

Stock Code: 4915



PRIMAX ELECTRONICS LTD.

Handbook for the 2024 Annual General Meeting of Shareholders (Translation)

Time : May 24, 2024

Venue : 4F., No. 2, Xuzhou Road, Zhongzheng District , Taipei City
(NTUH International Convention Center)

Table of Contents

	Page
I.Meeting Procedure	1
II. Meeting Agenda	2
1. Report	3
2. Adoption	3
3. Discussion.....	4
4. Election	7
5. Other Matters	7
6. Extempore Motion	8
III. Schedule	
1. 2023 Business Report	9
2. 2023 Audit Committee's Review Report	11
3. Comparison of Amendments to the " Procedures for Ethical Management and Guidelines for Conduct "	12
4. 2023 CPA Audit Report and Annual Parent Company Only and Consolidated Financial Statements	14
5. Earnings Distribution Proposal.....	30
6. List of Director Candidates.....	31
7. Proposal of removal of the non-competition restrictions on the newly elected directors	35
IV. Appendix	
1. Regulations of Shareholders' Meeting Proceedings	36
2. Articles of Incorporation.....	39
3. Procedures for Ethical Management and Guidelines for Conduct	44
4. Rules for Election of Directors	52
5. Shareholding of Directors.....	54

PRIMAX ELECTRONICS LTD.

Procedure for the 2024 Annual General Meeting of Shareholders

1. Meeting called to order
2. Chairperson Remark
3. Report
4. Adoption
5. Discussion
6. Election
7. Other Matters
8. Extempore Motion
9. Meeting Adjournment

PRIMAX ELECTRONICS LTD.
2024 Annual General Shareholders' Meeting Agenda

Time : May 24, 2024 (Friday) 9 AM

Meeting type : physical shareholders' meeting

Venue : 4F., No. 2, Xuzhou Road, Zhongzheng District, Taipei City
(NTUH International Convention Center)

- 1、Meeting called to order (declare the number of shares represented by shareholders present at the meeting)
- 2、Chairperson Remark
- 3、Report
 - I. The Company's 2023 Business Report.
 - II. Audit Committee's Review Report on the 2023 Financial Statements.
 - III. Distribution of employees' and directors' compensation in 2023.
 - IV. Amend the Company's " Procedures for Ethical Management and Guidelines for Conduct ".
- 4、Adoption
 - I. The Company's 2023 business report and financial statements.
 - II. The Company's 2023 distribution of earnings.
- 5、Discussion
 - I. Proposed Issuance of Restricted Employee Stock Awards.
- 6、Election
 - I. Election of all directors.
- 7、Other Matters
 - I. Removal of the non-compete restrictions on the newly elected directors.
- 8、Extempore Motion
- 9、Meeting Adjournment

Report

Report No. 1 : The Company's 2023 Business Report for review.

Description:

Refer to Schedule 1 of the Handbook (from page 9 to page 10) for the 2023 Business Report.

Report No. 2 : Audit Committee's Review Report on the 2023 Financial Statements for review.

Description:

Refer to Schedule 2 of the Handbook (page 11) for the Audit Committee's Review Report.

Report No. 3 : Distribution of employees' and directors' compensation in 2023.

Description:

- (1) The Board of Directors resolved to distribute NT\$89,330,000 for employees' compensation and NT\$44,665,000 for directors' compensation for year 2023.
- (2) According to Article 25 of the Company's "Articles of Incorporation", 2% to 10% of the profit before tax (PBT) (i.e. before deducting the sums of employees' compensation and directors' compensation) shall be distributed as compensation for employees and not more than 2% of the PBT shall be distributed as compensation for directors. The Company's PBT for year 2023 was NT\$2,834,200,930, the amount before deducting the sums of compensation of directors and employees was NT\$ 2,968,195,930. Hence, the aforementioned compensation of employees and directors are respectively 3.01% and 1.50% of the said NT\$ 2,968,195,930.
- (3) In the internal financial statements, the employees' compensation was recorded as NT\$89,330,000 and NT\$44,665,000 as directors' compensation for year 2023. There is no difference between the compensation and the outcomes of an accounting estimate.

Report No. 4 : Amendments to the Company's "Procedures for Ethical Management and Guidelines for Conduct".

Description:

It is proposed certain provisions of the Company's " Procedures for Ethical Management and Guidelines for Conduct ", please refer to Schedule 3, from page 12 to page 13.

Adoption

1. **(Proposed by the Board)**

Proposal : Adoption of the Company's 2023 Business Report and Financial Statements.

Description:

The Company has completed the internal preparation of the 2023 Annual Parent Company Only and Consolidated Financial Statements and has provided the reports to SHYH-GANG HORNG CPA and HUNG-WEN FU CPA of KPMG Taiwan for review and audit. The CPAs have completed the audit. Please refer to Schedule 1, from page 9 to page 10, and Schedule 4, from page 14 to page 29, of the Handbook for the above Financial Statements as well as the Business Report.

Resolution:

2.

Proposal : Adoption of the Company's 2023 distribution of earnings.

Description:

- (1) The Company's net profit of 2023 is NT\$2,485,288,205, minus this year's remeasurement of defined benefit obligation NT\$2,428,265, minus legal reserve provision NT\$248,285,994, minus special reserve NT\$262,037,657, plus unappropriated retained earnings, beginning of year NT\$5,828,329,559. The retained earnings available for distribution as of December 31,

2023, are NT\$7,800,865,848. The 2023 distribution of earnings prepared according to the Articles of Incorporation, please refer to Schedule 5, page 30.

- (2) For this distribution of profits, the 2023 earnings will be subject to distribution on a priority basis.
- (3) The cash dividends total NT\$1,851,727,296 and the per share dividends to be distributed are NT\$4. The dividends will be distributed to the shareholders listed in the shareholders' roster on the ex-dividend date according to their respective shareholding. The above distribution ratio is calculated based on the total 462,931,824 outstanding shares as of Feb. 7, 2024. After the proposal is approved at the regular shareholders' meeting, it is proposed the board of directors shall be authorized to determine the ex-dividend date and relevant matters.
- (4) For the distribution of earnings, in the event of satisfaction of the vesting conditions on restrictive stock awards, buyback of the Company's shares, assignment or cancellation of treasury stock which influences the ratio of distributable dividends, it is proposed the shareholders' meeting shall authorize the Board of Directors to make proportionate adjustments to the ratio of distributable dividends based on the number of outstanding shares on the ex-dividend date.

Resolution:

Discussion

1. **(Proposed by the Board)**
Proposal : Resolution of issue of Restricted Employee Stock Award.

Description:

- (1) In accordance with Article 267 of the Company Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers published by the Financial Supervisory Commission.

(2) Expected total amounts(shares) of issuance:4,350,000 shares.

(3) Expected issue price: NT\$0 per share.

- (4) Vesting conditions:

- I. Vesting conditions:

Divided into four categories: A, B, C and D and the vesting of each is based on achieving performance goals.

- (I)Vesting for Category A:

- i. Each award of Restricted Stock shall vest at a rate of 30% at the end of the first twelve months of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
 - ii. Each award of Restricted Stock shall vest at a rate of 30% at the end of two years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
 - iii. Each award of Restricted Stock shall vest at a rate of 40% at the end of three years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.

- (II)Vesting for Category B:

- i. Each award of Restricted Stock shall vest at a rate of 50% at the end of the first twelve months of continuous employment in Company or any companies which

have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.

- ii. Each award of Restricted Stock shall vest at a rate of 50% at the end of two years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.

(III) Vesting for Category C:

Each award of Restricted Stock shall vest at a rate of 100% at the end of the first twelve months of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.

(IV) Vesting for Category D:

- i. Each award of Restricted Stock shall vest at a rate of 15% at the end of the first twelve months of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
- ii. Each award of Restricted Stock shall vest at a rate of 15% at the end of two years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
- iii. Each award of Restricted Stock shall vest at a rate of 20% at the end of three years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
- iv. Each award of Restricted Stock shall vest at a rate of 20% at the end of four years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.
- v. Each award of Restricted Stock shall vest at a rate of 30% at the end of five years of continuous employment in Company or any companies which have a controlling or subordinate relation with the Company after granting the award and achievement of personal performance goals and business performance goals in the previous year.

(V) The aforementioned personal performance goals shall mean the accomplishment of individual performance goals in accordance with the Company's "Performance Review and Development Measures", of the company which the employees work for, including pre-set goals and special contributions. The rating of Year-end performance review should be 3 and above.

(VI) The aforementioned "business performance goals" is calculated based on the achievement status of the following indicators of the company in the previous fiscal year before the designated dates of each stage of restricted employee stock. The calculation result is rounded down to the nearest whole share, with any fractional shares being disregarded unconditionally.

	Threshold	Target	the weighting	The vested shares proportion
ROE	12.5%	13.0%	50%	<ul style="list-style-type: none"> ▪ Below Threshold: 0% shares ▪ Equal Threshold: 50% shares ▪ Equal and Over Target: 100% shares ▪ If the achieved result falls between the threshold value and the target value, interpolation is used for calculation.
EPS	4.0	4.2	50%	

- II. The type of shares: new common shares of the Company.
 - III. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: In circumstance where the Restricted Stock was not vested due to failure to meet vesting conditions, such shares will be taken back by the Company without charge and will be written off.
- (5) Qualification criteria for employees:
- I. Employees who will be eligible to receive RSA are limited to full-time employees who have registered with the Company or any companies, which have a controlling or subordinate relation with the Company (The companies which have a controlling or subordinate relationship with the Company shall be in line with the definition specified in Article 369-2, Article 369-3, Article 369-9, Paragraph 2, and Article 369-11 of the Company Act); and will be limited to the ones who are important to the Company's future success and development whose individual performance are valuable to the Company; or those who are considered as the valuable new-hires. Employee who has hold over 10% shares of the company should be excluded.
 - II. The actual number of shares to be granted will take into account the rank of the employee, performance, overall contribution and other factors, as well as the Company's operational requirements and business development strategy. Prior approval of the Remuneration Committee shall be obtained for those who are employed as managers or directors. Employees who are not directors or managers should first obtain the approval of the Audit Committee. The details of the qualified employees and number of shares will be refer to the Company's "The standard of the employees and number of shares for restricted employee stock award."
 - III. The total number of shares each individual employee may acquire by exercising the RSAs, plus the total number of employee stock warrants issued by the Company in accordance with Article 56-1 (1) of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall not exceed 0.3% of the total number of issued shares. In addition, the number of shares each individual employee may acquire through the exercise of employee stock warrants issued by the Company in accordance with Article 56-1 (1) of the said Regulations shall not exceed 1% of the total number of issued shares.
- (6) The necessary reason of the current issuance of RSA:
For attracting and retaining outstanding professionals, in order to create long-term Company growth and benefits for employees and shareholders.
- (7) Calculated expense amount:
Estimations are made based on NT\$65.7, the average share price during the period of 60 trading days before Jan. 12, 2024, the amount of annual cost sharing for year 2024, 2025, 2026, and 2027 shall be NT\$ 60,681,25, NT\$ 135,506,250 , NT\$ 65,371,500 , and NT\$ 24,236,000 respectively, with a total amount of NT\$285,795,000.
- (8) Dilution of the Company's earnings per share (EPS) and other matters affecting shareholder's equity:
Estimations are made based on NT\$65.7, the average share price during the period of 60 trading days before Jan. 12, 2024, the diluted EPS for year 2024, 2025, 2026, and 2027 shall be NT\$0.13, NT\$0.29, NT\$0.14, and NT\$0.05 respectively. No significant impact on shareholder's equity.
- (9) Restrictions before employees meet the vesting conditions once the RSA are vested:
Restrictions, covenants, or outstanding issues in relation to the establishment of this Plan shall be dealt in accordance with the relevant laws and the Company's Procedures.
- (10) Other important terms and conditions (including stock trust custody, etc.):
The new shares issued by the Company through the exercise of Restricted Stock shall be dealt in accordance with measures for stock trust.

(11) Any other matters that need to be specified:

I. For the long-term retention purpose, the Award shall be issued mainly for Category A and D, Award for Category B and C will be issued subject to the commitment of Remuneration Committee, and for the below purpose:

(I) For employment of major talents.

(II) For the urgent cases (Retain for main technical talents, main manufacturing process talents and high operational impact managers).

The average number of Restricted Employee Stock Award issued for Category A in recent years (Y2021 to Y2023) are 99% of the total number of Restricted Employee Stock Award; Category C is 1%. Category B and D is 0%.

II. In circumstance where amendments to the conditions for issuance of Restricted Stock are required by instructions from the competent authorities, the amended of relevant laws and rules, or in response to financial market conditions, the Chairman of the Company is authorized to amend these provisions, which shall become effective upon approval by the Board of Directors.

III. Based on the total number of issued shares (462,973,824 shares) as of Jan.12, 2024, the 4,350,000 new shares to be issued will account for 0.97% of the total number of issued shares.

Resolution:

Election

1.

(Proposed by the Board)

Proposal : Election of all directors.

Description:

(1) As the term of the incumbent directors of the Company will expire on July 12, 2024, it is proposed new directors shall be elected at the 2024 regular shareholders' meeting.

(2) According to the Articles of Incorporation, the Board shall consist of five to nine directors. Nine directors will be elected (including five independent directors). The new elected directors shall have a term from May 24, 2024, to May 23, 2027.

(3) According to the Articles of Incorporation 16, the candidate nomination system shall be adopted for the election of directors (including independent director), please refer to Schedule 6, from page 31 to page 34, of the Handbook for the list of the director candidates and their academic background, and work experiences.

(4) The election shall be conducted according to the Company's "Rules for Election of Directors".

Voting Results:

Other Matters

1.

(Proposed by the Board)

Proposal : Removal of the non-compete restrictions on the newly elected directors.

Description:

(1) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

(2) To draw on the expertise and relevant experience of the Company's directors to the benefit of the Company, as certain directors concurrently work for other companies, which may constitute the act restricted under Article 209 of the Company Act, it is proposed for resolution to remove the non-compete restrictions on the company's newly elected directors. Please refer to Schedule 7, page 35, of the Handbook for the details.

Resolution:

Extempore Motion

Meeting Adjournment

Business Report

The recovery of the global economy remained fragile in 2023. Although the interest rate hike cycle of major central banks neared its end, inflationary pressure continued to exist under the expectation that high interest rates in the US and Europe will persist for a period of time, which continued to suppress demand. At the same time, China's post-epidemic recovery was not as expected, and the industry continued to adjust inventory and decentralize manufacturing, leading to a challenging operating environment for the electronics manufacturing industry.

For Primax Electronics (“PRIMAX” or “the Company”), 2023 has been an important year for the Company’s steady transformation. Starting from our core Three-Senses-In-One product development, we have continually expanded strategic planning and investment for new businesses and technologies, optimizing product portfolios to expand into automotive electronics, surveillance and security, conference products, professional audio, smart home solutions and building automation. PRIMAX has also actively invested into edge computing and AI-related AIoT Product development.

With market demand not meeting expectations, PRIMAX has performed strict controls on costs, expenses, and capital expenditure in 2023, allowing our cash on hand to rapidly return to pre-pandemic levels. Thanks to excellent business administration and resilience, PRIMAX has reached new historic highs for its gross profit margin, operating income, and after-tax net-income margin in 2023. The Group’s overall cash flow has also grown exponentially, providing a strong backing for future transformation strategies.

In regards to ESG, PRIMAX continues to examine and improve its ESG operational efficiency through adhering to domestic and global sustainability indexes. In 2023, PRIMAX was honored in the S&P Global Sustainability Yearbook 2024 for the first time, receiving the "Industry Mover" recognition. In the CDP Climate Change Questionnaire run by the authoritative environmental non-profit organization CDP, PRIMAX was recognized as a “Leadership Level A” enterprise, standing out among 21,000 participating businesses. This shows the PRIMAX’s positive actions on global climate change issues and its leading performance in information disclosure transparency.

The following is an overview of the Company's 2023 performance.

I. 2023 business operation performance

(I) Overview of financial results in 2023

The Company generated worldwide consolidated net revenues of NT\$60,488,402 thousand in 2023, representing a 23.7% decrease over the NT\$79,240,765 thousand in 2022. Consolidated net income totaled NT\$2,633,489 thousand in 2023, representing a 8.2% decrease compared to the NT\$2,868,961 thousand in 2022.

(II) Cash flow analysis

Unit : NT\$ thousand

Item	2023	2022	Net Change
Net cash inflow (outflow) from operating activities	7,727,513	6,196,660	1,530,853
Net cash inflow (outflow) from investing activities	(1,435,450)	(536,239)	(899,211)
Net cash inflow (outflow) from financing activities	(1,496,505)	(4,532,764)	3,036,259

(III) Profitability Analysis

Item	2023	2022
Return on shareholders' equity (%)	14.09	16.52
Ratio of operating profit to paid-in capital (%)	59.25	72.98
Ratio of income before tax to paid-in capital (%)	70.55	79.19
Net profit margin (%)	4.35	3.62
Earnings per share (NT\$)	5.50	6.10

(IV) Research and development

To further maintain its technological lead and enhance competitiveness, the Company invested NT\$3,089,186 thousand in R&D in 2023 for the development of new technologies and products, while resources were also allocated for automation to upgrade and improve the production process.

II. 2024 business plans and business development strategies

PRIMAX continues to implement transformation of the Group, gaining entry to new businesses and technologies, and moving towards niche and high value-added products. Through the integration of audio, visual and interface technologies, PRIMAX is able to create key new technologies and products that can earn steady profits. The Company's commitment to system integration capabilities will provide comprehensive solutions for clients.

For visual technology, the proportion of new applications for automotive/industrial AIoT products is steadily increasing. PRIMAX is deeply committed to developing Smart AI security monitoring, ADAS, AIoT (B2B) visual products, and AR/VR/MR solutions. For audio, TYMPHANY will continue its focus on professional audio and high-end consumer solutions, accelerating the progress on bringing new AVAS products into the car audio market. Integrating group resources, TYMPHANY will enter the video conference product market and increase emphasis on high-end audio products to optimize audio product portfolios, preparing for the next stage of growth in the audio business. For its interface business, PRIMAX will focus on smart home related products such as door locks, door bells, surveillance and security systems. For the information product business groups, developing smart interface products will increase value-added and profit for current products.

In regard to global operations, manufacturing and output volume from the Thailand and Czech Republic production bases have seen steady growth. Meanwhile, construction of the Taiwan Innovation Center in Zhubei continues and will host advanced laboratories, the incubation center, and the new product manufacturing plant.

PRIMAX highly values corporate sustainability and has created a blueprint to achieve strategic sustainability goals, establishing short-term, mid-term, and long-term action plans. By joining RE100 and committing to achieving 100% renewable energy for all global operations before 2040, PRIMAX is dedicated to annual energy saving and carbon reduction programs in active pursuit of reaching its net zero target by 2050. With definitive sustainability goals set at the Group level, PRIMAX will also actively participate in charities and support for underprivileged in remote areas. Attention will be directed to employee welfare and corporate governance, in support of the Company goal as a best employer, preemptively preparing for climate change and playing its part for environmental sustainability.

Chairman and President Jia-Bin Duh

Head of Accounting Shu-Chuan Chang

Audit Committee's Review Report

To: Shareholders' Meeting of Primax Electronics Ltd.

Among the Company's 2023 Business Report, Financial Statements and Proposal for Distribution of Earnings prepared and submitted by the Board of Directors, the Financial Statements have been fully audited by KPMG Taiwan which has issued the audit report.

The Audit committee members have audited the above Business Report, Financial Statements and Proposal for Distribution of Earnings and determined they are in compliance with the Company Act and other applicable laws and regulations and therefore issue this report pursuant to the provisions of Article 219 of the Company Act. I hereby submit this report.

Chairman of the Audit Committee: Chun-Pang Wu

Date: February 26, 2024

Comparison of Amendments to the
Procedures for Ethical Management and Guidelines for Conduct

Amended Content	Current Content	Reason for Amendment and Explanation
<p><u>Article 25</u> (Safety and Health in the Workplace)</p> <p><u>Our company places a strong emphasis on the safety and health of our employees. Employees must adhere to safety and health laws and regulations at their workplace while performing their duties. When working at client or supplier locations or any other places, it is essential to comply with the safety and health regulations of clients or other parties involved. When clients, suppliers, partners, contractors, or third parties visit the company's premises, it is necessary to inform them of applicable safety and health requirements.</u></p> <p><u>If any of the following situations are discovered or suspected, it is imperative to report them to immediate supervisors or safety and health management personnel:</u></p> <ol style="list-style-type: none"> <u>1. Being required to perform unsafe work.</u> <u>2. Being required to perform work that has not received relevant training and may be hazardous to oneself or others.</u> <u>3. Observing others engaging in unsafe work.</u> <u>4. Unsafe conditions related to machinery, equipment, or the work environment.</u> <u>5. Instances of injury, illness, or emergencies in the workplace, including false alarms.</u> <u>6. Any other safety and health issues.</u> 	(None)	In line with the "Employee Code of Conduct", the eighth new provision is added.
<p><u>Article 26</u> (Prohibition of Discrimination and Harassment)</p> <p><u>Our company is committed to establishing a diverse, inclusive, friendly, harmonious, and inclusive work environment. All forms of discrimination and harassment are strictly prohibited. We adhere to relevant laws and adopt a zero-tolerance policy to ensure that employees are treated with respect, fairness, and equality in the workplace and are protected from discrimination or harassment. As such, employees are not allowed to engage in any form of sexual harassment or other forms of violence, threats, intimidation, or unlawful behavior. They must not use their positions to engage in</u></p>	(None)	In line with the "Employee Code of Conduct", the ninth new provision is added.

Amended Content	Current Content	Reason for Amendment and Explanation
<p><u>inappropriate relationships with clients, suppliers, partners, or other group members or to engage in harassment, discrimination, theft, intimidation, coercion, or other inappropriate behavior.</u></p> <p><u>1. Prohibition of Discrimination: Discriminatory treatment or unequal treatment based on, but not limited to, nationality, race, age, gender, sexual orientation, gender identity, religious beliefs, political preferences, language, place of origin, birthplace, appearance, skin color, facial features, physical or mental disabilities, medical history, pregnancy, astrological signs, blood type, or any other criteria, during employee recruitment, promotion, or treatment, is strictly prohibited. Our company adopts a zero-tolerance stance against any form of discrimination.</u></p> <p><u>2. Prohibition of Harassment: Harassment includes, but is not limited to, acts related to sex or gender, other than sexual assault crimes, perpetrated against someone against their will, where submission to or refusal of such conduct is used as a condition for their employment, education, training, service, program, activity, or benefits related to work. It can also involve the display or broadcasting of text, images, sound, video, or other materials, as well as discriminatory or insulting words or actions, or any other actions that harm a person's dignity, create an atmosphere of fear or hostility, or improperly affect their work, education, training, service, program, activity, or normal life.</u></p>		
<p><u>Article 27</u> (Enforcement) …(Skip) Date : 2012.3.20 (Enacted) Date : 2015.7.7 (Amended) Date : 2019.8.14 (Amended) Date : 2020.4.8 (Amended) <u>Date : 2023.8.3 (Amended)</u></p>	<p>Article 25 (Enforcement) …(Skip) Date : 2012.3.20 (Enacted) Date : 2015.7.7 (Amended) Date : 2019.8.14 (Amended) Date : 2020.4.8 (Amended)</p>	<p>Up date the amended article and date.</p>

Independent Auditors' Report

To the board of directors of PRIMAX ELECTRONICS LTD.:

Opinion

We have audited the parent company only financial statements of PRIMAX ELECTRONICS LTD.(“the Company”), which comprise the balance sheet as of December 31, 2023, and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of PRIMAX ELECTRONICS LTD. as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of PRIMAX ELECTRONICS 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 requirement. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain investments accounted for using equity method. Those financial statements were audited by another auditor, and our opinion, insofar as it relates to the amounts included for those investments, is based solely on the report of another auditor. The Company' s investment in these companies both constituting 14% of the total assets, as of December 31, 2023 and 2022. The related share of profit of subsidiaries and associates accounted for using the equity method amounted constituting 23% and 17% of the profit after tax, for the years ended December 31, 2023 and 2022, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of PRIMAX ELECTRONICS LTD. only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

1. Evaluation of inventories

Please refer to note 4(g) “Inventories” , note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty” , and note 6(e) “Inventories” of the financial statements.

Description of key audit matter:

Inventories of PRIMAX ELECTRONICS LTD. are measured at the lower of cost and net realizable value. Due to the fast high-tech revolution, as well as the advancement of production technologies that may lead the dramatic change in customers’ demand, the net realizable value of inventories requires subjective judgments of the management, which is the major source of estimation uncertainty. Therefore, the evaluation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the policies of evaluating the inventories of PRIMAX ELECTRONICS LTD.; inspecting whether existing inventory policies are applied; examining the accuracy of the aging of inventories by sampling and analyzing the changes of the aging of inventories; inspecting the reasonableness of the allowance provided for inventory valuation in the past and comparing it to the current year to ensure that the measurements and assumptions are appropriate.

2. Investments accounted for using equity method

Please refer to note 4(h) “Investments in subsidiaries” , and note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty” of the financial statements.

Description of key audit matter:

Based on the scope and nature of their businesses of PRIMAX ELECTRONICS LTD.’ s subsidiaries accounted for using equity method, the net realizable value of inventories in certain subsidiaries required the managements to make subjective judgments, which is the major source of estimation uncertainty and may influence the outcome of their operations. Therefore, the valuation of inventories of the subsidiaries accounted for using equity method is one of the key audit matters for our audit.

In 2014, PRIMAX ELECTRONICS LTD. acquired Tymphany Worldwide Enterprises Ltd. through its subsidiary, Diamond (Cayman) Holdings Ltd., the transaction resulted in the Company to recognize its goodwill, technologies, and customer relations, as intangible assets. The rapid industrial transformation and the assessment of impairment contained estimation uncertainty. Therefore, the assessment of impairment of intangible assets is one of the key audit matters for our audit.

How the matter was addressed in our audit:

For the principal audit procedures on the valuation of inventories of the investments accounted for using equity method, please refer to key audit matters 1. “Evaluation of inventories” . In addition, the consolidated financial statements of Tymphany Worldwide Enterprises Ltd. and its subsidiaries were audited by other auditors; therefore, we issued audit instructions to their auditors as guidelines to communicate the key audit matters with them and obtained the feedbacks required in the audit instructions.

The principal audit procedures on the assessment of recoverable amount of the investments accounted for using equity method included: evaluating the identification of cash generating units and any indication of impairment made by management; acquiring impairment assessment reports from external expert engaged by the Company; reviewing the impairment assessment reports and assessing the reasonability of measurements, parameters, and assumptions; evaluating the operation outcomes and comparing them to the past forecasts; making sensitivity analysis for evaluation of impairment losses and evaluating the completeness of disclosure in the financial reports.

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

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

In preparing the parent company only financial statements, management is responsible for assessing PRIMAX ELECTRONICS LTD.' 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 PRIMAX ELECTRONICS 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 PRIMAX ELECTRONICS LTD.' s financial reporting process.

Auditor' s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 Company' 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 PRIMAX ELECTRONICS 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 auditor' s report to the related disclosures in the parent company only 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 auditor' s report. However, future events or conditions may cause PRIMAX ELECTRONICS LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 the investments in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion of PRIMAX ELECTRONICS LTD.

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 PRIMAX ELECTRONICS LTD. only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor' s 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 SHYH-GANG HORNG and HUNG-WEN FU.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2024

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 5,478,685	14	2,961,693	8
1110 Current financial assets at fair value through profit or loss (note 6(b))	358,835	1	367,032	1
1170 Accounts receivable, net (notes 6(d) and (s))	4,142,696	11	4,830,467	14
1180 Accounts receivable from related parties, net (notes 6(d), (s) and 7)	3,169,112	8	2,980,766	9
1200 Other receivables (note 7)	150,306	-	90,840	-
1310 Inventories (note 6(c))	2,701,623	7	2,772,215	8
1470 Other current assets	148,022	-	101,964	-
	<u>16,149,279</u>	<u>41</u>	<u>14,104,977</u>	<u>40</u>
Non-current assets:				
1511 Non-current financial assets at fair value through profit or loss (note 6(b))	12,048	-	2,662	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	290,285	1	288,671	1
1550 Investments accounted for using equity method, net (note 6(f))	19,000,624	49	17,830,483	50
1600 Property, plant and equipment (notes 6(g) and 8)	1,567,007	4	983,581	3
1755 Right-of-use assets (note 6(h))	1,111,300	3	1,139,985	3
1760 Investment property (note 6(i))	230,228	1	233,788	1
1780 Intangible assets (note 6(j))	1,543	-	3,598	-
1840 Deferred tax assets (note 6(o))	562,802	1	580,948	2
1990 Other non-current assets	<u>134,020</u>	<u>-</u>	<u>139,261</u>	<u>-</u>
	<u>22,909,857</u>	<u>59</u>	<u>21,202,977</u>	<u>60</u>
Total assets	\$ 39,059,136	100	35,307,954	100
Liabilities and Equity				
Current liabilities:				
Notes and accounts payable	500,695	1	301,600	1
Accounts payable to related parties (note 7)	11,072,478	28	9,050,436	26
Current financial liabilities at fair value through profit or loss (note 6(b))	989,080	2	1,013,985	3
Other payables (note 7)	2,276,135	6	2,258,638	7
Salaries payable	307,335	1	493,350	1
Current lease liabilities (note 6(l))	92,448	-	72,294	-
Other current liabilities (note 6(s))	1,036,790	3	727,384	2
Long-term borrowings, current portion (notes 6(k) and 8)	16,667	-	-	-
Current refund liabilities	2,193,824	6	1,851,815	5
	<u>18,485,452</u>	<u>47</u>	<u>15,769,502</u>	<u>45</u>
Non-Current liabilities:				
Long-term borrowings (notes 6(k) and 8)	691,312	2	464,000	1
Non-current lease liabilities (note 6(l))	1,090,896	3	1,121,079	3
Long-term deferred revenue (note 6(g))	488,088	1	586,567	2
Other non-current liabilities (notes 6(n) and (o))	1,289,879	3	1,019,712	3
	<u>3,560,175</u>	<u>9</u>	<u>3,191,358</u>	<u>9</u>
Total liabilities	<u>22,045,627</u>	<u>56</u>	<u>18,960,860</u>	<u>54</u>
Ordinary shares (note 6(p))	4,629,738	12	4,582,893	13
Capital surplus (notes 6 (f) and (p))	2,359,753	6	2,129,908	6
Legal reserve (note 6(p))	2,274,414	6	1,999,217	6
Special reserve (note 6(p))	754,918	2	1,217,130	3
Unappropriated retained earnings (note 6(p))	8,311,190	21	7,433,108	21
Other equity interest	(1,316,504)	(3)	(1,015,162)	(3)
	<u>17,013,509</u>	<u>44</u>	<u>16,347,094</u>	<u>46</u>
Total equity	\$ 39,059,136	100	35,307,954	100
Total liabilities and equity	\$ 39,059,136	100	35,307,954	100

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PRIMAX ELECTRONICS LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(s) and 7)	\$ 33,459,786	100	42,694,520	100
5000 Operating costs (notes 6(e), (l), (n), (t), 7 and 12)	29,969,051	90	38,065,836	89
Gross profit from operations	3,490,735	10	4,628,684	11
Operating expenses (notes 6(d), (j), (l), (n), (q), (t), 7 and 12):				
6100 Selling expenses	611,924	2	698,879	2
6200 Administrative expenses	598,281	1	586,822	2
6300 Research and development expenses	1,273,722	4	1,411,652	3
6450 Expected credit loss (gain on reversal)	(54,245)	-	52,213	-
Total operating expenses	2,429,682	7	2,749,566	7
Net operating income	1,061,053	3	1,879,118	4
Non-operating income and expenses:				
7100 Interest income	127,308	-	11,347	-
7010 Other income (notes 6 (c), (m), (u) and 7)	13,293	-	20,344	-
7020 Other gains and losses (notes 6(v) and 12)	334,166	1	200,516	-
7070 Share of profit of subsidiaries and associates accounted for using equity method	1,335,440	4	1,118,831	3
7050 Finance costs (notes 6(l) and (n))	(37,059)	-	(64,321)	-
Total non-operating income and expenses	1,773,148	5	1,286,717	3
Profit before income tax	2,834,201	8	3,165,835	7
7950 Less: Income tax expenses (note 6(o))	348,912	1	423,226	1
Profit	2,485,289	7	2,742,609	6
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Losses (gains) on remeasurements of defined benefit plans (note 6(n))	(2,428)	-	6,971	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(25,805)	-	22,345	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(47,605)	-	(10,371)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	—	—	—	—
	(75,838)	-	18,945	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(188,627)	-	452,637	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	—	—	—	—
	(188,627)	-	452,637	1
8300 Other comprehensive income	(264,465)	-	471,582	1
Comprehensive income (after tax)	\$ 2,220,824	7	3,214,191	7
Earnings per share (note 6(r))				
9710 Basic earnings per share (NT dollars)	\$ 5.50		6.10	
9810 Diluted earnings per share (NT dollars)	\$ 5.42		6.02	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings			Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Other equity interest (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Special reserve	Unappropriated retained earnings					
Balance on January 1, 2022	4,552,633	1,758,780	1,769,946	1,046,360	6,492,401	2,742,609	(1,265,160)	48,029	(227,477)	14,175,512	
Profit	-	-	-	-	6,971	6,971	452,637	11,974	-	2,742,609	
Other comprehensive income	-	-	-	-	-	-	-	-	-	471,582	
Comprehensive income	-	-	-	-	-	-	-	-	-	471,582	
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	229,271	-	(229,271)	-	-	-	-	-	
Special reserve	-	-	-	170,770	(170,770)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,411,230)	-	-	-	-	(1,411,230)	
Changes in investment accounted for using equity method	-	-	-	-	2,741	-	-	(2,741)	-	183,738	
Amortization expense of restricted stock	-	183,738	-	-	-	-	-	-	-	184,883	
Cancellation of restricted stock	(5,290)	(21,683)	-	-	-	-	-	-	-	26,973	
Issuance of restricted stock	35,550	209,073	-	-	-	-	-	-	(244,623)	-	
Effect of the liquidation of equity instruments at a fair value through other comprehensive income	-	-	-	-	(343)	-	-	343	-	-	
Balance on December 31, 2022	4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	2,485,289	(812,523)	57,605	(260,244)	16,347,094	
Profit	-	-	-	-	2,485,289	2,485,289	-	-	-	2,485,289	
Other comprehensive income	-	-	-	-	(2,428)	(2,428)	(188,627)	(73,410)	-	(264,465)	
Comprehensive income	-	-	-	-	-	-	(188,627)	(73,410)	-	2,220,824	
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	-	
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	-	(1,791,794)	
Changes in investment accounted for using equity method	-	-	-	-	-	-	-	-	-	(12,835)	
Amortization expense of restricted stock	-	(12,835)	-	-	-	-	-	-	-	250,220	
Cancellation of restricted stock	(2,005)	(12,194)	-	-	-	-	-	-	-	14,199	
Issuance of restricted stock	48,850	254,874	-	-	-	-	-	-	(303,724)	-	
Balance on December 31, 2023	4,629,738	2,359,753	2,274,414	754,918	8,311,190	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,834,201	3,165,835
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	136,438	123,267
Amortization expense	19,396	28,739
Amortization of long-term deferred revenue	(172,655)	(199,573)
Expected credit loss (gain on reversal)	(54,245)	52,213
Interest expense	37,059	60,992
Net loss on financial assets or liabilities at fair value through profit or loss	631,606	646,954
Interest income	(127,308)	(11,347)
Dividend income	(690)	(8,337)
Compensation cost of share-based payment	181,902	123,795
Share of profit of subsidiaries and associates accounted for using equity method	(1,335,440)	(1,118,831)
Gain on disposal of property, plant and equipment	(1)	-
Gain on disposal of right-of-use assets	(2)	(5)
Amortization of unrealized revenue of patents disposed	(15,450)	(15,450)
Total adjustments to reconcile profit (loss)	<u>(699,390)</u>	<u>(317,583)</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	367,032	153,675
Accounts receivable, including related parties	553,670	(149,364)
Other receivable	(59,466)	61,512
Inventories	70,592	1,059,738
Other current assets	(46,058)	(34,715)
Other operating assets	21,914	(5,703)
Changes in operating assets	<u>907,684</u>	<u>1,085,143</u>
Financial liabilities at fair value through profit or loss	(1,013,985)	(602,978)
Notes and accounts payable, including related parties	2,221,137	(508,888)
Salaries payable	(186,015)	52,941
Other payables	(92,062)	592,809
Refund liabilities	342,009	238,852
Other current liabilities	309,406	147,391
Long-term deferred revenue	74,176	76,541
Other operating liabilities	168,761	235,254
Changes in operating liabilities	<u>1,823,427</u>	<u>231,922</u>
Total changes in operating assets and liabilities	<u>2,731,111</u>	<u>1,317,065</u>
Total adjustments	<u>2,031,721</u>	<u>999,482</u>
Cash inflow generated from operations	4,865,922	4,165,317
Interest received	127,308	11,347
Interest paid	(36,979)	(60,915)
Income taxes paid	(213,237)	(850,773)
Net cash flows from operating activities	<u>4,743,014</u>	<u>3,264,976</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(27,419)	(44,839)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	-	60
Proceeds from capital reduction of financial assets at fair value through profit and loss	(10,747)	(2,662)
Acquisition of investments accounted for using equity method	-	(277,000)
Acquisition of property, plant and equipment	(552,452)	(149,664)
Proceeds from disposal of property, plant and equipment	19	-
Acquisition of unamortized expense	(2,420)	(7,091)
Increase (decrease) in refundable deposits	(2,401)	1,099
Dividends received	690	8,337
Net cash flows used in investing activities	<u>(594,730)</u>	<u>(471,760)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	-	(332,000)
Increase in long-term borrowings	243,979	34,500
Increase in guarantee deposits received	-	100
Payment of lease liabilities	(83,477)	(68,544)
Cash dividends paid	(1,791,794)	(1,411,230)
Net cash flows used in financing activities	<u>(1,631,292)</u>	<u>(1,777,174)</u>
Net increase in cash and cash equivalents	2,516,992	1,016,042
Cash and cash equivalents at beginning of period	2,961,693	1,945,651
Cash and cash equivalents at end of period	<u>\$ 5,478,685</u>	<u>2,961,693</u>

Independent Auditors' Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

Opinion

We have audited the consolidated financial statements of PRIMAX ELECTRONICS LTD. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PRIMAX ELECTRONICS LTD. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of PRIMAX ELECTRONICS LTD. and its subsidiaries 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 requirement. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain subsidiaries. Those financial statements were audited by another auditor. Therefore, our opinion, insofar as it relates to those subsidiaries, is based solely on the report of another auditor. As of December 31, 2023 and 2022, the assets of these subsidiaries constitute 31% and 35% of the consolidated total assets, respectively. For the years ended December 31, 2023 and 2022, the operating revenue of these subsidiaries constitute 37% and 40%, respectively, of the consolidated operating revenue.

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion with other matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the consolidated financial statements of the current period. 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. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

1. Evaluation of inventories

Please refer to note 4(h) "Inventories" , note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" , and note 6(g) "Inventories" of the consolidated financial statements.

Description of key audit matter:

Inventories of PRIMAX ELECTRONICS LTD. and its subsidiaries are measured at the lower of cost and net realizable value. Due to the fast high-tech revolution, as well as the advancement of production technologies that may lead dramatic change in customers' demand, the net realizable value of inventories requires subjective judgments of the management, which is the major source of estimation uncertainty. Therefore, evaluation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the policies of evaluating the inventories of PRIMAX ELECTRONICS LTD. and its subsidiaries; inspecting whether existing inventory policies are applied; examining the accuracy of the aging of inventories by sampling and analyzing the changes of the aging of inventories; inspecting the reasonableness of the allowance provided for inventory valuation in the past and comparing it to the current year to ensure that the measurements and assumptions are appropriate.

In addition, the consolidated financial statements of certain subsidiaries were audited by other auditor, therefore, we have issued audit instruction to their auditors as guidelines to communicate the above key audit matters with them and reviewed other auditor' s working papers, as well as obtained the feedbacks required in the audit instruction.

2. Impairment assessment of intangible assets

Please refer to note 4(n) "Impairment of non-financial assets" , note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" , and note 6(m) "Intangible assets" of the consolidated financial statements.

Description of key audit matter:

In 2014, PRIMAX ELECTRONICS LTD. acquired Tymphany Worldwide Enterprises Ltd. through its subsidiary, Diamond (Cayman) Holdings Ltd. The transaction metioned above resulted in PRIMAX ELECTRONICS LTD. and its subsidiaries to recognize its goodwill, technologies, and customer relations, as intangible assets. The rapid industrial transformation and the assessment of impairment contained estimation uncertainty. Therefore, the assessment of impairment of intangible assets is one of the key audit matters for our audit.

How the matter was addressed in our audit:

The principal audit procedures on the assessment of impairment of intangible assets included: evaluating the identification of cash generating units and any indication of impairment relating to intangible assets made by the management; acquiring impairment assessment report from external expert engaged by the Group; reviewing the impairment assessment report and assessing the reasonability of measurements, parameters, and assumptions; evaluating the operation outcomes and comparing them to the past forecasts; making sensitivity analysis for evaluation of impairment losses and evaluating the completeness of disclosure in the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed 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 PRIMAX ELECTRONICS LTD. and its subsidiaries 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 PRIMAX ELECTRONICS LTD. and its subsidiaries' financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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 PRIMAX ELECTRONICS LTD. and its subsidiaries' 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 PRIMAX ELECTRONICS LTD. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause PRIMAX ELECTRONICS LTD. and its subsidiaries 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 appropriate audit evidence regarding the financial information of the entities or business activities within PRIMAX ELECTRONICS LTD. and its subsidiaries 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Horng, Shyh-Gang and Fu, Hung-Wen.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(w) and 7)	\$ 60,488,402	100	79,240,765	100
5000	Operating costs (notes 6(g), (p), (r), (x) and 12)	50,907,102	84	68,256,490	86
	Gross profit from operation	9,581,300	16	10,984,275	14
	Operating expenses (notes 6(e), (f), (p), (r), (u), (x) and 12):				
6100	Selling expenses	1,710,326	3	1,868,828	3
6200	Administrative expenses	2,074,862	3	2,313,027	3
6300	Research and development expenses	3,089,186	5	3,366,095	4
6450	Expected credit loss (gain on reversal)	(36,057)	-	91,552	-
	Total operating expenses	6,838,317	11	7,639,502	10
	Net operating income	2,742,983	5	3,344,773	4
	Non-operating income and expenses:				
7100	Interest income	361,013	-	95,190	-
7010	Other income (notes 6(c), (q) and (y))	40,491	-	63,709	-
7020	Other gains and losses (notes 6(h), (j), (m), (z) and 12)	269,338	-	457,298	-
7060	Shares of loss of associates accounted for using equity method (note 6(h))	-	-	(42,489)	-
7050	Finance costs (note 6(p))	(147,453)	-	(289,517)	-
	Total non-operating income and expenses	523,389	-	284,191	-
	Profit before tax	3,266,372	5	3,628,964	4
7950	Less: Income tax expenses (note 6(s))	632,883	1	760,003	1
	Profit	2,633,489	4	2,868,961	3
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Losses (gains) on remeasurements of defined benefit plans (note 6(r))	(2,428)	-	6,971	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(87,755)	-	11,974	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	---	---	---	---
	Components of other comprehensive income that will not be reclassified to profit or loss	(90,183)	-	18,945	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operation's financial statements	(198,741)	-	522,322	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	---	---	---	---
	Components of other comprehensive income that will be reclassified to profit or loss	(198,741)	-	522,322	1
8300	Other comprehensive income after tax	(288,924)	-	541,267	1
	Comprehensive income	\$ 2,344,565	4	3,410,228	4
	Profit attributable to:				
8610	Owners of parent	\$ 2,485,289	4	2,742,609	3
8620	Non-controlling interests (note 6(i))	148,200	-	126,352	-
		\$ 2,633,489	4	2,868,961	3
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 2,220,824	4	3,214,191	4
8720	Non-controlling interests (note 6(i))	123,741	-	196,037	-
		\$ 2,344,565	4	3,410,228	4
	Earnings per share (note 6(v))				
9710	Basic earnings per share (NT dollars)	\$ 5.50		6.10	
9810	Diluted earnings per share (NT dollars)	\$ 5.42		6.02	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Total equity attributable to owners of parent	Non-control ling interests	Total equity
	Other equity interest												
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value	Through other comprehensive income	Uncearned employee compensation	Total equity attributable to owners of parent			
Balance at January 1, 2022	\$ 4,552,633	1,758,780	1,769,946	1,046,360	6,492,401	(1,265,160)	48,029	(227,477)	14,175,512	2,267,000	16,442,512	2,868,961	19,311,473
Profit	-	-	-	-	2,742,609	-	-	-	2,742,609	126,352	2,868,961	-	2,868,961
Other comprehensive income	-	-	-	-	6,971	452,637	11,974	-	471,582	69,685	541,267	-	541,267
Comprehensive income	-	-	-	-	2,749,580	452,637	11,974	-	3,214,191	196,037	3,410,228	-	3,410,228
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	229,271	-	(229,271)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	170,770	(170,770)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,411,230)	-	-	-	(1,411,230)	-	(1,411,230)	-	(1,411,230)
Changes in shares of investment accounted for using equity method	-	183,738	-	-	2,741	-	(2,741)	-	183,738	(516,546)	(332,808)	-	(332,808)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	184,883	184,883	-	184,883	-	184,883
Cancellation of restricted stock	(5,290)	(21,683)	-	-	-	-	-	26,973	-	-	-	-	-
Issuance of restricted stock	35,550	209,073	-	-	-	-	-	(244,623)	-	-	-	-	-
Effect of the liquidation of equity instruments at fair value through other comprehensive income	-	-	-	-	(343)	-	343	-	-	-	-	-	-
Balance at December 31, 2022	4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	16,347,094	1,946,491	18,293,585	148,200	18,441,785
Profit	-	-	-	-	2,485,289	-	-	-	2,485,289	148,200	2,633,489	-	2,633,489
Other comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(264,465)	(24,459)	(288,924)	-	(288,924)
Comprehensive income	-	-	-	-	2,482,861	(188,627)	(73,410)	-	2,220,824	123,741	2,344,565	-	2,344,565
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)	-	(1,791,794)	-	(1,791,794)
Changes in shares of investment accounted for using equity method	-	(12,835)	-	-	-	-	-	-	(12,835)	12,835	-	-	-
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	250,220	250,220	-	250,220	-	250,220
Cancellation of restricted stock	(2,005)	(12,194)	-	-	-	-	-	14,199	-	-	-	-	-
Issuance of restricted stock	48,850	254,874	-	-	-	-	-	(303,724)	-	-	-	-	-
Balance at December 31, 2023	4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	2,083,067	19,096,576	148,200	19,244,776

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,266,372	3,628,964
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,709,347	1,658,468
Amortization expense	204,035	228,854
Expected credit loss (gain on reversal)	(36,057)	91,552
Interest expense	147,453	284,692
Net losses on financial assets and liabilities at fair value through profit or loss	613,592	619,677
Interest income	(361,013)	(95,190)
Compensation cost of share-based payment	250,220	200,363
Dividend income	(690)	(10,744)
Impairment losses of intangible assets	-	29,198
Impairment losses of associates accounted for using equity method	-	157,740
Shares of loss of associates accounted for using equity method	-	42,489
Gain on disposal of property, plant and equipment	(42,630)	(3,510)
Impairment loss of property, plant and equipment	-	6,084
Gain on disposal of right-of-use assets	(21,491)	(17,338)
Loss on disposal of intangible assets	3,832	-
Total adjustments to reconcile profit	<u>2,466,598</u>	<u>3,192,335</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	397,484	156,238
Accounts receivable	3,449,280	(2,065,746)
Accounts receivable from related parties	(16,019)	75,693
Other receivables	(71,760)	367,422
Inventories	1,357,107	3,811,097
Other current assets	241,569	339,712
Other operating assets	21,913	(5,702)
Changes in operating assets	<u>5,379,574</u>	<u>2,678,714</u>
Financial liabilities at fair value through profit or loss	(1,016,661)	(603,054)
Notes and accounts payable	(1,903,404)	(3,654,734)
Salaries payable	(368,520)	196,700
Other payables	(556,765)	1,087,725
Refund liabilities	326,657	212,842
Other current liabilities	421,988	863,648
Other operating liabilities	(35,932)	(74,244)
Changes in operating liabilities	<u>(3,132,637)</u>	<u>(1,971,117)</u>
Total changes in operating assets and liabilities	<u>2,246,937</u>	<u>707,597</u>
Total adjustments	<u>4,713,535</u>	<u>3,899,932</u>
Cash inflow generated from operations	7,979,907	7,528,896
Interest received	361,013	95,190
Interest paid	(147,374)	(284,614)
Income taxes paid	(466,033)	(1,142,812)
Net cash flows from operating activities	<u>7,727,513</u>	<u>6,196,660</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(27,419)	(108,358)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	-	8,538
Decrease in financial assets measured at amortized cost	99,789	1,535,721
Acquisition of financial assets designated at fair value through profit or loss	(10,747)	(2,662)
Acquisition of property, plant and equipment	(1,571,521)	(1,931,157)
Proceeds from disposal of property, plant and equipment	84,657	27,574
Decrease (increase) in refundable deposits	8,069	(47,388)
Acquisition of unamortized expense	(19,279)	(33,665)
Proceeds from disposal of unamortized expense	311	4,414
Dividends received	690	10,744
Net cash flows used in investing activities	<u>(1,435,450)</u>	<u>(536,239)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	266,882	(1,541,459)
Increase (decrease) in long-term borrowings	243,979	(996,955)
Increase (decrease) in guarantee deposits received	21,379	(127)
Payment of lease liabilities	(236,951)	(234,706)
Cash dividends	(1,791,794)	(1,411,230)
Repurchase shares of employee stocks ownership plan	-	(348,287)
Net cash flows used in financing activities	<u>(1,496,505)</u>	<u>(4,532,764)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(175,762)</u>	<u>317,989</u>
Net increase in cash and cash equivalents	4,619,796	1,445,646
Cash and cash equivalents at beginning of period	6,284,887	4,839,241
Cash and cash equivalents at end of period	<u>\$ 10,904,683</u>	<u>6,284,887</u>

See accompanying notes to consolidated financial statements.

PRIMAX ELECTRONICS LTD.
Earnings Distribution Proposal
Year 2023

Unit: NT\$

Item	Amount	
Unappropriated Retained Earnings, beginning of year		5,828,329,559
Add : Net profit of 2023	2,485,288,205	
Less : Remeasurement of Defined Benefit Obligation	2,428,265	
Less : 10% Legal Reserve	248,285,994	
Less : Special Reserve	262,037,657	
Retained Earnings Available for Distribution as of December 31, 2023		7,800,865,848
Distribution Item :		
Cash Dividends (NT\$4 per share)	1,851,727,296	
Unappropriated Retained Earnings		5,949,138,552

Chairman :
Jia-Bin Duh

General Manager :
Jia-Bin Duh

Accounting Manager:
Shu-chuan Chang

- Note: 1.The per share dividends above are based on the 462,931,824 outstanding shares as of Feb.7, 2024 .
2. For the distribution of cash dividends, all dollar amounts less than NT\$ 1 for fractional shares shall be listed as the Company's other income.
3. The excepted dividend payout ratio for this distribution of profits is 73%

List of Director Candidates

Title	Name of Candidate	Education	Experience	Current Position
Director	Jia-Bin Duh	M.B.A. J. L. Kellogg School of Management at Northwestern University (USA) And the School of Business and Management at the Hong Kong of Science and Technology	<ul style="list-style-type: none"> - Fu Xun Tong Co., Ltd. Chairman - Mobinnova Co., Ltd. Chairman - Cisco Systems Inc. (China) President 	<ul style="list-style-type: none"> - Primax Electronics Ltd. Chairman and General Manager - Primax Tech. (Cayman Holding) Ltd. Representative of Insitutional Director - Polaris Electronics, Inc. Director - Destiny Tech. Holding Co., Ltd. (BVI) Representative of Insitutional Director - Primax Ind. (Cayman Holding) Ltd. (BVI) Representative of Insitutional Director - Primax Ind. (Hong Kong) Ltd. Representative of Insitutional Director - Primax Destiny Co., Ltd. (Japan) Director - Beijing Destiny Electronic Technology Co., Ltd. Chairman - Dongguan Primax Electronic &. Telecommunication Products Ltd. Representative of Insitutional Director - Primax Electronics (Kunshan) Corp. Ltd. Representative of Insitutional Director - Primax Electronics (Chongqing) Corp. Ltd. Representative of Insitutional Director - Diamond (Cayman) Holdings Ltd. Representative of Insitutional Director - Tymphany Worldwide Enterprises Ltd. Representative of Insitutional Director - Tymphany Acoustic Technology Ltd. Director - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director - Tymphany Acoustic Technology (Singapore) Pte. Ltd. Director - Primax AE (Cayman) Holdings Ltd. Representative of Insitutional Director - Primax Electronics (Singapore) Pte. Ltd. Director - Primax Electronics (Thailand) Co., Ltd. Director - Laowang Holding Limited Taiwan Branch (Cayman) Director
Director	Yung-Tai Pan	Department of Mechanical Engineering, Chung Yuan Christian University	Primax Electronics Ltd. General Manage of Business Department	<ul style="list-style-type: none"> - Primax Electronics Ltd. Vice Chairman and General Manage of Business Department - Tymphany Acoustic Technology (Huizhou) Co., Ltd. Director - Tymphany Acoustic Technology Ltd. Director - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director - Primax Electronics (Singapore) Pte. Ltd. Director - Primax Electronics (Thailand) Co., Ltd. Director - Laowang Holding Limited Taiwan Branch (Cayman) Director
Director	Yung-Chung Pan	Department of Electronics, Feng Chia University	Primax Electronics Ltd. General Manage of Business Department	<ul style="list-style-type: none"> - Primax Electronics Ltd. Director - Primax Tech. (Cayman Holding) Ltd. Director - Primax Ind. (Cayman Holding) Ltd. Representative of Insitutional Director - Primax Ind. (Hong Kong) Ltd. Representative of Insitutional Director

Title	Name of Candidate	Education	Experience	Current Position
Director	Green Land Investment Limited Representative: Ji-Ren Lee	Ph.D. University of Illinois at Urbana-Champaign (USA)	<ul style="list-style-type: none"> - College of Management National Taiwan University Associate Dean of Teaching and Resource Development - College of Management National Taiwan University Associate Dean and Executive Director of EMBA - Boehringer Ingelheim Taiwan Ltd. Marketing Manager 	<ul style="list-style-type: none"> - Gratus Technology Corp. Director - Tymphany Worldwide Enterprises Ltd. Representative of Insitutional Director - Tymphany HK Ltd. Director - Tymphany Logistics, Inc. Director - Tymphany Acoustic Technology (Huizhou) Co., Ltd. Representative of Insitutional Director - Dongguan Tymphany Acoustic Technology Co., Ltd. Executive Director - Dongguan Dongcheng Acoustic Technology Co. Ltd. Executive Director - Tymphany Acoustic Technology HK Ltd. Director - Tymphany Acoustic Technology Ltd. Chairman - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director - Tymphany Acoustic Technology (Singapore) Pte. Ltd. Chairman - Primax Electronics (Singapore) Pte. Ltd. Director - Primax Electronics (Thailand) Co., Ltd. Director
Independent Director	Chun-Pang Wu	<ul style="list-style-type: none"> - M.B.A. University of Missouri - B.L. National Taiwan University 	<ul style="list-style-type: none"> - Deutsche Bank Country Head Taiwan - Citibank Corp & Investment Banking Vice Chairman - Fidelity Investments Country Head Taiwan - Bankers Trust Bank Country Head Japan and Derivatives Trading Managing Director - Chase Manhattan Bank Vice President 	<ul style="list-style-type: none"> - National Taiwan University Emeritus Professor - Chengzhi Education Foundation Chairman - B Current Impact Investment Fund 3 Chairman - Social Enterprise Insights Director - DELTA ELECTRONICS, INC. Independ Director - Longchen Paper & Packaging Co., Ltd. Representative of Insitutional Director - CommonWealth Education Media and Publishing Co., Ltd. Director - CommonWealth Magazine Co., Ltd. Director - Airoha Technology Corp. Independent Director - - ADVANTECH Co., Ltd. Director - AXR Entrepreneurship and Business Consulting Co., Ltd. Representative of Insitutional Director

Title	Name of Candidate	Education	Experience	Current Position
Independent Director	Jia-Chyi Wang	Master of Management J. L. Kellogg School of Management at Northwestern University (USA)	<ul style="list-style-type: none"> - Ping An Insurance (Group) Company of China Ltd. Tutor - Egon Zehnder International Global Senior Partner& Consumer Electronics BU, GM - Primax Electronics Ltd. Corporate Development Director (Term of employment: from Mar. 4, 2002 to Oct. 22, 2004) - McKinsey& Company (HK/Shanghai) Consultant - P&G, TAIWAN Project Manager 	<ul style="list-style-type: none"> - Primax Electronics Ltd. Independent Director - Zenith Consulting Company Limited Managing Partner and Director - CITIC Capital Investment Holdings Limited Business Partner
Independent Director	Hui-Fan Ma	Master of International Business, National Taiwan University	<ul style="list-style-type: none"> - TSMC Vice General Manager of Human Resources - TSMC Vice General Manager of Human Resources - Trend Micro Inc. Vice General Manager of Human Resources 	<ul style="list-style-type: none"> - Primax Electronics Ltd. Independent Director
Independent Director	Shiou-Chuan Huang	Bachelor of Electrical Engineering in Tatung University	<ul style="list-style-type: none"> - Timex Group Taiwan Ltd. Director of Production - Hp Taiwan Information Technology Ltd. Non-Computer Business Group Vice President - Hon Hai Precision Industry Co., Ltd. Vice President - Innolux Corporation Vice Chairman 	<ul style="list-style-type: none"> - VIZIONFOCUS INC. Chairman - CHANG WAH ELECTROMATERIALS INC. Director
Independent Director	Fei-Pei Lai	Ph.D. degree in computer science University of Illinois at Urbana-Champaign	<ul style="list-style-type: none"> - Institute of Information & Computing Machinery Chairman - Department of Computer Science & Information Engineering / Department of Electrical Engineering, NTU Professor - Graduate Institute of Biomedical Electronics and Bioinformatics, NTU Dean and Professor - Institute of Medical Device and Imaging, NTU Professor - Institute of Health Policy and Management, NTU Professor 	<ul style="list-style-type: none"> - NTU Alumni Association Secretary General - NTU Alumni Culture Foundation Director - HannStar Display Corporation Independent Director - Taiwan Information Technology Development Education Foundation Chairman

Addendum:

1. Nomination Policy and Process: Directors (including independent director) shall be elected pursuant to the candidate nomination system as specified in the Articles of Incorporation of the Company. The Nomination Committee undertakes a review of the qualification of candidates and submits a candidate list for elections to the Board. In accordance with the Corporate Governance Best Practice Principles of the Company, when reviewing the qualification of candidates, the Nomination Committee shall take into account the operation requirements as well as the diversity of Board Directors, such as the background, work experience, gender, knowledge, and skills.

2. The overall capacity and diversity of candidates for the directors (including independent director) :

Title	Name	Basic composition			Professional Experience						Professional knowledge and skills					
		Gender	Nationality	Age	Term of Independent director	Industry	Research and Development	Marketing	Financial	Management	Leadship and Policy decision	Operating and Management	Risk Management	Information Technology	Accounting and Financial	Law
Director	Jia-Bin Duh	Male	R.O.C.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Director	Yung-Chung Pan	Male	R.O.C.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Director	Green Land Investment Limited Representative: Ji-Ren Lee	Male	R.O.C.	61-70		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Director	Yung-Tai Pan	Male	R.O.C.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Shiou-Chuan Huang	Male	R.O.C.	71-80		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Fei-Pei Lai	Male	R.O.C.		0 to 3 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Chun-Pang Wu	Male	R.O.C.	61-70	6 to 9 years				✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Hui-Fan Ma	Female	R.O.C.		0 to 3 years	✓				✓	✓	✓	✓	✓	✓	
Independent Director	Jia-Chyi Wang	Female	R.O.C.	51-60	3 to 6 years				✓	✓	✓	✓	✓	✓	✓	✓

The information regarding the current operation of the Board of Directors and the Functional Committees, please refer to 「 III. Corporate Governance Report 4. Status of Corporate Governance Implementation 」 of the 2023 Annual Report.

Proposal of removal of the non-competition restrictions on the directors

Title	Name	Current Position in the other companies
Director	Jia-Bin Duh	<ul style="list-style-type: none"> - Tymphany Acoustic Technology Ltd. Director - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director - Tymphany Acoustic Technology (Singapore) Pte. Ltd. Director - Primax Electronics (Thailand) Co., Ltd. Director - Laowang Holding Limited Taiwan Branch (Cayman) Director
Director	Yung-Tai Pan	<ul style="list-style-type: none"> - Primax Electronics (Thailand) Co., Ltd. Director - Tymphany Acoustic Technology (Huizhou) Co., Ltd. Director - Tymphany Acoustic Technology Ltd. Director - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director
Director	Yung-Chung Pan	<ul style="list-style-type: none"> - Primax Electronics (Thailand) Co., Ltd. Director - Tymphany HK Ltd. Director - Tymphany Logistics, Inc. Director - Tymphany Acoustic Technology (Huizhou) Co., Ltd. Representative of Insitutional Director - Dongguan Tymphany Acoustic Technology Co., Ltd. Executive Director - Dongguan Dongcheng Acoustic Technology Co. Ltd. Executive Director - Tymphany Acoustic Technology HK Ltd. Director - Tymphany Acoustic Technology Ltd. Chairman - Tymphany Acoustic Technology (Thailand) Co., Ltd. Director - Tymphany Acoustic Technology (Singapore) Pte. Ltd. Chairman
Director	Ji-Ren Lee	<ul style="list-style-type: none"> - Social Enterprise Insights Director - DELTA ELECTRONICS, INC. Indenpend Director - Commonwealth Eduation Media and Publishing Co., Ltd. Director - Commonwealth Magazine Co., Ltd. Director - Airoha Technology Corp. Independent Director - ADVANTECH Co., Ltd. Director - AXR Entrepreneurship and Business Consulting Co., Ltd. Representative of Insitutional Director
Independent Director	Shiou-Chuang Huang	<ul style="list-style-type: none"> - VIZIONFOCUS INC. Chairman - CHANG WAH ELECTROMATERIALS INC. Director
Independent Director	Fei-Pei Lai	<ul style="list-style-type: none"> - HannStar Display Corporation Independent Director

PRIMAX ELECTRONICS LTD.
Regulations of Shareholders' Meeting Proceedings

1. Unless otherwise provided for under the law or the Articles of Incorporation, the shareholders' meetings of the Company shall be conducted according to these Regulations.
2. The Company shall provide an attendance book for attending shareholders or their proxies (hereinafter the "Shareholders") to sign their names. As an alternative, attending shareholders may submit a sign-in card in lieu of signature on the attendance book.

Shareholders shall attend a shareholders' meeting by presenting their attendance card, sign-in card or other attendance document. Proxy solicitors shall bring their ID with them for verification.

3. Calculation of attendance and voting at a shareholders' meeting shall be based on the shares.
The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
4. The shareholders' meeting of the Company shall take place at the location of the Company or another place convenient for attendance by shareholders and appropriate for a shareholders' meeting to take place. The meeting shall not start earlier than 9 AM or later than 3 PM.
5. The board chairperson shall act as the chairperson of the shareholders' meeting he or she convenes. In the event that the board chairperson is on leave or unable to exercise powers and authorities with cause, the vice chairperson of the board shall act on his or her behalf. In the absence of a vice chairperson or if the vice chairperson is also on leave or unable to exercise powers and authorities, one of the managing director shall be appointed by the board chairperson to act on his or her behalf. In the absence of managing directors, one of the directors shall be appointed. In the event of failure of appointment by the board chairperson, the chairperson of the meeting shall be elected from among the managing directors or other directors.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

When a shareholders' meeting is convened by a person with the right to convene the meeting other than a member of the Board of Directors, the person with the right to convene the meeting shall act as the chairperson of the meeting.

6. The Company may send its appointed lawyers, public certified accountants or other relevant persons to attend a shareholders' meeting and respond to relevant questions during the meeting.
7. The Company shall make an uninterrupted audio and video record the proceedings of the whole shareholders' meeting and keep the recording for at least one year or a longer period of time until conclusion of a litigation proceedings if a shareholder files an action in accordance with Article 189 of the Company Act.
8. The chairperson of the meeting shall have the meeting called to order when the meeting is scheduled to start, provided that if the shareholders present at the meeting represent less than a majority of the total issued shares, the chairperson may announce to delay the meeting not more than twice for less than a total delay of one hour. In the event after two delays the quorum is not met but the shareholders present at the meeting represent one-third of the total issued shares or more, a tentative resolution may be passed according to Paragraph 1, Article 175 of the Company Act.

In the case that the shareholders present at the meeting represent a majority of the total issued shares before the conclusion of the meeting, the chairperson may submit the tentative resolution to the shareholders' meeting for a vote of approval according to Article 174 of the Company Act.

9. The agenda of a shareholders' meeting shall be created by the Board of Directors with the proposal submitted by the Board of Directors to be dealt with on a prioritized basis during the meeting. When the above proposals are being discussed, the chairperson of the meeting may determine if a shareholder's comments are related to the proposal in question. If the feedback or comments are not related to the proposal in question, discussion shall be continued at an extempore motion. The related agenda (including extempore motions and ordinary resolutions) shall be resolved by voting each. A meeting shall be proceeded with in accordance with a predetermined agenda unless changed by the resolution of a shareholders' meeting.

The chairperson of the meeting shall not close the meeting prior to conclusion of the agenda unless a resolution is passed in favor of the closure.

After closure of the meeting, shareholders shall not select a new chairperson to continue the meeting at the same location or a new location, except in the case of closure announced by the chairperson in violation of the regulations of meeting proceedings when a new chairperson may be elected with a majority vote of the attending shareholders to continue the meeting.

10. When a meeting is in progress, the chairperson may announce a break based on time considerations.
11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

The chair may direct the proctors or security personnel to help maintain order at the meeting place.

12. No shareholders may pose questions about the issues stated in the report part of the agenda until the chairperson or his or her designated person has read aloud the contents or completed the report. Each shareholder may speak not more than twice and for not more than five minutes every time he or she speaks. The chairperson may permit an extension of five minutes and there may be only one extension.

The requirements on the amount of time and number of times in the preceding paragraph shall apply when a shareholder is speaking about the agenda items listed in the recognition and discussion parts, and the various issues brought up in the extempore motion.

The provisions in Paragraph 1 above shall apply mutatis mutandis when a shareholder is speaking about anything unrelated to the agenda item in the extempore motion for the amount of time and number of times of speech. If the shareholder's speech violates the above rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

13. When the government or a corporation is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a corporation is appointed to attend the shareholders' meeting as proxy, it may designate only one person to represent it in the meeting.

If the government or a corporate shareholder designated two or more persons to represent it in the shareholders' meeting, only one person may speak about the same agenda item.

14. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.
15. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote within sufficient voting period.

16. For voting of a proposal, the proposal is approved with a majority vote of the attending shareholders except for the special resolutions otherwise provided for under the Company Act and the Articles of Incorporation.

If a shareholder authorizes a proxy to attend the shareholders' meeting, with the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

17. When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. The tally of the vote shall be immediately announced and recorded.

18. If a force majeure event occurs when a meeting is in progress, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

19. For matters not provided for in these Rules, the Company Act and other applicable laws and regulations shall govern.
20. These Regulations shall come into force upon approval of the shareholders' meeting. The same shall apply to amendments hereto.
21. These Regulations were established on November 7, 2008.
The first amendment was made on June 4, 2009.
The second amendment was made on May 25, 2017.
The third amendment was made on June 23, 2020.

ARTICLES OF INCORPORATION
OF
PRIMAX ELECTRONICS LTD.

Chapter I. General provisions

- Article 1. The Company shall be named Primax Electronics Ltd. (致伸科技股份有限公司) and be incorporated as a Company Limited by Shares in accordance with the Company Act of the Republic of China.
- Article 2. The scope of business of the Company shall be as follows:
1. CB01020 Office Machines Manufacturing
 2. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 5. CC01080 Electronic Parts and Components Manufacturing
 6. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 7. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 8. CE01030 Photographic and Optical Equipment Manufacturing
 9. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 10. I301010 Software Design Services
 11. F113050 Wholesale of Computing and Business Machinery Equipment
 12. F118010 Wholesale of Computer Software
 13. F213030 Retail sale of Computing and Business Machinery Equipment
 14. F218010 Retail Sale of Computer Software
 15. F114030 Wholesale of Motor Vehicle Parts and Supplies
 16. F214030 Retail Sale of Motor Vehicle Pars and Supplies
 17. C805050 Industrial Plastic Products Manufacturing
 18. CA02010 Metal Architectural Components Manufacturing
 19. CA02090 Metal Line Products Manufacturing
 20. F401010 International Trade
 21. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The head office of the Company shall be located in Taipei City. The Board of Directors may decide to establish branch offices in other appropriate locations, and shall decide for the establishment and dissolution of such branch offices.
- Article 4. The Company may provide guarantees for third parties as it deemed necessary for business or investment purposes in accordance with its internal Rules for Endorsement and Guarantee
- Article 4-1. The Company may invest in other enterprises as deemed necessary for its business operations, and may, upon the approval of the Board of Directors, act as a shareholder with limited liability of another company, and its total investment in other enterprises is not subject to the limit of 40% of the Company's paid-in capital prescribed in Article 13 of the Company Act.
- Article 4-2. The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter II. Shares

- Article 5. The total capital of the Company is authorized at Five and Half Billion New Taiwan Dollars (NT\$5,500,000,000), which consists of 550,000,000 common shares, with a par value of Ten New Taiwan Dollars (NT\$10) per share, which the Board of Directors has been authorized to issue in stages. Forty Million (40,000,000) shares of the total number of shares specified in the preceding paragraph, with a par value of Ten New Taiwan Dollars (NT\$10) per share, shall be preserved for issuing employee share subscription warrant,

which the Board of Directors has been authorized to issue in one-time or in stages in accordance with actual needs.

When the Company buys back its shares, issues share subscription warrant and restricted stock awards, reserves the share subscription rights for employees when issues new shares in accordance with the laws, the employees who are entitled to receive the aforementioned stock or rights may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

- Article 6. When the Company issues new stock, all shares for that issuance may be printed in one printing in accordance with Article 162-1 of the Company Act and shall be deposited with the centralized securities depository enterprise. Alternatively, if the Company does not need to print shares for its issued stock in accordance with Article 162-2 of the Company Act, must register stock with the centralized securities depository enterprise.
- Article 6-1. A shareholders' resolutions shall be adopted before the Company withdraws its public offering of shares, and this provision shall not be amended while the Company is still listed (or OTC listed).
- Article 7. Except when the requirements of other laws or securities rules apply, the Company's stock affairs including transfer, creation of pledge, reporting of loss, transfer via inheritance, transfer via gift, lost or change of specimen chop and change of address shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 8. The entries in the shareholders' roster shall not be altered within the time periods specified in Article 165 of the Company Act.

Chapter III. Shareholders' Meetings

- Article 9. Shareholder meetings shall consist of regular meetings and special meetings. Regular meetings shall be convened once a year within 6 months from the end of each accounting year. Special meetings shall be convened as required.
Shareholder meetings can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 10. A notice to convene a regular meeting of shareholders shall be given to each shareholder thirty (30) days in advance. A notice to convene a special meeting of shareholders shall be given to each shareholder fifteen (15) days in advance. The notice shall state when, where and why the meeting is to be convened. The company shall also prepare a manual for shareholders' meeting proceedings prior to the scheduled meeting date of that shareholders' meeting.
- Article 11. Except in the circumstances set forth in the Company Act under which the shares shall have no voting power, shareholders of the Company shall be entitled to one vote for each share they hold. The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Such shareholder's declaration of intention shall be dealt with in accordance Article 177-2 of the Company Act.
- Article 12. Except where other legal regulations apply, all shareholders meetings shall be convened by the Board of Directors in accordance with the Company Act, and the Chairman of the Board of Directors shall serve as the chairman of shareholder meetings. In case the Chairman of the Board is on leave or absent or can not exercise his/her power and authority for any cause, the designation of his/her duties shall follow Article 208 of the Company Act; where as for a shareholders' meeting convened by any other person having the

convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 13. Resolutions at a Shareholders' meeting shall, unless otherwise provided by law, be adopted by a majority vote of shareholders present in person or by proxy, who represent a majority of the total number of outstanding shares.

Article 14. In case a shareholder is unable to attend the shareholders' meeting, that shareholder may explicitly appoint one proxy agent to attend on his/her behalf within a scope of authorization upon presentation of a proxy letter issued by the Company. Except when the requirements of the Company Act apply, the use of proxies for attendance at shareholder meetings shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 15. Resolutions made in shareholder meetings shall be recorded in the minutes and signed and affixed thereon by the chairman. The minutes shall be sent to all shareholders within 20 days after the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of electronic transmission or a public announcement

Chapter IV. The Board of Directors

Article 16. The Company shall establish a Board consisting of from 5 to 9 persons, all to be elected from among persons with legal capacities by the shareholders for terms of 3 years. A candidates nomination system shall be adopted for the election of directors and the same person may be elected again upon expiry of the term. Among the above-mentioned number of directors, the Company may have at least three and not less than one-fifth (1/5) of the directors as independent directors, who shall be elected by the shareholders under the candidate nomination system. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence, method of nomination and election and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the competent authority. The directors of the Company shall be elected in accordance with the Rules for Election of Directors of the Company.

The total number of registered shares of the Company that may be held by all directors shall be follow the standard established in accordance with the "Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice" promulgated by the competent authority.

The Company may establish a remuneration committee or other functional committees in accordance with actual needs.

Article 16-1 The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, which shall be responsible for exercising such powers and duties of supervisors specified in the Company Act, the Securities and Exchange Act and other laws.

The audit committee shall be composed of the entire number of independent directors, at least one of whom shall have accounting or financial expertise, and one of whom shall be convener.

A resolution of the audit committee shall have the concurrence of one-half or more of all members.

Article 17. The directors shall form a Board of Directors. The Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting attended by two-thirds or more of the directors. The Board of Directors may also in the same manner elect the Vice Chairman. The Chairman of the Board of Directors shall represent the Company externally.

- Article 18. Unless otherwise provided by law, meeting of the Board of Directors shall be called and chaired by its Chairman. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. In calling a meeting of the Board of Directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, the meeting may be convened at any time. The notice may be delivered in writing, by email or fax.
- Article 19. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- Article 20. If, for any reason whatsoever, a director cannot attend a Board meeting, that director may issue a letter of authorization designating another director to act on behalf of the absent director; however, a director may act as the representative of only one other director. When a Board meeting is held by video conference, directors participating in such a meeting through video conference shall be deemed to have participated in the meeting in person.
- Article 21. The Company's directors shall be entitled to travel allowances at an amount determined by the Board. The Board shall be authorized to determine the compensation of all directors on the basis of the prevailing standards in the industry. If a director concurrently holds another post at the Company, the salary received by such director for the other post shall be provided in accordance with the rules of the Company relating to personnel management.
- Article 22. Directors of the Company may authorize the Board to purchase liability insurance during the terms of the directors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.

Chapter V. Management Personnel

- Article 23. The Company shall have general manager responsible for managing all business at the Company in accordance with Board decisions. The general manager shall be appointed or dismissed by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company.
- Article 24. The Board of Directors shall prepare the following statements at the closing date/end of each fiscal year, and submit them to the general shareholder meeting for recognition:
1. Report on operations;
 2. Financial Statements; and
 3. Proposal concerning distribution of net profits or action to deal with losses.
- Article 25. When allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earing left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws, the balance of the earings shall combined into an aggregate amount of undistributed surplus, which shall become the aggregate distributable surplus; to be distributed by the Board's distribution proposals and according to the resolution adopted at the shareholders meeting.
- The Company shall distribute 2 to 10 percent of distributable profit of the current yea as employee's compensation and not more than 2% of the profit for Directors' compensation; provided, however, that the Company shall have reserved a sufficient amount to offset its accumulated losses.
- The employee's compensation may be distributed by way of shares or cash; and the employees entitled to receive shares or cash includes the employees of subsidiaries of the company meeting certain requirements.

The said Company's profit for each year as set forth in the second paragraph shall be the profit before tax (PBT) (i.e. before deducting the sums of employee's compensation and Directors' compensation).

The Company may distribute employee's compensation and the Directors' compensation by a resolution adopted by a majority vote at a meeting of the Board attended by two-thirds of the total number of Directors; a report of such distribution shall be submitted to the meeting of the Members.

Article 26. Based on the Company's current environment, growth stage, future capital needs and long term financial planning, and taking into consideration on the interests of shareholders and a balanced dividend; dividend shall be distributed as a stock or cash dividend, but a cash dividend should be no lower than ten percent (10%) of the total shareholder dividend. However, the proportion of the above cash dividend shall be adjusted based on the overall business operations of the current year.

Article 27. When the Company issues employee share subscription warrant at the offering price below their market value (net worth of each stock), a special resolution shall be adopted, at a shareholders' meeting, by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. To transfer shares to employees at less than the average actual share repurchase price, the Company must have, before such transfers, obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Chapter VI. Supplementary Provisions

Article 28. Rules for implementation of these Articles of Incorporation may be set up separately.

Article 29. Provisions of the Company Act shall be referred to for matters not provided for in these Articles of Incorporation.

Article 30. These Articles of Incorporation were established on March 8, 2006.

First amendment was made on April 3, 2007.

Second amendment was made on June 13, 2007.

Third amendment was made on October 5, 2007.

Fourth amendment was made on November 7, 2007.

Fifth amendment was made on December 28, 2007.

Sixth amendment was made on August 27, 2009.

Seventh amendment was made on September 22, 2009.

Eighth amendment was made on October 23, 2009.

Ninth amendment was made on November 20, 2009.

Tenth amendment was made on June 25, 2010.

Eleventh amendment was made on June 19, 2012.

Twelfth amendment was made on June 25, 2013.

Thirteenth amendment was made on September 5, 2014.

Fourteenth amendment was made on June 29, 2015.

Fifteenth amendment was made on June 20, 2016.

Sixteenth amendment was made on May 30, 2018.

Seventeenth amendment was made on July 13, 2021.

Eighteenth amendment was made on May 25, 2023

Primax Electronics Ltd.

Chairman: Jia-Bin Duh

Primax Electronics Ltd.
Procedures for Ethical Management and Guidelines for Conduct

Article 1**(Purpose of adoption)**

This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

Article 2**(Scope of application)**

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

Article 3**(Applicable subjects)**

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatory or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

Article 4**(Unethical conduct)**

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 5**(Types of benefits)**

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 6**(Responsible unit & Responsibilities)**

This Corporation shall designate the ___ Human Resource Department ___ as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors (at least once every year):

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs and risk assessment mechanism to prevent unethical conduct, analyzing and assessing risk periodically, according to risk assessment result to ask the internal audit unit for assistance, and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

With respect to the matter set forth in preceding Item 6, the responsible unit may refer to other unit of this Corporation for assistance if necessary.

7. Adopting and keeping well the documents of ethical management policy, statement, implementation of ethical management, etc.

Article 7

(Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits with a market value of NT\$ 3,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT 10,000 or less given by another party to the majority of the personnel of this Corporation, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$ 30,000.
7. Property with a market value of NT\$ 6,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
8. Other conduct that complies with the rules of this Corporation.

Article 8

(Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of this

Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 5 by a third party, the matter shall be handled in accordance with the following procedures:

- 1.If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- 2.If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the supervisor in charge.

Article 9

(Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 10

(Procedures for handling political contributions)

This Corporation shall neither get involved in political activities nor make political contributions directly or indirectly to any political party or organization/individual who participate in political activities. Notwithstanding the foregoing, if it is necessary to make political contributions due to material events that lead to adverse impact to this Corporation, political contributions by this Corporation shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$ 500,000 or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other

matters involving the interests of this Corporation with the related government agencies shall be avoided.

Article 11

(Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$ 10,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 12

(Recusal)

When a Company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If the spousal, second degree of kinship or company with controlled affiliation of the director has the relationship with the proposal at the meeting, the director should be interest avoidance.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 13

(Special unit in charge of confidentiality regime and its responsibilities)

This Corporation shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 14

(Prohibition against unfair competition)

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories or lines of commerce.

Article 15

(Adopt product or service damage stakeholders)

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website, a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall, recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 16

(The provisions of the Exchange Act and Non-disclosure agreement)

All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 17

(Compliance and Announcement of policy of ethical management to outside parties)

The Directors and Executive management shall sign the ethical management statement, the statements shall be kept well in this corporation and the newcomer shall comply with the offer letter about ethical management statement.

This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as supplier conferences and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 18

(Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 19

(Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 20

(Avoidance of commercial dealings with unethical operators)

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

Article 21

(Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim, and may also deduct the amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 22

(Handling of unethical conduct by personnel of this Corporation)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant a reward:

1. The seriousness is the truth: NT\$ 1,000 .
2. The actual damage by the seriousness: additional reward not less than NT\$ 3,000 .
3. Insiders may also be praised publicly as a reward. Nevertheless, insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

1. The informed party's name or other information sufficient to distinguish its identifying features.
2. Specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of this Corporation shall observe the following procedure:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistle blowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistle blowing case, actions taken, and subsequent reviews and corrective measures.

Article 23

(Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

Article 24

(Internal promotion, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The responsible unit of this Corporation shall organize the awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors and employees.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 25

(Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to Audit Committee and reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Date : 2012.3.20 (Enacted)

Date : 2015.7.7 (Amended)

Date : 2019.8.14 (Amended)

Date : 2020.4.8 (Amended)

Primax Electronics Ltd.
Rules for Election of Directors

Article 1: Purpose and Legal Basis

To elect and appoint directors in a fair, impartial and open manner, these Rules are established in accordance with the provisions of the Company Act and the Articles of Incorporation with reference to Article 41 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Article 2: Scope of Application

Unless otherwise provided for under the law or in the Articles of Incorporation, election and appointment of the directors of the Company shall be subject to the regulations of these Rules for Election.

Article 3: Directors of the Company shall be elected from among persons with disposing capacity or corporate shareholders at a shareholders' meeting. Members of the Board of Directors of the Company are expected to have the knowledge, skills and ability required to perform their duties.

Article 4: Directors of the Company shall be elected by uninominal and cumulative voting.

Unless otherwise provided for under the Company Act, in an election of the directors of the Company, each share is entitled to such number of votes equal to the number of directors to be elected and these votes may be cast to one single candidate or distributed among several candidates, with the candidates receiving the votes representing more voting rights to be elected as directors.

Article 5: Qualifications of the independent directors shall be consistent with the requirements under Articles 2, 3 and 4 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company.

Election of the independent directors of the Company shall be consistent with the requirements under Articles 5, 6, 7, 8 and 9 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company and shall be in compliance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Article 6: Number of directors of the Company to be elected shall be subject to the Company's Articles of Incorporation. For the procedure of election of the directors, the candidate nomination system shall be adopted.

Article 7: If a candidate in the election is a shareholder, voters shall indicate the shareholder account name and account number of the shareholder candidate in the "Candidate" column on the ballot. For candidates who are not shareholders, their name and National ID Number shall be specified. If, however, the candidate is a government authority or corporate shareholder, the name of the government authority or corporate shareholder or both the name of the government authority or corporate shareholder and the name of their representative shall be entered in the account name of the candidate on the ballots. When there are more than one representatives, all their name shall be specified on the ballot.

Article 8: In an election of the directors of the Company, voting rights shall be calculated for independent and non-independent directors separately according to the number of directors set forth in the Company's Articles of Incorporation. Independent and non-independent director candidates receiving the votes representing more voting rights, as indicated in the tally of the election votes, shall be elected as independent and non-independent directors. In the event of two or more candidates receiving the same

weighted votes and the number of elected directors exceeds the required number, the candidates receiving the same weighted votes shall draw lots to decide who will be elected or the chairperson of the meeting shall draw lots for the absent candidate.

Article 9: The Board of Directors shall produce the same number of ballots as the number of directors to be elected, specified with the weighted voting rights, and distribute to the shareholders present at the shareholders' meeting.

Article 10: Prior to an election, the chairperson shall designate several vote monitoring and counting personnel to perform the various duties. The vote monitoring personnel shall be shareholders. The ballot box shall be prepared by the Board of Director and opened by the vote monitoring personnel for inspection in public prior to voting.

Article 11: Votes shall be invalid in one of the following circumstances:

1. Ballots are not prepared by the Board of Directors.
2. Blank ballots in the ballot box.
3. Illegible handwriting or altered handwriting.
4. More candidates than the number of candidates to be elected are listed in the same ballot.
5. Symbols, graphics, or texts other than the account name of the candidate or account number of the shareholder (or ID number) are entered on the ballot.
6. In the case of a candidate who is a shareholder, the account name and account number of the shareholder are inconsistent with the information specified in the shareholder roster; or in the case of a candidate who is not a shareholder, the name and ID number are found incorrect upon verification.
7. The name or account number of the shareholder (or ID number) of the candidate are not entered on the ballot.
8. The name of the candidate entered on the ballot is the name of another shareholder but no information such as account number of the shareholder or ID number is shown on the ballot for identification.

Article 12: In an election of directors, when all the votes are cast, votes shall be counted immediately after the vote monitoring personnel open the ballot boxes. The chairperson of the meeting or the emcee designated by the chairperson shall announce the elected directors according to the tally of votes.

Article 13: In the event the provisions under Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act are violated, the election shall be deemed invalid.

Article 14: The Board of Directors of the Company shall issue an election notice to each of the elected directors.

Article 15: Establishment and amendments to these Rules shall be approved by the Board of Directors of the Company and passed at the shareholders' meeting before coming into force. The same shall apply to amendments. For matters not provided for in these Rules, the Articles of Incorporation, the Company Act and the applicable laws and regulations shall govern.

Article 16: These Rules were established on November 7, 2008.
The first amendment was made on June 4, 2009.
The second amendment was made on June 19, 2012.
The third amendment was made on June 29, 2015.

PRIMAX ELECTRONICS LTD.

Shareholding of Directors

1. The Company's paid-in capital is NT\$ 4,629,738,240 and have issued 462,973,824 shares.
2. The independent directors exceed one-half of the total director seats of the Company, and an audit committee has been established, therefore, the provisions on the minimum percentage requirements for the shareholding respectively of all directors and supervisors shall not apply.
3. The table below provides the information about the shares held by individual and all the directors as recorded in the shareholders' roster as of the lockup date (March 26, 2024), which have met the percentage standards required by law.

Position	Name	Date elected	Current Shareholding shares	Shareholding ratio
Chariman	Jia-Bin Duh	May 25, 2023	66,000	0.01%
Director	Yung-Tai Pan	July 13, 2021	5,010,599	1.08%
Director	Yung-Chung Pan	July 13, 2021	6,004,046	1.30%
Director	Green Land Investment Limited Representative: Ji-Ren Lee	July 13, 2021	1,030,000	0.22%
Independent Director	Chih-Kai Cheng	July 13, 2021	0	0%
Independent Director	Chun-Pang Wu	July 13, 2021	0	0%
Independent Director	Jia-Chyi Wang	July 13, 2021	0	0%
Independent Director	Ying-Chuan Shen	July 13, 2021	0	0%
Independent Director	Hui-Fan Ma	May 25, 2023	0	0%
Shareholdings of all Directors			12,110,645	2.61%