period of 30 minutes or more, the date of the adjournment or continuation of the meeting shall be within five days and the provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting in the event of the occurrence of the preceding paragraph.</u></p> <p><u>If a shareholder who has registered to attend the original shareholders' meeting by video message and has completed reporting for the adjourned or postponed meeting in accordance with the provisions of paragraph 1 does not attend the adjourned or postponed meeting, the number of shares present at the original shareholders' meeting and the voting rights and election rights exercised shall be counted as the total number of shares, voting rights and election rights of the shareholders present at the adjourned or postponed meeting.</u></p> <p><u>Where a meeting is adjourned or continued in accordance with the provisions of Paragraph 1, no re-</u></p>		<p>New provision</p>

Amended provisions	Current provisions	Description
<p><u>discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of Directors elected.</u></p> <p><u>In the event that the Company convenes a video-assisted shareholders' meeting and the video conference cannot be adjourned in accordance with the Paragraph 1, if the total number of shares present, after deducting the number of shares present at the shareholders' meeting by video, still reaches the quorum for the shareholders' meeting, the shareholders' meeting shall continue without any adjournment or postponement of the meeting in accordance with Paragraph 1.</u></p> <p><u>In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.</u></p> <p><u>If the Company adjourns or continues a meeting in accordance with Paragraph 1, the Company shall comply with the provisions set forth in Paragraph 7, Article 44-20 of the Guidelines Governing the Procedures of Public Companies, and shall complete the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each such Article.</u></p>		
<p><u>22.</u> This Regulation shall come into full force after passing by the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.</p>	<p><u>16.</u> This Regulation shall come into full force after passing by the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.</p>	<p>Article number amendment</p>

【Attachment 10】 List of Director Candidates

**Phihong Technology Co., Ltd.
List of Director Candidates**

Unit: shares

No.	Category of Nominee	Name	Shareholding (Note)	Primary Education, Experience, and Current Position
1	Director	Lin, Chung Ming	51,703,063	<ul style="list-style-type: none"> ● Education: Electronic Equipment Maintenance Department, National Chia-Yi Industrial Vocational High School ● Experience: Sales Engineer of I Yu Electric Co. Ltd. ● Current Position: Chairman of Phihong Technology Co., Ltd.
2	Director	Kuan Feng Investment Ltd. Representative: Lin, Yang-Hung	3,034,905	<ul style="list-style-type: none"> ● Education: San Jose State University Business Administration (Marketing) ● Experience: Executative Vice President of Phihong Technology Co. Ltd./ ● Current Position: General Manager of Phihong Technology Co., Ltd.
3	Director	Kuan Feng Investment Ltd. Representative: Jiang, Wei-Feng	3,034,905	<ul style="list-style-type: none"> ● Education: Master's in Business Management, National Chung Hsing University ● Experience: General Manager of Hambrecht & Quist Co., Ltd. ● Current Position: Chairman of Black Marble Capital Management Co., LTD.
4	Director	Lin, Fei-Hung	3,376,000	<ul style="list-style-type: none"> ● Education: Takushoku University ● Experience: Executive Vice President of Spring City Resort Co., Ltd. Special Assistant to Chairman of Phihong Technology Co., Ltd. BU Head of Electric Vehicle Energy of Phihong Technology Co. Ltd. ● Current Position: Chairman of Zerova Technologies Taiwan Limited
5	Director	Taiwan Cement Corporation Representative: Yu, Ming-Ren	37,520,000	<ul style="list-style-type: none"> ● Education: MBA, NYU Stern School of Business Department of Economics, National Taiwan University ● Experience: Treasurer and Spokesperson of Elite Material Co. Ltd. Group and Executive Director of FIH Mobile Limited Treasurer/Business Director/General Manager of Hong Kong Allied Group ● Current Position: Chief Financial Officer of Taiwan Cement Corporation

No.	Category of Nominee	Name	Shareholding (Note)	Primary Education, Experience, and Current Position
				Independent Director of Shihlin Development Company Limited
6	Independent Director	Hong, Yu-Yuan	0	<ul style="list-style-type: none"> ● Education: University of Sydney, Australia ● Experience: Director of Information Office, Chiayi County Government Associate Professor and Head of Department, Department of International Business Administration, Toko University ● Current Position: Chairman of Sam Kuei Construction Co., Ltd.
7	Independent Director	Fu, Tsu-Sheng	0	<ul style="list-style-type: none"> ● Education: Bachelor's degree, College of Law, National Taiwan University ● Experience: Senior Partner, International Business Law Firm ● Current Position: Leading lawyer of Fu Tsu-sheng Law Firm
8	Independent Director	Wu, Chung-Shu	0	<ul style="list-style-type: none"> ● Education: PhD in Economics, Northwestern University, US ● Experience: Chairman of Taiwan Academy of Banking and Finance Director of Chung-Hua Institution Economic Research ● Current Position: Director of Taiwan Institute of Economic Research
9	Independent Director	Lin, Kuei-Hong	20,578	<ul style="list-style-type: none"> ● Education: Department of Public Administration, Tamkang University ● Experience: Head of LOHAS Outdoor Products Enterprise ● Current Position: Head of LOHAS Outdoor Products Enterprise

Note: The shareholding is based on the information as of April 11, 2023, the book closure date for the shareholders' meeting.

【Attachment 11】 Details for the Release of Director’s Non-competition Restrictions

Phihong Technology Co., Ltd.

Details for the Release of Director’s Non-competition Restrictions

Title	Name	Details of Non-competition Restriction
Director	Lin, Chung Ming	Director of PROGEN (Shanghai) Director of Hua Jung Co., Ltd.
Director	Chiang, Wei-Feng	Director of HT Precision Technologies, Inc. Independent Director of Qbic Technology Co., Ltd. Director of RITEK Technology
Director	Lin, Fei-Hung	Director of Hong Ding Educational Technology Co., Ltd. Director of JD Power Co., Ltd.
Director	Taiwan Cement Corporation	Chairman, Taiwan Transport & Storage Corp. Chairman, TCC Recycle Energy Technology Company Chairman, E-One Moli Energy Corp. Chairman, Feng Shehg Enterprise Company Chairman, Ta-Ho Rsea Environment Co., Ltd. Director, CTCI Corporation

IV. Appendix

【Appendix 1】 Articles of Incorporation

Phihong Technology Co., Ltd.

Articles of Incorporation

Chapter I - General Provisions

- Article 1 The Company is organized according to the Company Act and named “飛宏科技股份有限公司” in Chinese and “PHIHONG TECHNOLOGY CO., LTD.” in English.
- Article 2 The scope of business is as follows:
1. CC01010 Power Generation, Transmission and Distribution Machinery Manufacturing.
 2. CC01020 Electric Wires and Cables Manufacturing.
 3. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
 4. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
 5. CC01080 Electronics Components Manufacturing.
 6. CC01110 Computer and Peripheral Equipment Manufacturing.
 7. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
 8. CD01030 Motor Vehicles and Parts Manufacturing.
 9. CD01040 Motorcycles and Parts Manufacturing.
 10. F113020 Wholesale of Household Appliance.
 11. F113070 Wholesale of Telecom Instruments.
 12. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 13. Wholesale of Electronic Materials.
 14. International Trade.
 15. Retail Sale of Telecommunication Apparatus.
 16. IG03010 Energy Technical Services.
 17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may provide guarantees to external parties for business requirements.
- Article 4 The announcement method of the Company shall be subject to Article 28 of the Company.
- Article 5 The headquarters of the Company is located in Taoyuan City, and the Company may establish branches, offices, and operating joints at appropriate domestic or overseas locations.
- Article 5-1 (Deleted)
- Article 5-2 The Company may invest in other businesses for its business requirements and may become a shareholder with limited responsibility of another company, and the Company

shall not be subject to the restrictions relating to the total investment not exceeding 40% of the Company's share capital under Article 13 of the Company Act.

Chapter II Shares

Article 6 The Company's total capital is NT\$6,000,000,000, divided into 600,000,000 shares, with a par value of NT\$10 per share, and the Board is authorized to issue in batches according to the actual requirements.

Within the scope of the total capital above, 80,000,000 shares shall be preserved for the Company to issue the employee stock options, corporate bonds with warrants, and preferential shares with options.

The payment targets for the treasury shares, employee stock options, employees' subscription of new shares, restricted stock awards, and remunerations of employees of the Company include employees of companies controlled by the Company or subordinates who fulfill certain conditions.

Article 6-1 For the issuance of employee stock options with a subscription price lower than the closing price of the ordinary shares of the Company on the issue date, the Company shall obtain consent from more than two-thirds of the votes from the shareholders attended at a shareholders' meeting attended by shareholders representing more than half of the total issued shares.

When the Company transfers shares to employees at a price lower than the actual average price for repurchases of such shares, the Company shall submit the proposal to and obtain consent from the shareholders attended at the upcoming shareholders' meeting attended by shareholders representing more than half of the total issued shares before the transfer.

Article 7 The share certificates of the Company are registered, signed or affixed with a seal by the director representing the Company, and issued after being certified by a bank eligible for being the certifying institution for the share certificate issuance. The issued shares of the Company are exempted from the printing of share certificates; however, the Company shall register with a securities centralized depository institution.

Article 8 The transfer of shares shall be suspended 60 days prior to the annual shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or 5 days prior to the base date on which the Company determines the distribution of share dividends and bonuses, or other interests. Stock affairs are subject to requirements of relevant laws and regulations and the competent authority.

Chapter III Shareholders' Meeting

Article 9 The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year by the Board within six months from the end of a fiscal year according to the law. Extraordinary meetings shall be convened according to the law when necessary.

The shareholders' meetings of the Company may be conducted by way of video conferences or other methods announced by the competent central authority.

- Article 10 When a shareholder is unable to attend the shareholders' meeting, it may issue a proxy printed by the Company that is signed and affixed with the seal to set the scope of authorization for appointing a proxy to attend the shareholders' meeting according to the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority. The abovementioned proxy shall be delivered to the Company five days prior to the shareholders' meeting.
- Article 11 Except as otherwise stated by laws and regulations, shareholders of the Company are entitled to one voting right for each share possessed.
- Article 12 Except for otherwise stated by the Company Act and the Securities Exchange Act, the resolutions made at the shareholders' meeting shall obtain consent from more than half of the votes from the shareholders attended at a shareholders' meeting attended by shareholders representing more than half of the total issued shares. According to the requirements of the competent authority, shareholders of the Company may exercise their voting rights by adopting an electronic method; shareholders who exercised their voting rights by adopting an electronic method shall be deemed as attending the meeting in person; relevant matters shall be subject to laws and regulations.

Chapter IV Board of Directors

- Article 13: The Company has 7 to 13 directors with a term of office of three years; they may be re-elected and re-appointed.
- Article 13-1 Within the quota of the directors in the preceding Article, the Company shall have at least three independent directors.
- The election of the Company's directors adopts the candidate nomination system stated in Article 192-1 under the Company Act. The acceptance method for the nomination of director candidates and matters related to the announcement shall be subject to requirements under the Company Act, Securities Exchange Act, and relevant laws and regulations.
- Article 13-2 The Company established the Audit Committee according to Article 14-4 of the Securities Exchange Act, and the Audit Committee is responsible for exercising the functions of supervisors under the Company Act, Securities Exchange Act, and other laws and regulations.
- Article 14 The directors shall form the Board and elect a Chairman according to Article 208 of the Company Act; the Chairman shall represent the Company to external parties.
- Article 14-1 A notice, which shall set out the reason for convening the Board meeting, shall be provided to directors three days in advance. However, when there is any emergency, the board meeting may be convened at any time.
- The notice to convene the Board meeting in the preceding paragraph may be made in writing or through e-mail or facsimile.
- Article 15 (Deleted)
- Article 16 (Deleted)
- Article 17 When the Chairman takes leave or fails to exercise his/her authority for any reason,

his/her proxy shall act pursuant to Article 208 of the Company Act.

Article 17-1 In case a director is unable to attend a board meeting, he/she may appoint another director to attend the meeting on his/her behalf, where he/she shall issue a written proxy each time and state therein the scope of authority for the subjects to be discussed at the meeting.

The proxy referred to in the preceding Paragraph shall be limited to be entrusted by one director only.

Article 18 The remuneration of all directors is subject to be authorized by the Board of Directors, which shall be determined based on the degree of participation and contributions of the directors to the Company's operations as well as the level of remuneration normally paid among the industry.

Article 18-1 (Deleted)

Chapter V Managerial officers

Article 19 The Company has established managerial officers, who shall be appointed according to the provisions of Article 29 of the Company Act.

Chapter VI Accounting

Article 20 At the close of each fiscal year, the Company's board of directors shall prepare the following statements and records and submit them to the shareholders' meeting for recognition pursuant to the regulatory procedures.

I. Business Report.

II. Financial Statements.

III. Proposals for the distribution of profits or deficit compensation.

Article 21 The Company shall distribute no less than 10% of its profit for the year as employee compensation, which may be distributed by stock or cash upon resolution adopted by the board of directors. The target of distribution includes employees of the companies controlled by the Company who meet certain conditions; the Company may, upon resolution adopted by the board of directors, distribute no more than 2% of its profit for the year as the directors' remuneration. The distribution of employee compensation and the directors' remuneration shall be reported in the shareholders' meeting.

However, if the Company has accumulated losses, it shall reserve the amount for compensation, and distribute the employee compensation and the directors' remuneration according to the aforesaid ratio.

Article 21-1 If the Company makes a profit in a year, it shall pay taxes in accordance with the laws and regulations and make up for any accumulated losses first, and set aside 10% of the remaining amount as legal reserve, unless the legal reserve has already reached the total capital; then, the Company may set aside or reverse special reserves according to the statutory requirements. After the dividends are distributed, the shareholders' meeting shall decide whether to distribute bonuses to shareholders using the surplus, if any, and submit the proposal to the board of directors to make resolutions for distributing bonuses to shareholders.

The Company's dividend policy is based on the consideration of future capital needs and long-term financial planning. The distribution of dividends will not be less than 50% of the after-tax surplus earning of the year, and cash dividend will not be less than 10% of the total amount of dividends distributed each year.

Chapter VII Supplementary Provisions

Article 22 The matters that are not covered in the Articles of Incorporation shall be subject to the provisions of the Company Act and the Securities and Exchange Act.

Article 23 The Articles of Incorporation was stipulated on December 7, 1972.

The 1st amendment was made on May 1, 1973.

The 2nd amendment was made on March 29, 1974.

The 3rd amendment was made on November 17, 1977.

The 4th amendment was made on November 17, 1977.

The 5th amendment was made on September 18, 1979.

The 6th amendment was made on December 15, 1980.

The 7th amendment was made on June 15, 1981.

The 8th amendment was made on June 15, 1981.

The 9th amendment was made on October 29 1983.

The 10th amendment was made on September 25, 1985.

The 11th amendment was made on November 10, 1987.

The 12th amendment was made on November 14, 1989.

The 13th amendment was made on June 17, 1990.

The 14th amendment was made on May 26, 1991.

The 15th amendment was made on January 31, 1994.

The 16th amendment was made on June 18, 1998.

The 17th amendment was made on April 26, 2000.

The 18th amendment was made on April 27, 2001.

The 19th amendment was made on June 10, 2002.

The 20th amendment was made on June 10, 2002.

The 21st amendment was made on June 9, 2003.

The 22nd amendment was made on June 9, 2003.

The 23rd amendment was made on June 14, 2005.

The 24th amendment was made on June 13, 2008.

The 25th amendment was made on June 10, 2009.

The 26th amendment was made on June 15, 2010.

The 27th amendment was made on June 15, 2011.

The 28th amendment was made on June 19, 2012.

The 29th amendment was made on June 14, 2013.

The 30th amendment was made on June 11, 2015.

The 31st amendment was made on June 8, 2016.

The 32nd amendment was made on June 13, 2018.

The 33rd amendment was made on July 30, 2021.

The 34th amendment was made on December 16, 2021.

The 35th amendment was made on June 8, 2022.

【Appendix 2】 Rules of Procedure for Shareholders' Meetings

Phihong Technology Co., Ltd.

Rules of Procedure for Shareholders' Meetings

1. Unless otherwise provided by law, the Company's Shareholders' Meeting (hereinafter referred to as the "Meeting") shall be conducted in accordance with the Rules of Procedure for Shareholders' Meetings.
2. The Company shall keep a sign-in book for attendance by the members present in person or by the presentation of a sign-in card by the members present to sign in for them.

The number of shares for attending the session shall be calculated on the basis of the number of shares specified in the sign-in book or the attendance cards submitted for registration to the session.
3. The attendance of the shareholders and voting at a shareholders' meeting shall be based on the number of shares.
4. A general meeting shall be convened at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the holding of a general meeting, and shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.
5. If a shareholders' meeting is convened by the board of directors, the chairman of the meeting shall be the chairman of the board of directors. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.
6. The Company may appoint the lawyers, certified public accountants, or related personnel to attend the shareholders' meeting as observers.
7. The audio or video recordings of all shareholders' meetings shall be kept for at least one year.
8. The chairman shall declare a meeting open at the time when it is due to commence, provided that if members representing more than half of the total number of shares in issue are not present, the chairman may adjourn the meeting for a period not exceeding one hour in total. If there are not enough shareholders representing at least one-third of the total number of issued shares to attend the meeting after the second postponement, a bogus resolution may be made in accordance with Paragraph 1, Article 175 of the Company Act.

If, before the conclusion of the meeting, the number of shares represented by the shareholders

present reaches more than half of the total number of issued shares, the chairman may submit the bogus resolution to the shareholders' meeting for a new vote in accordance with Article 174 of the Company Act.

9. Where the shareholders' meeting is convened by the Board of Directors, the agenda shall be decided by the Board of Directors. The agenda shall proceed accordingly, and is not allowed to be changed without a resolution rendered by the shareholders' meeting.

The foregoing provisions shall apply if the shareholders' meeting is convened by a person having the right to convene other than the Board.

Unless otherwise resolved at the shareholders' meeting, the chairman shall not announce adjournment of the meeting unless the scheduled agenda items (including extempore motions) set forth in the preceding two paragraphs are concluded. The shareholders cannot designate any other person as chairman and continue the meeting in the same place or any other place after the meeting is adjourned. In the event that the chairman of the meeting adjourns the meeting in violation of the rules of procedure, the other members of the Board of Directors shall elect a chairman by a majority of the voting rights of the shareholders present and continue the meeting.

10. Before a shareholder attends to speak, he/she shall fill in a speech slip stating summary of the speech, the shareholder's account number (or attendance card number) and his/her name, and the chairman shall determine the order of his/her speech.

A member present who merely proposes to speak but does not speak is deemed not to have spoken. If there is a discrepancy between the content of the speech and the entry in the speech slip, the content of the speech shall prevail.

When a shareholder is present to speak, no other shareholder shall interfere with his/her speech except with the consent of the chairman and the shareholder speaking, and the chairman shall stop any such interruption.

11. Each member shall not speak more than twice on the same motion and each time for not more than five minutes without the consent of the chairman, provided that the chairman may stop any member speaking in contravention of the rules or outside the scope of the question.

If a legal entity is entrusted to attend a shareholders' meeting, it may only appoint one representative to attend. Where a corporate shareholder designates more than two representatives to attend a general meeting, only one shall be entitled to speak on the same motion.

After a shareholder has spoken, the Chairman may reply in person or appoint a relevant officer.

12. For the discussion of motions, when the chairman considers that the motions have reached the level of being ready for voting, he/she may declare that the discussion has ceased and put the motions to vote.

The chairman of the meeting shall appoint a scrutineer and a teller of votes for a motion, but the scrutineer shall be a shareholder. The result of voting shall be immediately announced at the meeting and placed on record.

13. Unless otherwise provided in the Company Act or the Articles of Incorporation, the voting of

a motion shall be deemed passed with the consent of a majority of the shareholders present. A motion shall be deemed passed if no objection is voiced by any of the attending shareholders after being proposed by the chairman.

14. During the meeting, the chairman may decide to suspend the meeting for recess.
15. In the event of amendments or substitutions to the same motion, the Chairman shall determine the order of voting thereon together with the original motion. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.

The chairman may direct a marshal (or security officer) to assist in the maintenance of order in the meeting room. When present to assist in the maintenance of order, the marshal (or security officer) shall wear an armband bearing the word "marshal".

16. This Regulation shall come into full force after passing by the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.

【Appendix 3】 Operating Procedures of Endorsement/Guarantees

Phihong Technology Co., Ltd. Operating Procedures of Endorsement/Guarantees

I. Objectives

In order to strengthen the financial management of endorsement/guarantees and reduce business risks, this operating procedure is formulated in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission.

II. The scope of assets

The endorsement/guarantees referred to in these procedure include:

1. Financing Endorsement/Guarantees:

- (1) Discount tickets financing.
- (2) Endorsement/guarantees for the purpose of financing other companies.
- (3) The creation of a separate instrument to secure a non-financial undertaking for the purpose of financing the Company.

2. Endorsement/guarantees Tariffs: It is an endorsement or guarantee made by the company or other companies related to customs matters.

3. Other endorsement/guarantees: endorsements/guarantees that cannot be categorized as part of the first two items.

If the Company provides movable or immovable property as security for loans from other companies to create pledges or mortgages, the Company shall also follow these procedures.

III. Target of Endorsement/Guarantees

The Company's endorsements/guarantees shall be limited to the following companies, except for inter-industry guarantees provided by contractual interlocutors for the purpose of contracting for work, or inter-industry guarantees provided by the equity holders in proportion to their shareholding in the invested company as a result of joint investment, or inter-industry endorsement/guarantees for the performance of contracts for the sale of pre-sale properties in accordance with the Consumer Protection Act.

1. Companies with business dealings.
2. Subsidiaries in which the Company directly and indirectly holds more than 50% of the voting shares.
3. A parent company which directly and indirectly holds more than 50% of the voting shares of

the company.

Endorsements/guarantees may be given between subsidiaries of the Company that directly and indirectly hold 100 per cent of the voting shares.

IV. Amount of Endorsement/Guarantees

According to the Company's procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 50% of endorser/guarantor's its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 30% of the Company's net worth.

Subject to the approval of the Board of Directors, the amount of guarantees endorsed by the Company to subsidiaries directly and indirectly holding 100% of the voting shares shall not be subject to the aforementioned limit on the amount of guarantees endorsed to a single enterprise.

According to the Company's procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed, endorser/guarantor's its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 30% of the Company's net worth.

If the aggregate amount of the endorsement/guarantees given by the Company and its subsidiaries to external parties amounts to more than 50% of the net worth of the Company's latest financial statements, a statement of the necessity and reasonableness thereof shall be submitted to the shareholders' meeting.

The amount of any endorsement/guarantees given by the Company to a single entity in connection with a business relationship shall, subject to the foregoing, be the higher of the amount of goods purchased or sold by the Company and such entity in the most recent or current year up to the time of the endorsement/guarantees.

V. Procedures of Endorsement/Guarantees

1. In processing the endorsement/ guarantees, the financial unit shall, based on the application of the target of the endorsement/guarantees, examine the eligibility of the target of the endorsement/guarantees, whether the amount of the endorsement/ guarantees complies with the provisions of the Procedures and whether it has reached the standards to be announced and reported, and shall submit the results of the examination and evaluation together with the results of the Procedures to the Chairman of the Board for approval, and then submit them to the audit committee and the Board for discussion and approval. If the amount of the endorsement/guarantees is still within the authorized limit, the Chairman of the Board shall make a decision based on the creditworthiness and financial situation of the target of the endorsement/guarantees, and then report to the audit committee and the Board for an afterwards follow-up afterwards.

The endorsement/guarantees by a subsidiary of the Company directly or indirectly holding 100% of the voting shares may only be made after a resolution by the Board of Directors of

the subsidiary and subsequently ratified by the most recent audit committee and the Board of Directors.

2. The accounting unit shall establish a reference book for endorsement/guarantees matters. After the endorsement/guarantees has been approved by the Audit Committee and the Board of Directors or approved by the Chairman, in addition to applying for a seal in accordance with the prescribed procedures, details of the subject of the endorsement/guarantees, the amount of the endorsement/guarantees, the date of approval by the Board of Directors or the Chairman's decision, the date of the endorsement/guarantees and any matters that should be carefully assessed in accordance with these Procedures shall be recorded for record, and relevant documents such as bills and agreements should also be photocopied for safekeeping.
3. The internal auditors shall audit the endorsement/guarantees procedures and their implementation on a quarterly basis and make a written record of such audits. If major violations are found, they should immediately notify the Independent Directors in writing.
4. The accounting unit shall evaluate and recognize the contingent loss of the endorsement/guarantees on a quarterly basis, and disclose the endorsement/guarantees information and provide relevant information of the certified accountant in the financial report.
5. In the event that the amount of the endorsement/guarantees is not in accordance with the regulations, or the amount of the endorsement/guarantees exceeds the limit due to a change in the basis for calculating the limit, the financial unit shall formulate an improvement plan for the amount of the endorsement/guarantee or the portion of the endorsement that exceeds the limit, and shall eliminate it within a certain period of time after approval by the Chairman of the Board of Directors, and send the relevant improvement plan to each Independent Director.
6. Before the end of the endorsement/guarantees date, the financial unit shall take the initiative to inform the guaranteed enterprise to withdraw the guaranteed instruments left with the bank or the creditor and cancel the relevant endorsement/guarantees deeds.

VI. Detailed Review Process

In processing endorsement/guarantees, the Finance Department should review, assess and document the following items:

1. To understand the relationship between the counterpart to the endorsement/guarantees and the Company, the purpose and use of the loan, the relevance to the Company's business or the importance of its operations to the Company, and to assess the necessity and reasonableness of the endorsement/guarantees in relation to the limit and current balance of the endorsement/guarantees.
2. To obtain annual reports, financial reports and other relevant information from the counter parties to the endorsement/guarantees and analyze the operating, financial and credit conditions and repayment sources of the counter parties to the endorsement/guarantees in order to assess the possible risks.
3. To analyze the Company's current endorsement/guarantees balance as a percentage of the net

worth of the Company, its liquidity and cash flow position, and the results of the review of 1 and 2 to assess the impact on the Company's operational risk, financial position and shareholders' equity.

4. Depending on the nature of the guarantee and the creditworthiness of the insured person and the results of the 1 to 3 assessments, the insured person will be asked to provide appropriate collateral and the value of the collateral will be assessed quarterly to see if it is equivalent to the balance of the endorsement/guarantees and, if necessary, the insured person may be asked to provide additional collateral.

VII. Endorsement/

Guarantee Control Procedures for Subsidiaries

1. Subsidiaries of the Company shall also formulate the “Operating Procedures of Endorsement/Guarantees” in accordance with the “Guidelines for the Lending of Funds to Public Companies and Endorsement/Guarantees Practices” issued by the Financial Supervisory Commission, which shall be approved by the Audit Committee and the Board of Directors of the Company, and the same applies to any amendment thereto.
2. The acquisition or disposal of assets by the subsidiaries of the Company shall be handled in accordance with the “Internal Control System” and the Procedures for Acquisition or Disposal of Assets established by each subsidiary, and the subsidiaries shall report the balance, target and period of endorsement/guarantees for the previous month to the Company in a written summary by the 10th day of each month. The Company's auditing unit shall include the endorsement/guarantees operations of its subsidiaries as one of the items to be audited on a quarterly basis, and the audits shall be included as necessary for reporting the audited operations to the Audit Committee and the Board of Directors.
3. If a subsidiary of the Company is not a public company, and the assets acquired or disposed of meet the standard for public announcement and report as described in Paragraph 2 of this procedure, it shall notify the Company within the day when the event occurs, and the Company shall conduct the announcement and report on the website designated in accordance with the regulations.

VIII. Decision-making and authorization levels

1. When the Company applies for an endorsement/guarantees, it shall be signed and approved by the Audit Committee and the Board of Directors in accordance with the procedures set out in these Procedures. However, in order to meet the need of time, within the total amount of NT\$100 million for a single enterprise, the Board of Directors authorizes the Chairman to make the decision first and then report to the nearest Audit Committee and the Board of Directors for subsequent ratification.

When the Company's acquisition or disposal of assets from/to a related party is submitted for discussion by the Board of Directors, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses

reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

2. If it is necessary for the Company to enter into an endorsement/guarantees in excess of the endorsement/guarantees limit set forth in these Procedures and the conditions set forth in the Company's endorsement/guarantees procedures are met, the Company may do so only with the approval of the Audit Committee and the Board of Directors and after more than half of the Directors have signed a joint guarantee for the potential loss incurred by the Company in excess of the limit, and may amend these Procedures and submit them to the shareholders' meeting for ratification. If the shareholders' meeting disagrees, a plan should be made to eliminate the excess part within a certain period of time.

IX. Seal Custody and Procedures

1. The Company shall use the official seals of the Company, which have been registered with the Ministry of Economic Affairs, as the seals for the exclusive use of endorsement/guarantees and such seals shall be reported to the special staff approved by the Board of Directors for their respective custody. Any change in the custodian of the seal shall be reported to the Board of Directors for approval, and the seal shall be included in the transfer.
2. After any endorsement/guarantees have been resolved by the Board of Directors or approved by the Chairman of the Board, the financial unit shall complete a "Request for Use of Seal" form and submit it to the Treasurer for approval, together with the approval record and the documents for use of the seal, such as the endorsement/guarantees deed or the guarantee note, before the seal can be stamped by the seal custodian.
3. When using the seal, the seal custodian should check whether there is an approval record, whether the "Seal Use Register" has been approved by the Treasurer and whether the documents requesting the use of the seal are consistent before using the seal. The use of the seal should be noted in the register of the use of the seal.
4. In the case of an act of guarantee to a foreign company, the letter of guarantee issued by the Company shall be signed by the Chairman or the General Manager with the authority of the Board of Directors.

X. Public announcement and report procedure:

The Company will comply with the relevant regulations in respect of endorsements/guarantees that are required to be reported to the competent authorities.

If a subsidiary of the Company is not a domestic public company, the Company shall announce and report on its behalf the matters required to be announced and reported in accordance with the regulations.

XI. Penalties

When the relevant handling personnel involved in the Company's Endorsement/

Guarantees violate the the Financial Supervisory Commission's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or the Procedures, the violation shall be handled in accordance with the following regulations depending on the circumstances. The violation will be recorded and used as a reference for the annual personal performance evaluation.

1. Violation of the decision-making authority: The first-time violator shall be given a verbal warning, the personnel who violate the regulations again shall be given a written warning and participate obligatorily in the internal control system training classes. Repeat violators or those with serious circumstances shall be transferred from the original job.
2. Violation of valuation procedures: The first-time violator shall be given a verbal warning, the personnel who violate the regulations again shall be given a written warning and participate obligatorily in the internal control system training classes. Repeat violators or those with serious circumstances shall be transferred from the original job.
3. Violation of the public announcement and report: The first-time violator shall be given a verbal warning, the personnel who violate the regulations again shall be given a written warning. Repeat violators or those with serious circumstances shall be transferred from the original job.
4. The supervisor of the person who has violated the rules shall also be punished, except for those who can reasonably explain that they have taken preventive measures beforehand.
5. Where the Board of Directors or directors violate relevant regulations and the resolutions of the shareholders' meeting when performing duties, the Audit Committee shall notify the Board of Directors or Directors to stop the violation in accordance with Article 218-2 of the Company Act.

XII. Subsequent control Procedures for the provision of Endorsement/Guarantees for subsidiaries with a net worth of less than one-half of the paid-up capital

The Company or its subsidiaries may endorse/guarantee subsidiaries with a net worth of less than one-half of the paid-in capital. In addition to examining in detail the necessity and reasonableness of the endorsement/guarantee and the risk assessment of the object of the guarantee in accordance with Article 6, the Company may require the guaranteed subsidiary to provide appropriate collateral and assess on a quarterly basis whether the value of the collateral is equivalent to the balance of the endorsement/guarantees. If necessary, additional collateral may be required, and shall formulate a follow-up control plan and submit it to the Audit Committee and the Board of Directors for discussion and approval.

If the shares of a subsidiary have no par value or have a par value other than NT\$10 per share, the amount of paid-in capital shall be the sum of the capital stock plus capital surplus - issuance premium.

XIII. Others Matters

After the establishment of the operating procedures is passed by the Audit Committee and the Board of Directors, and submitted to the shareholders' meeting for approval, it will be implemented. If any of the Directors disagree with the procedure and the disagreement is recorded or stated in writing, the Company shall send the disagreement to each Independent Director and submit it to the shareholders' meeting for discussion and amendment. The Company has established Independent Directors and the views of the independent directors should be fully taken into account in the discussion of the Board. Any dissenting views or reservations of the Independent Directors should be recorded in the minutes of the Board meeting.

XIV. This Procedure was adopted on May 11, 1990.

- The 1st amendment was made on June 16, 1997.
- The 2nd amendment was made on June 18, 1998.
- The 3rd amendment was made on June 9, 2003.
- The 4th amendment was made on June 9, 2006.
- The 5th amendment was made on June 13, 2007.
- The 6th amendment was made on June 13, 2008.
- The 7th amendment was made on June 10, 2009.
- The 8th amendment was made on June 15, 2010.
- The 9th amendment was made on June 14, 2013.
- The 10th amendment was made on June 8, 2016
- The 11th amendment was made on June 19, 2019

【Appendix 4】 Regulations for the Election of Directors

Phihong Technology Co., Ltd.

Regulations for the Election of Directors

- Article 1 The election of the Company’s directors shall be subject to the Regulations, except for otherwise stated in the Company Act and the Articles of Incorporation.
- Article 2 Directors of the Company shall be elected by the shareholders’ meeting from persons of competent capacity. According to the number of seats stated in the Articles of Association, those who received the votes representing more suffrage shall be elected as directors based on the sequence. When there are two persons receiving the same votes, but the number of directors elected has exceeded the quota, a random draw shall be adopted to determine the elected one among those receiving the same votes; the chairman shall draw the lot on behalf of persons who are absent.
- The election of the Company’s directors adopts the candidate nomination system stated in Article 192-1 under the Company Act. The acceptance method for the nomination of director candidates and matters related to the announcement shall be subject to requirements under the Company Act, Securities and Exchange Act, and relevant laws and regulations.
- Article 3 For the election of the Company’s directors, each share shall be entitled to suffrage equivalent to the number of persons to be elected; the votes may be concentrated to elect one person or distributed to elect several persons.
- Article 4 The Board shall prepare the voting papers equivalent to the number of directors to be elected with weights added and distribute them to shareholders who attend the shareholders’ meeting.
- Article 5 The chairman shall appoint scrutineers and counting agents before the commencement of the election to execute relevant functions.
- Article 6 For the election of directors, the Board shall set up the voting boxes, and the scrutineers shall open and check the boxes in front of the public before voting.
- Article 7 When the candidate is a shareholder, the voters shall fill out the “candidate” column with

the account name and shareholder's account number of the candidate on the voting papers; when the candidate is not a shareholder, voters shall fill out the name and ID number of the candidate. However, when the government or a corporate shareholder is the candidate, the account name column of the candidate on the voting paper shall be the title of the government of the corporate; the voter may also fill in the title of the government of the corporate, or the name of its representative; when there are multiple representatives, the name of the representative shall be additionally added.

Article 8 Voting papers with any of the following circumstances shall be deemed invalid:

I. Voting papers not put into the voting box.

II. Voting papers not subject to the Regulations.

III. Blank voting papers not completed by voters.

IV. When the identity and the shareholder's account number of the candidate, who is a shareholder, are not consistent with the register of members; when the name and ID number of the candidate, who is not a shareholder, are inconsistent upon verification.

V. When other alphabets and characters are written on the voting papers apart from the name and shareholder's account number or ID number of the candidate.

VI. Voting papers with unidentifiable writing.

VII. Voting papers with any of the altered or erased names, account numbers, and election weights regarding the candidate.

VIII. When the name of the candidate is the same as another shareholder and the shareholder's account number or ID number is not specified for identification.

Article 9 After the completion of the vote, the box shall be opened on-site, and the results shall be announced by the chairman on-site.

Article 10 The Regulations are implemented after being passed by the shareholders' meeting; the same shall apply upon any amendment.

The 1st amendment was made on June 8, 2016.

The 2nd amendment was made on June 19, 2019.

【Appendix 5】 Shareholding of Directors

Phihong Technology Co., Ltd. Shareholding of Directors

As of the book closure date of the shareholders' meeting (April 11, 2023), the Company has issued a total of 375,208,416 shares. The number of shares held by individual and all Directors is listed in the table below:

Title	Name	Number of Shares(shares)	Percentage of the total number of shares at present (%)
Chairman	Lin, Chung Min	51,703,063	13.78%
Director	Kuan Feng Investment Ltd. Representative: Lin, Yang-Hung	3,034,905	0.81%
Director	Kuan Feng Investment Ltd. Representative: Yang, Shih-Hsiung	3,034,905	0.81%
Director	Taiwan Cement Corporation Representative: Wang, Chien-Chuan	37,520,000	9.99%
Director	Lin, Fei-Hung	3,376,000	0.90%
Director	Wang, Chia-Kun	0	0.00%
Director	Chou, Ta-Jen	0	0.00%
Director	Chiang, Wei-Feng	0	0.00%
Director	Chou, Ming-Chih	0	0.00%
Independent Director	Hong, Yu-Yuan	0	0.00%
Independent Director	Lin, Kuei-Hung	20,578	0.01%
Independent Director	Chang, Hsien-Ta	0	0.00%
Total		95,654,546	25.49%

Note 1: The number of authorized shares held by all directors is 15,008,336 shares. The number of shares held as of the book closure date of the shareholders' meeting was 95,633,968 shares (excluding the shares held by independent directors), at a ratio which has already met the standard as stipulated in Article 26 of the Securities and Exchange Act.

Note 2: The Company has set up an Audit Committee, so the number of shares that shall be held by supervisors does not apply.