

PRIMAX ELECTRONICS LTD.
Minutes of 2015 Annual General Shareholders' Meeting
(Translation)

Time: 9 a.m., June 29, 2015 (Monday)

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

Present: A total of 299,154,468 shares are held by shareholders attending the shareholders' meeting in person or by a proxy, who represent 68.06% of the total number of the Company's outstanding 439,528,712 shares.

Present Directors: Liang, Li-Sheng
Yang, Hai-Hung
Pan, Yung-Tai
Pan, Yung-Chung

Present Supervisors: Shyu, Chiang-Chan
Tsai, Yu-Wei
Chang, Te-Tsai

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

Recorder: Lee, Li-Hsueh

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

1. The Company's 2014 Business Report, please refer to Schedule 1.
2. Supervisor's audit report of 2014 final books and statements, please refer to Schedule 2.

Summary of Shareholders' statements :

Shareholder NO. 37354 made comments in regards to the procedure for convening the shareholders' meeting, revenue status, definition for directors' remuneration, directors who concurrently act as a manager, other allowances for management team, the reliability of financial reports, strengthen the functions and objectives of the Board, transparency in corporate governance, investment decisions, important resolutions of the Board, and etc.

The president responded to the speech and explained to the questions, no further comments were made by the aforementioned shareholder.

D. Adoption

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

Proposal:

Adoption of the Company's 2014 Business Report and Financial Statements.

Description:

The Company has completed the internal preparation of the 2014 Individual and Consolidated Financial Statements and has provided the reports to Wu, Mei-Pin, CPA and Chen, Cheng-Chien, 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.

Resolution: The above proposal was hereby approved as proposed.

Voting Results : Shares represented at the time of voting : 299,137,468

	Votes in favor	Votes against	Votes invalid	Votes abstained
Voting Results	221,696,875 votes	1,000 votes	0 votes	77,439,593 votes
% of the total represented share present	74.11%	0.00%	0.00%	25.89%

2.

(Proposed by the Board)

Proposal

Ratification of the vesting conditions in the 2014 Regulations on Issuance of Restricted Stock Awards.

Description:

- (1) The Company's 2014 Regulation on Issuance of Restricted Stock Awards has been approved per the Financial Supervisory Commission's Jin-Guan-Zheng-Fa-Zi No. 1030039492 of October 6, 2014.
- (2) As required under Paragraph 7 of the above approval letter, the Company needs to submit the various vesting conditions in the 2014 Regulations on Issuance of Restricted Stock Awards to the next shareholders' meeting for ratification. Details are as follows:

Vesting conditions: Categorized as three types, i.e. Type A, B and C, based on accomplishment of personal performance goals

a. Type A vesting conditions:

- (i) Employees who are continuously employed by the Company for one year after granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 30% shares.
- (ii) Employees who are continuously employed by the Company for two years after granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 30% shares.
- (iii) Employees who are continuously employed by the Company for three years after granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 40% shares.

b. Type B vesting conditions:

- (i) Employees who are continuously employed by the Company for one year after granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 50% shares.
- (ii) Employees who are continuously employed by the Company for two years after

granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 50% shares.

c. Type C vesting conditions:

Employees who are continuously employed by the Company for one year after granting of the awards and have accomplished the individual's performance goals established by the Company for the one-year period before the expiry date will be entitled to 100% shares.

d. The individual's performance above refers to accomplishment of the performance goals established according to the Company's performance evaluation and development policy, including accomplishment of the desired level of contribution and special merits.

e. If, after granting of the restricted stock awards, an employee commits gross negligence such as violation of employment contract or work rules, the Company shall have the right to recover the restricted stock awards for which the vesting conditions have not been met and cancel the stock grants.

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

3.

(Proposed by the Board)

Proposal :

Adoption of the Company's 2014 distribution of earnings

Description:

- (1) The Company's 2014 net profit after tax is NT\$ 1,544,690,051, plus this year's actuarial gain from defined benefit plans NT\$ 3,343,509, minus legal reserve provision NT\$ 154,469,005, plus beginning retained earnings NT\$ 1,584,454,038, the distributable retained earnings are NT\$ 2,978,018,593. The 2014 distribution of earnings prepared according to the Articles of Incorporation is as follows:

PRIMAX ELECTRONICS LTD.
PROFIT ALLOCATION PROPOSAL
December 31, 2014

Unit: NT\$

Beginning retained earnings		1,584,454,038
Add: net profit after tax	1,544,690,051	
Actuarial Gain from Defined Benefit Plans	3,343,509	
Distributable net profit		3,132,487,598
Less: 10% legal Reserve	154,469,005	
distributable retained earnings		2,978,018,593
Distribution Item:		
Cash Dividends to Common Share Holders(NT\$1.8 per share)	791,106,682	
Unappropriated Retained Earnings		2,186,911,911
Note:		
Employees' cash bonus of NT\$71,000,000		
Compensation of directors and supervisors of NT\$27,800,000		

Chairman:
Liang, Li-Sheng

General Manager:
Yang, Hai-Hung

Accounting Manager:
Pan, Yan-Jen

Note: 1. The per share dividends above are based on the 439,503,712 outstanding shares as of March 24, 2015.

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.

- (2) For this distribution of profits, the 2014 earnings will be subject to distribution on a priority basis.
- (3) The cash dividends total NT\$ 791,106,682 and the per share dividends to be distributed are NT\$ 1.8. 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 439,503,712 outstanding shares as of March 24, 2015. 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 an employee's exercise of the right to convert the subscription warrants to common shares, 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.
- (5) It is proposed to distribute NT\$ 71,000,000 as cash bonus for employees and NT\$ 27,800,000 as remunerations for directors and supervisors. Due to the difference in the amounts stated in the account books (caused by accounting estimates), the above amounts are reduced by NT\$ 318,216 and NT\$ 727,286, respectively, which will be handled according to the changes in accounting estimates.

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

E. Discussion and Election

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 legal compliance and for the Company's operational requirements, principally to implement electronic voting, establish an audit committee and a candidate nomination system.
- (2) Please refer to Schedule 4 for a comparison of the amendments to the "Articles of Incorporation".

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

2. (Proposed by the Board)

Proposal:

Resolution of amendments to the "Rules for Election of Directors and Supervisors"

Description:

- (1) It is proposed certain provisions of the Company's "Rules for Election of Directors and

Supervisors" shall be amended due to the establishment of the "Audit Committee" and the title of the rules shall also be changed to "Rules for Election of Directors".

- (2) Please refer to Schedule 5, for a comparison of the amendments to the "Rules for Election of Directors and Supervisors".

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

3.

(Proposed by the Board)

Proposal:

Resolution of amendments to the Company's "Procedures for Lending Funds to Other Parties"

Description:

- (1) It is proposed certain provisions of the Company's "Procedures for Lending Funds to Other Parties" shall be amended due to the establishment of the "Audit Committee" to change the Company's operational procedure for loaning of funds to others.
- (2) Please refer to Schedule 6, for a comparison of the amendments to the "Procedures for Lending Funds to Other Parties".

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

4.

(Proposed by the Board)

Proposal:

Resolution of amendments to the Company's "Procedures for Endorsements & Guarantees"

Description:

- (1) It is proposed certain provisions of the Company's "Procedures for Endorsements & Guarantees " shall be amended due to the establishment of the "Audit Committee" to change the Company's procedures for Endorsements & Guarantees.
- (2) Please refer to Schedule 7, for a comparison of the amendments to the "Procedures for Endorsements & Guarantees ".

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

5.

(Proposed by the Board)

Proposal:

Resolution of amendments 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 establishment of the "Audit Committee".
- (2) Please refer to Schedule 8, for a comparison of the amendments to the "Procedures for Acquisition or Disposal of Assets".

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

6.

(Proposed by the Board)

Proposal:

Election of all directors

Description:

- (1) As the term of the incumbent directors and supervisors of the Company will expire on June 18, 2015, it is proposed new directors shall be elected at the 2015 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) New directors (including independent directors) shall have a term of three years from June 29, 2015 to June 28, 2018.
- (4) To improve corporate governance, it is proposed the Company shall form an Audit Committee made up of all the independent directors in lieu of supervisors according to Article 16-1 of the Articles of Incorporation and Article 14-4 of the Securities and Exchange Act. After the establishment of the Audit Committee, the Company will no longer have supervisors.
- (5) Below is the list of the independent director candidates approved at the Company's board of directors' meeting on May 13, 2015, and their academic background, work experiences, and shareholdings:

**PRIMAX ELECTRONICS LTD.
List of the Independent Director Candidates**

Name of Candidates	Education	Experience	Current Position	Shares
Ku, Tai-Jau	Bachelor of the College of Management, National Taiwan University	<ul style="list-style-type: none"> ● Taiwan Stock Exchange / Vice President ● Taiwan Semiconductor Manufacturing Company, Ltd / Director ● Wafer Tech, LLC / Director of Treasury 	<ul style="list-style-type: none"> ● Primax Electronics Limited /Independent Director 	0
Way, Yung-Do	Master of Business Administration, The University of Georgia , USA	<ul style="list-style-type: none"> ● Deloitte & Touche / Chairman ● Deloitte & Touche / Honorary Chairman ● United Way of Taiwan / President 	<ul style="list-style-type: none"> ● Synnex Technology International Corp. / Independent Director ● Taiwan Cement Corp. / Independent Director ● Far Eastern Department Stores Ltd. / Independent Director ● Wowprime Corp. / Director ● MiTAC Holdings Corporation / Representative Director ● Vanguard International Semiconductor Co. / Representative Director ● Sercomm Corp. / Representative Supervisor ● Chilisin Electronics Corp. / Representative Supervisor ● Iron Force Industrial Co., Ltd. / Supervisor ● YCSY Co., Ltd. / Chairman 	500,000

Cheng, Chih-Kai	MBA, National Chiao-Tung University	<ul style="list-style-type: none"> ● Acorn Pacific Ventures / Co-Founder and Partner ● Harbinger Venture Management / Co-Founder and General Partner ● Synnex Corporation (USA) / Senior Vice President 	<ul style="list-style-type: none"> ● Astron Material (Taiwan) / Director of the board ● Crown BioScience (Cayman Island) / Director of the board ● Eureka Therapeutics / Director ● B Current Impact Investment / Co-Founder and President 	0
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- (6) The election shall be conducted according to the Company's "Rules for Election of Directors and Supervisors".

Voting Results:

The list of the newly elected directors with votes received follows:

Title	Shareholder No. / I.D.	Name	Votes Received
Director	1	Liang, Li-Sheng	382,517,569
Director	5	Yang, Hai-Hung	309,994,684
Director	79	Yang, Tze-Ting	206,812,107
Director	53	Pan, Yung-Tai	206,811,699
Director	52	Pan, Yung-Chung	206,811,030
Director	34	Tsao, Chung-Feng	206,810,467
Independent Director	J1000*****	Ku, Tai-Jau	98,955,359
Independent Director	94	Way, Yung-Do	94,566,804
Independent Director	A1041*****	Cheng, Chih-Kai	94,336,984

7.

(Proposed by the Board)

Proposal:

Resolution of removal of the non-compete restrictions on the newly appointed 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, it is proposed to remove the non-compete restrictions on the Company's newly appointed directors subject to approval at the shareholders' meeting.

New directors who conduct business within the business scope of the Company for himself or others are illustrated as follows:

Title	Name	Name of other companies and positions	
		Name of Company	Positions
Director	Liang, Li-Sheng	Primax Industries (Cayman Holding) Ltd.	Director
		Primax Technology (Cayman Holding) Ltd.	Director
		Primax Industries (Hong Kong) Ltd.	Director
		Polaris Electronics, Incorporation	Director
		Destiny Technology Holding Company Ltd.	Director
		Diamond(Cayman) Holdings Ltd.	Representative Director
		Beijing Destiny Electronic Technology Co., Ltd. (PRC)	Chairman
		Tymphany Worldwide Enterprises Ltd.	Representative Director
		Global Tek Fabrication Co., Ltd.	Representative Director and Chairman
		Alpine Asia Investment Ltd.	Director
Director	Yang, Hai-Hung	Primax Industries (Cayman Holding) Ltd.	Director
		Primax Technology (Cayman Holding) Ltd.	Director
		Primax Industries (Hong Kong) Ltd.	Director
		Polaris Electronics, Incorporation	Director
		Primax Electronics(Kun Shan) Corp. Ltd.	Representative Director & Executive Director
		Primax Electronics(Chong Qing) Corp. Ltd.	Representative Director & Executive Director
		Tymphany Worldwide Enterprises Ltd.	Representative Director
		Global Tek Fabrication Co., Ltd.	Representative Director
		Campbell Technology Corporation	Director
		Director	Pan, Yung-Chung
Primax Electronics Korea Co., Ltd.	Director		
Tymphany Worldwide Enterprises Ltd.	Representative Director		
TYP Enterprises, Inc.	Director		
Tymphany HK Ltd.	Director		
Tymphany Australia Pty Ltd.	Director		
Director	Pan, Yung-Tai	Tymphany Worldwide Enterprises Ltd.	Representative Director
Director	Yang, Tze-Ting	Chailease Holding Co., Ltd.	Chief Audit Officer
		Chailease Finance Co., Ltd.	Supervisor
		Fina Finance & Trading Co., Ltd.	Supervisor
Independent Director	Way, Yung-Do	Synnex Technology International Corp.	Independent Director
		Taiwan Cement Corp.	Independent Director

		Far Eastern Department Stores Ltd.	Independent Director
		Wowprime Corp.	Director
		MiTAC Holdings Corporation	Representative Director
		Vanguard International Semiconductor Co.	Representative Director
		Sercomm Corp.	Representative Supervisor
		Chilisin Electronics Corp.	Representative Supervisor
		Iron Force Industrial Co., Ltd.	Supervisor
		YCSY Co., Ltd.	Chairman
Independent Director	Cheng, Chih-Kai	Astron Material (Taiwan)	Director
		Crown BioScience (Cayman Island)	Director
		Eureka Therapeutics (California)	Director
		B Current Impact Investment	Co-Founder and President

Resolution: After the Chairman had inquired of all attending shareholders, the above proposal was approved as originally proposed without objection.

F. Extempore Motion: None.

G. The meeting was adjourned at 10:29 a.m.

Business Report

The hot sales of digital communication products worldwide and the strong confidence of the consumers in 2014 are reflected in the purchase orders and production momentum in the industry supply chain of the year. It was echoed with the prevalent use of smart phones and the change in the habit of the consumers, which triggered a strong demand for wireless acoustic products. In this favorable environment, PRIMAX revenue had surged to a record high in FY 2014. Furthermore, the massive capacity expansion activated in 2014 is about to be accomplished in this year. After the expansion, the production capacity can support the rapid growth in demand for camera modules and acoustic products. In January 2015, PRIMAX acquired 30% of the shareholdings of GLOBALTEK, a manufacturer of automobile and aerospace precision machinery. In the future, the company can outreach to different applications and platforms through the current product lines of GLOBALTEK. By then, the company will be able to utilize its corporate resources more effectively and increase the overall revenue and profit. The following is the report on our operation.

1. 2014 Financial Performance

(1) Financial Results

The company had net sales revenue amounting to NT\$42,356,385 thousand in FY 2014, which indicated growth of 14% from the same period of FY 2013. The consolidated net sales revenue of the whole business group amounted to NT\$52,239,777 thousand in FY 2014, which indicated growth of 23% from the same period of FY 2013. The consolidated corporate earnings amounted to NT\$1,608,967 thousand, which indicated growth of 141% from the same period of FY 2013.

(2) Cash Flow Analysis

Unit : NT\$ thousand

Account	2014	2013	Change in the amount
Net cash inflow (outflow) from operating activities	3,354,195	2,991,012	363,183
Net cash inflow (outflow) from investing activities	(3,756,779)	(722,280)	(3,034,499)
Net cash inflow (outflow) from financing activities	2,279,602	87,632	2,191,970

(3) Profitability Analysis

Account	2014	2013
Return on Equity (%)	18.03	9.05
Operating Income to Paid-in Capital (%)	42.10	16.02
Profit before Tax to Paid-in Capital (%)	47.11	21.01
Net Profit Margin (%)	3.08	1.58
Earnings per Share (Dollars)	3.57	1.55

(4) R&D Investments

The PRIMAX group has devoted NT\$ 1,893,251 thousand in FY 2014 to Research and Development, including the development and design of new product and the production process improvement.

2. Business Strategy and Technology Developments

The company operates in the acute competitive and fast changing environment of the electronic industry. The challenge is echoed with the change in the global macroeconomic environment and the challenges from the industry competitors. Yet, the company can keep abreast of the mainstream market trend of technologies. With stable paces in operation, and the principle of “Customer Foremost, Quality First”, the company provides services to the satisfaction of the customers for creating stable profit. In the future, the IT industry will develop towards cloud computing technology, mobile device, and digital home. PRIMAX will spare no effort in fortifying the research and development of key technologies, such as RFID, touch activation technology, backlight keyboard, cable/wireless acoustics, and high-end camera module encapsulation process. PRIMAX aims at the development of high-end product market and the proactive development of new products for enriching its product lines. Under the diversification strategy in FY 2015, PRIMAX expects further growth in revenue and gross profit.

In production, the company launched massive capacity expansion in FY 2015 for meeting the growth in demand of products under performance growth in the year, the development needs of products, the diversification of concentration risk in a single market, and response to the change in the labor market in Mainland China. It is expected that the expansion will be accomplished in this year. By then, PRIMAX can provide high capacity and high quality production support. In the future, the plant sites in Dongguan, Chongqing, Kunshan, and Huizhou will be the four major production bases. PRIMAX will fortify its production capability and optimize its allocation of production capacity.

In sales, the 2 major business groups of PRIMAX have development strategies elaborated below. The computer peripherals group is in a market with well-developed products. The upgrade of product quality and reduction of production cost will be sustained. It will be supported by the development of new application technologies and corresponding new products to meet the needs in different markets. For the non-computer peripherals group, which runs camera modules, printers, and cable/wireless acoustics, will also make effort in the development of new products and technologies. It also maintains high level of product R&D capability for development of new accounts quickly and increase market share. Through the in-house development or acquisition of advanced technologies from vertical integration, the company seeks to accelerate its affiliation with world-class front line products for business and profit growth as the intermediate and long-term goal. The company also seeks to extend its current product portfolios and technologies to different applications and platforms as the objective for long-term development.

Chairman : Liang, Li-Sheng

General Manager : Yang, Hai-Hung

Accounting Manager : Pan, Yen-Jen

Supervisor Audit Report

To: Shareholders' Meeting of Primax Electronics Ltd.

Among the Company's 2014 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, appointed by the Board of Directors, which has issued the audit report.

The supervisors 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.

Supervisor: Tsai, You-Wei

Supervisor: Shyu, Ciang-Chan

Supervisor: Chang, Te-Tsai

Date: March 24, 2015

Independent Auditors' Report

The Board of Directors
Primax Electronics Ltd.:

We have audited the accompanying balance sheets of Primax Electronics Ltd. as of December 31, 2014 and 2013, and the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Company's investee company Tymphany Worldwide Enterprises Ltd., which was accounted for under the equity method. Those financial statements were audited by other auditors, and our opinion, insofar as it relates to that investment, is based solely on the reports of the other auditors. The Company's investment in Tymphany Worldwide Enterprises Ltd. amounted to \$2,702,548 thousand, constituting 12% of the total assets, as of December 31, 2014. The related share of profit of associates accounted for using the equity method amounted to \$149,981 thousand, constituting 9% of the net profit before tax, for the year ended December 31, 2014.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Primax Electronics Ltd. as of December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

March 24, 2015

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuer and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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 auditors' report and financial statement, the Chinese version shall prevail.

PRIMAX ELECTRONICS LTD.

Statements of Comprehensive Income

For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars, except earnings per share)

	2014		2013	
	Amount	%	Amount	%
Operating revenue (notes 6(r) and 7)	\$ 42,356,385	100	37,257,934	100
Operating cost (notes 6(e), (m), (o), and (p), 7 and 12)	39,690,606	94	34,786,323	93
Gross profit	2,665,779	6	2,471,611	7
Operating expenses (notes 6(m), (o), and (p), 7 and 12):				
Selling expenses	643,337	1	599,993	2
Administrative expenses	388,961	1	283,352	1
Research and development expenses	880,132	2	850,485	2
	1,912,430	4	1,733,830	5
Net operating income	753,349	2	737,781	2
Non-operating income and expenses:				
Other income (note 6(s))	27,467	-	12,214	-
Other gains and losses (notes 6(c) and (t))	120,397	-	118,411	-
Share of profit of associates accounted for using equity method	949,194	2	9,687	-
Finance costs (note 6(u))	(217,073)	-	(18,802)	-
	879,985	2	121,510	-
Income before income taxes	1,633,334	4	859,291	2
Income tax expense (note 6(n))	88,644	-	190,743	-
Net income	1,544,690	4	668,548	2
Other comprehensive income (loss):				
Exchange differences on translation of foreign operation's financial statements, before tax	322,245	-	238,039	-
Unrealized gains and (losses) on available-for-sale financial assets, before tax	945	-	(238)	-
Actuarial gains on defined benefit plans, before tax (note 6(m))	3,344	-	1,240	-
Less: income tax relating to components of other comprehensive income	-	-	-	-
	326,534	-	239,041	-
Comprehensive income	\$ 1,871,224	4	907,589	2
Earnings per share (note 6(q)):				
Basic earnings per share (NT dollars)	\$	3.57		1.55
Diluted earnings per share (NT dollars)	\$	3.52		1.53

PRIMAX ELECTRONICS LTD.

Statements of Changes in Equity

For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	Capital		Retained earnings			Exchange differences on translation of foreign operation's financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unearned employee compensation	Total equity
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Special reserve				
Balance on January 1, 2013	\$ 4,269,698	22,794	607,334	264,990	97,300	2,100,653	(137,902)	-	7,224,867
Net income in 2013	-	-	-	-	-	668,548	-	-	668,548
Other comprehensive income in 2013	-	-	-	-	-	1,240	238,039	-	239,041
Comprehensive income in 2013	-	-	-	-	-	669,788	238,039	-	907,589
Appropriation and distribution of retained earnings (note 1):									
Legal reserve	-	-	-	125,008	-	(125,008)	-	-	-
Special reserve	-	-	-	-	40,892	(40,892)	-	-	-
Cash dividends	-	-	-	-	-	(647,019)	-	-	(647,019)
Issuance of restricted stock	16,360	-	21,378	-	-	-	-	(37,738)	-
Amortization expense of restricted stock	-	-	-	-	-	-	-	5,418	5,418
Compensation cost of share-based payment	-	-	9,127	-	-	-	-	-	9,127
Exercise of employee share options	-	37,731	-	-	-	-	-	-	37,731
Issuance of common stock for employee stock options and abandonment	49,675	(56,729)	10,908	-	-	-	-	-	3,854
Balance on December 31, 2013	4,335,733	3,796	648,747	389,998	138,192	1,957,522	100,137	(32,320)	7,541,567
Net income in 2014	-	-	-	-	-	1,544,690	-	-	1,544,690
Other comprehensive income in 2014	-	-	-	-	-	3,344	322,245	-	326,534
Comprehensive income in 2014	-	-	-	-	-	1,548,034	322,245	-	1,871,224
Appropriation and distribution of retained earnings (note 2):									
Legal reserve	-	-	-	66,855	-	(66,855)	-	-	-
Special reserve	-	-	-	-	(40,892)	40,892	-	-	-
Cash dividends	-	-	-	-	-	(347,105)	-	-	(347,105)
Issuance of restricted stock	3,550	-	11,576	-	-	-	-	(15,126)	-
Retirement of restricted stock	(3,200)	-	(4,254)	-	-	-	-	7,454	-
Amortization expense of restricted stock	-	-	-	-	-	-	-	21,751	21,751
Compensation cost of share-based payment	-	-	14,487	-	-	-	-	-	14,487
Exercise of employee stock options	-	48,589	-	-	-	-	-	-	48,589
Issuance of common stock for employee stock options and abandonment	10,495	(13,482)	2,987	-	-	-	-	-	-
Balance on December 31, 2014	\$ 4,346,578	38,903	673,543	456,853	97,300	3,132,488	422,382	(18,241)	9,150,513

Note 1: Directors' and supervisors' remuneration of \$54,000 have been deducted from the statement of comprehensive income for 2012.

Note 2: Directors' and supervisors' remuneration of \$12,000 and employee bonuses of \$32,000 have been deducted from the statement of comprehensive income for 2013.

PRIMAX ELECTRONICS LTD.

Statements of Cash Flows

For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	2014	2013
Cash flows from operating activities:		
Income before income taxes	\$ 1,633,334	859,291
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	41,404	47,838
Losses (gains) related to inventories	63,376	21,376
Provision (reversal of provision) for bad debt allowance and sales returns and allowances	23,746	(9,244)
Interest expenses	60,684	16,538
Interest income	(17,500)	(2,736)
Compensation cost of share-based payment	8,523	9,903
Amortization expense of restricted stock	21,751	5,418
Share of profit of associates accounted for using equity method	(949,194)	(9,687)
Gain on disposal of property, plant and equipment	(921)	-
Gain on disposal of financial assets	(4,134)	-
Impairment loss on financial assets	3,500	-
	<u>(748,765)</u>	<u>79,406</u>
Changes in operating assets and liabilities:		
Accounts receivable (including related parties)	(1,746,140)	(543,788)
Other receivables	40,551	152,646
Inventories	265,840	127,706
Other current assets	17,019	35,838
Other	8,778	(18,012)
Changes in operating assets	<u>(1,413,952)</u>	<u>(245,610)</u>
Notes and accounts payable (including related parties)	1,978,977	713,211
Salary payable	175,018	(37,914)
Other payables	101,680	(165,062)
Other current liabilities	2,084	(134,998)
Other non-current liabilities	63,143	-
Other	29,720	29,940
Changes in operating liabilities	<u>2,350,622</u>	<u>405,177</u>
Changes in operating assets and liabilities	<u>936,670</u>	<u>159,567</u>
Adjustments	<u>187,905</u>	<u>238,973</u>
Cash flows from operations	1,821,239	1,098,264
Interest received	17,500	2,736
Interest paid	(60,621)	(16,448)
Income taxes paid	<u>(263,049)</u>	<u>(97,758)</u>
Net cash flows provided by operating activities	<u>1,515,069</u>	<u>986,794</u>
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	(245,600)	-
Refund from capital reduction of available-for-sale financial assets	4,616	-
Acquisition of investments accounted for using equity method	(2,578,698)	(719,576)
Acquisition of property, plant and equipment	(12,623)	(21,687)
Proceeds from disposal of property, plant and equipment	2,126	-
Acquisition of other deferred assets	(5,337)	(10,275)
Increase in refundable deposits	1,531	-
Other	(35)	(1,026)
Net cash flows used in investing activities	<u>(2,834,020)</u>	<u>(752,564)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	1,489,900	658,900
Increase in long-term borrowings	1,500,000	-
Increase in guarantee deposits	42,775	38,243
Cash dividends	(347,105)	(647,019)
Exercise of employee stock options	48,589	37,731
Net cash flows provided by financing activities	<u>2,734,159</u>	<u>87,855</u>
Net increase in cash and cash equivalents	1,415,208	322,085
Cash and cash equivalents at beginning of year	1,586,671	1,264,586
Cash and cash equivalents at end of year	<u>\$ 3,001,879</u>	<u>1,586,671</u>

Independent Auditors' Report

The Board of Directors
Primax Electronics Ltd.:

We have audited the accompanying consolidated balance sheets of Primax Electronics Ltd. and its subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Tymphony Worldwide Enterprises Ltd., and its financial statements were audited by the other auditors. Our audits, insofar as Tymphony Worldwide Enterprises Ltd. is concerned, are based solely on the reports of the other auditors. As of December 31, 2014, the assets of Tymphony Worldwide Enterprises Ltd. amounted to NT\$3,256,659 thousand, constituting 10% of the consolidated total assets. From January 10 to December 31, 2014, the operating revenue of Tymphony Worldwide Enterprises Ltd. amounted to NT\$6,277,916 thousand, constituting 12% of the consolidated operating revenue.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Primax Electronics Ltd. and its subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission in the Republic of China.

Primax Electronics Ltd. has prepared annual individual financial reports as of and for the years ended December 31, 2014 and 2013, on which we have issued a modified unqualified opinion.

March 24, 2015

The accompanying consolidated financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards and interpretations endorsed by the Financial Supervisory Commission in the Republic of China. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' 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 auditors' report and financial statements, the Chinese version shall prevail.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	December 31, 2014		December 31, 2013		December 31, 2014		December 31, 2013	
Assets	Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								
Cash and cash equivalents (note 6(a))	\$ 6,814,023	22	4,786,865	22	\$ 2,148,800	7	658,900	3
Financial assets at fair value through profit or loss – current (note 6(b))	96,285	-	34,855	-	12,613,211	41	10,446,627	49
Notes and accounts receivable, net (note 6(d))	10,453,148	34	7,824,854	36	80,590	-	37,981	-
Accounts receivable – related parties, net (notes 6(d) and 7)	60,581	-	-	-	1,055,208	3	659,589	3
Other receivables (note 6(d))	370,254	1	349,163	2	2,628,533	9	1,931,680	9
Inventories, net (note 6(e))	4,810,978	15	4,161,107	20	128,415	-	93,998	-
Other current assets (note 8)	473,067	2	228,576	1	600,000	2	-	-
	<u>23,078,336</u>	<u>74</u>	<u>17,385,420</u>	<u>81</u>	<u>19,254,757</u>	<u>62</u>	<u>13,828,775</u>	<u>64</u>
Non-current assets:								
Available-for-sale financial assets – non-current (note 6(c))	292,916	1	54,883	-	900,000	3	-	-
Property, plant and equipment (note 6(g))	3,935,145	13	3,389,048	16	161,894	1	87,463	-
Investment property, net (note 6(h))	262,269	1	265,829	1	398,375	1	133,117	1
Intangible assets (note 6(i))	2,916,644	10	46,479	-	1,460,269	5	220,580	1
Deferred tax assets (note 6(n))	154,691	-	152,932	1	20,715,026	67	14,049,355	65
Other non-current assets (note 8)	383,772	1	296,331	1	4,346,578	14	4,335,733	20
	<u>7,945,437</u>	<u>26</u>	<u>4,205,502</u>	<u>19</u>	<u>38,903</u>	<u>-</u>	<u>3,796</u>	<u>-</u>
Equity attributable to stockholders of parent:								
Common stock (note 6(o))					673,543	2	648,747	3
Capital collected in advance (note 6(o))					456,853	2	389,998	2
Capital surplus (note 6(o))					97,300	-	138,192	1
Legal reserve (note 6(o))					3,132,488	10	1,957,522	9
Special reserve (note 6(o))					404,848	1	67,579	-
Unappropriated retained earnings (note 6(o))					1,158,234	4	-	-
Other equity					10,308,747	33	7,541,567	35
Non-controlling interests					<u>31,023,773</u>	<u>100</u>	<u>21,590,922</u>	<u>100</u>
Total equity			<u>21,590,922</u>	<u>100</u>			<u>7,541,567</u>	<u>35</u>
Total liabilities and equity	<u>\$ 31,023,773</u>	<u>100</u>	<u>\$ 21,590,922</u>	<u>100</u>	<u>\$ 31,023,773</u>	<u>100</u>	<u>\$ 21,590,922</u>	<u>100</u>

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars, except earnings per share)

	2014		2013	
	Amount	%	Amount	%
Operating revenue (notes 6(r) and 7)	\$ 52,239,777	100	42,319,988	100
Operating cost (notes 6(e), (m), (o), and (p) and 12)	<u>46,020,978</u>	<u>88</u>	<u>38,567,293</u>	<u>91</u>
Gross profit	<u>6,218,799</u>	<u>12</u>	<u>3,752,695</u>	<u>9</u>
Operating expenses (notes 6(f), (m), (o), and (p), 7 and 12):				
Selling expenses	1,423,129	3	1,023,599	2
Administrative expenses	1,072,677	2	696,153	2
Research and development expenses	<u>1,893,251</u>	<u>3</u>	<u>1,338,499</u>	<u>3</u>
	<u>4,389,057</u>	<u>8</u>	<u>3,058,251</u>	<u>7</u>
Net operating income	<u>1,829,742</u>	<u>4</u>	<u>694,444</u>	<u>2</u>
Non-operating income and expenses:				
Other income (note 6(s))	290,465	-	176,503	-
Other gains and losses (notes 6(c) and (t))	150,323	-	59,451	-
Finance costs (note 6(u))	<u>(222,949)</u>	<u>-</u>	<u>(19,646)</u>	<u>-</u>
	<u>217,839</u>	<u>-</u>	<u>216,308</u>	<u>-</u>
Income before income taxes	2,047,581	4	910,752	2
Income tax expense (note 6(n))	<u>438,614</u>	<u>1</u>	<u>242,198</u>	<u>-</u>
Net income	<u>1,608,967</u>	<u>3</u>	<u>668,554</u>	<u>2</u>
Other comprehensive income (loss):				
Exchange differences on translation of foreign operation's financial statements, before tax	337,984	1	238,065	-
Unrealized gains and (losses) on available-for-sale financial assets, before tax	945	-	(238)	-
Actuarial gains on defined benefit plans, before tax (note 6(m))	3,344	-	1,240	-
Less: income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>342,273</u>	<u>1</u>	<u>239,067</u>	<u>-</u>
Comprehensive income	<u>\$ 1,951,240</u>	<u>4</u>	<u>907,621</u>	<u>2</u>
Net income attributable to:				
Stockholders of parent	\$ 1,544,690	3	668,548	2
Non-controlling interests	<u>64,277</u>	<u>-</u>	<u>6</u>	<u>-</u>
	<u>\$ 1,608,967</u>	<u>3</u>	<u>668,554</u>	<u>2</u>
Comprehensive income attributable to:				
Stockholders of parent	\$ 1,871,224	4	907,589	2
Non-controlling interests	<u>80,016</u>	<u>-</u>	<u>32</u>	<u>-</u>
	<u>\$ 1,951,240</u>	<u>4</u>	<u>907,621</u>	<u>2</u>
Earnings per share (note 6(q)):				
Basic earnings per share (NT dollars)	<u>\$ 3.57</u>		<u>1.55</u>	
Diluted earnings per share (NT dollars)	<u>\$ 3.52</u>		<u>1.53</u>	

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	Equity attributable to stockholders of parent											
	Capital	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign operation's financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unearned employee compensation	Total	Non-controlling interests
Balance on January 1, 2013	\$ 4,269,698	22,794	607,334	264,990	97,300	2,100,653	(137,902)	-	-	7,224,867	771	7,225,638
Net income in 2013	-	-	-	-	-	668,548	-	-	-	668,548	6	668,554
Other comprehensive income in 2013	-	-	-	-	-	1,240	238,039	(238)	-	239,041	26	239,067
Comprehensive income in 2013	-	-	-	-	-	669,788	238,039	(238)	-	907,589	32	907,621
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	125,008	-	(125,008)	-	-	-	-	-	-
Special reserve	-	-	-	40,892	-	(40,892)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(647,019)	-	-	-	(647,019)	-	(647,019)
Issuance of restricted stock	16,360	-	21,378	-	-	-	-	-	(37,738)	-	-	-
Amortization expense of restricted stock	-	-	-	-	-	-	-	-	5,418	5,418	-	5,418
Compensation cost of share-based payment	-	-	9,127	-	-	-	-	-	-	9,127	-	9,127
Exercise of employee share options	-	37,731	-	-	-	-	-	-	-	37,731	-	37,731
Issuance of common stock for employee stock options and abandonment	49,675	(56,729)	10,908	-	-	-	-	-	-	3,854	-	3,854
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(803)	(803)
Balance on December 31, 2013	4,335,733	3,796	648,747	389,998	138,192	1,957,522	100,137	(238)	(32,320)	7,541,567	-	7,541,567
Net income in 2014	-	-	-	-	-	1,544,690	322,245	-	-	1,544,690	64,277	1,608,967
Other comprehensive income in 2014	-	-	-	-	-	3,344	322,245	945	-	326,534	15,739	342,273
Comprehensive income in 2014	-	-	-	-	-	1,548,034	322,245	945	-	1,871,224	80,016	1,951,240
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	66,855	-	(66,855)	-	-	-	-	-	-
Special reserve	-	-	-	40,892	-	(40,892)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(347,105)	-	-	-	(347,105)	-	(347,105)
Issuance of restricted stock	3,550	-	11,576	-	-	-	-	-	(15,126)	-	-	-
Retirement of restricted stock	(3,200)	-	(4,254)	-	-	-	-	-	7,454	-	-	-
Amortization expense of restricted stock	-	-	-	-	-	-	-	-	21,751	21,751	-	21,751
Compensation cost of share-based payment	-	-	14,487	-	-	-	-	-	-	14,487	18	14,505
Exercise of employee stock options	-	48,589	-	-	-	-	-	-	-	48,589	-	48,589
Issuance of common stock for employee stock options and abandonment	10,495	(13,482)	2,987	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,078,200	1,078,200
Balance on December 31, 2014	\$ 4,346,578	38,903	673,543	456,853	97,300	3,132,488	422,382	707	(18,241)	9,150,513	1,158,234	10,308,747

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Income before income taxes	\$ 2,047,581	910,752
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	1,192,885	1,113,302
Losses (gains) related to inventories	(26,788)	352,229
Provision (reversal of provision) for bad debt allowance and sales returns and allowances	25,956	(8,619)
Impairment losses on property, plant and equipment	33,178	120,948
Interest expenses	66,560	17,382
Interest income	(275,451)	(161,252)
Compensation cost of share-based payment	30,974	15,466
Other	(11,974)	15,019
	<u>1,035,340</u>	<u>1,464,475</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable	(1,400,687)	(671,547)
Accounts receivable – related parties	(60,581)	-
Other receivables – current and non-current	159,723	107,575
Inventories	111,714	522,118
Other current assets	(94,880)	61,262
Other	(32,461)	(33,743)
Changes in operating assets	<u>(1,317,172)</u>	<u>(14,335)</u>
Notes and accounts payable	953,446	904,247
Salary payable	400,939	(14,611)
Other payables	262,102	(122,626)
Other current liabilities	(60,316)	(133,746)
Other	202,578	6,057
Changes in operating liabilities	<u>1,758,749</u>	<u>639,321</u>
Changes in operating assets and liabilities	<u>441,577</u>	<u>624,986</u>
Adjustments	<u>1,476,917</u>	<u>2,089,461</u>
Cash flows from operations	3,524,498	3,000,213
Interest received	275,451	161,252
Interest paid	(66,497)	(17,292)
Income taxes paid	(379,257)	(153,161)
Net cash flows provided by operating activities	<u>3,354,195</u>	<u>2,991,012</u>
Cash flows from investing activities:		
Acquisition of subsidiary (minus cash acquired)	(2,329,526)	-
Acquisition of available-for-sale financial assets	(245,600)	-
Acquisition of property, plant and equipment	(1,131,498)	(865,411)
Proceeds from disposal of property, plant and equipment	36,818	164,879
Acquisition of other deferred assets	(77,700)	(16,666)
Other	(9,273)	(5,082)
Net cash flows used in investing activities	<u>(3,756,779)</u>	<u>(722,280)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	1,083,965	658,900
Increase in long-term borrowings	1,419,722	-
Increase in guarantee deposits	74,431	38,020
Cash dividends	(347,105)	(647,019)
Exercise of employee stock options	48,589	37,731
Net cash flows provided by financing activities	<u>2,279,602</u>	<u>87,632</u>
Effect of foreign currency exchange translation	150,140	17,063
Net increase in cash and cash equivalents	2,027,158	2,373,427
Cash and cash equivalents at beginning of year	4,786,865	2,413,438
Cash and cash equivalents at end of year	\$ <u>6,814,023</u>	\$ <u>4,786,865</u>

PRIMAX ELECTRONICS LTD.

Comparison of Amendments to the
Articles of Incorporation

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
Article 6	When the Company issues new stock, all shares for that issuance may be printed in one printing in accordance with Article 162-1 of the Company Act, and shall be deposited with the centralized securities depository enterprise. Alternatively, if the Company does not need to print shares for its issued stock in accordance with Article 162-2 of the Company Act, must register stock with the centralized securities depository enterprise.	<u>The Company's stock shall generally be registered, and at least three of the Company's directors shall sign or affix their seals, and affix the Company's seal and serial numbers to the shares. Stock shall be issued after attestation by the competent authority or an issuance attestation organization approved by the competent authority. Stock shall be issued after attestation by the competent authority.</u> When the Company issues new stock after becoming a public company, all shares for that issuance may be printed in one printing in accordance with Article 162-1 of the Company Act, and shall be deposited with the centralized securities depository enterprise. Alternatively, if the Company does not need to print shares for its issued stock in accordance with Article 162-2 of the Company Act, must register stock with the centralized securities depository enterprise.	Amendment in accordance with actual needs
Article 11	Except in the circumstances set forth in the Company Act under which the shares shall have no voting power, shareholders of the Company shall be entitled to one vote for each share they hold. <u>The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Such shareholder's declaration of intention shall be dealt with in accordance Article 177-2 of the Company Act.</u>	Except in the circumstances set forth in the Company Act under which the shares shall have no voting power, shareholders of the Company shall be entitled to one vote for each share they hold.	To implement E-voting and amend the relevant provision
Article 16	The Company shall establish a Board consisting of from 5 to 9 persons, all to be elected from among persons with legal capacities by the shareholders for terms of 3 years. <u>A candidate nomination system shall be adopted for the election of directors and</u> the same person may be elected again upon expiry of the term. Among the above-mentioned number of directors, the Company may have at least <u>three</u> and not less than one-fifth (1/5) of the directors	The Company shall establish a Board consisting of from 5 to 9 persons, all to be elected from among persons with legal capacities by the shareholders for terms of 3 years. The same person may be elected again upon expiry of the term. Among the above-mentioned number of directors, the Company may have at least <u>2</u> and not less than one-fifth (1/5) of the directors as independent directors, who shall be elected by the shareholders under the candidate	To implement E-voting and amend the relevant provision

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
	<p>as independent directors, who shall be elected by the shareholders under the candidate nomination system. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence, method of nomination and election and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the competent authority. The directors of the Company shall be elected in accordance with the Rules for Election of Directors of the Company.</p> <p>The total number of registered shares of the Company that may be held by all directors shall follow the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the competent authority.</p> <p>The Company may establish a remuneration committee or other functional committees in accordance with actual needs.</p>	<p>nomination system. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence, method of nomination and election and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the competent authority. The directors <u>and supervisors</u> of the Company shall be elected in accordance with the <u>internal</u> Rules for Election of Directors <u>and Supervisors</u>.</p> <p>The total number of registered shares of the Company that may be held by all directors <u>and supervisors</u> shall follow the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the competent authority.</p> <p>The Company may establish a remuneration committee or other functional committees in accordance with actual needs.</p>	
Article 16-1	<p>The Company shall establish an audit committee <u>in accordance with Article 14-4 of the Securities and Exchange Act, which shall be responsible for exercising such powers and duties of supervisors specified in the Company Act, the Securities and Exchange Act and other laws.</u></p> <p><u>The audit committee shall be composed of the entire number of independent directors, at least one of whom shall have accounting or financial expertise, and one of whom shall be convener.</u></p> <p><u>A resolution of the audit committee shall have the concurrence of one-half or more of all members.</u></p>	<p><u>When the Company establishes an audit committee in accordance with the law, (that is, such committee shall be composed of the entire number of independent directors, which shall not be fewer than three persons in number, and at least one of whom shall have accounting or financial expertise), its supervisors shall be discharged immediately and Articles hereof with regards to the supervisors shall no longer be applicable. The number and term of office of audit committee members, exercise of powers, rules of procedure for meetings, and other relevant matters, shall be handled in accordance with relevant requirements of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and a separately adopted audit committee charter.</u></p>	Audit Committee to be established in lieu of supervisors and amendments to relevant provision
Article 18	<p>Unless otherwise provided by law, meeting of the Board of Directors shall be called and chaired by its Chairman. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. In calling a meeting of the Board of Directors, a notice shall be given to</p>	<p>Unless otherwise provided by law, meeting of the Board of Directors shall be called and chaired by its Chairman. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his/her power and authority for any cause, the Chairman of the Board of Directors shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. In calling a meeting of the Board of Directors, a notice shall be given to</p>	The same as above reason.

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
	each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, the meeting may be convened at any time. The notice may be <u>delivered</u> in writing, by email or fax.	each director <u>and supervisor</u> no later than 7 days prior to the scheduled meeting date. In the case of emergency, the meeting may be convened at any time. The notice may be <u>sent</u> in writing, by email or fax.	
	Chapter V. <u>Management Personne</u>	Chapter V. <u>Supervisors</u>	Chapter adjustment
Article 23	<u>The Company shall have general manager responsible for managing all business at the Company in accordance with Board decisions. The general manager shall be appointed or dismissed by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company.</u>	<u>The Company has 3 supervisors, all to be elected from among persons with legal capacities by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.</u>	Audit Committee to be established in lieu of supervisors · amendments to relevant provision and adjust the order of provisions
	Chapter VI. <u>Accounting</u>		Chapter adjustment
Article 24	<u>The Board of Directors shall prepare the following statements at the closing date/end of each fiscal year, and submit them to the general shareholder meeting for recognition:</u> <u>(1) Report on operations;</u> <u>(2) Financial Statements; and</u> <u>(3) Proposal concerning distribution of net profits or action to deal with losses.</u>	<u>The functions of the supervisor(s) shall be:</u> <u>(1) Inspection of accounting results;</u> <u>(2) Inspection of the accounting books and financial conditions of the Company;</u> <u>(3) Investigation of the operations of the Company; and</u> <u>(4) Other functions prescribed by Board resolutions.</u>	Audit Committee to be established in lieu of supervisors · amendments to relevant provision and adjust the order of provisions
Article 25	<u>The Company's net profit following annual closing, if any, shall be distributed in the following order:</u> 1. <u>Compensate loss;</u> 2. <u>10% legal reserve, unless the amount of legal reserve has reached the total capital amount;</u> 3. <u>Special reserve in accordance with law and the competent authority;</u> 4. <u>Employee bonus in the amount between 2 to 10% of the balance, and directors' bonuses in the amount not more than 2% of the balance under subsections 1 to 3 above;</u> 5. <u>The balance of the remaining net profit 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.</u> <u>If employees' bonuses shall be issued as stock</u>	<u>Supervisors of the Company may attend the meeting of the Board of Directors to their opinions but they have no right to vote.</u>	The same as above reason.

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
	<u>bonuses, such bonuses shall be given to all employees of subordinate companies meeting certain criteria. The Board of Directors is authorized to determine the relevant rules for distribution of such bonuses.</u>		
Article 26	<u>Based on the Company's current environment, growth stage, future capital needs and long term financial planning, and taking into consideration on the interests of shareholders and a balanced dividend; dividend shall be distributed as a stock or cash dividend, but a cash dividend should be no lower than ten percent (10%) of the total shareholder dividend. However, the proportion of the above cash dividend shall be adjusted based on the overall business operations of the current year.</u>	<u>The Company's supervisors shall be entitled to travel allowances at an amount determined by the Board. The Board shall be authorized to determine the compensation of all supervisors on the basis of the prevailing standards in the industry.</u>	The same as above reason.
Article 27	<u>When the Company issues employee share subscription warrant at the offering price below their market value (net worth of each stock), a special resolution shall be adopted, at a shareholders' meeting, by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. To transfer shares to employees at less than the average actual share repurchase price, the Company must have, before such transfers, obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.</u>	<u>Supervisors of the Company may authorize the Board to purchase liability insurance during the terms of the supervisors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.</u>	The same as above reason
	<u>Chapter VII. Supplementary Provisions</u>	<u>Chapter VI. Management Personnel</u>	Chapter adjustment
Article 28	<u>Rules for implementation of these Articles of Incorporation may be set up separately.</u>	<u>The Company shall have general manager responsible for managing all business at the Company in accordance with Board decisions. The general manager shall be appointed or dismissed by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company.</u>	Adjustment to the order of provisions
		<u>Chapter VII. Accounting</u>	The same as above reason.

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
Article 29	<u>Provisions of the Company Act shall be referred to for matters not provided for in these Articles of Incorporation.</u>	<u>The Board of Directors shall prepare the following statements at the closing date/end of each fiscal year, submit them to the supervisors for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:</u> <u>(1) Report on operations;</u> <u>(2) Financial Statements; and</u> <u>(3) Proposal concerning distribution of net profits or action to deal with losses.</u>	The same as above reason.
Article 30	<u>These Articles of Incorporation were established on March 8, 2006,</u> <u>First amendment was made on April 3, 2007.</u> <u>Second amendment was made on June 13, 2007.</u> <u>Third amendment was made on October 5, 2007.</u> <u>Fourth amendment was made on November 7, 2007.</u> <u>Fifth amendment was made on December 28, 2007.</u> <u>Sixth amendment was made on August 27, 2009.</u> <u>Seventh amendment was made on September 22, 2009.</u> <u>Eighth amendment was made on October 23, 2009.</u> <u>Ninth amendment was made on November 20, 2009.</u> <u>Tenth amendment was made on June 25, 2010.</u> <u>Eleventh amendment was made on June 19, 2012.</u> <u>Twelfth amendment was made on June 25, 2013.</u> <u>Thirteenth amendment was made on September 5, 2014.</u> <u>Fourteenth amendment was made on June 29, 2015.</u>	<u>The Company's net profit following annual closing, if any, shall be distributed in the following order:</u> <u>1. Compensate loss;</u> <u>2. 10% legal reserve, unless the amount of legal reserve has reached the total capital amount;</u> <u>3. Special reserve in accordance with law and the competent authority;</u> <u>4. Employee bonus in the amount between 2 to 10% of the balance, and directors' and supervisors' bonuses in the amount not more than 2% of the balance under subsections 1 to 3 above;</u> <u>5. The balance of the remaining net profit 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.</u> <u>If employees' bonuses shall be issued as stock bonuses, such bonuses shall be given to all employees of subordinate companies meeting certain criteria. The Board of Directors is authorized to determine the relevant rules for distribution of such bonuses.</u>	The same as above reason and additional information about amendment date
Article 31	Delete	<u>Based on the Company's current environment, growth stage, future capital needs and long term financial planning, and taking into consideration on the interests of shareholders and a balanced dividend; dividend shall be distributed as a stock or cash dividend, but a cash dividend should be no lower than ten percent (10%) of the total shareholder dividend. However, the proportion of the above cash dividend shall be adjusted based on the overall business operations of the current year.</u>	Adjustment to the order of provisions

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
Article 32	Delete	<u>When the Company issues employee share subscription warrant at the offering price below their market value (net worth of each stock), a special resolution shall be adopted, at a shareholders' meeting, by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. To transfer shares to employees at less than the average actual share repurchase price, the Company must have, before such transfers, obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.</u>	The same as above reason.
		<u>Chapter VIII. Supplementary Provisions</u>	The same as above reason.
Article 33	Delete	<u>Rules for implementation of these Articles of Incorporation may be set up separately.</u>	The same as above reason.
Article 34	Delete	<u>Provisions of the Company Act shall be referred to for matters not provided for in these Articles of Incorporation.</u>	The same as above reason.
Article 35	Delete	<u>These Articles of Incorporation were established on March 8, 2006,</u> <u>First amendment was made on April 3, 2007.</u> <u>Second amendment was made on June 13, 2007.</u> <u>Third amendment was made on October 5, 2007.</u> <u>Fourth amendment was made on November 7, 2007.</u> <u>Fifth amendment was made on December 28, 2007.</u> <u>Sixth amendment was made on August 27, 2009.</u> <u>Seventh amendment was made on September 22, 2009.</u> <u>Eighth amendment was made on October 23, 2009.</u> <u>Ninth amendment was made on November 20, 2009.</u> <u>Tenth amendment was made on June 25, 2010.</u> <u>Eleventh amendment was made on June 19, 2012.</u> <u>Twelfth amendment was made on June 25, 2013.</u>	The same as above reason.

PRIMAX ELECTRONICS LTD.
Comparison of Amendments to the
Rules for Election of Directors and Supervisors of Primax Electronics Ltd.

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
Title	Rules for Election of Directors	Rules for Election of Directors <u>and Supervisors</u>	Audit Committee to be established in lieu of supervisors
Article 1	Purpose and Legal Basis To elect and appoint directors in a fair, impartial and open manner, these Rules are established in accordance with the provisions of the Company Act and the Articles of Incorporation with reference to Article 41 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	Purpose and Legal Basis To elect and appoint directors <u>and supervisors</u> in a fair, impartial and open manner, these Rules are established in accordance with the provisions of the Company Act and the Articles of Incorporation with reference to Article 41 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	Audit Committee to be established in lieu of supervisors
Article 2	Scope of Application Unless otherwise provided for under the law or in the Articles of Incorporation, election and appointment of the directors of the Company shall be subject to the regulations of these Rules for Election.	Scope of Application Unless otherwise provided for under the law or in the Articles of Incorporation, election and appointment of the directors <u>and supervisors</u> of the Company shall be subject to the regulations of these Rules for Election.	Audit Committee to be established in lieu of supervisors
Article 3	Directors of the Company shall be elected from among persons with disposing capacity or corporate shareholders at a shareholders' meeting. Members of the Board of Directors of the Company are expected to have the knowledge, skills and ability required to perform their duties.	Directors <u>and supervisors</u> of the Company shall be elected from among persons with disposing capacity or corporate shareholders at a shareholders' meeting. Members of the Board of Directors <u>and supervisors</u> of the Company are expected to have the knowledge, skills and ability <u>generally</u> required to perform their duties.	Audit Committee to be established in lieu of supervisors
Article 4	Directors of the Company shall be elected by uninominal and cumulative voting. Unless otherwise provided for under the Company Act, in an election of the directors of the Company, each share is entitled to such number of votes equal to the number of directors to be elected and these votes may be cast to one single candidate or distributed among several candidates, <u>with the candidates receiving the votes representing more voting rights to be elected as directors.</u>	Directors <u>and supervisors</u> of the Company shall be elected by uninominal and cumulative voting. Unless otherwise provided for under the Company Act, in an election of the directors <u>and supervisors</u> of the Company, each share is entitled to such number of votes equal to the number of directors <u>and supervisors</u> to be elected and these votes may be cast to one single candidate or distributed among several candidates.	Audit Committee to be established in lieu of supervisors and amendments to relevant provisions

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
Article 5	<p>Qualifications of the independent directors of the Company shall be consistent with the requirements under Articles 2, 3 and 4 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company.</p> <p>Election of the independent directors of the Company shall be consistent with the requirements under Articles 5, 6, 7, 8 and 9 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company and shall be in compliance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</p>	<p><u>Where appointment of independent directors is required for the Company or the Company voluntarily chooses to appoint independent directors,</u> qualifications of the independent directors shall be consistent with the requirements under Articles 2, 3 and 4 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company.</p> <p>Election of the independent directors of the Company shall be consistent with the requirements under Articles 5, 6, 7, 8 and 9 of the Rules Governing Compliance Required for Appointment of Independent Directors of a Public Company and shall be in compliance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</p>	Amendments to relevant provisions due to election of independent directors
Article 6	Number of directors of the Company to be elected shall be subject to the Company's Articles of Incorporation. For the <u>procedure of</u> election of directors, the candidate nomination system shall be adopted.	Number of directors <u>and supervisors</u> of the Company to be elected shall be subject to the Company's Articles of Incorporation. For the election of <u>independent</u> directors, the <u>procedure of</u> candidate nomination system shall be adopted <u>according to Article 192-1 of the Company Act.</u>	Audit Committee to be established in lieu of supervisors
Article 8	In an election of the directors of the Company, voting rights shall be calculated for independent and non-independent directors separately according to the number of directors set forth in the Company's Articles of Incorporation. Independent and non-independent director candidates receiving the votes representing more voting rights, as indicated in the tally of the election votes, shall be elected as independent and non-independent directors. In the event of two or more candidates receiving the same weighted votes and the number of elected directors exceeds the required number, the candidates receiving the same weighted votes shall draw lots to decide who will be elected or the chairperson of the meeting shall draw the lot of the absent candidate.	<p>In an election of the directors <u>and supervisors</u> of the Company, voting rights shall be calculated for independent and non-independent directors separately according to the number of directors set forth in the Company's Articles of Incorporation. Independent and non-independent director <u>or supervisor</u> candidates receiving the votes representing more voting rights, as indicated in the tally of the election votes, shall be elected as independent and non-independent directors. In the event of two or more candidates receiving the same weighted votes and the number of elected directors exceeds the required number, the candidates receiving the same weighted votes shall draw lots to decide who will be elected or the chairperson of the meeting shall draw the lot of the absent candidate.</p> <p><u>If a candidate is elected as director and supervisor at the same time according to the first paragraph, he or she shall decide if he or she will be elected as director or supervisor and shall not take both positions concurrently. In the event an elected director or supervisor is found and confirmed having non-compliance personal information or incapable of acting as director or supervisor, the vacancy shall be filled by the candidate receiving the second most votes in the election.</u></p>	Audit Committee to be established in lieu of supervisors

Article No.	Amended Content	Current Content	Reason for Amendment and Explanation
		<u>In the event of one-third or more of the directors become vacant, a special shareholders' meeting shall be convened for by-election.</u>	
Article 9	The Board of Directors shall produce the same number of ballots as the number of directors to be elected, specified with the weighted voting rights, to be distributed to the shareholders present at the shareholders' meeting.	The Board of Directors shall produce the same number of ballots as the number of directors <u>and supervisors</u> to be elected, specified with the weighted voting rights, to be distributed to the shareholders present at the shareholders' meeting.	Audit Committee to be established in lieu of supervisors
Article 12	In an election of directors, when all the votes are cast, votes shall be counted immediately after the vote monitoring personnel open the ballot box. The chairperson of the meeting or the emcee designated by the chairperson shall announce the elected directors according to the tally of votes.	In an election of directors <u>and supervisors with two separate ballot boxes</u> , when all the votes are cast, votes shall be counted immediately after the vote monitoring personnel open the ballot boxes. The chairperson of the meeting or the emcee designated by the chairperson shall announce the elected directors <u>and supervisors</u> according to the tally of votes.	Audit Committee to be established in lieu of supervisors
Article 14	The Board of Directors of the Company shall issue an election notice to each of the elected directors.	The Board of Directors of the Company shall issue an election notice to each of the elected directors <u>and supervisors</u> .	Audit Committee to be established in lieu of supervisors
Article 15	Establishment and amendments to these Rules shall be approved by the Board of Directors of the Company, and passed at the shareholders' meeting before coming into force. The same shall apply to amendments. <u>For matters not provided for in these Rules, the Articles of Incorporation, the Company Act and the applicable laws and regulations shall govern.</u>	Establishment and amendments to these Rules shall be approved by the Board of Directors of the Company, and passed at the shareholders' meeting before coming into force. The same shall apply to amendments.	Additional description of compliance of law
Article 16	These Rules were established on November 7, 2008. The first amendment was made on June 4, 2009. The second amendment was made on June 19, 2012. The third amendment was made on June 29, 2015.	These Rules were established on November 7, 2008. The first amendment was made on June 4, 2009. The second amendment was made on June 19, 2012.	Additional information about amendment date

PRIMAX ELECTRONICS LTD.
Comparison of Amendments to the
Procedures for Lending Funds to Other Parties

Amended Content	Current Content	Description and Background of Amendment
<p>Article 5: Procedures for the Loaning of Funds</p> <p>i. Detailed Procedures</p> <p>.....</p> <p>5. The company’s internal auditors shall audit all fund loaning operations and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the <u>audit committee</u> in writing of any material violation found.</p> <p>.....</p> <p>7. If, as a result of a change in circumstances, an entity for which a loan is made does not meet the requirements of regulations or the loan balance exceeds the limit, the company’s finance department shall adopt rectification plans, submit the rectification plans to the <u>audit committee</u>, and complete the rectification according to the timeframe set out in the plan.</p> <p>.....</p>	<p>Article 5: Procedures for the Loaning of Funds</p> <p>i. Detailed Procedures</p> <p>.....</p> <p>5. The company’s internal auditors shall audit all fund loaning operations and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the <u>supervisors</u> in writing of any material violation found.</p> <p>.....</p> <p>7. If, as a result of a change in circumstances, an entity for which a loan is made does not meet the requirements of regulations or the loan balance exceeds the limit, the company’s finance department shall adopt rectification plans, submit the rectification plans to the <u>supervisors</u>, and complete the rectification according to the timeframe set out in the plan.</p> <p>.....</p>	<p>The procedures amendment for the company establish the audit committee.</p>
<p>Article 9: Control Procedures for the Loaning of Funds of the Subsidiary</p> <p>i. If the subsidiary of the company is to loan funds to others, operational procedures must be in place and in accordance with “Procedures for Lending Funds to Other Parties”, with approval from the board of directors and shareholders, and submitted to the <u>audit committee</u>. This also applies to amendments of said operational procedures.</p> <p>ii. If the subsidiary of the company is to loan funds to others, it should do so in accordance with the policies and procedures of “Internal Control Policies” and “Procedures for Lending Funds to Other Parties”, and submit written reports of the previous month’s loan balance, borrower, dates, etc. on the fifth day of each month. The company’s auditors shall list the subsidiary’s fund loaning matters as quarterly auditing items and the status of the audit shall be reported to the board of directors and the <u>audit committee</u>.</p>	<p>Article 9: Control Procedures for the Loaning of Funds of the Subsidiary</p> <p>i. If the subsidiary of the company is to loan funds to others, operational procedures must be in place and in accordance with “Procedures for Lending Funds to Other Parties”, with approval from the board of directors and shareholders, and submitted to the <u>supervisors</u>. This also applies to amendments of said operational procedures.</p> <p>ii. If the subsidiary of the company is to loan funds to others, it should do so in accordance with the policies and procedures of “Internal Control Policies” and “Procedures for Lending Funds to Other Parties”, and submit written reports of the previous month’s loan balance, borrower, dates, etc. on the fifth day of each month. The company’s auditors shall list the subsidiary’s fund loaning matters as quarterly auditing items and the status of the audit shall be reported to the board of directors and the <u>supervisors</u>.</p>	<p>The same as above reason.</p>

Amended Content	Current Content	Description and Background of Amendment
<p>Article 10: Penal provisions v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations or the resolutions of the shareholders' meeting, the <u>audit committee</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	<p>Article 10: Penal provisions v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations or the resolutions of the shareholders' meeting, the <u>supervisors</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	<p>The same as above reason.</p>
<p>Article 11: The Procedures for Lending Funds to Other Parties are approved by the board of directors, having been submitted to the <u>audit committee</u>, and reported to the shareholders' meeting for approval prior to implementation. If any director expresses objection and is recorded or stated in written form, the company shall pass on the objection to the <u>audit committee</u> and report this to the shareholders' meeting for discussion. This also applies to the amendments of said operational procedures. (Note: When the company has established the position of independent director, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.)</p>	<p>Article 11: The Procedures for Lending Funds to Other Parties are approved by the board of directors, having been submitted to the <u>supervisors</u>, and reported to the shareholders' meeting for approval prior to implementation. If any director expresses objection and is recorded or stated in written form, the company shall pass on the objection to the <u>supervisors</u> and report this to the shareholders' meeting for discussion. This also applies to the amendments of said operational procedures. (Note: When the company has established the position of independent director, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.)</p>	<p>The same as above reason.</p>
<p>Article 12: This corporate document was created on 2008/11/7. First-time amendments were made on 2009/6/4. Second-time amendments were made on 2010/6/25. Third-time amendments were made on 2013/6/25. <u>Fourth-time amendments were made on 2015/6/29.</u></p>	<p>Article 12: This corporate document was created on 2008/11/7. First-time amendments were made on 2009/6/4. Second-time amendments were made on 2010/6/25. Third-time amendments were made on 2013/6/25.</p>	<p>Adding update Amendment date.</p>

PRIMAX ELECTRONICS LTD.
Comparison of Amendments to the
Procedures for Endorsements & Guarantees

Amended Content	Current Content	Description and Background of Amendment
<p>V. Procedures for Making Endorsements / Guarantees</p> <p>.....</p> <p>iv. The company's internal auditors shall audit the Procedures for Endorsements & guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all <u>audit committee</u> in writing of any material violation found.</p> <p>.....</p> <p>vi. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the operational procedures or the loan balance exceeds the limit, the company's finance department shall adopt rectification plans, have the chairman complete the rectification according to the timeframe set out in the plan, and submit the rectification plans to the <u>audit committee</u>.</p>	<p>V. Procedures for Making Endorsements / Guarantees</p> <p>.....</p> <p>iv. The company's internal auditors shall audit the Procedures for Endorsements & guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all <u>supervisors</u> in writing of any material violation found.</p> <p>.....</p> <p>vi. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the operational procedures or the loan balance exceeds the limit, the company's finance department shall adopt rectification plans, have the chairman complete the rectification according to the timeframe set out in the plan, and submit the rectification plans to the <u>supervisors</u>.</p>	<p>Procedure amendment for the company to establish the audit committee</p>
<p>VII. Control Procedures for Endorsements/Guarantees of the Subsidiary</p> <p>i. If the subsidiary of the company is to make endorsements/guarantees to others, operational procedures must be in place and in accordance with said operational procedures, with approval from the board of directors and shareholders, submitted to the <u>audit committee</u>. This also applies to amendments of said operational procedures.</p> <p>ii. If the subsidiary of the company is to make endorsements/guarantees to others, it should submit written reports of the previous month's endorsement/ guarantee balance, borrower, dates, etc. on the fifth day of each month to the parent company. The company's auditors shall list the subsidiary's endorsement/guarantee matters as quarterly auditing items and the status of the audits shall be reported to the board of directors and the <u>audit committee</u>.</p>	<p>VIII. Control Procedures for Endorsements/Guarantees of the Subsidiary</p> <p>i. If the subsidiary of the company is to make endorsements/guarantees to others, operational procedures must be in place and in accordance with said operational procedures, with approval from the board of directors and shareholders, submitted to the <u>supervisors</u>. This also applies to amendments of said operational procedures.</p> <p>ii. If the subsidiary of the company is to make endorsements/guarantees to others, it should submit written reports of the previous month's endorsement/ guarantee balance, borrower, dates, etc. on the fifth day of each month to the parent company. The company's auditors shall list the subsidiary's endorsement/guarantee matters as quarterly auditing items and the status of the audits shall be reported to the board of directors and the <u>supervisors</u>.</p>	<p>The same as above reason.</p>
<p>XI. Penal Provisions</p> <p>.....</p> <p>v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations</p>	<p>XI. Penal Provisions</p> <p>.....</p> <p>v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations</p>	<p>The same as above reason.</p>

Amended Content	Current Content	Description and Background of Amendment
<p>or the resolutions of the shareholders' meeting, the <u>audit committee</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	<p>or the resolutions of the shareholders' meeting, the <u>supervisors</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	
<p>XII. Supplemental Items The Procedures for Endorsements & Guarantees are approved by the board of directors, having been submitted to the <u>audit committee</u> and reported to the shareholders' meeting for approval prior to implementation. If any director expresses objection and is recorded or stated in written form, the company shall pass on the objection to the <u>audit committee</u> and report this to the shareholders' meeting for discussion. This also applies to the modifications of the operational procedures. When the company has established the position of independent director, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>XII. Supplemental Items The Procedures for Endorsements & Guarantees are approved by the board of directors, having been submitted to the <u>Supervisors</u> and reported to the shareholders' meeting for approval prior to implementation. If any director expresses objection and is recorded or stated in written form, the company shall pass on the objection to the <u>Supervisors</u> and report this to the shareholders' meeting for discussion. This also applies to the modifications of the operational procedures. When the company has established the position of independent director, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>The same as above reason.</p>
<p>XIII. This corporate document was created on 2008/11/7. First-time amendment were made on 2009/6/4. Second-time amendment were made on 2009/11/20. Third-time amendment were made on 2010/6/25. Fourth-time Amendment were made on 2013/6/25. <u>Fifth-time Amendment were made on 2015/6/29.</u></p>	<p>XIII. This corporate document was created on 2008/11/7. First-time amendment were made on 2009/6/4. Second-time amendment were made on 2009/11/20. Third-time amendment were made on 2010/6/25. Fourth-time Amendment were made on 2013/6/25.</p>	<p>Adding update to amendment date.</p>

PRIMAX ELECTRONICS LTD.

Comparison of Amendments to the
Procedures for Acquisition or Disposal of Assets

Amendment Article	Existing Article	Explanation
<p>IV. After the procedures have been approved of by the board of directors, they shall be submitted to the <u>audit committee</u> and reported to the shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the <u>audit committee</u>. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>IV. After the procedures have been approved of by the board of directors, they shall be submitted to the <u>supervisors</u> and reported to the shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the <u>supervisors</u>. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Procedure amendment for the company to establish the audit committee.</p>
<p>V. After the board of directors have approved of the procedures for the acquisition and disposal of assets, if any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the <u>audit committee</u>. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>V. After the board of directors have approved of the procedures for the acquisition and disposal of assets, if any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the <u>supervisors</u>. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>The same as above reason.</p>
<p>XIV. Appraisal Procedures</p> <p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the <u>audit committee</u>:</p> <p>.....</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with (ii) of article IXXX herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and</p>	<p>XIV. Appraisal Procedures</p> <p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the <u>supervisors</u>:</p> <p>.....</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with (ii) of article IXXX herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and</p>	<p>The same as above reason.</p>

Amendment Article	Existing Article	Explanation
<p>recognized by the <u>audit committee</u> need not be counted toward the transaction amount.</p> <p>.....</p>	<p>recognized by the <u>supervisors</u> need not be counted toward the transaction amount.</p> <p>.....</p>	
<p>XVII. Where the company acquires real property from a related party and the results of appraisals conducted in accordance with article XV and XVI are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>i.....</p> <p>ii. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus</p>	<p>XVII. Where the company acquires real property from a related party and the results of appraisals conducted in accordance with article XV and XVI are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>i.....</p> <p>ii. <u>Supervisors shall comply with Article 218 of the Company Act.</u></p> <p>iii. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus</p>	<p>Delete article XVII ii.</p>
<p>XX. Internal Audit System:</p> <p>The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the senior management personnel appointed by the chairman and the board of directors shall be immediately reported to and the <u>audit committee</u> shall be notified in writing.</p>	<p>XX. Internal Audit System:</p> <p>The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the senior management personnel appointed by the chairman and the board of directors shall be immediately reported to and the <u>Supervisors</u> shall be notified in writing.</p>	<p>Procedure amendment for the company to establish the audit committee.</p>
<p>XXXI. Control of Acquisition or Disposal of Assets by Subsidiaries</p> <p>i. The company’s subsidiaries shall also establish and execute “Procedures for Acquisition or Disposal of Assets” in accordance with regulations of the governing body, obtain approval from the board of directors, and submit it to the <u>audit committee</u> and report to the shareholders’ meeting for resolution. This also applies to amendments of the standard operating procedures.</p> <p>ii. Assets acquired or disposed by subsidiaries shall be conducted in accordance with the separate “Control System” and “Procedures for Acquisition or Disposal of Assets”. The company shall compile monthly reports on the status of individual or accumulated acquired or disposed assets trading or transactions of similar nature reaching NT\$10 million or more of the preceding month and the status of derivatives trading up to the end of the previous month, and report to the company in written form on the 5th day of each month. The</p>	<p>XXXI. Control of Acquisition or Disposal of Assets by Subsidiaries</p> <p>i. The company’s subsidiaries shall also establish and execute “Procedures for Acquisition or Disposal of Assets” in accordance with regulations of the governing body, obtain approval from the board of directors, and submit it to the supervisors and report to the shareholders’ meeting for resolution. This also applies to amendments of the standard operating procedures.</p> <p>ii. Assets acquired or disposed by subsidiaries shall be conducted in accordance with the separate “Control System” and “Procedures for Acquisition or Disposal of Assets”. The company shall compile monthly reports on the status of individual or accumulated acquired or disposed assets trading or transactions of similar nature reaching NT\$10 million or more of the preceding month and the status of derivatives trading up to the end of the previous month, and report to the company in written form on the 5th day of each month. The</p>	<p>The same as above reason.</p>

Amendment Article	Existing Article	Explanation
<p>company’s auditors shall list subsidiaries’ acquired or disposed asset matters as monthly auditing items and the status of the audit shall be reported to the board of directors and the <u>audit committee</u>.</p> <p>.....</p>	<p>company’s auditors shall list subsidiaries’ acquired or disposed asset matters as monthly auditing items and the status of the audit shall be reported to the board of directors and the <u>supervisors</u>.</p> <p>.....</p>	
<p>XXXII. Penal Provisions:</p> <p>.....</p> <p>v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations or the resolutions of the shareholders' meeting, the <u>audit committee</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	<p>XXXII. Penal Provisions:</p> <p>.....</p> <p>v. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of relevant regulations or the resolutions of the shareholders' meeting, the <u>supervisors</u> shall, in accordance with the rules of Article 218-2 of the Company Act, by a notice, ask the board of directors or the director, as the case may be, to cease such act.</p>	<p>The same as above reason.</p>
<p>XXXIV.</p> <p>This corporate document was created on 2008/11/7</p> <p>First-time amendments were made on 2009/6/4</p> <p>Second-time amendments were made on 2012/6/19</p> <p>Third-time amendments were made on 2013/6/25</p> <p>Fourth-time amendments were made on 2014/6/24</p> <p><u>Fifth-time amendments were made on 2015/6/29</u></p>	<p>XXXIV.</p> <p>This corporate document was created on 2008/11/7</p> <p>First-time amendments were made on 2009/6/4</p> <p>Second-time amendments were made on 2012/6/19</p> <p>Third-time amendments were made on 2013/6/25</p> <p>Fourth-time amendments were made on 2014/6/24</p>	<p>Adding update to amendment date.</p>