

Stock Code: 4915



## **PRIMAX ELECTRONICS LTD.**

### **Handbook for the 2025 Annual General Meeting of Shareholders (Translation)**

**Time : May 23, 2025**

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

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# **PRIMAX ELECTRONICS LTD.**

## **Procedure for the 2025 Annual General Meeting of Shareholders**

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

**PRIMAX ELECTRONICS LTD.**  
**2025 Annual General Shareholders' Meeting Agenda**

Time : May 23, 2025 (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 2024 Business Report.
  - II. Audit Committee's Review Report on the 2024 Financial Statements.
  - III. Distribution of employees' and directors' compensation in 2024.
- 4 、 Adoption
  - I. The Company's 2024 business report and financial statements.
  - II. The Company's 2024 distribution of earnings.
- 5 、 Discussion
  - I. Amend the Company's "Articles of Incorporation".
  - II. Proposed Issuance of Restricted Employee Stock Awards.
  - III. Removal of the non-compete restrictions on directors.
- 6 、 Extempore Motion
- 7 、 Meeting Adjournment

# **Report**

**Report No. 1 :** The Company's 2024 Business Report for review.

**Description:**

Refer to Schedule 1 of the Handbook (from page 6 to page 8) for the 2024 Business Report.

**Report No. 2 :** Audit Committee's Review Report on the 2024 Financial Statements for review.

**Description:**

Refer to Schedule 2 of the Handbook (page 9) for the Audit Committee's Review Report.

**Report No. 3 :** Distribution of employees' and directors' compensation in 2024.

**Description:**

- (1) The Board of Directors resolved to distribute NT\$89,503,000 for employees' compensation and NT\$44,752,000 for directors' compensation for year 2024.
- (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 2024 was NT\$2,878,180,068, the amount before deducting the sums of compensation of directors and employees was NT\$ 3,012,435,068. Hence, the aforementioned compensation of employees and directors are respectively 3.0% and 1.5% of the said NT\$ 3,012,435,068.
- (3) In the internal financial statements, the employees' compensation was recorded as NT\$89,503,000 and NT\$44,752,000 as directors' compensation for year 2024. There is no difference between the compensation and the outcomes of an accounting estimate.

# **Adoption**

1.

**(Proposed by the Board)**

**Proposal :** Adoption of the Company's 2024 Business Report and Financial Statements.

**Description:**

The Company has completed the internal preparation of the 2024 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 6 to page 8, and Schedule 3, from page 10 to page 25, of the Handbook for the above Financial Statements as well as the Business Report.

**Resolution:**

2.

**(Proposed by the Board)**

**Proposal :** Adoption of the Company's 2024 distribution of earnings.

**Description:**

- (1) The Company's net profit of 2024 is NT\$2,556,849,827, plus this year's remeasurement of defined benefit obligation NT\$4,649,937, minus legal reserve provision NT\$256,149,976, plus reversal of special reserve NT\$921,588,074, plus unappropriated retained earnings, beginning of year NT\$5,949,138,552. The retained earnings available for distribution as of December 31, 2024, are NT\$9,176,076,414. The 2024 distribution of earnings prepared according to the Articles of Incorporation, please refer to Schedule 4, page 26, of the Handbook.
- (2) For this distribution of profits, the 2024 earnings will be subject to distribution on a priority basis.
- (3) The cash dividends total NT\$1,963,007,861 and the per share dividends to be distributed are

NT\$4.2. 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 467,382,824 outstanding shares as of Mar. 10, 2025. 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 amendments to the Company's "Articles of Incorporation".

**Description:**

It is proposed certain provisions of the Company's "Articles of Incorporation" shall be amended in accordance with Article 14-6 of the Securities and Exchange Act. Please refer to Schedule 5, page 27, of the Handbook for a comparison of the amendments to the "Articles of Incorporation".

**Resolution:**

**2. (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. Major details of the proposed Issuance of Restricted Employee Stock Awards, please refer to Schedule 6, from page 28 to page 30, of the Handbook.

**Resolution:**

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

**Proposal :** Removal of the non-compete restrictions on the 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 Director Chun-Pang Wu and Director Hui-Fan Ma. Please refer to Schedule 7, page 31, of the Handbook for the details.

**Resolution:**

**Extempore Motion**

**Meeting Adjournment**

## Business Report

In 2024, global inflation continued to ease, and major central banks successively adopted monetary easing policies to prevent economy downturns. However, high interest rate environment adversely impacted market demand. Additionally, major countries implemented de-risking policies, leading to significant adjustments in supply chains. Furthermore, due to mounting geopolitical risks, electronics manufacturing industry face severe challenges and demands for building resilience and adaptability of businesses.

In light of dynamic market changes, PRIMAX continued to deepen its transformation in 2024 and lie on core competency of “X-IN-1 Sensory Fusion” innovations to optimize its product portfolios with focus on enhancing profitability and product quality. In the Information Products segment, despite that AI PC market development were slower than expected, both revenue and profitability grew year over year thanks to increasing orders from PC and gaming customers. The Smart Lifestyle segment revenue declined due to demand weakness. However, the significant rise in new project wins are expected to inject growth drivers in 2025. For the Auto and AIoT segments, the surveillance, professional and automotive audio continued steady shipping, achieving high double-digit revenue growth. Moving forward, PRIMAX will focus on automotive electronics, public safety, and fleet management to further expand its market presence.

In response to the global supply chain strategy and diversification of production sites, the shipping volume from PRIMAX's Thailand plant continued to rise in 2024, while supply quality and costs of Thailand plant gradually approached the standards of the China plant. Meanwhile, the company is expanding capacity to meet evolving customer demands and enhance its global competitive edges.

The following is an overview of the Company's 2024 performance

### I. 2024 business operation performance

#### (I) Overview of financial results in 2024

The Company generated worldwide consolidated net revenues of NT\$58,243,661 thousand in 2024, representing a 3.7% decrease compared to the NT\$60,488,402 thousand in 2023. Consolidated net income after tax (NIAT) was NT\$2,727,124 thousand in 2024, an increase of approximately 3.6% compared to the NT\$2,633,489 thousand in 2023.

#### (II) Cash flow analysis

Unit: NT\$ thousand			
Item	2024	2023	Net Change
Net cash inflow (outflow) from operating activities	5,621,528	7,727,513	(2,105,985)
Net cash inflow (outflow) from investing activities	(1,269,618)	(1,435,450)	165,832
Net cash inflow (outflow) from financing activities	(2,079,897)	(1,496,505)	(583,392)



### (III) Profitability analysis

Item	2024	2023
Return on shareholders' equity (%)	14.01	14.09
Ratio of operating profit to paid-in capital (%)	58.64	59.25
Ratio of income before tax to paid-in capital (%)	73.15	70.55
Net profit margin (%)	4.68	4.35
Earnings per share (NT\$)	5.61	5.50

### (IV) Research and development

To further maintain its technological lead and enhance competitiveness, the Company invested NT\$3,327,670 thousand in R&D in 2024 for the development of new technologies and products, while resources were also allocated for automation to upgrade and improve the production processes.

### II.2025 business plans and business development strategies

#### **"X-in-1 Sensory Fusion" Leading the AI Revolution, Accelerating Global Market Expansion**

PRIMAX is among the few global enterprises that possess both core visual imaging and acoustic technologies. With the strong focus on "X-IN-1 Sensory Fusion," the company is dedicated to deepening the integration of visual, audio, and interface technologies. Leveraging key expertise and manufacturing strengths in microphones, camera sensors, and speakers, PRIMAX positions itself as a comprehensive AI solution provider for X-IN-1 Sensory Fusion, driving the next wave of growth amid the AI revolution.

#### **Expanding into New Markets and Smart Ecosystems**

PRIMAX continues to broaden the application of multi-sensory technology, driving Edge AI innovations in audiovisual solutions across key sectors such as Public Safety and AIoT (B2B) visual solutions. The company is also advancing AI video conferencing and automotive product applications while expanding into niche markets such as industrial vision and acoustic inspections to enhance the scope of its technological applications.

In the automotive electronics market, PRIMAX is enhancing vehicle safety and user experience through automotive AIoT applications such as driver monitoring systems and intelligent safety systems. In the public safety sector, PRIMAX's visual and audio technologies have been gradually integrated into surveillance and protection systems, strengthening security infrastructure and improving monitoring capabilities. As smart city development accelerates, the demand for advanced public safety solutions continues to grow. PRIMAX will leverage its technological expertise to offer innovative security solutions, further expanding its market presence.

In addition, AI video conferencing and the professional audio market remain key focus areas, particularly in the high-end segment and premium audiovisual solutions, where market demand is steadily growing. PRIMAX leverages its acoustic expertise to optimize sound quality and provide a diverse range of products designed to meet diverse needs across the market.

## **Strategic Investments and Capacity Optimization Driving Corporate Transformation**

To strength its competitive advantages in the Smart Lifestyle and automotive AIoT markets, PRIMAX will actively seek external growth opportunities and new technologies through strategic investments, aiming to achieve a "1+1>2" synergy that accelerates corporate transformation and new business deployment.

For its global manufacturing footprint, PRIMAX is accelerating the expansion of non-China production bases as Phase II of the Thailand plant is expected to be completed by the end of 2025 and steel structure construction already in progress to meet increasing customer capacity demands. Revenue contributions from the Thailand plant are expected to multiply, strengthening the company's competitiveness in the Southeast Asian market and enhancing its market responsiveness.

In addition, PRIMAX's Innovation Incubation Center in Zhubei, Taiwan, is scheduled for completion by June 2025, serving as the company's R&D hub for AI and multi-sensory fusion technologies and a key base for small-scale, diversified production. Equipped with advanced laboratory and pilot production capabilities, the center will optimize design processes to further enhance PRIMAX's R&D strength and market responsiveness. This will enable the company to quickly adapt to market demands, drive product innovation, and further accelerate growth in the Smart Lifestyle and automotive AIoT sectors.

## **Navigating Market Uncertainties and Driving Sustainability**

Facing the global market uncertainties in 2025, PRIMAX will tackle challenges by adopting robust financial strategies and flexible market footprints, while continuously enhancing its competitiveness through technological innovation, capacity optimization, and strategic capital allocation. At the same time, the company remains committed to its sustainability blueprint, ensuring long-term value creation for shareholders.

Chairman and General Manager	Yung-Chung Pan
Head of Accounting	Shu-chuan Chang

## Audit Committee's Review Report

To: Shareholders' Meeting of Primax Electronics Ltd.

Among the Company's 2024 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, 2025

## **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, 2024, and 2023, 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, 2024 and 2023, 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 constituting 18% and 14% of the total assets, as of December 31, 2024 and 2023. The related share of profit of subsidiaries and associates accounted for using the equity method amounted constituting 20% and 23% of the profit after tax, for the years ended December 31, 2024 and 2023, 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 Horng, Shyh-Gang and Fu, Hung-Wen.

KPMG

Taipei, Taiwan (Republic of China)  
February 26, 2025

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

## Balance Sheets

(Expressed in Thousands of New Taiwan Dollars)

See accompanying notes to parent company only financial statements.



(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, 2024 and 2023**

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

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(t) and 7)</b>	\$ 36,203,766	100	33,459,786	100
5000	<b>Operating costs (notes 6(e), (m), (o), (u), 7 and 12)</b>	31,895,727	88	29,969,051	90
	<b>Gross profit from operations</b>	4,308,039	12	3,490,735	10
	<b>Operating expenses (notes 6(d), (m), (o), (r), (u), 7 and 12):</b>				
6100	Selling expenses	658,841	2	611,924	2
6200	Administrative expenses	701,397	2	598,281	1
6300	Research and development expenses	1,498,597	4	1,273,722	4
6450	Expected credit loss (gain on reversal)	(7,132)	-	(54,245)	-
	<b>Total operating expenses</b>	2,851,703	8	2,429,682	7
	<b>Net operating income</b>	1,456,336	4	1,061,053	3
	<b>Non-operating income and expenses:</b>				
7100	Interest income	208,641	-	127,308	-
7010	Other income (notes 6 (c), (n), (v) and 7)	12,948	-	13,293	-
7020	Other gains and losses (notes 6(w) and 12)	326,656	1	334,166	1
7070	Share of profit of subsidiaries and associates accounted for using equity method	914,639	3	1,335,440	4
7050	Finance costs (note 6(m))	(41,040)	-	(37,059)	-
	<b>Total non-operating income and expenses</b>	1,421,844	4	1,773,148	5
	<b>Profit before income tax</b>	2,878,180	8	2,834,201	8
7950	<b>Less: Income tax expenses (note 6(p))</b>	321,330	1	348,912	1
	<b>Profit</b>	2,556,850	7	2,485,289	7
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Losses (gains) on remeasurements of defined benefit plans (note 6(o))	4,649	-	(2,428)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	5,968	-	(25,805)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	-	-	(47,605)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	___	___	___	___
		10,617	-	(75,838)	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	915,620	3	(188,627)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	___	___	___	___
		915,620	3	(188,627)	-
8300	<b>Other comprehensive income</b>	926,237	3	(264,465)	-
	<b>Comprehensive income (after tax)</b>	<b>\$ 3,483,087</b>	<b>10</b>	<b>2,220,824</b>	<b>7</b>
	<b>Earnings per share (note 6(s))</b>				
9710	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 5.61</b>		<b>5.50</b>	
9810	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 5.52</b>		<b>5.42</b>	

See accompanying notes to parent company only financial statements.

(Expressed in Thousands of New Taiwan Dollars)

See accompanying notes to parent company only financial statements.

**PRIMAX ELECTRONICS LTD.****Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 2,878,180	2,834,201
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	127,075	136,438
Amortization expense	12,850	19,396
Amortization of long-term deferred revenue	(168,915)	(172,655)
Expected credit loss (gain on reversal)	(7,132)	(54,245)
Interest expense	40,963	37,059
Net loss on financial assets or liabilities at fair value through profit or loss	207,492	631,606
Interest income	(208,641)	(127,308)
Dividend income	(639)	(690)
Compensation cost of share-based payment	185,593	181,902
Share of profit of subsidiaries and associates accounted for using equity method	(914,639)	(1,335,440)
Gain on disposal of property, plant and equipment	-	(1)
Gain on disposal of right-of-use assets	(701)	(2)
Amortization of unrealized revenue of patents disposed	(15,450)	(15,450)
<b>Total adjustments to reconcile profit (loss)</b>	<b>(742,144)</b>	<b>(699,390)</b>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	358,835	367,032
Accounts receivable, including related parties	369,020	553,670
Other receivable	11,532	(59,466)
Inventories	(869,873)	70,592
Other current assets	(61,552)	(46,058)
Other operating assets	34,322	21,914
<b>Changes in operating assets</b>	<b>(157,716)</b>	<b>907,684</b>
Financial liabilities at fair value through profit or loss	(989,080)	(1,013,985)
Notes and accounts payable, including related parties	1,667,806	2,221,137
Salaries payable	224,877	(186,015)
Other payables	(719,059)	(92,062)
Refund liabilities	240,682	342,009
Other current liabilities	229,557	309,406
Long-term deferred revenue	136,932	74,176
Other operating liabilities	(178,058)	168,761
<b>Changes in operating liabilities</b>	<b>613,657</b>	<b>1,823,427</b>
<b>Total changes in operating assets and liabilities</b>	<b>455,941</b>	<b>2,731,111</b>
<b>Total adjustments</b>	<b>(286,203)</b>	<b>2,031,721</b>
Cash inflow generated from operations	2,591,977	4,865,922
Interest received	208,641	127,308
Interest paid	(40,963)	(36,979)
Income taxes paid	(464,534)	(213,237)
<b>Net cash flows from operating activities</b>	<b>2,295,121</b>	<b>4,743,014</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(25,943)	(27,419)
Acquisition of financial assets at fair value through profit and loss	(10,836)	(10,747)
Acquisition of investments accounted for using equity method	(869,600)	-
Proceeds from capital reduction of investments accounted for using equity method	627,900	-
Acquisition of property, plant and equipment	(550,196)	(552,452)
Proceeds from disposal of property, plant and equipment	-	19
Acquisition of unamortized expense	(3,145)	(2,420)
Decrease (increase) in refundable deposits	55	(2,401)
Dividends received	639	690
<b>Net cash flows used in investing activities</b>	<b>(831,126)</b>	<b>(594,730)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	557,277	-
Increase in long-term borrowings	393,775	243,979
Repayments of long-term borrowings	(16,667)	-
Payment of lease liabilities	(83,705)	(83,477)
Cash dividends paid	(1,851,727)	(1,791,794)
<b>Net cash flows used in financing activities</b>	<b>(1,001,047)</b>	<b>(1,631,292)</b>
<b>Net increase in cash and cash equivalents</b>	<b>462,948</b>	<b>2,516,992</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,478,685</b>	<b>2,961,693</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 5,941,633</b>	<b>5,478,685</b>

See accompanying notes to parent company only financial statements.

## **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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, the assets of these subsidiaries constitute 32% and 31% of the consolidated total assets, respectively. For the years ended December 31, 2024 and 2023, the operating revenue of these subsidiaries constitute 34% and 37%, 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, 2024 and 2023, 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 mentioned 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' s 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, 2025

#### **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 Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 13,885,985	28	10,904,683	24
1110	Current financial assets at fair value through profit or loss (note 6(b))	293,655	1	379,608	1
1137	Current financial assets at amortized cost (note 6(d))	25,649	-	30,234	-
1170	Accounts receivable, net (notes 6(e) and (w))	10,742,552	21	11,481,787	25
1180	Accounts receivable from related parties, net (notes 6(e), (w) and 7)	109,306	-	70,606	-
1200	Other receivables (notes 6(e) and (f))	980,026	2	1,556,671	3
1310	Inventories (note 6(g))	9,603,682	19	7,996,397	17
1470	Other current assets	604,963	1	516,388	1
		36,245,818	72	32,936,374	71
Non-current assets:					
1511	Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (note 6(b))	23,373	-	12,048	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	322,196	1	290,285	1
		31,900	-	-	-
1550	Investments accounted for using equity method (note 6(h))	8,086,736	16	7,740,909	17
1600	Property, plant and equipment (notes 6(i) and 8)	1,785,510	4	1,891,531	4
1755	Right-of-use assets (note 6(k))	645,231	1	649,515	1
1760	Investment property (notes 6(l) and 8)	2,020,234	4	2,013,589	4
1780	Intangible assets (note 6(m))	662,009	1	699,981	1
1840	Deferred tax assets (note 6(s))	305,410	1	318,888	1
1990	Other non-current assets (note 8)	13,882,599	28	13,616,746	29
		\$ 50,128,417	100	46,553,120	100
Total assets					
Liabilities and Equity					
Current liabilities:					
	Short-term borrowings (notes 6(n) and 8)	\$ 1,441,489	3	756,252	2
	Current financial liabilities at fair value through profit or loss (note 6(b))	467,904	1	992,339	2
	Notes and accounts payable	13,347,474	27	12,135,123	26
	Salaries payable	1,857,174	4	1,310,137	3
	Other payables (note 6(i))	3,676,998	7	3,976,418	9
	Other payables to related parties (notes 6(i) and 7)	255,088	-	-	-
	Current lease liabilities (note 6(p))	232,639	-	225,189	-
	Long-term borrowings, current portion (notes 6(o) and 8)	258,430	1	16,667	-
	Current refund liabilities	2,492,671	5	2,239,016	5
	Other current liabilities (note 6(w))	2,050,400	4	1,985,860	4
		26,080,267	52	23,637,001	51
Non-Current liabilities:					
	Long-term borrowings (notes 6(o) and 8)	932,378	2	691,312	2
	Non-current lease liabilities (note 6(p))	1,457,202	3	1,559,401	3
	Long-term deferred revenue (note 6(j))	606,502	1	606,265	1
	Other non-current liabilities (notes 6(r) and (s))	1,217,092	2	962,565	2
		4,213,174	8	3,819,543	8
		30,293,441	60	27,456,544	59
Equity attributable to owners of parent:					
	Ordinary shares (note 6(t))	4,657,448	10	4,629,738	10
	Capital surplus (notes 6(i) and (t))	3,512,958	7	2,359,753	5
	Legal reserve (note 6(i))	2,522,701	5	2,274,414	5
	Special reserve (note 6(i))	1,016,955	2	754,918	2
	Unappropriated retained earnings (note 6(i))	8,510,638	17	8,311,190	18
	Other equity interest	(385,724)	(1)	(1,316,504)	(3)
		19,834,976	40	17,013,509	37
	Non-controlling interests (notes 6(i) and 7)	-	-	2,083,067	4
	Total equity	19,834,976	40	19,096,576	41
	Total liabilities and equity	\$ 50,128,417	100	46,553,120	100



(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, 2024 and 2023**

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

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(w) and 7)</b>	\$ 58,243,661	100	60,488,402	100
5000	<b>Operating costs (notes 6(g), (p), (r), (x) and 12)</b>	48,362,968	83	50,907,102	84
	<b>Gross profit from operation</b>	9,880,693	17	9,581,300	16
	<b>Operating expenses (notes 6(e), (p), (r), (u), (x) and 12):</b>				
6100	Selling expenses	1,721,686	3	1,710,326	3
6200	Administrative expenses	2,120,793	3	2,074,862	3
6300	Research and development expenses	3,327,670	6	3,089,186	5
6450	Expected credit loss (gain on reversal)	(20,548)	-	(36,057)	-
	<b>Total operating expenses</b>	7,149,601	12	6,838,317	11
	<b>Net operating income</b>	2,731,092	5	2,742,983	5
	<b>Non-operating income and expenses:</b>				
7100	Interest income	593,293	1	361,013	-
7010	Other income (notes 6(c), (q) and (y))	114,823	-	40,491	-
7020	Other gains and losses (notes 6(j), (z) and 12)	116,593	-	269,338	-
7050	Finance costs (note 6(p))	(148,854)	-	(147,453)	-
	<b>Total non-operating income and expenses</b>	675,855	1	523,389	-
	<b>Profit before tax</b>	3,406,947	6	3,266,372	5
7950	<b>Less: Income tax expenses (note 6(s))</b>	679,823	1	632,883	1
	<b>Profit</b>	2,727,124	5	2,633,489	4
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(r))	4,649	-	(2,428)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	5,968	-	(87,755)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	10,617	-	(90,183)	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign operation's financial statements	964,549	1	(198,741)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	964,549	1	(198,741)	-
8300	<b>Other comprehensive income after tax</b>	975,166	1	(288,924)	-
	<b>Comprehensive income</b>	<b>\$ 3,702,290</b>	<b>6</b>	<b>2,344,565</b>	<b>4</b>
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 2,556,850	5	2,485,289	4
8620	Non-controlling interests (note 6(i))	170,274	-	148,200	-
		<b>\$ 2,727,124</b>	<b>5</b>	<b>2,633,489</b>	<b>4</b>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 3,483,087	6	2,220,824	4
8720	Non-controlling interests (note 6(i))	219,203	-	123,741	-
		<b>\$ 3,702,290</b>	<b>6</b>	<b>2,344,565</b>	<b>4</b>
	<b>Earnings per share (note 6(v))</b>				
9710	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 5.61</b>		<b>5.50</b>	
9810	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 5.52</b>		<b>5.42</b>	

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, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
	Other equity interest									Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings		Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	
					Unappropriated retained earnings	Total equity attributable to owners of parent				
Balance at January 1, 2023										
Profit	\$ 4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	1,946,491	18,293,585
Other comprehensive income	-	-	-	-	2,485,289	-	-	-	2,485,289	148,200
Comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(264,465)	(288,924)
Appropriation and distribution of retained earnings:	-	-	-	-	2,482,861	(188,627)	(73,410)	-	2,220,824	123,741
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 shares of investment accounted for using equity method	-	(12,835)	-	-	-	-	-	-	(12,835)	12,835
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	250,220	250,220	-
Amortization expense of restricted stock	(2,005)	(12,194)	-	-	-	-	-	14,199	-	-
Cancellation of restricted stock	48,850	254,874	-	-	-	-	-	(303,724)	-	-
Issuance of restricted stock	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
Balance at December 31, 2023	-	-	-	-	2,556,850	-	-	2,556,850	170,274	2,727,124
Profit	-	-	-	-	4,649	915,620	5,968	-	926,237	48,929
Other comprehensive income	-	-	-	-	2,561,499	915,620	5,968	-	3,483,087	219,203
Comprehensive income	-	-	-	-	-	-	-	-	-	3,702,290
Appropriation and distribution of retained earnings:	-	-	248,287	-	(248,287)	-	-	-	-	-
Legal reserve	-	-	-	262,037	(262,037)	-	-	-	-	-
Special reserve	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	-
Changes in shares of investment accounted for using equity method	-	937,532	-	-	-	-	-	-	937,532	(2,302,270)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	-	-	(1,364,738)
Amortization expense of restricted stock	(3,300)	(16,281)	-	-	-	-	-	252,575	252,575	-
Cancellation of restricted stock	31,010	231,954	-	-	-	-	-	19,581	-	-
Issuance of restricted stock	-	-	-	-	-	-	-	(262,964)	-	-
Balance at December 31, 2024	\$ 4,657,448	3,512,958	2,522,701	1,016,955	8,510,638	(85,530)	(9,837)	(290,357)	19,834,976	19,834,976

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, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 3,406,947	3,266,372
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,556,973	1,709,347
Amortization expense	65,963	204,035
Gain on reversal of expected credit loss	(20,548)	(36,057)
Interest expense	148,777	147,453
Net losses on financial assets and liabilities at fair value through profit or loss	173,186	613,592
Interest income	(593,293)	(361,013)
Compensation cost of share-based payment	252,575	250,220
Dividend income	(639)	(690)
Loss (gain) on disposal of property, plant and equipment	12,914	(42,630)
Impairment loss of property, plant and equipment	30,244	-
Gain on disposal of right-of-use assets	(2,497)	(21,491)
Loss on disposal of unamortized expense	460	3,832
<b>Total adjustments to reconcile profit</b>	<b>1,624,115</b>	<b>2,466,598</b>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	380,183	397,484
Accounts receivable	1,261,725	3,449,280
Accounts receivable from related parties	(38,700)	(16,019)
Other receivables	61,708	(71,760)
Inventories	(1,607,285)	1,357,107
Other current assets	(87,380)	241,569
Other operating assets	(11,388)	21,913
<b>Changes in operating assets</b>	<b>(41,137)</b>	<b>5,379,574</b>
Financial liabilities at fair value through profit or loss	(992,340)	(1,016,661)
Notes and accounts payable	1,212,351	(1,903,404)
Salaries payable	547,037	(368,520)
Other payables	(524,067)	(556,765)
Other payable to related parties	255,088	-
Refund liabilities	253,655	326,657
Other current liabilities	79,524	421,988
Other operating liabilities	122,662	(35,932)
<b>Changes in operating liabilities</b>	<b>953,910</b>	<b>(3,132,637)</b>
<b>Total changes in operating assets and liabilities</b>	<b>912,773</b>	<b>2,246,937</b>
<b>Total adjustments</b>	<b>2,536,888</b>	<b>4,713,535</b>
Cash inflow generated from operations	5,943,835	7,979,907
Interest received	593,293	361,013
Interest paid	(148,777)	(147,374)
Income taxes paid	(766,823)	(466,033)
<b>Net cash flows from operating activities</b>	<b>5,621,528</b>	<b>7,727,513</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(25,943)	(27,419)
Decrease in financial assets measured at amortized cost	4,585	99,789
Acquisition of financial assets designated at fair value through profit or loss	(10,836)	(10,747)
Acquisition of investments accounted for using equity method	(31,900)	-
Acquisition of property, plant and equipment	(1,373,222)	(1,571,521)
Proceeds from disposal of property, plant and equipment	180,031	84,657
Decrease (Increase) in refundable deposits	(5,996)	8,069
Acquisition of intangible assets	(14)	-
Proceeds from disposal of intangible assets	21	-
Acquisition of investment properties	(57)	-
Acquisition of unamortized expense	(9,050)	(19,279)
Proceeds from disposal of unamortized expense	2,124	311
Dividends received	639	690
<b>Net cash flows used in investing activities</b>	<b>(1,269,618)</b>	<b>(1,435,450)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	629,645	266,882
Increase in long-term borrowings	493,281	243,979
Repayments of long-term borrowings	(16,667)	-
Increase in guarantee deposits received	5,100	21,379
Payment of lease liabilities	(247,739)	(236,951)
Cash dividends	(1,851,727)	(1,791,794)
Change in non-controlling interests	(1,091,790)	-
<b>Net cash flows used in financing activities</b>	<b>(2,079,897)</b>	<b>(1,496,505)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>709,289</b>	<b>(175,762)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,981,302</b>	<b>4,619,796</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>10,904,683</b>	<b>6,284,887</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 13,885,985</b>	<b>10,904,683</b>

See accompanying notes to consolidated financial statements.

PRIMAX ELECTRONICS LTD.  
Earnings Distribution Proposal  
Year 2024

Unit: NT\$

Item	Amount	
<b>Unappropriated Retained Earnings, beginning of year</b>		<b>5,949,138,552</b>
Add : Net profit of 2024	2,556,849,827	
Add : Remeasurement of Defined Benefit Obligation	4,649,937	
Less : 10% Legal Reserve	256,149,976	
Add : Reversal of Special Reserve	921,588,074	
<b>Retained Earnings Available for Distribution as of December 31, 2024</b>		<b>9,176,076,414</b>
Distribution Item :		
Cash Dividends (NT\$4.2 per share)	1,963,007,861	
<b>Unappropriated Retained Earnings</b>		<b>7,213,068,553</b>

Chairman :  
Yung-Chung Pan

General Manager :  
Yung-Chung Pan

Accounting Manager:  
Shu-chuan Chang

Note: 1. The per share dividends above are based on the 467,382,824 outstanding shares as of Mar.10, 2025.  
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 75%

**PRIMAX ELECTRONICS LTD.**  
**Comparison of Amendments to the**  
**Articles of Incorporation**

**【Schedule 5】**

Amended Content	Current Content	Reason for Amendment and Explanation
<p><b>Article 25</b></p> <p>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.</p> <p>The Company shall distribute 2% to 10% of distributable profit of the current year as employee's compensation and not more than 2% of the profit for Directors' compensation; provided, <u>when distributing employee's compensation to grassroots employees, it should not be less than 8% of the contribution ratio.</u> However, that the Company shall have reserved a sufficient amount to offset its accumulated losses.</p> <p>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.</p> <p>The said Copmany'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).</p> <p>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.</p>	<p><b>Article 25</b></p> <p>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.</p> <p>The Company shall distribute 2% to 10% of distributable profit of the current year 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.</p> <p>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.</p> <p>The said Copmany'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).</p> <p>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.</p>	<p>Amended according to 14-6 of the Securities and Exchange Act.</p>
<p><b>Article 30</b></p> <p>These Articles of Incorporation were established on March 8, 2006.</p> <p>.....</p> <p>Eighteenth amendment was made on May 25, 2023  <u>Nineteenth amendment was made on May 23, 2025</u></p>	<p><b>Article 30</b></p> <p>These Articles of Incorporation were established on March 8, 2006.</p> <p>.....</p> <p>Eighteenth amendment was made on May 25, 2023</p>	<p>Add an update to the amendment date.</p>

## Major details of the proposed Issuance of Restricted Employee Stock Awards

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 (Note)	the weighting	The vested shares proportion
ROE	12.5%	13.0%	50%	<ul style="list-style-type: none"> <li>▪ Below Threshold: 0% shares</li> <li>▪ Equal Threshold: 50% shares</li> <li>▪ Equal and Over Target: 100% shares</li> <li>▪ If the achieved result falls between the threshold value and the target value, interpolation is used for calculation.</li> </ul>
EPS	4.2	4.5	50%	

Note: Due to the uncertainty of the overall economy, the relevant changes are beyond the expected range at the time of setting the target, so the original target value setting will be maintained.

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\$79, the average share price during the period of 60 trading days before Jan. 23, 2025, the amount of annual cost sharing for year 2025, 2026, 2027 and 2028 shall be NT\$ 42,454,271, NT\$ 178,628,875 , NT\$ 86,450,688 , and NT\$ 36,116,167 respectively, with a total amount of NT\$343,650,000.
  8. Dilution of the Company's earnings per share (EPS) and other matters affecting shareholder's equity:  
Estimations are made based on NT\$79, the average share price during the period of 60 trading days before Jan. 23, 2025, the diluted EPS for year 2025, 2026, 2027 and 2028 shall be NT\$0.09, NT\$0.38, NT\$0.18, and NT\$0.08 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 (Y2022 to Y2024) 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 (465,744,824 shares) as of Jan.23, 2025, the 4,350,000 new shares to be issued will account for 0.93% of the total number of issued shares.



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

Title	Name	Current Position in the other companies
Independent Director	Chun-Pang Wu	– Asia Cement (China) Holdings Corporation Independent Director
Independent Director	Hui-Fan Ma	– E-AN Co., Ltd. Chairman

## 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.

#### **Chapter VI. Accounting**

- 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 earning 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 earnings 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 year 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 VII. 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: Yung-Chung Pan

## PRIMAX ELECTRONICS LTD.

## Shareholding of Directors

1. The Company's paid-in capital is NT\$ 4,657,448,240 and have issued 465,744,824 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 25, 2025), which have met the percentage standards required by law.

Position	Name	Date elected	Current Shareholding shares	Shareholding ratio
Chariman	Yung-Chung Pan	May 24, 2024	6,140,046	1.32%
Director	Yung-Tai Pan	May 24, 2024	3,724,599	0.80%
Director	Jia-Bin Duh	May 24, 2024	226,500	0.05%
Director	Green Land Investment Limited Representative: Ji-Ren Lee	May 24, 2024	544,000	0.12%
Independent Director	Chun-Pang Wu	May 24, 2024	0	0%
Independent Director	Jia-Chyi Wang	May 24, 2024	0	0%
Independent Director	Hui-Fan Ma	May 24, 2024	0	0%
Independent Director	Shiou-Chuang Huang	May 24, 2024	0	0%
Independent Director	Fei-Pei Lai	May 24, 2024	0	0%
Shareholdings of all Directors			10,635,145	2.29%