

PRIMAX ELECTRONICS LTD.
Minutes of 2018 Annual General Shareholders' Meeting
(Translation)

Time : May 30, 2018 (Wednesday) 9 a.m.

Venue : 4F No. 2, Xuzhou Road, Zhongzheng District 100, Taipei City
(NTUH International Convention Center)

Present: A total of 397,329,794 shares (including 305,371,246 shares represented by shareholders exercising voting rights electronically) are held by shareholders attending the shareholders' meeting in person or by a proxy, who represent 88.92% of the total number of the Company's outstanding 446,815,324 shares.

Present Directors: Li-Sheng Liang, Hai-Hung Yang, Tze-Ting Yang, Yung-Tai Pan,
Yung- Chung Pan, Yung-Do Way (Independent Director)

Chairman: Li-Sheng Liang, the chairman of the Board of Directors

Recorder: Li-Hsueh Lee

A. Meeting called to order:

B. Chairperson Remark: (omitted)

C. Report:

Report No. 1 : The Company's 2017 Business Report for review.

Report No. 2 : Audit Committee's Review Report on the 2017 Financial Statements for review.

Report No. 3 : Distribution of employees' and directors' compensation in 2017.

Description:

- (1) The Board of Directors resolved to distribute NT\$ 68,260,000 for employees' compensation and NT\$ 34,000,000 for directors' compensation for year 2017.
- (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 employee's 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 2017 was NT\$2,178,832,959, the amount before deducting the sums of compensation of directors and employees was NT\$2,281,108,741. Hence, the aforementioned compensation of employees and directors are respectively 2.99% and 1.49% of the said NT\$2,281,108,741.
- (3) In the internal financial statements, the employees' compensation was recorded as NT\$68,181,524 and NT\$34,094,258 as directors' compensation for year 2017. The discrepancy amount was NT\$78,476 and NT\$-94,258 respectively. The discrepancies were the difference between the outcomes of an accounting estimate, which will be handled by principles of accounting change.

D. Adoption

1.

(Proposed by the Board)

Proposal : Adoption of the Company's 2017 Business Report and Financial Statements.

Description:

The Company has completed the internal preparation of the 2017 Annual Parent Company Only and Consolidated Financial Statements and has provided the reports to MEI-PIN WU CPA and YUNG-HUA HUANG CPA of KPMG Taiwan for review and audit. The CPAs have completed the audit. Please refer to Schedule 1 and Schedule 3 of the Handbook for the above Financial Statements as well as the Business Report.

Resolved: the proposal was approved after voting.

Voting Results : Shares represented at the time of voting : 397,329,794
(Including votes casted electronically: 305,371,246votes)

Voting Results*		% of the total represented share present
Votes in favor	348,930,890 votes (257,222,353votes)	87.81%
Votes against	3,478votes (3,478votes)	0.00%
Votes invalid	0 votes	0.00%
Votes abstained	48,395,426 votes (48,145,415 votes)	12.18%

*including votes casted electronically (number in brackets)

2.

(Proposed by the Board)

Proposal : Adoption of the Company's 2017 distribution of earnings.

Description:

- (1) The Company's 2017 net profit after tax is NT\$ 2,057,414,500, minus this year's actuarial gain from defined benefit plans NT\$5,909,014, minus legal reserve provision NT\$ 205,741,450, minus special reserve provision NT\$201,765,167, plus beginning retained earnings NT\$3,474,126,029, minus adjustments on equity method investments NT\$517,287,466, the distributable retained earnings are NT\$4,600,837,432. The 2017 distribution of earnings prepared according to the Articles of Incorporation is as follows:

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PROFIT ALLOCATION PROPOSAL
December 31, 2017

Unit: NT\$

Item	Amount	
Beginning retained earnings		3,474,126,029
Less : Adjustments on equity method investments	517,287,466	
Adjusted unallocated earnings, beginning of year		2,956,838,563
Add : Net profit after tax	2,057,414,500	
Less : Actuarial Gain from Defined Benefit Plans	5,909,014	
Less : 10% Legal Reserve	205,741,450	
Less : Special reserve provision	201,765,167	
Distributable retained earnings		4,600,837,432
Distribution Item :		
Cash Dividends to Common Share Holders(NT\$3.2 per share)	1,430,068,237	
Unappropriated Retained Earnings		3,170,769,195

Chairman :
Liang, Li-Sheng

General Manager :
Yang, Hai-Hung

Accounting Manager:
Chang, Shu-chuan

- Note: 1. The per share dividends above are based on the 446,896,324 outstanding shares as of March 2, 2018.
 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 68.52%

- (2) For this distribution of profits, the 2017 earnings will be subject to distribution on a priority basis.
- (3) The cash dividends total NT\$1,430,068,237 and the per share dividends to be distributed are NT\$3.2. 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 446,896,324 outstanding shares as of March 2, 2018. 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.

Resolved: the proposal was approved after voting.

Voting Results : Shares represented at the time of voting : 397,329,794
 (Including votes casted electronically: 305,371,246votes)

Voting Results*		% of the total represented share present
Votes in favor	348,819,890 votes (257,111,353 votes)	87.79%
Votes against	115,478 votes (115,478 votes)	0.02%
Votes invalid	0 votes	0.00%
Votes abstained	48,394,426 votes (48,144,415 votes)	12.17%

*including votes casted electronically (number in brackets)

E. Discussion

1. (Proposed by the Board)

Proposal : Resolution of amendments to the Company's "Articles of Incorporation".

Description:

- (1) It is proposed certain provisions of the Company's "Articles of Incorporation" shall be amended as needed for the Company's operational requirements.
- (2) Refer to Schedule 4, pages 27, of the Handbook for a comparison of the amendments to the "Articles of Incorporation".

Resolved: the proposal was approved after voting.

Voting Results : Shares represented at the time of voting : 397,329,794
 (Including votes casted electronically: 305,371,246votes)

Voting Results*		% of the total represented share present
Votes in favor	348,470,890 votes (256,762,353 votes)	87.70%
Votes against	461,478 votes (461,478 votes)	0.11%
Votes invalid	0 votes	0.00%
Votes abstained	48,397,426 votes (48,147,415 votes)	12.18%

*including votes casted electronically (number in brackets)

2.

(Proposed by the Board)

Proposal : Resolution of amendment to the Company's "Procedures for Acquisition or Disposal of Assets".

Description:

- (1) It is proposed certain provisions of the Company's " Procedures for Acquisition or Disposal of Assets " shall be amended due to the constitution amendment and the Company's operational requirements.
- (2) Refer to Schedule 5, pages 28 to page 32, of the Handbook for a comparison of the amendments to the " Procedures for Acquisition or Disposal of Assets "

Resolved: the proposal was disapproved after voting.

Voting Results : Shares represented at the time of voting : 397,329,794

(Including votes casted electronically: 305,371,246votes)

Voting Results*		% of the total represented share present
Votes in favor	185,130,161 votes (93,421,624 votes)	46.59%
Votes against	162,787,207 votes (162,787,207 votes)	40.97%
Votes invalid	0 votes	0.00%
Votes abstained	49,412,426votes (49,162,415 votes)	12.43%

*including votes casted electronically (number in brackets)

F. Election

1.

(Proposed by the Board)

Proposal : Election of all directors.

Description:

- (1) As the term of the incumbent directors of the Company will expire on June 28, 2018, it is proposed new directors shall be elected at the 2018 regular shareholders' meeting.
- (2) According to the Articles of Incorporation, five to nine directors may be elected. It is proposed nine directors (including three independent directors) shall be elected.
- (3) Mr. TAI-JAU KU, the candidate of the independent director, served as an independent director of the company for more than three consecutive terms (the actual term of office: 2010/3/30~2018/5/30, 8 years and 2 months in total). In view of the expertise and relevant experience of finance and Corporate Governance to the benefit of the Company, Mr. TAI-JAU KU is renominated as the candidate of independent director so as to furnish the Board with professional advice continuously.
- (4) New directors (including independent directors) shall have a term of three years from May 30, 2018 to May 29, 2021.
- (5) According to the Articles of Incorporation, the candidate nomination system shall be adopted for the election of directors (including independent director), please refer to Schedule 6, from page 33 to page 36, of the Handbook for the list of the director candidates and their academic background, work experiences, and shareholdings.
- (6) The election shall be conducted according to the Company's "Rules for Election of Directors".

Election Results: The list of the newly elected directors and votes received as follows

Title	Shareholder number or ID number	Name	Votes Received
Director	1	Liang, Li-Sheng	385,751,881
Director	5	Yang, Hai-Hung	367,248,113
Director	79	Yang, Tze-Ting	352,783,819
Director	53	Pan, Yung-Tai	352,717,054
Director	52	Pan, Yung-Chung	352,685,212
Director	64666	Sunshine Coast Services Limited Representative: Chen, Jie-Chi	339,124,173
Independent Director	J100*****	Ku, Tai-Jau	250,682,738
Independent Director	A104*****	Cheng, Chih-Kai	250,675,786

F. Other Matters:

1.

(Proposed by the Board)

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

Description:

- (1) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) To draw on the expertise and relevant experience of the Company's directors to the benefit of the Company, as certain newly elected directors concurrently work for other companies, which may constitute the act restricted under Article 209 of the Company Act, it is proposed for resolution to remove the non-compete restrictions on the company's newly elected directors. Refer to Schedule 7, from page 37 to page 38, of the Handbook for the details.

Resolved: the proposal was disapproved after voting.

Voting Results : Shares represented at the time of voting : 397,329,794

(Including votes casted electronically: 305,371,246votes)

Voting Results*		% of the total represented share present
Votes in favor	339,574,033 votes (247,865,496 votes)	85.46%
Votes against	2,338,179 votes (2,338,179 votes)	0.58%
Votes invalid	0 votes	0.00%
Votes abstained	55,417,582 votes (55,167,571 votes)	13.94%

*including votes casted electronically (number in brackets)

G. Extempore Motion: None.

H. The meeting was adjourned at 10:34 a.m.

(The Minutes record the summary of the essential points of the proceedings and the results of the meeting in accordance with Article 183 of Company Act. For more details please refer to the audio and video recording of the meeting.)

Proposal of removal of the non-competition restrictions on the newly elected Directors

Title	Name	Current Position in the other companies
Director	Liang, Li-Sheng	<ul style="list-style-type: none"> ● Polaris Electronics, Inc. Director ● Primax Ind (Hong Kong) Ltd. Director ● Primax Tech.(Cayman Holding) Ltd. Director ● Primax Ind.(Cayman Holding) Ltd. Director ● Destiny Tech Holding Co., Ltd. Director ● Beijing Destiny Electronic Technology Corporation Chairman ● Diamond (Cayman) Holdings Ltd. Representative of Institutional Director ● Tymphany Worldwide Enterprises Ltd. Representative of Institutional Director ● Tymphany Logistics, Inc. Director ● Premium Loudspeakers (Huizhou) Co., Ltd. Representative of Institutional Director ● Tymphany Acoustic Technology Limited Director ● Gratus Technology Corp. Director ● Primax AE (Cayman) Holdings Ltd. Director ● Alpine Asia Investment Limited Director
Director	Yang, Hai-Hung	<ul style="list-style-type: none"> ● Polaris Electronics, Inc. Director ● Primax Ind (Hong Kong) Ltd. Director ● Primax Tech.(Cayman Holding) Ltd. Director ● Primax Ind.(Cayman Holding) Ltd. Director ● Beijing Destiny Electronic Technology Corporation Director ● Primax Electronic (Kunshan) Co., Ltd. Legal Representative and Executive Director ● Primax Electronics (Chongqing) Corp. Ltd. Legal Representative and Executive Director ● Destiny Technology (Japan) Corporation Director ● Tymphany Worldwide Enterprises Ltd. Representative of Institutional Director ● GLOBAL-TEK Representative of Institutional Director ● Gratus Technology Corp. Director ● Campbell Technology Corporation Director
Director	Yang, Tze-Ting	<ul style="list-style-type: none"> ● Chinlease Auto Rental Chairman and General Manager ● Apex Credit Chairman and General Manager ● Fina Finance & Trading Co., Ltd. Supervisor
Director	Pan, Yung-Tai	<ul style="list-style-type: none"> ● Tymphany Worldwide Enterprises Ltd. Representative of Institutional Director ● Tymphany Acoustic Technology Limited Director

Title	Name	Current Position in the other companies
Director	Pan, Yung-Chung	<ul style="list-style-type: none"> ● Primax Electronics Limited Director ● Tymphany Worldwide Enterprises Ltd. Representative of Insitutional Director ● TYP Enterprises, Inc. Representative of Insitutional Director ● Tymphany HK Ltd. Representative of Insitutional Director ● Premium Loudspeakers (Huizhou) Co., Ltd. Representative of Insitutional Director ● Dongguan Tymphany Acoustic Technology Co., Ltd. Executive Director and General Manager ● Dongguan Dongcheng Acoustic Technology Co. Ltd. Executive Director and General Manager ● Tymphany Acoustic Technology HK Limited Director ● Tymphany Acoustic Technology Limited Director
Director	Sunshine Coast Services Limited Representative: Chen, Jie-Chi	<ul style="list-style-type: none"> ● Belfast Limited Chairman ● De Amertek Technology Chairman ● Advanced Leading Technology (Shanghai), Co., Ltd Chairman ● Advanced Micro Electronics Co., Ltd. Chairman ● Advanced Leading Technology Co., Ltd. Chairman
Independent Director	Cheng, Chih-Kai	<ul style="list-style-type: none"> ● B Current Impact Investment Inc. Director ● Crown Bioscience Inc. Director ● Eureka Therapeutics (California) Director ● Social Enterprise Insights Director ● Gaatu Holding Director ● H3 Platform Director ● B Current Impact Investment Fund II. Chairman ● Acorn Pacific Ventures Partner
Independent Director	Chen, Su-Jen	<ul style="list-style-type: none"> ● Swatch Group Ltd. President of China Region ● Swatch Art Peace Hotel General Manager
Independent Director	Ku, Tai-Jau	None.