

PRIMAX ELECTRONICS LTD.
Minutes of 2025 Annual General Meeting of Shareholders
(Translation)

Time: May 23, 2025 (Friday) 09:00 AM.

Meeting type: physical shareholders meeting

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

Present: A total of 390,766,242 shares (including 363,465,449 shares represented by shareholders exercising voting rights electronically) are held by shareholders attending the shareholders' meeting in person or by a proxy, who represent 83.90% of the total number of the Company's outstanding 465,702,824 shares.

Present Directors: Yung-Chung Pan, Yung-Tai Pan, Jia-Bin Duh, Ji-Ren Lee, Chun-Pang Wu
(Independent Director, Chairman of the Audit Committee), Fei-Pei Lai (Independent Director)

Chairman: Yung-Chung Pan, the chairman of the Board of Directors

Recorder: Jui-Hua Lee

A. Meeting called to order :

The total numbers of shares represented by the shareholders present constitute the quorum prescribed by law, hence the Chairman called this meeting to order.

B. Chairperson Remark: (omitted)

C. Report:

Report No. 1: The Company's 2024 Business Report for review, please refer to Schedule 1.

Report No. 2: Audit Committee's Review Report on the 2024 Financial Statements for review, please refer to Schedule 2.

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

D. 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 and Schedule 3 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: 389,068,265 votes
(Including votes casted electronically: 363,465,449 votes)

Voting Results*		% of the total represented share present
Votes in favor	333,121,383 votes (307,518,567 votes)	85.62%
Votes against	653,947 votes (653,947 votes)	0.16%
Votes invalid	0 votes	0.00%
Votes abstained	55,292,935 votes (55,292,935 votes)	14.21%

*Including votes casted electronically (number in brackets)

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.
- (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.

Resolved: The proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 389,068,265 votes
(Including votes casted electronically: 363,465,449 votes)

Voting Results*		% of the total represented share present
Votes in favor	337,196,863 votes (311,594,047 votes)	86.66%
Votes against	69,096 votes (69,096 votes)	0.01%
Votes invalid	0 votes	0.00%
Votes abstained	51,802,306 votes (51,802,306 votes)	13.31%

*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:

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 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: 389,068,265 votes
(Including votes casted electronically: 363,465,449 votes)

Voting Results*		% of the total represented share present
Votes in favor	336,992,054 votes (311,389,238 votes)	86.61%
Votes against	68,965 votes (68,965 votes)	0.01%
Votes invalid	0 votes	0.00%
Votes abstained	52,007,246 votes (52,007,246 votes)	13.36%

*Including votes casted electronically (number in brackets)

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.

Resolved: The proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 389,068,265 votes
(Including votes casted electronically: 363,465,449 votes)

Voting Results*		% of the total represented share present
Votes in favor	332,244,124 votes (306,641,308 votes)	85.39%
Votes against	4,800,945 votes (4,800,945 votes)	1.23%
Votes invalid	0 votes	0.00%
Votes abstained	52,023,196 votes (52,023,196 votes)	13.37%

*Including votes casted electronically (number in brackets)

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.

Resolved: The proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 389,068,265 votes
(Including votes casted electronically: 363,465,449 votes)

Voting Results*		% of the total represented share present
Votes in favor	327,427,486 votes (301,824,670 votes)	84.15%
Votes against	625,446 votes (625,446 votes)	0.16%
Votes invalid	0 votes	0.00%
Votes abstained	61,015,333 votes (61,015,333 votes)	15.68%

*Including votes casted electronically (number in brackets)

F. Extempore Motion: None.

After replying, the shareholder has no further questions.

G. The meeting was adjourned at 09:32 AM.

No question was raised by shareholders on the proposal.

(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.)

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 Tymphony 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 Tymphony 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.

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

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (note 6(a))	\$ 5,941,633	14	5,478,685	14	2100		\$ 557,277	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	256,370	1	358,835	1	2170		500,075	1
1170 Accounts receivable, net (notes 6(d) and (t))	5,034,794	12	4,142,696	11	2180		12,740,904	29
1180 Accounts receivable from related parties, net (notes 6(d), (t) and 7)	1,915,126	4	3,169,112	8	2120		464,351	1
1200 Other receivables (notes 6(d) and 7)	138,774	-	150,306	-	2200		1,390,935	3
1310 Inventories (note 6(c))	3,571,496	8	2,701,623	7	2201		532,212	1
1470 Other current assets	209,574	-	148,022	-	2280		82,391	-
	<u>17,067,767</u>	<u>39</u>	<u>16,149,279</u>	<u>41</u>	2300		<u>1,266,347</u>	<u>3</u>
Non-current assets:					2320		<u>232,000</u>	<u>1</u>
1511 Non-current financial assets at fair value through profit or loss (note 6(b))	23,373	-	12,048	-	2365		<u>2,434,506</u>	<u>6</u>
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	322,196	1	290,285	1			<u>20,200,998</u>	<u>46</u>
1550 Investments accounted for using equity method (notes 6(f) and 7)	22,092,547	51	19,000,624	49	2540		853,087	2
1600 Property, plant and equipment (notes 6(g) and 8)	2,154,505	5	1,567,007	4	2580		971,558	2
1755 Right-of-use assets (note 6(h))	970,569	2	1,111,300	3	2630		456,105	1
1760 Investment property (note 6(i))	226,668	1	230,228	1	2600		1,178,341	3
1780 Intangible assets (note 6(j))	-	-	1,543	-			3,459,091	8
1840 Deferred tax assets (note 6(p))	541,062	1	562,802	1			23,660,089	54
1990 Other non-current assets	96,378	-	134,020	-	3110		4,657,448	11
	<u>26,427,298</u>	<u>61</u>	<u>22,909,857</u>	<u>59</u>	3200		3,512,958	8
Total assets	\$ 43,495,065	100	\$ 39,059,136	100	3310		2,522,701	6
					3320		1,016,955	2
					3350		8,510,638	20
					3400		(385,724)	(1)
							19,834,976	46
							\$ 43,495,065	100
							\$ 39,059,136	100
Liabilities and Equity								
Current liabilities:								
Short-term borrowings (note 6(k))								
Notes and accounts payable								
Accounts payable to related parties (note 7)								
Current financial liabilities at fair value through profit or loss (note 6(b))								
Other payables (note 7)								
Salaries payable								
Current lease liabilities (note 6(m))								
Other current liabilities (note 6(o))								
Long-term borrowings, current portion (notes 6(l) and 8)								
Current refund liabilities								
Non-current liabilities:								
Long-term borrowings (notes 6(l) and 8)								
Non-current lease liabilities (note 6(m))								
Long-term deferred revenue (note 6(g))								
Other non-current liabilities (notes 6(o) and (p))								
Total liabilities								
Ordinary shares (note 6(q))								
Capital surplus (notes 6(f) and (q))								
Legal reserve (note 6(q))								
Special reserve (note 6(q))								
Unappropriated retained earnings (note 6(q))								
Other equity interest								
Total equity								
Total liabilities and equity								

(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)

		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(t) and 7)	\$ 36,203,766	100	33,459,786	100
5000	Operating costs (notes 6(e), (m), (o), (u), 7 and 12)	31,895,727	88	29,969,051	90
	Gross profit from operations	<u>4,308,039</u>	<u>12</u>	<u>3,490,735</u>	<u>10</u>
	Operating expenses (notes 6(d), (m), (o), (r), (u), 7 and 12):				
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)	<u>(7,132)</u>	<u>-</u>	<u>(54,245)</u>	<u>-</u>
	Total operating expenses	<u>2,851,703</u>	<u>8</u>	<u>2,429,682</u>	<u>7</u>
	Net operating income	<u>1,456,336</u>	<u>4</u>	<u>1,061,053</u>	<u>3</u>
	Non-operating income and expenses:				
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))	<u>(41,040)</u>	<u>-</u>	<u>(37,059)</u>	<u>-</u>
	Total non-operating income and expenses	<u>1,421,844</u>	<u>4</u>	<u>1,773,148</u>	<u>5</u>
	Profit before income tax	2,878,180	8	2,834,201	8
7950	Less: Income tax expenses (note 6(p))	<u>321,330</u>	<u>1</u>	<u>348,912</u>	<u>1</u>
	Profit	<u>2,556,850</u>	<u>7</u>	<u>2,485,289</u>	<u>7</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses (gains) on remeasurements of defined benefit plans (note 6(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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>10,617</u>	<u>-</u>	<u>(75,838)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>915,620</u>	<u>3</u>	<u>(188,627)</u>	<u>-</u>
8300	Other comprehensive income	<u>926,237</u>	<u>3</u>	<u>(264,465)</u>	<u>-</u>
	Comprehensive income (after tax)	<u>\$ 3,483,087</u>	<u>10</u>	<u>2,220,824</u>	<u>7</u>
	Earnings per share (note 6(s))				
9710	Basic earnings per share (NT dollars)	<u>\$ 5.61</u>		<u>5.50</u>	
9810	Diluted earnings per share (NT dollars)	<u>\$ 5.52</u>		<u>5.42</u>	

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 Changes in Equity

For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Other equity interest		Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve			Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	
Balance on January 1, 2023									
Ordinary shares	4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	16,347,094
Profit	-	-	-	-	2,485,289	-	-	-	2,485,289
Other comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(264,465)
Comprehensive income	-	-	-	-	2,482,861	(188,627)	(73,410)	-	2,220,824
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)
Changes in investment accounted for using equity method	-	(12,835)	-	-	-	-	-	-	(12,835)
Amortization expense of restricted stock	-	-	-	-	-	-	250,220	-	250,220
Cancellation of restricted stock	(2,005)	(12,194)	-	-	-	-	-	14,199	-
Issuance of restricted stock	48,850	254,874	-	-	-	-	-	(303,724)	-
Balance on December 31, 2023	4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509
Profit	-	-	-	-	2,556,850	-	-	-	2,556,850
Other comprehensive income	-	-	-	-	4,649	915,620	5,968	-	926,237
Comprehensive income	-	-	-	-	2,561,499	915,620	5,968	-	3,483,087
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	248,287	-	(248,287)	-	-	-	-
Special reserve	-	-	-	262,037	(262,037)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)
Changes in investment accounted for using equity method	-	937,532	-	-	-	-	-	-	937,532
Amortization expense of restricted stock	-	-	-	-	-	-	252,575	-	252,575
Cancellation of restricted stock	(3,300)	(16,281)	-	-	-	-	-	19,581	-
Issuance of restricted stock	31,010	231,954	-	-	-	-	-	(262,964)	-
Balance on 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

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)

	2024	2023
Cash flows from (used in) operating activities:		
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)
Total adjustments to reconcile profit (loss)	<u>(742,144)</u>	<u>(699,390)</u>
Changes in operating assets and liabilities:		
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
Changes in operating assets	<u>(157,716)</u>	<u>907,684</u>
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
Changes in operating liabilities	<u>613,657</u>	<u>1,823,427</u>
Total changes in operating assets and liabilities	<u>455,941</u>	<u>2,731,111</u>
Total adjustments	<u>(286,203)</u>	<u>2,031,721</u>
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)
Net cash flows from operating activities	<u>2,295,121</u>	<u>4,743,014</u>
Cash flows from (used in) investing activities:		
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
Net cash flows used in investing activities	<u>(831,126)</u>	<u>(594,730)</u>
Cash flows from (used in) financing activities:		
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)
Net cash flows used in financing activities	<u>(1,001,047)</u>	<u>(1,631,292)</u>
Net increase in cash and cash equivalents	462,948	2,516,992
Cash and cash equivalents at beginning of period	5,478,685	2,961,693
Cash and cash equivalents at end of period	<u>\$ 5,941,633</u>	<u>5,478,685</u>

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 metioned above resulted in PRIMAX ELECTRONICS LTD. and its subsidiaries to recognize its goodwill, technologies, and customer relations, as intangible assets. The rapid industrial transformation and the assessment of impairment contained estimation uncertainty. Therefore, the assessment of impairment of intangible assets is one of the key audit matters for our audit.

How the matter was addressed in our audit:

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing PRIMAX ELECTRONICS LTD. and its subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PRIMAX ELECTRONICS LTD. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PRIMAX ELECTRONICS LTD. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions may cause PRIMAX ELECTRONICS LTD. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within PRIMAX ELECTRONICS LTD. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Horng, Shyh-Gang and Fu, Hung-Wen.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 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(c) 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(c) 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
	<u>36,245,818</u>	<u>72</u>	<u>32,936,374</u>	<u>71</u>
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
1550 Investments accounted for using equity method (note 6(h))	31,900	-	-	-
1600 Property, plant and equipment (notes 6(i) and 8)	8,086,736	16	7,740,909	17
1755 Right-of-use assets (note 6(k))	1,785,510	4	1,891,531	4
1760 Intangible property (notes 6(l) and 8)	645,231	1	649,515	1
1780 Deferred tax assets (note 6(s))	2,020,234	4	2,013,589	4
1990 Other non-current assets (note 8)	662,009	1	699,981	1
	<u>305,410</u>	<u>1</u>	<u>318,888</u>	<u>1</u>
	<u>13,882,599</u>	<u>28</u>	<u>13,616,746</u>	<u>29</u>
Total assets	<u>\$ 50,128,417</u>	<u>100</u>	<u>46,553,120</u>	<u>100</u>
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
	<u>26,080,267</u>	<u>52</u>	<u>23,637,001</u>	<u>51</u>
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
	<u>4,213,174</u>	<u>8</u>	<u>3,819,543</u>	<u>8</u>
	<u>30,293,441</u>	<u>60</u>	<u>27,456,544</u>	<u>59</u>
Equity attributable to owners of parent:				
Ordinary shares (note 6(t))	4,657,448	10	4,629,738	10
Capital surplus (notes 6(t) and (t))	3,512,958	7	2,359,753	5
Legal reserve (note 6(t))	2,522,701	5	2,274,414	5
Special reserve (note 6(t))	1,016,955	2	754,918	2
Unappropriated retained earnings (note 6(t))	8,510,638	17	8,311,190	18
Other equity interest	(385,724)	(1)	(1,316,504)	(3)
	<u>19,834,976</u>	<u>40</u>	<u>17,013,509</u>	<u>37</u>
Non-controlling interests (notes 6(i) and 7)	-	-	2,085,067	4
Total equity	<u>19,834,976</u>	<u>40</u>	<u>19,098,576</u>	<u>41</u>
Total liabilities and equity	<u>\$ 50,128,417</u>	<u>100</u>	<u>46,553,120</u>	<u>100</u>

(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)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(w) and 7)	\$ 58,243,661	100	60,488,402	100
5000 Operating costs (notes 6(g), (p), (r), (x) and 12)	48,362,968	83	50,907,102	84
Gross profit from operation	9,880,693	17	9,581,300	16
Operating expenses (notes 6(e), (p), (r), (u), (x) and 12):				
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)	-
Total operating expenses	7,149,601	12	6,838,317	11
Net operating income	2,731,092	5	2,742,983	5
Non-operating income and expenses:				
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)	-
Total non-operating income and expenses	675,855	1	523,389	-
Profit before tax	3,406,947	6	3,266,372	5
7950 Less: Income tax expenses (note 6(s))	679,823	1	632,883	1
Profit	2,727,124	5	2,633,489	4
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss:				
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	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	10,617	-	(90,183)	-
8360 Items that may be reclassified subsequently to profit or loss:				
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	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	964,549	1	(198,741)	-
8300 Other comprehensive income after tax	975,166	1	(288,924)	-
Comprehensive income	\$ 3,702,290	6	2,344,565	4
Profit attributable to:				
8610 Owners of parent	\$ 2,556,850	5	2,485,289	4
8620 Non-controlling interests (note 6(i))	170,274	-	148,200	-
	\$ 2,727,124	5	2,633,489	4
Comprehensive income attributable to:				
8710 Owners of parent	\$ 3,483,087	6	2,220,824	4
8720 Non-controlling interests (note 6(i))	219,203	-	123,741	-
	\$ 3,702,290	6	2,344,565	4
Earnings per share (note 6(v))				
9710 Basic earnings per share (NT dollars)	\$ 5.61		5.50	
9810 Diluted earnings per share (NT dollars)	\$ 5.52		5.42	

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	Unearned employee compensation	Non-control interest	Total equity attributable to owners of parent	Total equity	
					Unappropriated retained earnings	Special reserve							
Balance at January 1, 2023	\$ 4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(2,602,244)	1,946,491	18,293,585	18,293,585		
Profit	-	-	-	-	2,485,289	-	-	-	148,200	2,633,489	2,633,489		
Other comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(24,459)	(288,924)	(288,924)		
Comprehensive income	-	-	-	-	2,482,861	(188,627)	(73,410)	-	123,741	2,344,565	2,344,565		
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	-	-		
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)	-	(1,791,794)		
Changes in shares of investment accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-		
Amortization expense of restricted stock	(2,005)	(12,194)	-	-	-	-	-	250,220	-	250,220	250,220		
Cancellation of restricted stock	48,850	254,874	-	-	-	-	-	14,199	-	14,199	14,199		
Issuance of restricted stock	-	-	-	-	-	-	-	(303,724)	-	(303,724)	(303,724)		
Balance at December 31, 2023	4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	2,083,067	19,096,576	19,096,576		
Profit	-	-	-	-	2,556,850	-	-	-	170,274	2,556,850	2,556,850		
Other comprehensive income	-	-	-	-	4,649	915,620	5,968	-	48,929	926,237	926,237		
Comprehensive income	-	-	-	-	2,561,499	915,620	5,968	-	219,203	3,483,087	3,483,087		
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	248,287	-	(248,287)	-	-	-	-	-	-		
Special reserve	-	-	-	262,037	(262,037)	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)	-	(1,851,727)		
Changes in shares of investment accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-		
Amortization expense of restricted stock	(3,300)	(16,281)	-	-	-	-	-	252,575	(2,302,270)	937,532	(1,364,738)		
Cancellation of restricted stock	31,010	231,954	-	-	-	-	-	19,581	-	252,575	252,575		
Issuance of restricted stock	-	-	-	-	-	-	-	(262,964)	-	(262,964)	(262,964)		
Balance at December 31, 2024	\$ 4,657,448	3,512,958	2,522,701	1,016,955	8,510,638	(855,530)	(9,837)	(290,357)	19,834,976	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
Cash flows from (used in) operating activities:		
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
Total adjustments to reconcile profit	1,624,115	2,466,598
Changes in operating assets and liabilities:		
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
Changes in operating assets	(41,137)	5,379,574
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)
Changes in operating liabilities	953,910	(3,132,637)
Total changes in operating assets and liabilities	912,773	2,246,937
Total adjustments	2,536,888	4,713,535
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)
Net cash flows from operating activities	5,621,528	7,727,513
Cash flows from (used in) investing activities:		
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
Net cash flows used in investing activities	(1,269,618)	(1,435,450)
Cash flows from (used in) financing activities:		
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)	-
Net cash flows used in financing activities	(2,079,897)	(1,496,505)
Effect of exchange rate changes on cash and cash equivalents	709,289	(175,762)
Net increase in cash and cash equivalents	2,981,302	4,619,796
Cash and cash equivalents at beginning of period	10,904,683	6,284,887
Cash and cash equivalents at end of period	\$ 13,885,985	10,904,683

See accompanying notes to consolidated financial statements.

PRIMAX ELECTRONICS LTD.
Earnings Distribution Proposal
Year 2024

Unit: NT\$

Item	Amount	
Unappropriated Retained Earnings, beginning of year		5,949,138,552
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	
Retained Earnings Available for Distribution as of December 31, 2024		9,176,076,414
Distribution Item :		
Cash Dividends (NT\$4.2 per share)	1,963,007,861	
Unappropriated Retained Earnings		7,213,068,553

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>Article 25</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>Article 25</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>Article 30</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>Article 30</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"> ▪ Below Threshold: 0% shares ▪ Equal Threshold: 50% shares ▪ Equal and Over Target: 100% shares ▪ If the achieved result falls between the threshold value and the target value, interpolation is used for calculation.
EPS	4.2	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