

Stock code

2457

Phihong Technology Co., Ltd.

2021 1st Extraordinary General Meeting

Meeting Agenda

Date: 9:00am Thursday, December 16, 2021

Location: Fullon Hotel Taoyuan Airport Access MRT A8

(3F, No.2, Fuxing 1st Rd., Guishan Dist., Taoyuan City)

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Meeting Procedures

PHIHONG TECHNOLOGY CO., LTD.

2021 1st Extraordinary General Meeting Procedures

1. Commence Meeting (to be announced upon quorum)
2. Arrival of the Chairman
3. Chairman's Speech
4. Discussions
5. Extraordinary Motions
6. Meeting Adjourned

Meeting Agenda

PHIHONG TECHNOLOGY CO., LTD.

2021 1st Extraordinary General Meeting Agendas

- 1. Time:** 9:00am Thursday, December 16, 2021
- 2. Venue:** Fullon Hotel Taoyuan Airport Access MRT A8(3F, No.2, Fuxing 1st Rd., Guishan Dist., Taoyuan City)
- 3. Chairman's Speech**
- 4. Discussions:**
 - (1) Discussion of Amendment to the “Articles of Incorporation”
 - (2) The issuance of common shares for the cash capital increase of the Company by private placement
- 5. Extraordinary Motions**
- 6. Meeting Adjourned**

Discussions

1. **Subject: Discussion of Amendment to the “Articles of Incorporation” (by the Board of Directors).**

Explanations: To respond to the Company’s practical operations, it is proposed to amend some provisions of the Company’s Articles of Incorporation, and a comparison table of the provisions before and after the amendments is provided. (please refer to Appendix 1, p.12 hereof).

Resolution:

2. **Subject: The issuance of common shares for the cash capital increase of the Company by private placement (by the Board of Directors).**

Explanations:

- I. To enrich Company’s working capital, improve the financial structure, or meet the fund requirement for long-term development of one or more fund utilization plans so as to better Company’s financial structure and strengthen the Company’s competitiveness, the Company, in accordance with Article 43-6 of Securities and Exchange Act (the “**Act**”), Directions for Public Companies Conducting Private Placements of Securities (the “**Directions for Private Placement**”), and other relevant laws and regulations, intends to issue common shares for the cash capital increase by private placement. Within the limit of no more than 37,520,000 shares, the Company proposes that the Shareholders’ Meeting authorizes the Board of Directors (the “**Board**”), depending on market conditions and actual needs of the Company’s operation, and at appropriate timing in accordance with relevant laws and regulations, to issue the common shares by private placement in two tranches within one year from the date of resolution of the Company’s Shareholders’ Meeting (the “**Private Placement**”).
- II. In accordance with the relevant regulations of Paragraph 6, Article 43-6 of the Act and the Directions for Private Placement, the Private Placement is explained as follows:
 - i. The Reason for not Adopting a Public Offering: the Company considers the conditions of the capital market, timeliness and feasibility of fundraising, the issuance cost, and the actual need of introducing strategic investors; in addition, considering that private placement is rather rapid and simple, and that securities issued by private placement are in principle subject to a three-year restriction on share transfer so that a long-term partnership between the Company and strategic investors can be better secured, while authorizing the Board to conduct private placement in tranches and at appropriate timing according to the actual need of Company’s business will also effectively improve the Company's mobility and flexibility in fundraising, the Company intends to issue common shares by private placement instead of adopting a public offering. The conduct of Private

Placement is expected to have a sound financial structure and benefits of improving operational efficiency, and it will also be beneficial to shareholders' equity.

- ii. The Number of Issued Shares by Private Placement/ Total Issuance Amount: within the limit of no more than 37,520,000 shares, the Board is authorized to issue the common shares by private placement in two tranches within one year from the date of the resolution of the Company's Shareholders' Meeting.
- iii. Principle of Conducting the Private Placement of Common Shares for Cash Capital Increase:
 1. The basis and rationale for the setting of the price:
 - (1) The reference price for the pricing of Private Placement should be the higher of the following calculations: (a) the simple arithmetic average closing price of the common shares of the Taiwan Stock Exchange Corporation (the "TWSE") listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, deducting any distribution of stock dividends or cash dividends, and adding back the share price after capital reduction, and (b) the simple arithmetic average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, deducting any distribution of stock dividends or cash dividends, and adding back the share price after capital reduction.
 - (2) The actual issuance price for the Private Placement should be no less than 85% of the reference price. It is proposed that Shareholders' Meeting authorizes the Board to determine the actual issuance price in accordance with relevant laws and regulations, depending on the then market status and other objective conditions.
 - (3) The pricing of the Private Placement abovementioned is respectively based on the Company's business operation, vision, the three-year restriction on share transfer in principle for securities issued by private placement, and Company's recent stock price. The pricing is also determined in accordance with the Directions for Private Placement and relevant laws and regulations. Therefore, the pricing shall be well-grounded and reasonable.
 2. Method and objective of selecting the specific investor(s), the necessity for that selection, and the anticipated benefits:
 - (1) The common shares will be privately placed to the specific investors meeting the requirement under Article 43-6 of the Act and the ruling of Year 2002 Tai Tsai Cheng I Zi No. 0910003455 issued by Financial Supervisory Commission on June 13, 2002. The method of selecting the private investors is to introduce strategic investors who have a good understanding of the Company and are helpful to the Company's future operations and are not insiders or related parties of the Company. It is proposed that the Company's Shareholders' Meeting authorizes the

Board with full discretionary power to handle the certificate of qualifications and related matters.

(2) Objective and the necessity of selecting strategic investors and the anticipated benefits:

- a. Selection Method and Purposes: the private investors to be chosen shall be an individual or corporate entity who can assist Company's operations with various management and financial resources, provide operational management techniques, strengthen financial cost management and support business development and expansion so as to improve the Company's competitiveness, operational efficiency, and long-term development, and should be beneficial to shareholders' equity.
- b. Necessity: in response to the Company's long-term business plan, to improve the operational performance and strengthen the financial structure, and considering to strengthen the stability of management, the introduction of funds from strategic investors by the Private Placement will facilitate the Company's operations and business development, and can increase long-term funds and improve the company's overall operation. Therefore, it is necessary for the Private Placement to bring in strategic investors.
- c. Anticipated Benefits: through the capital injection of strategic investors, the anticipated benefits include reducing the pressure on working capital, strengthening the financial structure, improving Company's competitiveness, promoting the stable growth of the Company, and benefiting shareholders' equity.

(3) The Company does not have a selected specific investor at present. The Board is authorized with full discretionary power to deal with relevant matters related to the selection of the specific investor.

3. The reason necessitating the Private Placement: the Company considers that fundraising by private placement is rather timely and convenient, and securities issued by private placement are in principle subject to a three-year restriction on share transfer so that a long-term partnership between the Company and private investors can be secured, while authorizing the Board to conduct private placement according to the actual need of Company's business will also effectively improve flexibility in fundraising. Therefore, it is necessary to conduct the Private Placement.

III. The Use and Schedule of the Fund Raised by the Private Placement and Anticipated Benefits: the fund raised by the Private Placement will be used to enrich the Company's working capital, strengthen its financial structure, and support other fund requirements for the Company's long-term development of one or more fund utilization plans, depending on market status and the situation of selecting specific investors, the Company will authorize the Board to issue the privately placed common shares in two tranches within one year from the date of the resolution of the

Shareholders' Meeting. After completing the use of funds, the Private Placement fundraising is expected to improve the Company's competitiveness and operational efficiency, and it will also be beneficial to shareholders' equity, as explained below: The Company will, depending on the situation of selecting specific investors in the market, issue the privately placed common shares in two tranches.

Times of Issuance	Expected Amount of Shares to be issued	The Use of Funds	Anticipated Benefits
First Issuance	18,760,000 shares	To enrich working capital, improve the financial structure, or meet the fund requirements for the Company's long-term development so as to improve the Company's financial structure and strengthen the competitiveness.	To provide a more flexible and multilateral means for fundraising, strengthen the Company's financial structure, expand the scale of the Company's future operation, and improve the Company's long-term competitiveness and shareholders' equity.
Second Issuance	18,760,000 shares	Enrich working capital, improve the financial structure, meet the fund requirements for the Company's long-term development so as to improve the Company's financial structure and strengthen the competitiveness.	Provide a more flexible and multilateral means for fund raising, strengthen the Company's financial structure, expand the scale of the Company's future operation, and improve the Company's long-term competitiveness and shareholders' equity.
In terms of the aforementioned first and second expected issuance quotas, the number of shares to be issued in each private placement may be adjusted according to the actual issuance status. In each issuance, the number of previously unissued shares and / or the subsequent number of shares can be issued together wholly or partly, but the total number of issued shares should not exceed 37,520,000 shares.			

- IV. The Private Placement will be delivered without printing certificate. The rights and obligations of the shares issued by the Private Placement will be the same as the issued and outstanding common shares of the Company. However, according to Article 43-8 of the Act, unless meeting certain circumstances, the privately placed securities shall not be transferred freely until three years after the delivery of privately placed securities. After three years from the delivery of the Company's privately placed common shares, the Board is authorized to, depending on situations then, obtain an approval letter issued by the TWSE acknowledging that the securities have met the

listing criteria, apply with the competent authorities for public issuance, and apply for TWSE listing of such privately placed common shares.

- V. To achieve the Private Placement, it is proposed that the Company's Shareholders' Meeting authorizes the Chairman of the Board or his designated person to represent the Company to execute and negotiate all the contracts and documentation of the Private Placement (including but not limited to the selection of strategic investors), and complete all necessary procedures regarding the Private Placement for the Company.
- VI. After the approval of the Private Placement by Shareholders' Meeting, except for the percentage of the pricing for the Private Placement, it is proposed that the Shareholders' Meeting authorizes the Board with full discretionary power to, depending on the actual need of the Company, the market conditions and relevant laws and regulations, determine, adjust and deal with the main content and other matters in connection with this Private Placement, including the actual issuance price, the pricing date, the number of shares to be issued each time, the amount raised, terms and conditions of the Private Placement, fund utilization plan, the use of funds, expected process and other related issues. If some revision or adjustment has to be made due to amendment to the laws and regulations, the competent authorities' instructions, or based on changes in objective environmental factors such as operational assessments or the market status, it is also proposed that the Shareholders' Meeting authorizes the Board with full discretionary power to handle all related matters.

Resolution:

Extraordinary Motions

Appendix

PHIHONG TECHNOLOGY CO., LTD.

Comparison Table for Amended “Articles of Incorporation”

No.	Pre-amendment	Post-amendment	Explanation
Article 13:	The Company has engaged 7~ <u>12</u> directors, with a term of three years, all of whom may have the term renewed if elected.	The Company has engaged 7~ <u>13</u> directors, with a term of three years, all of whom may have the term renewed if elected.	increase the number of directors
Article 23:	The Articles of Incorporation was enacted on December 7, 1972. 1 st amendment on May 1, 1973. . . 33 st amendment on July 30, 2021.	The Articles of Incorporation was enacted on December 7, 1972. 1 st amendment on May 1, 1973. . . 33 st amendment on July 30, 2021. <u>34st amendment on December 16, 2021.</u>	Add amendment date

Annex

PHIHONG TECHNOLOGY CO., LTD.

Articles of Incorporation

Chapter 1 – General Provisions

- Article 1 The Company is incorporated in accordance with the provisions of the Company Act; the Chinese name is 飛宏科技股份有限公司, and English name is Phihong Technology Co. Ltd.
- Article 2 The Company is engaged in the following business operations:
1. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing.
 2. CC01020 Electric Wires and Cables Manufacturing.
 3. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing.
 4. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
 5. CC01080 Electronic Parts and Components Manufacturing.
 6. CC01110 Computers and Computing Peripheral Equipment Manufacturing.
 7. CC01990 Electrical Machinery, Supplies Manufacturing.
 8. CD01030 Automobiles and Parts Manufacturing.
 9. CD01040 Motor Vehicles and Parts Manufacturing.
 10. F113020 Wholesale of Household Appliance.
 11. F113070 Wholesale of Telecom Instruments.
 12. F114030 Wholesale of Motor Vehicle Parts and Supplies.
 13. F119010 Wholesale of Electronic Materials.
 14. F401010 International Trade.
 15. F213060 Retail Sale of Telecommunication Apparatus.
 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company is required to provide external guarantee due to the business needs.
- Article 4 The Company's means of announcement shall be in accordance with Article 28 of the Company Act.
- Article 5 The Company is headquartered in Taoyuan City. Branches, offices and business premises may be set up at home and abroad, if necessary.
- Article 5-1 (Deleted)
- Article 5-2 The Company may invest in other business(es) for its business needs and may be authorized to be shareholder of a limited liability company upon resolution of the board of directors, and the investment amount shall not be subject to the constraint "not exceed 40 percent of the company's share capital" prescribed in Article 13 of the Company Act.

Chapter 2 – Shares

- Article 6 The Company's total registered capital is NT\$6 billion, divided into 600 million shares, with a par value of NT\$10 per share. The board of directors is authorized to issue in tranches according to actual needs.
- The Company may, within the range of total capital thereof, reserve 80 million shares to be issued as employee stock option certificates, bond with warrant and preferred shares with warrants.
- The Company's employee treasury stocks, employee stock warrants, employees' acquisition of new shares, and employee restricted shares are also available to employees of subordinate companies that meet certain conditions.
- Article 6-1 The Company shall, when issuing employee stock option certificates with a subscription price that is lower than the closing price of the Company's common stocks on the date of such issuance, apply for an approval by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.
- The Company shall, when transferring the stocks to employees at a price lower than the average repurchase price, prior to the transfer, apply for an approval by a resolution adopted, at a shareholders'

meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

Article 7 The company's shares are registered shares and issued after signed or stamped by the director on behalf of the Company and after attested by the bank that is authorized to act as the attester for the issuance of the stock according to the law. The Company may be exempted from printing share certificates for the shares issued, which, however, shall be registered with a centralized securities depository enterprise.

Article 8 Registration for transfer of shares shall be suspended for a period of 60 days prior to the annual general meeting, thirty days before the convening date of a special shareholders meeting, or within five days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company, pursuant to the relevant laws and regulations and the regulations of the competent authority.

Chapter 3 – Shareholders' Meeting

Article 9 Shareholders' meeting shall be of the following two kinds: regular meeting of shareholders and special meeting of shareholders. Regular meeting of shareholders, which shall be held at least once every year and convened by the board of directors within six months after close of each fiscal year, while special meeting of shareholders shall be held when necessary.

Article 10 A shareholder may, when unable to attend the shareholders' meeting for any reason, appoint a proxy pursuant to the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority to attend in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy with the shareholder's signature and/or seal affixed thereto. The aforesaid power of attorney shall be delivered to the company five days prior to the shareholders' meeting.

Article 11 Unless otherwise provided by law, the shareholders of the Company is entitled to one vote per share.

Article 12 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and Securities and Exchange Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. And, pursuant to the competent authority's regulations, the Company's shareholders may exercise his/her/its voting power by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person and processed pursuant to laws and regulations.

Chapter 4 – Board of Directors

Article 13 The Company has engaged 7 ~12 directors, with a term of three years, all of whom may have the term renewed if elected.

Article 13-1 The Board of Directors of the Company, at least 3 independent directors have been established and added to the aforesaid number of directors.

The election of directors of the Company adopts the nomination system for candidates pursuant to Article 192-1 of the Company Act. The relevant matters concerning the acceptance and announcements of the nomination of director candidates shall be subject to the provisions of the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

Article 13-2 The Company has, pursuant to Article 14-4 of the Securities and Exchange Act, established the Audit Committee to perform the duty of a supervisor prescribed by the Company Act, the Securities and Exchange Act and other relevant laws and regulations

Article 14 The board of directors shall, pursuant to Article 208 of the Company Act, elect a chairman to externally represent the company.

Article 14-1 The convening of a board meeting shall specify the reason for convening and notify the directors seven days in advance. In case of emergency, a board meeting may be called at any time.

The notice set forth in the preceding Paragraph may be effected by means of electronic transmission (E-mail), after obtaining a prior consent from the recipient(s) thereof.

Article 15 (Deleted)

- Article 16 (Deleted)
- Article 17 When the Chairman takes leave or fails to exercise his authority for any reason, his proxy shall deal with the situation pursuant to Article 208 of the Company Act.
- Article 17-1 In case a director is unable to attend a meeting of the board of directors, he/she may appoint another director to attend the meeting in his/her behalf, where he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.
A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other 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 5 – Managerial Personnel

- Article 19 The Company has established managerial personnel but its appointment is exempted from the provisions provided in Article 29 of the Company Act.

Chapter 6 – Accounting

- Article 20 At the close of each fiscal year, the Company's board of directors shall prepare the following statements and records and present in the annual general shareholders' meeting pursuant to the regulatory procedures.
1. The business report;
 2. The financial statements; and
 3. The Surplus Earning Distribution or Loss Off-Setting Proposals.
- 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 a majority vote at a meeting of board of directors. The target of distribution includes employees of the Company's subordinate companies who meet certain conditions; the Company may, upon resolution adopted by a majority vote at a meeting of 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 proposed in the shareholders' meeting.
However, the Company shall, if it still has accumulated losses, retain the off-setting amount first, before distribute the employee compensation and the directors' remuneration according to the aforesaid ratio.
- Article 21-1 The Company shall, if there is surplus earning upon annual closing, pay regulatory taxes and off-set accumulated losses before listing 10% to the statutory surplus reserve, provided that, the statutory surplus reserve will no longer need to be listed if it has reached the amount equal to that of the Company's paid-in capital, and the remaining balance shall be listed or reverse special reserve pursuant to law. The Board of Directors shall consolidate any remaining balance with the accumulated undistributed earnings into a Surplus Earning Distribution Proposal and present it in the shareholders' meeting for a resolution on the distribution of dividends.
The Company's dividend policy is based on the consideration of future cashflow requirements 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 7 – Supplemental 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 enacted on December 7, 1972.
1st amendment on May 1, 1973.
2nd amendment on March 29, 1974.

3rd amendment on November 17, 1977.
4th amendment on November 17, 1977.
5th amendment on September 18, 1979.
6th amendment on December 15, 1980.
7th amendment on June 15, 1981.
8th amendment on June 15, 1981.
9th amendment on October 29, 1983.
10th amendment on September 25, 1985.
11th amendment on November 10, 1987.
12th amendment on November 14, 1989.
13th amendment on June 17, 1990.
14th amendment on May 26, 1991.
15th amendment on January 31, 1994.
16th amendment on June 18, 1998.
17th amendment on April 26, 2000.
18th amendment on April 27, 2001.
19th amendment on June 10, 2002.
20th amendment on June 10, 2002.
21st amendment on June 9, 2003.
22nd amendment on June 9, 2003.
23rd amendment on June 14, 2005.
24th amendment on June 13, 2008.
25th amendment on June 10, 2009.
26th amendment on June 15, 2010.
27th amendment on June 15, 2011.
28th amendment on June 19, 2012.
29th amendment on June 14, 2013.
30th amendment on June 11, 2015.
31st amendment on June 8, 2016.
32st amendment on June 13, 2018.
33st amendment on July 30, 2021.

PHIHONG TECHNOLOGY CO., LTD.

Rules and Procedures of Shareholders' Meeting

1. Unless relevant laws and regulations or the Company's Articles of Incorporation provide otherwise, the Company's Shareholders' Meeting (hereinafter referred to as the "Meeting") shall be conducted in accordance with the Rules and Procedures of Shareholders' Meetings.
2. The Company shall provide a sign-in book allowing attending Shareholders or their appointed proxies to sign in or require attending Shareholders to submit attendance cards in lieu of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the signing booklet or the attendance cards submitted by the shareholders.
3. Voting at the Meeting shall be based on the number of Shares.
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock local time in the afternoon.
5. The Chairman of the Board of Directors shall be the chairperson presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman shall preside at the Meeting; if there is no Vice Chairman or the Vice Chairman is also absent or, for any reason, is unable to exercise his/her authority, the Chairman shall designate the Executive Directors to act on his/her behalf; if there is no Executive Director, one of the Directors shall be designated to act on his/her behalf; if the Chairman did not assign any proxy, the Executive Director or the Directors shall elect one person to act on his/her behalf.
6. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.
8. The chairperson shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairperson may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shareholders present does not constitute the quorum, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed pursuant to Article 175 (1) of the Company Act.

Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairperson may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with Article 174 of the Company Act.

9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairperson cannot announce adjournment of the Meeting before all the discussion items (including extraordinary motions) listed in the agenda are resolved. The shareholders cannot designate any other person as chairperson and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the chairperson adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairperson to continue the Meeting.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairperson.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairperson shall stop such interruption.

11. Unless otherwise permitted by the chairperson, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairperson may stop the speech of such shareholder.

When a proxy attends the Meeting on behalf of a corporate shareholder, the said corporate may only assign one representative for attendance. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairperson may respond himself/herself or appoint an appropriate person to respond.

12. The chairperson may announce to end the discussion of any resolution and go into voting if the chairperson deems it appropriate for voting.

The chairperson shall appoint person(s) to monitor the voting process and person(s) to count the ballots; and the person(s) appointed to monitor the voting process should be a shareholder. The result of voting shall be announced at the meeting and placed on record.

13. Except otherwise specified in relevant laws or in the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. Resolutions shall be deemed adopted if no objection is voiced by any of the attending shareholders after solicitation by the chairperson.

14. During the Meeting, the chairperson may, at his discretion, set time for intermission.

15. If there is amendment to or substitute for a discussion item, the chairperson shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

The chairperson may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

16. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

PHIHONG TECHNOLOGY CO., LTD.

Status of the Number of Shares Held by Directors

As of the book closure date of the shareholders' meeting (November 17, 2021), the Company has issued a total of 337,688,416 shares. The number of shares held by individual and all directors is listed in the table below:

Title	Name	Shareholding (shares)	Proportion to total number of shares issued (%)
Chairman	LIN, CHUNG-MING	51,703,063	15.31%
Director	Kuan Feng Investment Ltd. Representative: LIN, YANG-HUNG	3,034,905	0.90%
Director	LIN, FEI-HUNG	3,376,000	1.00%
Director	WANG, CHIA-KOUN	0	0.00%
Director	CHOU, DAH-JEN	0	0.00%
Director	CHIANG, WEI-FENG	0	0.00%
Director	CHOU, MING-CHIH	0	0.00%
Independent Director	HUNG, YU-YUAN	0	0.00%
Independent Director	LIN, KUEI-HUNG	20,578	0.01%
Independent Director	CHANG, HSIEN-TA	0	0.00%
Total number of directors		58,134,546	17.22%

Note 1: The number of authorized shares held by all directors is 13,507,536 shares. The number of shares held as of the book closure date of the shareholders' meeting was 58,113,968 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.