

**PRIMAX ELECTRONICS LTD.**  
**Minutes of 2024 Annual General Meeting of Shareholders**  
**(Translation)**

Time: May 24, 2024 (Friday) 9 AM

Meeting type: physical shareholders meeting

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

Present: A total of 381,451,744 shares (including 348,086,943 shares represented by shareholders exercising voting rights electronically) are held by shareholders attending the shareholders' meeting in person or by a proxy, who represent 82.39% of the total number of the Company's outstanding 462,931,824 shares.

Present Directors: Jia-Bin Duh, Yung-Tai Pan, Yung-Chung Pan, Chun-Pang Wu (Independent Director, Chairman of the Audit Committee), Jia-Chyi Wang (Independent Director)

Chairman: Jia-Bin Duh, the chairman of the Board of Directors

Recorder: Jui-Hua Lee

**A. Meeting called to order :**

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

**B. Chairperson Remark:** (omitted)

**C. Report:**

**Report No. 1:** The Company's 2023 Business Report for review, please refer to Schedule 1.

**Report No. 2:** Audit Committee's Review Report on the 2023 Financial Statements for review, please refer to Schedule 2.

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

**Report No. 4:** Amendments to the Company's "Procedures for Ethical Management and Guidelines for Conduct", please refer to Schedule 3.

**D. Adoption**

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

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

**Description:**

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

**Resolved:** the proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 380,479,267  
(Including votes casted electronically: 348,086,943 votes)

Voting Results*		% of the total represented share present
Votes in favor	321,160,472 votes (303,678,021 votes)	84.40%
Votes against	694,966 votes (694,966 votes)	0.18%
Votes invalid	0 votes	0.00%
Votes abstained	58,623,956 votes (43,713,956 votes)	15.40%

\*Including votes casted electronically (number in brackets)

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

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

**Description:**

- (1) The Company's net profit of 2023 is NT\$2,485,288,205, minus this year's remeasurement of defined benefit obligation NT\$2,428,265, minus legal reserve provision NT\$248,285,994, minus special reserve NT\$262,037,657, plus unappropriated retained earnings, beginning of year NT\$5,828,329,559. The retained earnings available for distribution as of December 31, 2023, are NT\$7,800,865,848. The 2023 distribution of earnings prepared according to the Articles of Incorporation, please refer to Schedule 5.
- (2) For this distribution of profits, the 2023 earnings will be subject to distribution on a priority basis.
- (3) The cash dividends total NT\$1,851,727,296 and the per share dividends to be distributed are NT\$4. The dividends will be distributed to the shareholders listed in the shareholders' roster on the ex-dividend date according to their respective shareholding. The above distribution ratio is calculated based on the total 462,931,824 outstanding shares as of Feb. 7, 2024. After the proposal is approved at the regular shareholders' meeting, it is proposed the board of directors shall be authorized to determine the ex-dividend date and relevant matters.
- (4) For the distribution of earnings, in the event of satisfaction of the vesting conditions on restrictive stock awards, buyback of the Company's shares, assignment or cancellation of treasury stock which influences the ratio of distributable dividends, it is proposed the shareholders' meeting shall authorize the Board of Directors to make proportionate adjustments to the ratio of distributable dividends based on the number of outstanding shares on the ex-dividend date.

**Resolved:** the proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 380,479,267

(Including votes casted electronically: 348,086,943 votes)

Voting Results*		% of the total represented share present
Votes in favor	324,359,282 votes (306,876,831 votes)	85.25%
Votes against	30,966 votes (30,966 votes)	0.00%
Votes invalid	0 votes	0.00%
Votes abstained	56,089,019 votes (41,179,146 votes)	14.74%

\*Including votes casted electronically (number in brackets)

**E. Discussion**

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

**Proposal:** Resolution of issue of Restricted Employee Stock Award.

**Description:**

- (1) In accordance with Article 267 of the Company Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers published by the Financial Supervisory Commission.
- (2) Expected total amounts (shares) of issuance: 4,350,000 shares.
- (3) Expected issue price: NT\$0 per share
- (4) Vesting conditions:

I. Vesting conditions:

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

(I) Vesting for Category A:

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

(II) Vesting for Category B:

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

(III) Vesting for Category C:

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

(IV) Vesting for Category D:

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

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

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

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

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

II.The type of shares: new common shares of the Company.

III.Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: In circumstance where the Restricted Stock was not vested due to failure to meet vesting conditions, such shares will be taken back by the Company without charge and will be written off.

(5) Qualification criteria for employees:

- I. Employees who will be eligible to receive RSA are limited to full-time employees who have registered with the Company or any companies which have a controlling or subordinate relation with the Company (The companies which have a controlling or subordinate relationship with the Company shall be in line with the definition specified in Article 369-2, Article 369-3, Article 369-9, Paragraph 2, and Article 369-11 of the Company Act); and will be limited to the ones who are important to the Company's future success and development whose individual performance are valuable to the Company; or those who are considered as the valuable new-hires. Employee who has hold over 10% shares of the company should be excluded.
- II. The actual number of shares to be granted will take into account the rank of the employee, performance, overall contribution and other factors, as well as the Company's operational requirements and business development strategy. Prior approval of the Remuneration Committee shall be obtained for those who are employed as managers or directors. Employees who are not directors or managers should first obtain the approval of the Audit Committee. The details of the qualified employees and number of shares will be refer to the Company's "The standard of the employees and number of shares for restricted employee stock award."
- III. The total number of shares each individual employee may acquire by exercising the RSAs, plus the total number of employee stock warrants issued by the Company in accordance with Article 56-1 (1) of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall not exceed 0.3% of the total number of issued shares. In addition, the number of shares each individual employee may acquire through the exercise of employee stock warrants issued by the Company in accordance with Article 56-1 (1) of the said Regulations shall not exceed 1% of the total number of issued shares.

(6) The necessary reason of the current issuance of RSA:

For attracting and retaining outstanding professionals, in order to create long-term Company growth and benefits for employees and shareholders.

(7) Calculated expense amount:

Estimations are made based on NT\$65.7, the average share price during the period of 60 trading days before Jan. 12, 2024, the amount of annual cost sharing for year 2024, 2025, 2026, and 2027 shall be NT\$ 60,681,25, NT\$ 135,506,250 , NT\$ 65,371,500 , and NT\$ 24,236,000 respectively, with a total amount of NT\$285,795,000.

(8) Dilution of the Company's earnings per share (EPS) and other matters affecting shareholder's equity:

Estimations are made based on NT\$65.7, the average share price during the period of 60 trading days before Jan. 12, 2024, the diluted EPS for year 2024, 2025, 2026, and 2027 shall be NT\$0.13, NT\$0.29, NT\$0.14, and NT\$0.05 respectively. No significant impact on shareholder's equity.

(9) Restrictions before employees meet the vesting conditions once the RSA are vested :

Restrictions, covenants, or outstanding issues in relation to the establishment of this Plan shall be dealt in accordance with the relevant laws and the Company's Procedures.

(10) Other important terms and conditions (including stock trust custody, etc.):

The new shares issued by the Company through the exercise of Restricted Stock shall be dealt in accordance with measures for stock trust.

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

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

(I) For employment of major talents.

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

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

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

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

**Resolved:** the proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 380,479,267

(Including votes casted electronically: 348,086,943 votes)

Voting Results*		% of the total represented share present
Votes in favor	305,364,887 votes (287,882,436 votes)	80.25%
Votes against	17,972,716votes (17,972,716 votes)	4.72%
Votes invalid	0 votes	0.00%
Votes abstained	57,141,664 votes (42,231,791votes)	15.01%

\*Including votes casted electronically (number in brackets)

## F. Election:

### 1.

**(Proposed by the Board)**

**Proposal :** Election of all directors.

**Description:**

(1) As the term of the incumbent directors of the Company will expire on July 12, 2024, it is proposed

new directors shall be elected at the 2024 regular shareholders' meeting.

- (2) According to the Articles of Incorporation, the Board shall consist of five to nine directors. Nine directors will be elected (including five independent directors). The new elected directors shall have a term from May 24, 2024, to May 23, 2027.
- (3) According to the Articles of Incorporation 16, the candidate nomination system shall be adopted for the election of directors (including independent director), please refer to Schedule 6 for the list of the director candidates and their academic background, and work experiences.
- (4) The election shall be conducted according to the Company's "Rules for Election of Directors".

**Election Results:**

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

Title	Shareholder number or ID number	Name	Votes Received
Director	111370	Jia-Bin Duh	358,436,971
Director	53	Yung-Tai Pan	338,610,034
Director	52	Yung-Chung Pan	309,258,383
Director	101240	Green Land Investment Limited Representative: Ji-Ren Lee	309,095,496
Independent Director	A110*****	Chun-Pang Wu	299,214,714
Independent Director	E221*****	Hui-Fan Ma	298,874,458
Independent Director	A221*****	Jia-Chyi Wang	296,567,652
Independent Director	H100*****	Shiou-Chuan Huang	296,441,952
Independent Director	N121*****	Fei-Pei Lai	295,843,587

**G. Other Matters:**

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

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

**Description:**

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

**Resolved:** the proposal was approved after voting.

Voting Results: Shares represented at the time of voting: 380,479,267

(Including votes casted electronically: 348,086,943 votes)

Voting Results*		% of the total represented share present
Votes in favor	275,756,643 votes (258,274,192 votes)	72.47%
Votes against	33,434,012 votes (33,434,012 votes)	8.78%
Votes invalid	0 votes	0.00%
Votes abstained	71,288,612 votes (56,378,739 votes)	18.73%

\*Including votes casted electronically (number in brackets)

**H. Extempore Motion:** None.

Summary of the questions raised by Shareholder number 85, SinoPac Securities Corp.:

The company's goal is to reach 60% renewable energy usage of total electricity consumption by 2030. What is the current renewable energy usage ratio, and what specific measures will be implemented over the next three years?

Reply from the CFO designated by the chairman :

According to Primax's 2023 greenhouse gas inventory data, renewable energy usage accounts for 42.34% of total electricity consumption. To achieve the 60% renewable energy target by 2030, the group plans to take the following measures over the next three years:

- Continuously increase the installation of solar power generation facilities
- Continuously increase the signing of long-term green power purchase agreements (PPA)
- Continuously purchase renewable energy certificates for various production sites, such as IREC certificates.

After replying, the shareholder has no further questions.

**I. The meeting was adjourned at 9:33 a.m.**

No question was raised by shareholders on the proposal.

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

## Business Report

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

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

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

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

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

### I. 2023 business operation performance

#### (I) Overview of financial results in 2023

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

#### (II) Cash flow analysis

Unit : NT\$ thousand

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



(III) Profitability Analysis

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

(IV) Research and development

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

II. 2024 business plans and business development strategies

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

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

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

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

Chairman and President Jia-Bin Duh

Head of Accounting Shu-Chuan Chang

## Audit Committee's Review Report

To: Shareholders' Meeting of Primax Electronics Ltd.

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

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

Chairman of the Audit Committee: Chun-Pang Wu

Date: February 26, 2024

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

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

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

## Independent Auditors' Report

To the board of directors of PRIMAX ELECTRONICS LTD.:

### Opinion

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

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

### Basis for Opinion

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

### Other Matter

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

### Key Audit Matters

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

## 1. Evaluation of inventories

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

## 2. Investments accounted for using equity method

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

Description of key audit matter:

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

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are SHYH-GANG HORNG and HUNG-WEN FU.

KPMG

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



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

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

**PRIMAX ELECTRONICS LTD.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

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

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

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

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Other equity interest (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
<b>Balance on January 1, 2022</b>	4,552,633	1,758,780	1,769,946	1,046,360	6,492,401	(1,265,160)	48,029	(227,477)	14,175,512	
Profit	-	-	-	-	2,742,609	-	-	-	2,742,609	
Other comprehensive income	-	-	-	-	6,971	452,637	11,974	-	471,582	
Comprehensive income	-	-	-	-	2,749,580	452,637	11,974	-	3,214,191	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	229,271	-	(229,271)	-	-	-	-	
Special reserve	-	-	-	170,770	(170,770)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,411,230)	-	-	-	(1,411,230)	
Changes in investment accounted for using equity method	-	-	-	-	2,741	-	(2,741)	-	183,738	
Amortization expense of restricted stock	-	183,738	-	-	-	-	-	184,883	184,883	
Cancellation of restricted stock	(5,290)	(21,683)	-	-	-	-	-	26,973	-	
Issuance of restricted stock	35,550	209,073	-	-	-	-	-	(244,623)	-	
Effect of the liquidation of equity instruments at a fair value through other comprehensive income	-	-	-	-	(343)	-	343	-	-	
<b>Balance on December 31, 2022</b>	4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	16,347,094	
Profit	-	-	-	-	2,485,289	-	-	-	2,485,289	
Other comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(264,465)	
Comprehensive income	-	-	-	-	2,482,861	(188,627)	(73,410)	-	2,220,824	
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)	
Changes in investment accounted for using equity method	-	-	-	-	-	-	-	-	(12,835)	
Amortization expense of restricted stock	-	(12,835)	-	-	-	-	-	250,220	250,220	
Cancellation of restricted stock	(2,005)	(12,194)	-	-	-	-	-	14,199	-	
Issuance of restricted stock	48,850	254,874	-	-	-	-	-	(303,724)	-	
<b>Balance on December 31, 2023</b>	4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	

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

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

## **Independent Auditors' Report**

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

### **Opinion**

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

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

### **Basis for Opinion**

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

### **Other Matter**

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

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

### **Key Audit Matters**

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

#### **1. Evaluation of inventories**

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

#### **2. Impairment assessment of intangible assets**

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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





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

**Consolidated Statement of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

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

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

See accompanying notes to consolidated financial statements.

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

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

	Equity attributable to owners of parent										Total equity	Non-control ling interests	Total equity
	Retained earnings					Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value	Through other comprehensive income	Uncearned employee compensation	Attributable to owners of parent			
<b>Balance at January 1, 2022</b>	\$ 4,552,633	1,758,780	1,769,946	1,046,360	6,492,401	(1,265,160)	48,029	(227,477)	14,175,512	2,267,000	16,442,512	2,868,961	19,311,474
Profit	-	-	-	-	2,742,609	-	-	-	2,742,609	126,352	2,868,961	-	2,868,961
Other comprehensive income	-	-	-	-	6,971	452,637	11,974	-	471,582	69,685	541,267	-	541,267
Comprehensive income	-	-	-	-	2,749,580	452,637	11,974	-	3,214,191	196,037	3,410,228	-	3,410,228
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	229,271	-	(229,271)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	170,770	(170,770)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,411,230)	-	-	-	(1,411,230)	-	(1,411,230)	-	(1,411,230)
Changes in shares of investment accounted for using equity method	-	183,738	-	-	2,741	-	(2,741)	-	183,738	(516,546)	(332,808)	-	(332,808)
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	184,883	184,883	-	184,883	-	184,883
Cancellation of restricted stock	(5,290)	(21,683)	-	-	-	-	-	26,973	-	-	-	-	-
Issuance of restricted stock	35,550	209,073	-	-	-	-	-	(244,623)	-	-	-	-	-
Effect of the liquidation of equity instruments at fair value through other comprehensive income	-	-	-	-	(343)	-	343	-	-	-	-	-	-
<b>Balance at December 31, 2022</b>	4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	16,347,094	1,946,491	18,293,585	148,200	18,441,785
Profit	-	-	-	-	2,485,289	-	-	-	2,485,289	148,200	2,633,489	-	2,633,489
Other comprehensive income	-	-	-	-	(2,428)	(188,627)	(73,410)	-	(264,465)	(24,459)	(288,924)	-	(288,924)
Comprehensive income	-	-	-	-	2,482,861	(188,627)	(73,410)	-	2,220,824	123,741	2,344,565	-	2,344,565
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)	-	(1,791,794)	-	(1,791,794)
Changes in shares of investment accounted for using equity method	-	(12,835)	-	-	-	-	-	-	(12,835)	12,835	-	-	-
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	250,220	250,220	-	250,220	-	250,220
Cancellation of restricted stock	(2,005)	(12,194)	-	-	-	-	-	14,199	-	-	-	-	-
Issuance of restricted stock	48,850	254,874	-	-	-	-	-	(303,724)	-	-	-	-	-
<b>Balance at December 31, 2023</b>	4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	2,083,067	19,096,576	148,200	19,244,776

See accompanying notes to consolidated financial statements.

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

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

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

See accompanying notes to consolidated financial statements.

PRIMAX ELECTRONICS LTD.  
Earnings Distribution Proposal  
Year 2023

Unit: NT\$

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

Chairman :  
Jia-Bin Duh

General Manager :  
Jia-Bin Duh

Accounting Manager:  
Shu-chuan Chang

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

List of Director Candidates

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

Title	Name of Candidate	Education	Experience	Current Position
Director	Green Land Investment Limited Representative: Ji-Ren Lee	Ph.D. University of Illinois at Urbana-Champaign (USA)	<ul style="list-style-type: none"> <li>- College of Management National Taiwan University Associate Dean of Teaching and Resource Development</li> <li>- College of Management National Taiwan University Associate Dean and Executive Director of EMBA</li> <li>- Boehringer Ingelheim Taiwan Ltd. Marketing Manager</li> </ul>	<ul style="list-style-type: none"> <li>- Gratus Technology Corp. Director</li> <li>- Tymphany Worldwide Enterprises Ltd. Representative of Insitutional Director</li> <li>- Tymphany HK Ltd. Director</li> <li>- Tymphany Logistics, Inc. Director</li> <li>- Tymphany Acoustic Technology (Huizhou) Co., Ltd. Representative of Insitutional Director</li> <li>- Dongguan Tymphany Acoustic Technology Co., Ltd. Executive Director</li> <li>- Dongguan Dongcheng Acoustic Technology Co. Ltd. Executive Director</li> <li>- Tymphany Acoustic Technology HK Ltd. Director</li> <li>- Tymphany Acoustic Technology Ltd. Chairman</li> <li>- Tymphany Acoustic Technology (Thailand) Co., Ltd. Director</li> <li>- Tymphany Acoustic Technology (Singapore) Pte. Ltd. Chairman</li> <li>- Primax Electronics (Singapore) Pte. Ltd. Director</li> <li>- Primax Electronics (Thailand) Co., Ltd. Director</li> </ul>
Independent Director	Chun-Pang Wu	<ul style="list-style-type: none"> <li>- M.B.A. University of Missouri</li> <li>- B.L. National Taiwan University</li> </ul>	<ul style="list-style-type: none"> <li>- Deutsche Bank Country Head Taiwan</li> <li>- Citibank Corp &amp; Investment Banking Vice Chairman</li> <li>- Fidelity Investments Country Head Taiwan</li> <li>- Bankers Trust Bank Country Head Japan and Derivatives Trading Managing Director</li> <li>- Chase Manhattan Bank Vice President</li> </ul>	<ul style="list-style-type: none"> <li>- Primax Electronics Ltd. Independent Director</li> <li>- Far Eastern International Bank Representative of Insitutional Director</li> </ul>

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



Addendum:

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

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

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

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

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

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