

PRIME ELECTRONICS & SATELLITICS INC.

2024 Sustainability Report

ESG Report

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Chairman's Message

Prime upholds a spirit of professionalism and innovation in expanding our business operations. Guided by the principles of sustainable development and profit sharing, we maintain strong relationships with our customers and foster a robust, proactive management team. We have achieved leading performance in the high-frequency communication products sector. Through the collective efforts of all employees, we provide consumers with more advanced technological products, generate reasonable profits for the company and its staff, and contribute to society's pursuit of a higher quality of life.

Since its founding, the company has established corporate social responsibility practices and relevant regulations in accordance with all applicable laws and regulations. We conduct self-assessments, care for employee welfare and safety, and strive to implement environmental protection initiatives, environmental system management, RoHS substance management, and workplace safety management. All labor rights are explicitly protected. The company encourages employee participation in various social welfare activities, upholding the principle of promoting sustainable corporate development. This includes protecting the ecological environment, implementing energy conservation and carbon reduction measures, and providing employees with a safe and healthy working environment.

To implement sustainable development, the company has established and promoted a governance framework for sustainability. In 2024, it formed the "Corporate Sustainability Committee" to formulate concrete plans and execute various sustainability initiatives. Annual reports will be submitted to the board to review performance and drive continuous improvement, with each department contributing to fulfilling the company's sustainability commitments.

In 2024, despite challenges including the global economic downturn, uncertainties from the US-China trade dispute impacting the entire supply chain, rising global raw material costs, and increasingly stringent environmental regulations driven by climate change, the company actively continued developing new products while maintaining a prudent outlook on future performance and operational prospects.

Our business philosophy extends beyond expanding operational scale; it is dedicated to providing customers with optimal customized products and services. To fulfill this commitment, we have assembled a professional and dedicated engineering team to deliver advanced, cost-effective solutions for Prime's clients. Facing intensifying competition within the industry and a thriving market, we have not only enhanced our R&D capabilities and manufacturing standards but also maintained rigorous management discipline.

Demonstrating our commitment to sustainable development, Prime has released its inaugural Sustainability Report, symbolizing our pledge for the future. This report not only summarizes past efforts but also outlines future responsibilities. Prime understands that sustainable development requires full participation and long-term commitment. The company will continue optimizing processes and enhancing efficiency while achieving more goals across governance, environmental, and social domains. Looking ahead, Prime will relentlessly pursue innovation and improvement, collaborating with all stakeholders toward a greener, more prosperous tomorrow.

CH1 、 Business Overview

1.1 Company Profile

About Prime

Since its establishment in 1995, Prime has specialized in developing and manufacturing advanced digital satellite communication, home networking, digital TV set-top box, and broadcast TV front-end system products. Today, our product portfolio extends to AI-powered smart intercom systems and AI day-night intelligent care systems. The company has accumulated extensive experience collaborating with numerous world-class brand clients, possessing a comprehensive and reliable product development and quality system. Beyond being a trusted partner to brand clients, Prime is widely recognized by TV operators, telecom companies, and distributors as an excellent system solutions provider. Our brand vision is “Enabling customers worldwide to enjoy high-quality, cost-effective communication and entertainment services.”

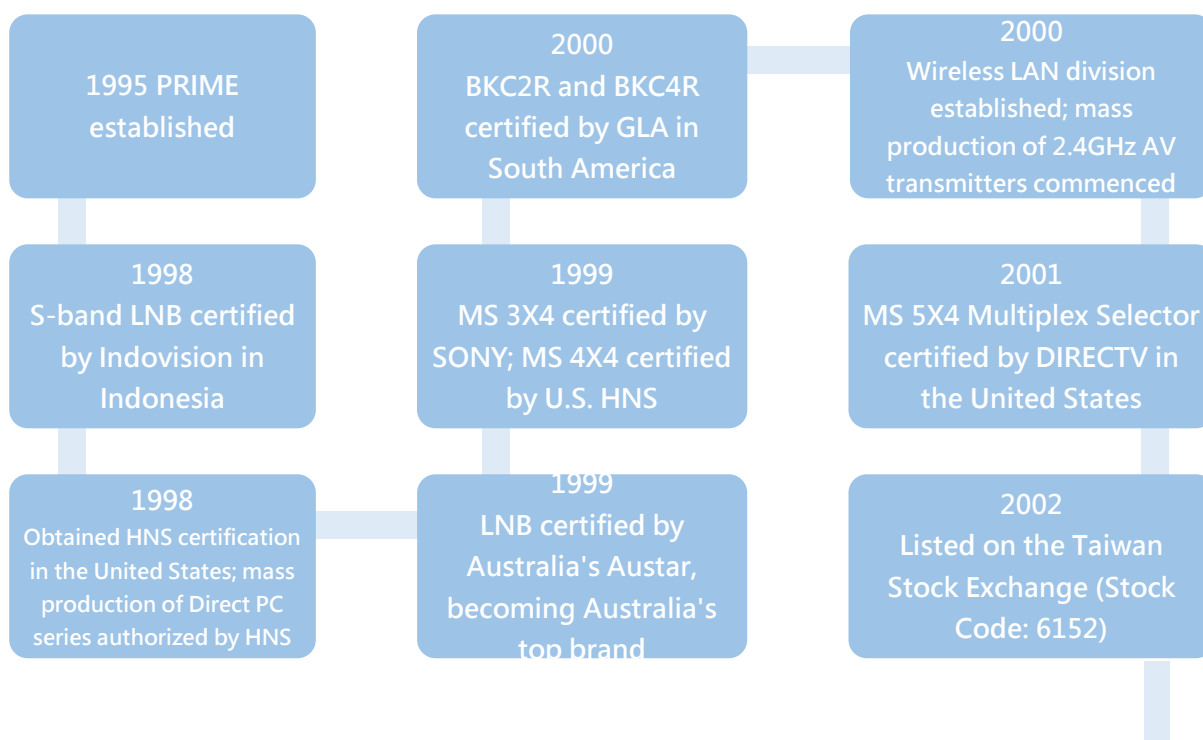
Basic Information

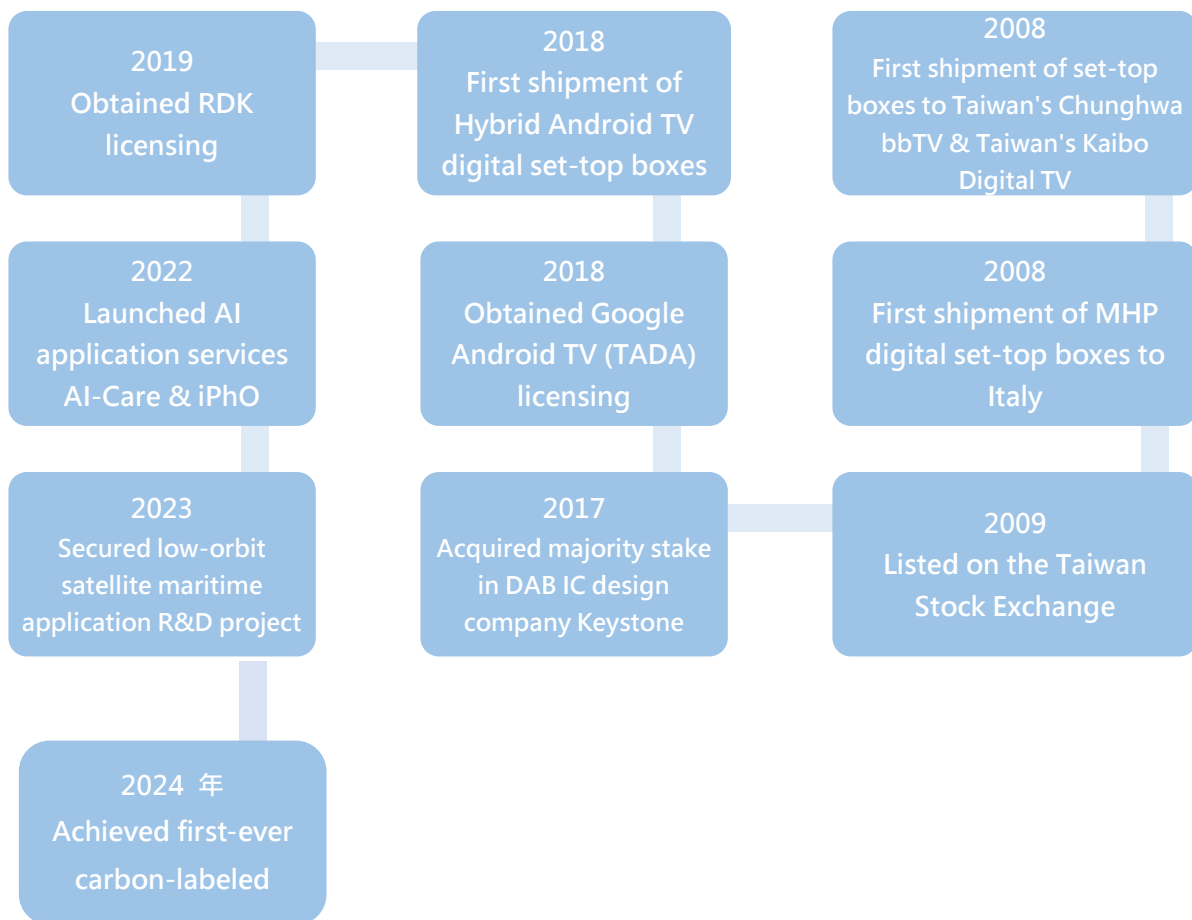
Company Name	Prime Electronics & Satellitics INC.
Chairman:	Hsu Chin-Hui
Operational Headquarters	No. 3, Tze-Chiang 1st Road, Chung-Li Industrial Zone, Chung-Li District, Taoyuan City
Date of Establishment	June 12, 1995
Listing Date	December 8, 2009 (Stock Code: 6152)
Primary Business Operations	Manufacturing of wired/wireless communication equipment, Manufacturing and importation of telecommunications-regulated radio frequency equipment
2024 Capitalization	NT\$1,677,385 thousand
2024 Consolidated Revenue	NT\$2,268,560 thousand

Partners



Key Milestones in the PRIME

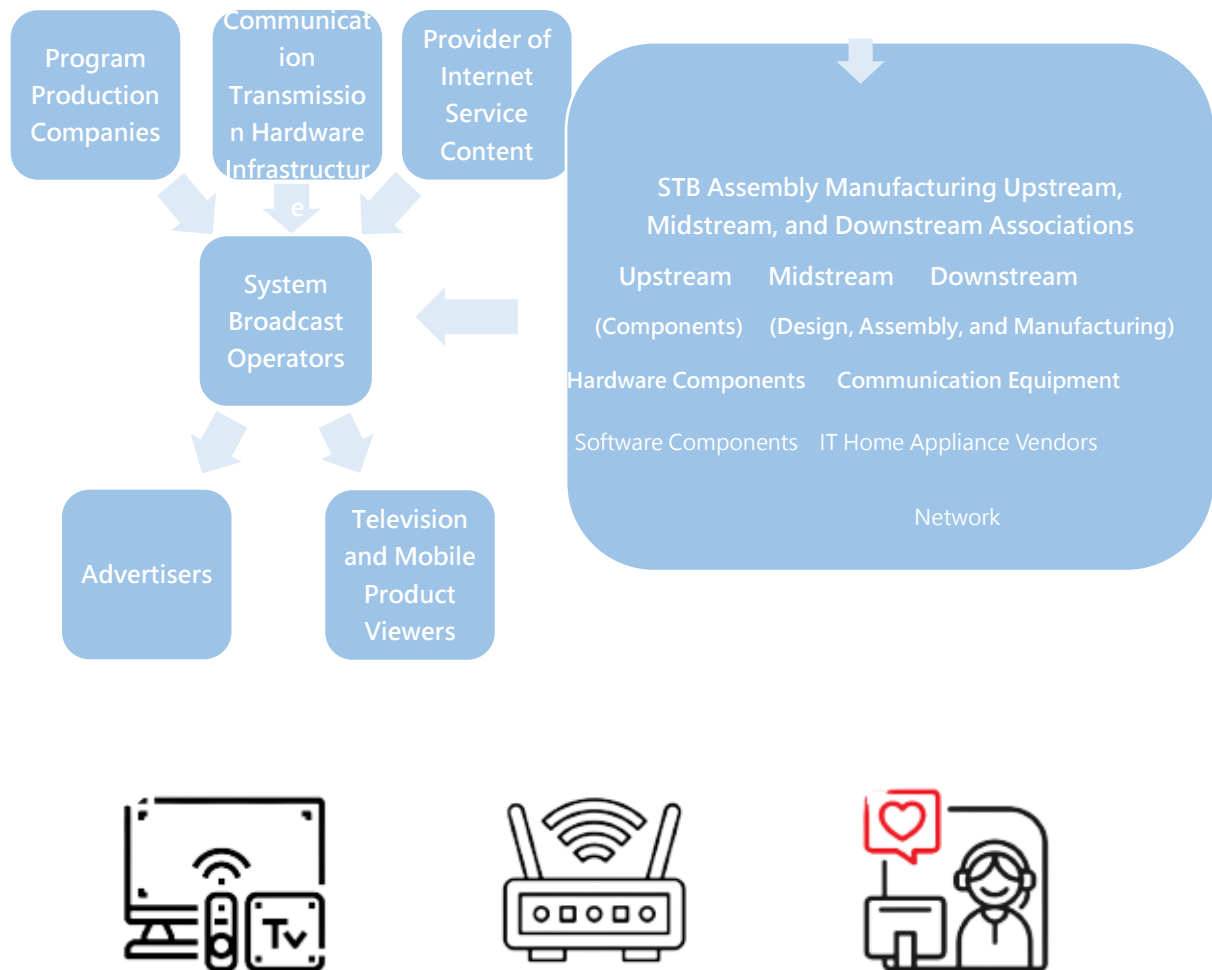




Prime's Connection to the Digital Communications Industry

Prime possesses comprehensive technical teams specializing in digital communications, microwave technology, software, firmware, and hardware systems. Its primary business divisions include the Set-Top Box (STB) Division and the Network Communications Division. By developing a complete range of digital reception system products, Prime enables customers to select the most suitable products and services. For customized STB products, we offer OEM/ODM/JDM collaborations for any CAS or DRM-based set-top box category, delivering cutting-edge, timely product platforms. For system operators, our Head-end product portfolio includes modulators, demodulators, encoders, transcoders, and complete IPTV systems. iPhO AI-powered telephones, Seraphim AI smart home management systems, and AI-Care: comprehensive security solutions integrating AI edge computing. Our company has established a complete product line spanning smart homes, smart long-term care,

and smart healthcare integration, enabling global partners to seamlessly connect across the industry chain.



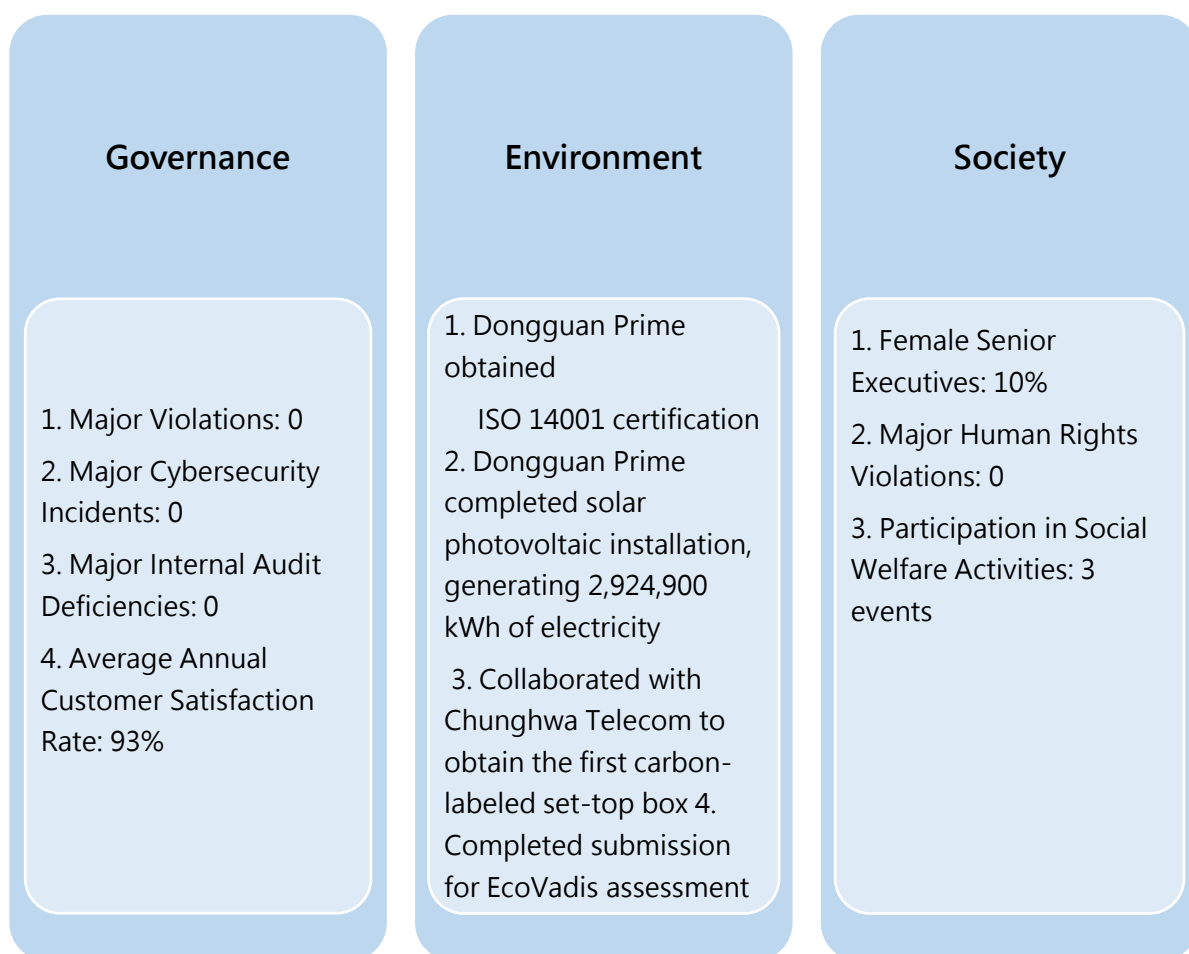
1.2 Sustainable Operations

Corporate Sustainability Policy

Prime fulfills its corporate social responsibility by prioritizing environmental protection and adhering to relevant domestic and international environmental regulations. We actively align with our clients' environmental requirements and

collaborate with suppliers to advance environmental objectives and measures. We have obtained ISO 14001 certification verified by clients and third parties to ensure compliance with environmental laws. The company continuously controls pollution prevention to maintain a sustainable living environment for employees, customers, and residents in the vicinity of our facilities. Implementation focuses on three key areas: corporate governance, environmental protection, and social responsibility.

Annual Sustainability Performance



Management Systems and Certifications

Management Systems		Taiwan Headquarters	Dongguan Prime
Quality	ISO 9001 : 2015 Quality Management System	●	●
Environment	ISO 14001 : 2015 Environmental Management System		●
	ISO 14064-1 : 2018 Greenhouse Gas Inventory	●	●
Society	ISO 45001 : 2018 Occupational Safety and Health Management System		●

Responding to International Sustainability Initiatives



Carbon Disclosure Project

Responded to climate change and water security questionnaires, voluntarily disclosing relevant information.



UN Global Compact

Adhering to the Ten Principles initiative, practicing corporate sustainability.



EcoVadis

Participated in sustainability assessments and voluntarily disclosed relevant information.

1.3 Financial Performance

Operating Overview

The following financial disclosures cover the entire Prime Group. Prime's 2024 consolidated income statement shows operating revenue of NT\$2,268,560 thousand, with gross profit of NT\$375,203 thousand, representing a gross profit margin of 16%. Operating expenses totaled NT\$546,059 thousand, resulting in a net loss before tax of NT\$39,871 thousand. Earnings per share amounted to NT\$-0.23.

Operational Implementation Results

Unit: Thousand NTD; %

Item	Year 2024	Year 2023
Operating Revenue	2,268,560	2,189,249
Gross Profit from Operations	375,203	408,343
Operating Expenses	546,059	515,249
Operating Profit (Loss)	(170,856)	(106,906)
Non-Operating Income and Expenses	130,985	84,784
Net Profit for the Period (Loss)	(39,871)	(22,122)
Consolidated Net Income (Loss)	(40,505)	(22,119)

Profitability Analysis

Item		Year 2024	Year 2023
Return on Total Assets (%)		(1.17)	(0.43)
Return on Equity (%)		(2.68)	(1.44)
Proportion of Earnings to Paid-In Capital (%)	Operating Profit	(10.18)	(6.37)
	Pre-Tax Net Income	(2.37)	(1.31)
Net Profit Margin (%)		(1.78)	(1.01)
Earnings per Share after Tax (NTD)		(0.23)	(0.12)

Government Project

Unit: Thousand NTD

Subsidies

Government Departments	Item	Subsidy Amount
Bureau of Industrial Technology, Ministry of Economic Affairs	Low Earth Orbit Satellite Maritime Application Specialized Project	9,000

Sales(Service) Region

Unit: Thousand NTD / %

Area/Year	Year 2024		Year 2023	
	Net revenue	Percentage of net revenue	Net revenue	Percentage of net revenue
USA	923,118	40.69%	664,290	30.34%
China	144,434	6.37%	196,248	8.96%
Swiss	415,387	18.31%	396,443	18.11%
Taiwan	242,748	10.70%	305,528	13.96%
Others	542,873	23.93%	626,740	28.63%
Total	2,268,560	100.00%	2,189,249	100.00%

Shipments and Sales

Unit: Thousand PCS/Thousand NT\$

Year	2024				2023			
Shipments& Sales	Local		Export		Local		Export	
Major Products	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Digital Communication Products	181	241,829	1,712	2,026,731	159	303,699	1,218	1,885,550

R&D Expenses

Unit: Thousand NT\$ / %

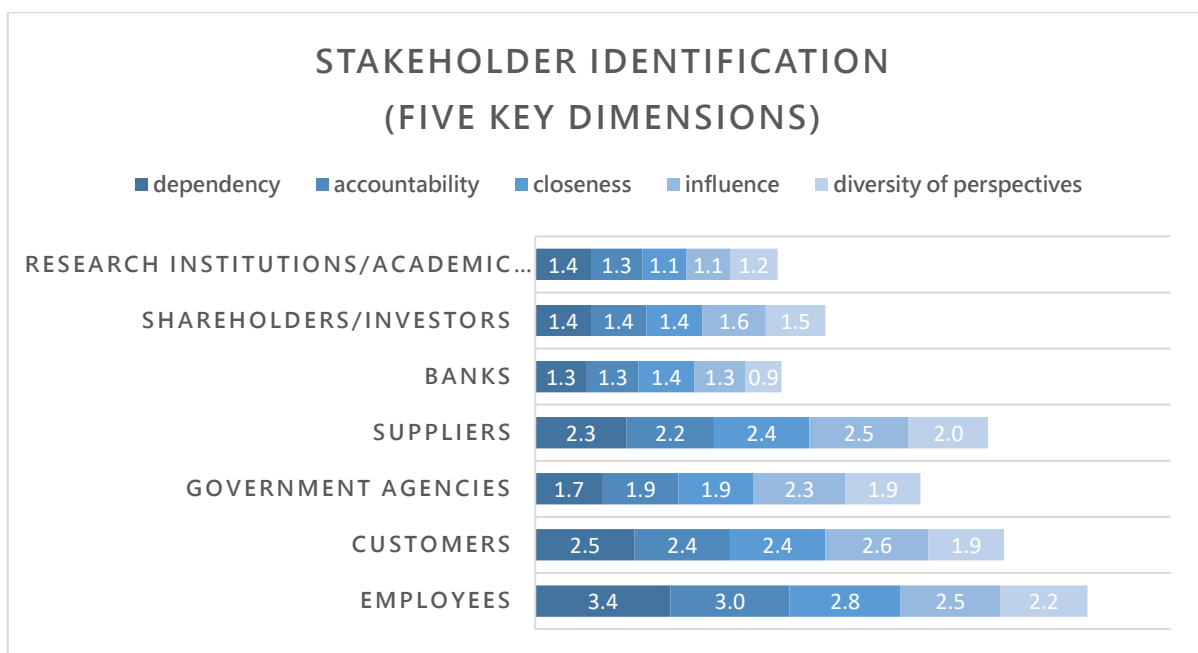
Item\Year	Year 2024	Year 2023
Research and development expenditures	229,696	218,047
Total revenue	2,268,560	2,189,249
Percentage of total revenue (%)	10.13%	9.96%

1.4 Stakeholder Communication and Materiality Analysis

Identifying Stakeholders

Through discussions and analysis with external consultants, Prime has identified all potential stakeholders, including: employees, suppliers/contractors/partners, customers, media, shareholders/investors, communities/non-profit organizations/NGOs, government agencies, academic institutions/research organizations, banks, etc. The assessment employs the five key dimensions of the AA1000 SES Stakeholder Engagement Standard: dependency, accountability, closeness, influence, and diversity of perspectives. academic institutions, banks, etc. Using the five key dimensions of the AA1000 SES Stakeholder Engagement Standard—dependency,

accountability, closeness, influence, and diversity of perspectives—as criteria, and based on responses to the “Stakeholder Assessment Questionnaire” by company managers, Prime identified its stakeholders as: employees, suppliers/contractors/partners, customers, shareholders/investors, government agencies, research institutions/academic units, and banks.



Diverse Stakeholder Communication Channels and Outcomes

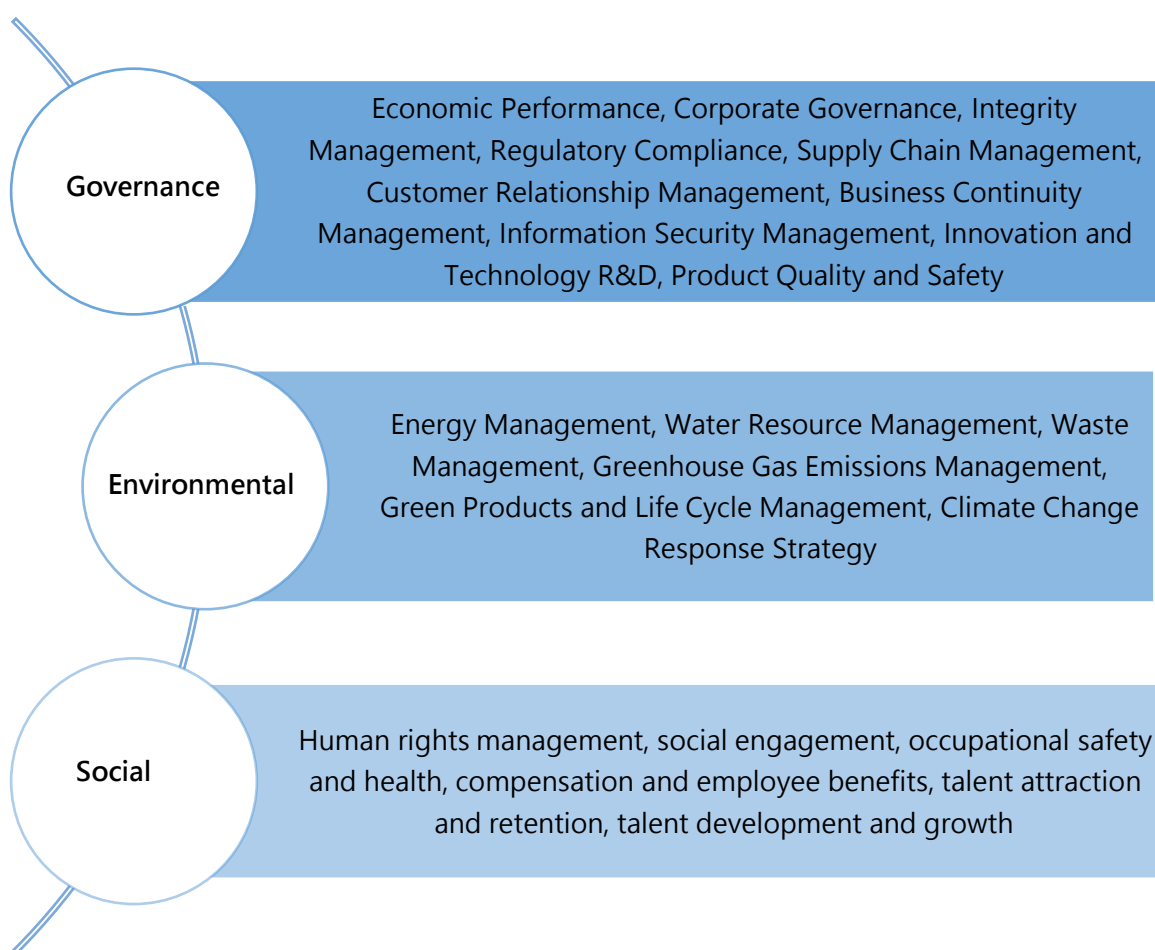
Stakeholder Targets	Significance to Prime	Methods of Communication or Negotiation	Communication Frequency	Communication Topics	Key Annual Communication Outcomes
Employees	Employees are the most important asset of Prime and the foundation for sustainable development	<ul style="list-style-type: none"> Labor-Management Meetings Welfare Committee Managerial Meetings 	Quarterly	<ul style="list-style-type: none"> Corporate Culture Labor-Management Relations Occupational Safety and Health Human Rights Company Operations 	<ol style="list-style-type: none"> Clear Communication of Corporate Goals and Strategies Updates on Future Outlook Implementation of Employee Benefits and Development Programs
Customers	Customers are a vital source of revenue for Prime	<ul style="list-style-type: none"> Customer satisfaction Surveys Business Meetings 	Irregular	<ul style="list-style-type: none"> Product Quality After-sales service New Model Development Integrity in Business 	Average Annual Customer Satisfaction Rate: 93%

Stakeholder Targets	Significance to Prime	Methods of Communication or Negotiation	Communication Frequency	Communication Topics	Key Annual Communication Outcomes
Suppliers, Contractors and Partners	Suppliers, contractors, and partners are vital components in building Prime's professional products and services	<ul style="list-style-type: none"> Regular Business Review Meetings Contract and pricing negotiations 	Irregular	<ul style="list-style-type: none"> Order Management Quality Management Risk Management Integrity in Business 	<ol style="list-style-type: none"> Cost Control and Price Optimization Improvement of Product Quality and On-Time Delivery Rate
Research Institutions Academic Institutions	Research institutions and academic units are vital partners in advancing Prime's innovation and R&D capabilities	<ul style="list-style-type: none"> External Seminars 	Irregular	<ul style="list-style-type: none"> New Products New Technologies 	Actively maintain Ongoing communication with university professors to identify mutually beneficial collaborative project
Government Agencies	Government agencies serve as vital supporters for Prime in industrial development	<ul style="list-style-type: none"> Public Information Observation Station Announcements and Official Documents 	Irregular	<ul style="list-style-type: none"> Announcement of Matters Subject to Reporting Financial Reports 	<ol style="list-style-type: none"> No Significant Violations Occurred Selected for Taiwan Low-Earth Orbit Satellite Maritime Application R&D Program Funding

Stakeholder Targets	Significance to Prime	Methods of Communication or Negotiation	Communication Frequency	Communication Topics	Key Annual Communication Outcomes
		Regulatory Briefings			
Investors	Investors are the company's major capital contributors	<ul style="list-style-type: none"> Shareholders' Meeting Corporate Briefing 	Once a year Twice a year	<ul style="list-style-type: none"> Operational Performance Innovation and R&D Corporate Governance 	1. Clear financial performance and future development plans 2. Transparent risk management and corporate strategy adjustment
Banking	Banks provide capital and credit support, driving key drivers of growth and stable operations.	<ul style="list-style-type: none"> Meetings/Visits Public Information Observation Station Corporate Briefings 	Irregular	<ul style="list-style-type: none"> Operating Conditions Tax Policies Regulatory Compliance 	Regular Financial Disclosure and Explanation
		<ul style="list-style-type: none"> Financial Information Disclosure (Annual Report) 	Periodic		

Identifying Material Sustainability Issues

Beyond routine business interactions with stakeholders, Prime extensively gathered stakeholder concerns both internally and externally. This process referenced international sustainability trend reports, issues prioritized by third-party assessment bodies, disclosure practices in industry peer reports, and key client requirements. As a result, 22 sustainability issues with significant impact on the company were identified.



Assessing stakeholder interest levels in each sustainability

topic

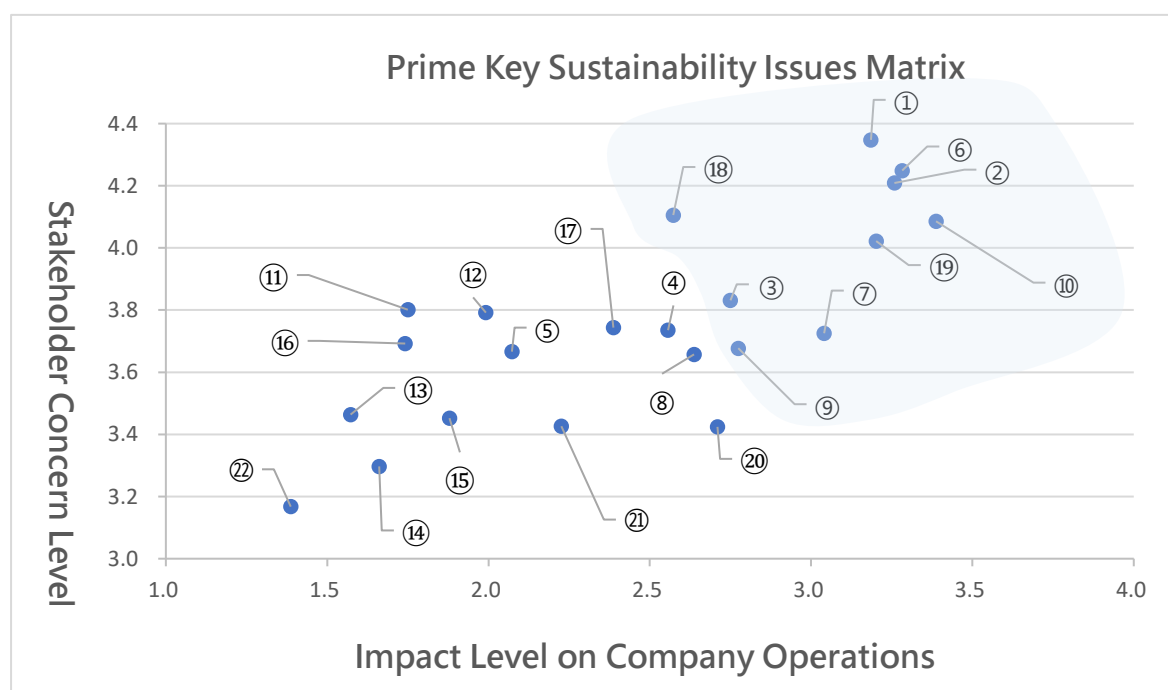
Through relevant units interacting with stakeholders, Prime assisted in distributing the "Sustainability Issue Impact Assessment Questionnaire."

In 2024, 106 responses were collected. Statistical analysis of the questionnaire revealed the following ranking of stakeholder concerns regarding each sustainability issue:

Priority Ranking	Sustainability Issues	Priority Ranking	Sustainability Issues	Priority Ranking	Sustainability Issues
1	①Economic Performance	9	⑨Regulatory Compliance	17	⑪Climate Change Response Strategy
2	⑥Ethical Business Practices	10	⑧Customer Relationship Management	18	⑯Waste Management
3	⑩Information Security Management	11	④Innovative Technology R&D	19	⑮Water Resource Management
4	②Product Quality and Safety	12	⑳Talent Attraction and Retention	20	⑬Greenhouse Gas Emission Management
5	⑲Wages and Employee Benefits	13	⑰Human Rights Management	21	⑭Energy Management
6	⑦Business Continuity Management	14	⑫Green Products and Life Cycle Management	22	㉓Social Engagement
7	⑱Occupational Health and Safety	15	⑤Supply Chain Management		
8	③Corporate Governance	16	㉒Talent Cultivation and Development		

Results of Material Sustainability Issue Identification

Following the reporting principles of the GRI Standards 2021 and applying the EU's Double Materiality principle, Prime analyzed the actual and potential positive and negative impacts of corporate operations and business relationships on the external environment, economy, and people (human rights). It also considered the degree of impact that sustainability risks and opportunities have on the company's short-, medium-, and long-term operations. Through this materiality analysis methodology, nine material sustainability issues were identified, including: ① Economic Performance, ⑥ Ethical Business Practices, ⑩ Information Security Management, ② Product Quality and Safety, ①⑨ Wages and Employee Benefits, ⑦ Business Continuity Management, ①⑧ Occupational Health and Safety, ③ Corporate Governance, and ⑨ Regulatory Compliance.



Impact of Major Sustainability Issues on Operations and the Value Chain

Material Sustainability Issues	Economic Performance	Integrity in Business Operations
Importance to Prime	Economic performance directly reflects a company's financial health and market competitiveness. Strong economic performance generates stable revenue and profits. Conversely, poor performance may lead to cash shortages, rising costs, or declining market share, adversely affecting the company's operational status.	It concerns the company's reputation, trustworthiness, and long-term development. Integrity in business builds trust among customers, employees, investors, and partners, thereby promoting business stability and growth.
GRI Topic	GRI 201: Economic Performance	GRI 205: Anti-Corruption, GRI 206: Anti-Competitive Practices
Actual and Potential Negative Impacts	Poor economic performance may lead to layoffs and capital outflow, thereby undermining the company's overall financial stability. Companies with weak economic performance may also cut employee benefits, reduce wages, or decrease investments in improving working conditions, potentially triggering employee dissatisfaction or rising unemployment rates that threaten social stability.	If a company neglects ethical business practices, it may result in financial fraud, fraudulent activities, or management corruption, thereby damaging shareholder trust. Unethical business practices may also lead to unfair employee treatment and poor working conditions, causing employee turnover.
Response Strategy	Strengthen financial management, optimize cost structures, enhance resource allocation efficiency, and continuously develop products that meet diverse market demands to broaden revenue streams and reduce	The board of directors and management shall fulfill their respective responsibilities, consistently uphold the corporate integrity code of conduct, prioritize the protection of shareholder rights, and strive to fulfill corporate sustainability responsibilities through

	reliance on any single market or product.	the "Practical Code of Corporate
Policies or Commitments	Continuously enhance operational efficiency and competitiveness to generate tangible economic value through outstanding market performance. Create wealth for stakeholders by generating direct economic value, distributing economic value, and making retirement contributions, thereby making a positive contribution to the economy.	Prime strictly complies with laws and regulations, having established the "Code of Integrity" and the "Integrity Operations Procedures and Conduct Guidelines." To implement the norms covered by integrity operations, relevant content is posted and promoted on internal bulletin boards.
Short Term Goals (2024 2025)	1.Strengthen cost control: Achieve overall reduction in operating costs. 2.Diversify Revenue and Expand Markets: Develop new markets and enhance marketing efficiency to achieve revenue growth.	1.Strengthen internal controls and ethical standards: Enhance employee integrity awareness and reduce misconduct. 2.Implement comprehensive employee integrity and ethics training programs: Ensure all employees understand and adhere to the company's Code of Conduct.
Mid to Long Term Goals (2026 2028)	1.Stable dividends for employees and shareholders. 2.Establish overseas business representatives: Target markets in Europe and Central/South America. 3.Establish long-term strategic partnerships: Prepare for future business growth and secure stable supply sources.	Same as short-term goals

Evaluation Mechanism	<p>1. Convene quarterly management meetings and implement regular 360-degree evaluations to address challenges arising from hierarchical structures. Conduct management reviews to assess plan execution status and goal attainment.</p> <p>2. Convene at least one quarterly board meeting and an annual shareholders' meeting to report relevant operational performance.</p>	<p>1. Internal auditors regularly inspect compliance with all systems.</p>
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Material Sustainability Issues	Information Security Management	Product Quality and Safety
Importance of Prime Importance	Establish effective information security measures to prevent data breaches and cyberattacks, safeguarding customer trust and commercial confidentiality to maintain market position.	High-quality and safe products enhance customer trust in the brand. If negative incidents occur due to product quality or safety issues, it may lead to customer dissatisfaction and potential loss of customers to competitors. It may even result in financial losses.
GRI Topic	GRI 418: Customer Privacy	Custom Topic
Actual and Potential Negative Impact	Implementing information security management may involve extensive collection and monitoring of personal data, potentially raising privacy concerns. Particularly when monitoring and recording user behavior, improper handling by companies may infringe upon consumer or employee privacy rights, leading to negative public perceptions of information security.	Defective products may lead to returns, recalls, and legal actions, increasing operational costs and reducing profitability. Quality or safety issues damage brand reputation, resulting in customer loss and decreased market share. Recalls and destruction of non-compliant products generate waste, causing resource inefficiency.
Response Strategy	Adhere to ISO 9000 standards by establishing computer and network management procedures for information security. Develop management processes to provide appropriate protective measures for the company's information assets, ensuring their confidentiality,	<ol style="list-style-type: none"> 1.Strengthen quality management in product design and production processes. 2.Ensure compliant operations through regular security assessments and testing. 3.Adopt environmentally friendly materials to reduce resource waste and pollution. 4.Establish rapid response mechanisms to promptly address emergencies and minimize social

	integrity, availability, and legal compliance.	and economic impacts.
Policy or Commitment	To safeguard the information assets of our clients and partners, based on information security risk assessments,	In accordance with the Company's ISO operational procedures, we continuously review collaborations with
	and to protect the interests of our company and stakeholders. The company has established a dedicated Information Security Office responsible for formulating annual information security strategies, integrating oversight and coordination of annual information security plans and information security audit benchmarks. It coordinates relevant resources and cross- departmental activities, oversees information security incident management, plans information security education, formulates and executes information security audit operations; reviews information security and information protection guidelines and policies, and implements the effectiveness of information security management measures.	suppliers to identify areas for improvement, jointly commit to fulfilling corporate social responsibility, and uphold consumer product safeguards through relevant management practices.
Short Term Goals (2024 – 2025)	Ensure all systems and applications are updated within acceptable timeframes and that all security patches are installed.	Maintain the effectiveness of the ISO 9001 quality system.

Medium to Long Term Goals (2026 – 2028)	Actively adopt emerging technologies (such as artificial intelligence, big data analytics, blockchain, etc.) to enhance information security defenses.	Continuously reduce post-sales product defect rates.
Evaluation Mechanism	Implement an automated patch management system to reduce the risk of vulnerability exploitation.	Achieve product quality and safety objectives through the execution of quality targets and the control of process performance metrics.

Material Sustainability Issues	Compensation and Employee Benefits	Business Continuity Management
The importance of Prime Importance	Compensation and employee benefits are highly correlated with work performance. Establishing sound compensation and employee benefit systems that meet employees' diverse needs and expectations can enhance work efficiency and effectiveness, thereby accelerating Prime's development.	Ensure the company can quickly resume normal operations when facing various unexpected events or challenges, maintaining business stability and market competitiveness.
GRI Topic	GRI 401: Labor Practices	Custom Topic
Actual and potential Negative Impact	Failure to properly manage salaries and employee benefits leads to low workplace efficiency, a poor work environment, and increased likelihood of talent attrition.	Lack of effective operational continuity management may lead to business interruptions, resource wastage, or decreased productivity, ultimately impacting revenue, profits, and other metrics.

Response Strategy	Provide diverse, open, and transparent communication channels both externally and internally, prioritizing two-way, real- time communication. Offer competitive compensation and benefits, including timely incentive bonuses and employee rewards based on operational performance to attract talent and retain employees.	Implement internal control systems to ensure operational effectiveness and efficiency, reliable financial reporting, and compliance with relevant laws and regulations, thereby safeguarding profitability, performance, and asset security.
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Policies and Commitments	<p>1.We commit in writing to comply with labor regulations, social responsibility standards, and relevant international norms. We fully engage in labor-management communication and uphold the principles of gender equality in the workplace and merit-based hiring.</p> <p>2.The Company complies with labor laws, relevant personnel regulations, various codes of conduct, government declarations, and concrete actions to safeguard employees' legal rights and interests and respect internationally recognized basic labor rights principles.</p> <p>3. The proportion of persons with disabilities employed also complies with the requirements of the Protection of Persons with Disabilities Act.</p>	<p>Effectively manage unexpected events that may impact company operations.</p> <p>1.Ensure the restoration of products and services within predetermined timeframes following operational disruptions.</p> <p>2.Minimize the potential impact of operational disruptions on the company and its reputation.</p>
Short Term Goals (2024 – 2025)	<p>1. Achieve a retention rate of over 80% for new employees after their three-month probationary period, with no major labor disputes.</p>	<p>1.Develop and test detailed business continuity plans for all critical business units to ensure rapid operational recovery during emergencies.</p> <p>2.Enhance the company's risk response capabilities.</p>

Mid to Long Term Goals (2026 2028)	<p>1.Actively encourage employee participation in various company-organized festive gatherings, employee trips, and family days to achieve work-life balance.</p> <p>2.Strictly comply with labor- related laws and regulations, continuously strive to create a happy workplace environment, and provide equal care to all employees</p>	<p>1.Digitize all critical business processes and ensure all business units possess remote operation capabilities. This will enhance operational efficiency, reduce business interruptions caused by natural disasters or other emergencies, and improve overall operational resilience.</p>
Evaluation Mechanism	The Compensation Committee conducts an annual assessment and reports to the Board of Directors.	Quarterly meetings are held with senior executives to review progress and confirm the status of plan implementation.

Material Sustainability Issues	Occupational Health and Safety	Corporate Governance
The Importance of PRIME Importance	Labor is regarded as a vital asset to the company, and a safe and healthy work environment is considered the driving force behind corporate progress. Reducing accidents and minimizing the severity of injuries are fundamental to the company's sustainable operations.	Corporate governance determines a company's management structure, decision-making processes, and distribution of benefits. Sound corporate governance ensures efficient resource utilization, transparent financial reporting, and fair protection of shareholder rights, thereby enhancing corporate credibility, attracting investment, and reducing operational risks.
GRI Topic	GRI 403: Occupational Health and Safety	Custom Topic
Actual and Potential Negative Impacts	A deficient occupational health and safety environment creates a high probability of occupational injuries, causing permanent damage to the company's image.	Poor corporate governance leads to wasteful resource allocation, flawed decision-making, and opaque financial reporting, eroding investor confidence and triggering stock price volatility and capital flight. This undermines corporate social responsibility and damages the company's reputation.
Response Strategy	<ol style="list-style-type: none"> 1.Establish an Occupational Safety and Health Committee. 2.Develop occupational safety and health management regulations and annual plans. 3.Establish standard operating procedures for occupational safety and health and emergency response measures. 4.Conduct regular occupational safety and health training programs. 	<ol style="list-style-type: none"> 1.Enhance transparency and oversight to ensure clear and transparent financial reporting. 2.Establish effective internal controls and external audit mechanisms to enhance investor and stakeholder confidence. 3.Establish fair compensation systems, employee benefits, and workplace standards to boost employee morale and enhance social trust.

Policy or Commitment	Strictly comply with government safety and health regulations and implement safety and health management practices, including conducting safety and health risk assessments, formulating and enforcing safety and health work regulations, and conducting annual employee safety, health, and wellness training courses.	The board of directors and management each fulfill their respective responsibilities. Continuously uphold the corporate integrity code of conduct, prioritize the protection of shareholder rights, and strive to fulfill corporate sustainability responsibilities and enhance company performance through the implementation of the "Corporate Governance Code."
Short Term Goals (2024 - 2025)	<ol style="list-style-type: none"> 1. Maintain zero major occupational accidents. 2. Provide employees with 3 hours of occupational safety and health management training every 3 years. 3. Provide occupational safety personnel with 6 hours of occupational safety and health management training every 2 years. 	<ol style="list-style-type: none"> 1. Strengthen risk management and internal controls. Establish a comprehensive risk management framework and ensure all business units conduct regular risk assessments and internal audits. 2. Reduce operational risks, enhance the company's ability to respond to external changes, and ensure financial stability.
Mid to Long Term Goals (2026 - 2028)	<ol style="list-style-type: none"> 1. Plan to implement the ISO 45001 Occupational Health and Safety Management System. 2. Maintain zero major occupational accidents. 	<ol style="list-style-type: none"> 1. Comprehensively enhance governance transparency and accountability, ensuring all key decision-making processes are open and transparent. 2. Regularly report ESG performance to shareholders and stakeholders to strengthen shareholder trust.
Evaluation Mechanism	<ol style="list-style-type: none"> 1. Conduct annual PDCA effectiveness assessments of risk management in accordance with ISO 14001 internal management review procedures. 2. Regularly identify occupational safety and health management regulations to ensure workplace safety and health compliance with legal requirements. 	<ol style="list-style-type: none"> 1. Hold quarterly review meetings with senior executives to confirm the current status of plan implementation.

Material Sustainability Issues	Regulatory Compliance
Importance to Prime Importance	Compliance with laws and regulations ensures the legitimacy of company operations, avoids legal risks and penalties, and protects the company's reputation. Regulatory compliance helps the company maintain stability in global competition and enhances trust and cooperative relationships with stakeholders.
GRI Topic	GRI 206: Anti-competitive Practices
Actual and Potential Negative Impacts	Failure to promptly manage environmental or social violations in operations may result in fines, legal liabilities, and damage to corporate reputation, leading to operational losses or legal litigation responsibilities.
Respons Approach	Enhance compliance training and education by regularly conducting compliance education and training for employees, particularly in areas such as compliance and data protection, to raise employees' awareness of regulations and prevent violations.
Policies or Commitments	The path to sustainable business lies in commitment. Ba Yi pledges to leverage its core competencies and competitive advantages, adhere to relevant regulations, ensure compliant operations, and actively drive social and environmental improvements while fulfilling corporate social responsibility.
Short Term Goals (2024-2025)	<ol style="list-style-type: none"> 1. Arrange for employees to regularly participate in relevant tax professional courses or policy promotion courses organized by competent authorities. 2. Maintain zero violations of environmental and social regulations. 3. Strengthen internal monitoring and review mechanisms: Implement regular internal review

	processes to ensure all departments comply with company policies and regulatory requirements.
Mid to Long Term Goals (2026 – 2028)	Same as short-term goals
Evaluation Mechanism	Conduct quarterly review meetings with senior executives to confirm the status of plan implementation.

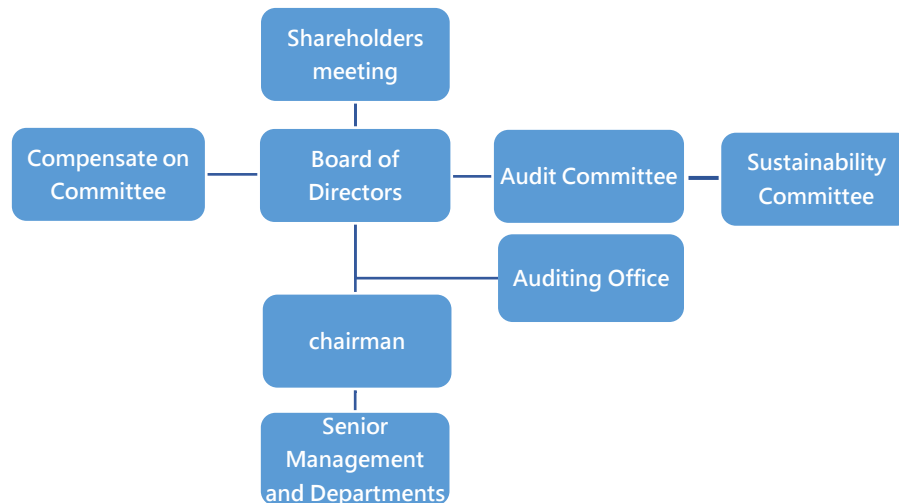
CH2 、 Operational Governance

Prime upholds the principle of sustainable operations, dedicating itself to technological innovation and product development with professionalism and an innovative spirit, pursuing "Quality First, Customer First." Simultaneously, guided by principles of sustainable development and profit-sharing, the company has built a robust and proactive management team. We treat all stakeholders with integrity, fostering a cohesive community among employees, shareholders, customers, and the supply chain. We continuously strive to contribute to higher living standards and environmental protection, fulfilling our social responsibilities.

The company actively promotes corporate governance, with concrete achievements including the appointment of independent directors and the establishment of a "Compensation Committee" and an "Audit Committee." We emphasize transparent information disclosure, adhering to the principles of completeness, timeliness, and fairness. Beyond fulfilling regulatory disclosure requirements, the Company publishes financial statements, annual reports, and material announcements on the Taiwan Stock Exchange's Public Information Observation Station. Relevant information is also available on the corporate website (<https://www.pesi.com.tw/governing>) for reference by domestic and international investors.

2.1 Corporate Governance

Governance Structure and Primary Operations



The Board of Directors serves as the Company's highest governance body. Its responsibilities include overseeing the Company's proper operations and financial transparency, approving the appointment, removal, and compensation of senior managers, providing strategic guidance to the management team on Company operations, and evaluating the Company's performance on economic, environmental, and social issues. It decides on sustainability-related matters submitted by the Sustainability Committee, senior executives, or departments. Senior executives and departments must also report to the Board on company operations or other significant issues, providing reference information and opinions for Board decision-making °

The tasks of main departments

Department	Functions
Audit Committee	1. Review the company's accounting system, financial condition, financial reporting procedures, and handling procedures for significant financial transactions °

	<ol style="list-style-type: none"> 2. Verify the accuracy, completeness, and transparency of the company's financial reports ° 3. Audit the acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, endorsement or provision of guarantees for others, as well as mergers, divisions, acquisitions, or share transfers, to ensure compliance with laws, administrative interpretations, and internal regulations of the company ° 4. Other responsibilities according to the articles of incorporation, corporate governance guidelines, or resolutions of the Board of Directors °
Compensate on Committee	<ol style="list-style-type: none"> 1. Assist the Board of Directors in implementing and evaluating the company's overall compensation and benefits policies, as well as the remuneration of managers °
Sustainability Committee	<ol style="list-style-type: none"> 1. Formulate, promote, and strengthen the company's sustainability policies, annual plans, and strategies ° 2. Oversee the implementation of the company's sustainability guidelines and other sustainability-related tasks approved by the Board of Directors °
Auditing Office	<ol style="list-style-type: none"> 1. Establishing, revising, and reviewing the internal audit system ° 2. examining and evaluating internal control systems, and providing analysis and recommendations °
Stock Affairs Office	<ol style="list-style-type: none"> 1. Responsible for stock affairs-related tasks, including handling board meetings and shareholder meetings, planning fundraising activities ° 2. complying with regulatory requirements for announcements and filings, and managing routine stock affairs matters.
General Manager' s Room	<ol style="list-style-type: none"> 1. Oversee and coordinate the execution of the company's overall business operations, and plan and set operational goals and strategies ° 2. Handle legal affairs, including contract review and management, and ensure compliance with relevant laws and regulations °
Administration Department	<ol style="list-style-type: none"> 1. Responsible for the management and planning of human resources ° 2. general affairs, and plant operations, including overseeing, planning, implementing company policies and regulations, supervising employee education and training, managing

	administrative tasks, and ensuring proper document and data control °
Finance Department	1. Responsible for handling various financial, accounting, and tax-related matters of the company °
Product Management Office	1. Responsible for related affairs and MIS, such as the procurement, purchasing, acceptance, storage, issuance management, shipping, and transportation of raw materials and supplies °
Quality Assurance Office	1. Responsible for implementing quality plans, supervising quality, and ensuring compliance with quality standards and requirements to maintain and enhance product quality °
Sales Department	1. Responsible for conducting market research and expanding domestic and international markets, including identifying market trends, assessing customer needs and preferences, analyzing product pricing, preparing quotations, and maintaining effective communication between production and sales departments °
Project Management Department	1. Responsible for conducting feasibility analysis of new products, overseeing the progress of new product development, and executing product strategies °
STB Business Group	1. Responsible for researching and developing improvements for low noise converter products, assisting in product error analysis, designing product circuitry, and designing and producing production tools, and supporting sales department and clients °
Network Communications Business Group	<p>1. Responsible for researching and developing improvements for low noise converter products, assisting in product error analysis, designing product circuitry, and designing and producing production tools, and supporting sales department and clients °</p> <p>2. Responsible for the research and development of network communication smart home products(including hardware product circuit design, software feature development, and assistance with mass manufacturing), and supporting sales department and clients.</p>

Board Structure and Operations

In accordance with its diversity policy and to strengthen governance while promoting sound board composition and structure, the Company nominates director candidates through a candidate nomination system as stipulated in the Articles of Incorporation. Candidates are evaluated based on their academic and professional qualifications, professional background, integrity, and relevant professional certifications. After approval by the Board of Directors, nominations are submitted to the Shareholders' Meeting for election. To ensure independent directors can objectively exercise their duties and prevent diminished independence due to prolonged tenure, the Company limits consecutive terms for appointed independent directors to no more than nine years. At the regular shareholders' meeting on June 12, 2024, the Company conducted a full election for directors and independent directors, totaling 7 seats. Among these, 1 seat is held by a female director (approximately 14%), and 3 seats are held by independent directors (approximately 43%). Directors concurrently serving as company managers do not exceed one-third of the total director seats. °

Job Title	Name	Gender	age	Consecutive Terms for Independent Directors	Diverse industries and professional expertise						Concurrently holds positions in other companies
					Business managemen t	Business expertis e	Accountin g expertise	Industry experien ce	Leadershi p and decision- making	Operationa l judgment	
Chairman and Chief	Hsu, Jing- Hui	Male	61- 70	-	●	●	-	●	●	●	Directors of Boyun Venture

Strategy Officer											Capital Co., Ltd. Directors of Strong-Wave Radio Technology Inc.
Director	Hsieh, De-Chong	Male	61-70	-	●	●	-	●	●	●	-
Director	Li, Hsu-Jih	Male	71-80	-	●	●	-	●	●	●	Chairman of GuoTing Construction Co., Ltd. Director of ZIMAG TECHNOLOGY CO., LTD.
Director	Hsieh, Dong-Lian	Male	71-80	-	●	●	-	●	●	●	Chairman of ZIMAG TECHNOLOGY CO., LTD.

											Chairman of ZIMAG TECHNOLOG Y CO., LTD.,Huiyang.
Independen t Director	Hsu,Hsi- Han	Male	61- 70	3-9 years	●	-	●	●	●	●	Supervisor of BoLi Technology Co., Ltd.
Independen t Director	Chang, Yi- Jieh	Male	61- 70	Less than 3 years	●	●	-	●	●	●	General Manager of Wisdom People Technology Services Co., Ltd.
Independen t Director	Shen,Leng -Jhen	Femal e	61- 70	Entry-level	●	-	●	●	●	●	-

Director Continuing Education

To stay abreast of global management trends, Prime has established a director continuing education program, arranging annual training courses for directors to enhance the governance capabilities required of board members. In 2024, the average continuing education hours per director reached 6.86 hours °

Job Title	Name	The name of the training course	Continuing education hours
Independent Director	Chang, Yi-Jieh	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		An analysis of Financial Statements and Corporate Governance.	3
Independent Director	Shen, Leng-Jhen	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		Corporate Directors and Supervisors Training - "The Crimes and Penalties of Sustainability Reporting"	3
		An analysis of Financial Statements and Corporate Governance.	3
		Emerging Payment Trends and Regulatory Compliance Risks	3
Director	Li, Hsu-Jih	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		An analysis of Financial Statements and Corporate Governance.	3
Director	Hsieh, De-Chong	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		An analysis of Financial Statements and Corporate Governance.	3
Director	Hsieh, De-Chong	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		An analysis of Financial Statements and Corporate Governance.	3
Director		IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3

	Hsu, Jing-Hui	An analysis of Financial Statements and Corporate Governance.	3
Independent Director	Hsu, Hsi-Han	IFRS S1 S2 Analysis of Sustainable Development Accounting Principles	3
		An analysis of Financial Statements and Corporate Governance.	3

Board Resolutions Related to Sustainability

Resolution Content/Resolved Matters	Date	Participation Rate (%)
Adopt the Organizational Regulations for the Sustainability Committee and Establish the Sustainability Committee	August 8, 2024	100

Board Performance Evaluation

To implement corporate governance and enhance the functionality of the Company's Board of Directors, performance objectives shall be established to strengthen the efficiency of Board operations. The Company's Board of Directors shall conduct an internal Board performance evaluation at least once annually. The internal Board evaluation period shall occur at the end of each fiscal year, with evaluation results finalized prior to the next Board meeting convened in the following fiscal year.

2024 Board Performance Evaluation Results

Subject	The overall performance of the Board of Directors			
	Number of indicators	Total Score	Score	Achievement rate
1. Involvement in company operations	12	60	57	95%

2. Enhancing the quality of board decision-making	12	60	59	98%
3. Composition and Structure of the Board of Directors	7	35	35	100%
4. The expertise and advanced studies of directors	7	35	34	97%
5. Internal control	7	35	34	97%
Total	45	225	219	97%
Overall evaluation	After assessment, the overall achievement rate is 97%, indicating that the evaluation results exceed the standard			

Subject	The overall performance of the Board of Directors			
Measurement indicators	Number of indicators	Total Score	Score	Achievement rate
1. Understanding of company goals and mission education, and internal controls.	3	15	15	100%
2. Awareness of director responsibilities	3	15	15	100%
3. Participation in company operations	8	40	39	98%
4. Management of internal relationships and communication.	3	15	14	93%
5. The expertise and advanced studies of directors	3	15	15	100%
6. Internal Controls	3	15	15	100%
Total	23	115	113	98%
Overall evaluation	After assessment, the overall achievement rate is 98%, indicating that the evaluation results exceed			

	the standard
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Note: When the overall achievement rate for each questionnaire item reaches 90% or above, the performance evaluation result for that item is "Exceeds Standard" ; when the overall achievement rate is 80% or above but less than 90%, the performance evaluation result for that item is "Meets Standard" ; when the overall achievement rate is less than 80%, the performance evaluation result for that item is "Room for Improvement."

Functional Committees

Committee	Proposal Content	Operational Status
Audit Committee	<ol style="list-style-type: none"> 1. Loan Facility Limit. 2. Revision of the Company's Internal Control System and Internal Audit Implementation Rules. 3. Review of the Preparation of the Company's Financial Reports. 	<p>A total of 5 meetings were held in 2024.</p> <p>The attendance rate of independent directors was 100% for all meetings.</p>
Compensation Committee	<ol style="list-style-type: none"> 1. Proposal to distribute bonuses from the Company's retained undistributed employee bonuses. 2. Monthly salary structure and payment amounts for the Company's managers. 3. Proposal to not distribute employee compensation and director compensation for 2023. 4. Election of the convener for the sixth term of the Compensation Committee. 	<p>Held 3 meetings in 2024.</p> <p>All independent directors achieved 100% attendance.</p>

2024 Functional Committee Performance Evaluation Results

Subject	The overall performance of the Board of Directors			
Measurement indicators	Number of indicators	Total Score	Score	Achievement rate
1. Participation in company operations	4	20	20	100%
2. Understanding of committee responsibilities	7	35	35	100%
3. Quality of committee decision-making,	7	35	35	100%
4. Member selection of the functional committee	3	15	15	100%
5. Internal Controls	3	15	15	100%
Total	24	120	120	100%
Overall evaluation	After assessment, the overall achievement rate is 100%, indicating that the evaluation results exceed the standard			

Compensation Policy

Pursuant to the Articles of Incorporation, the Company shall allocate 5% to 10% of the pre-tax profit for the current year (before distribution of employee compensation and director remuneration) as employee compensation, and no more than 3% as director remuneration. The remuneration shall be determined by the Compensation Committee and approved by the Board of Directors, taking into account the Company's operational results, individual contributions to performance, and industry standards. However, when the company has accumulated losses, the amount required to offset such losses shall be reserved in advance.

Annual Total Compensation Ratio

ITEM	Year 2023	Year 2024	Change Rate
Annual Total Compensation of the Highest-Paid Individual in the Organization (NT\$/Thousand)	1,002	1,014	1.20%
Median Annual Total Compensation of All Employees Excluding the Highest-Paid Individual (NT\$/Thousand)	895	865	(3.35)%
Ratio (%)	112%	117%	5%

Conflict of Interest

The Company's Code of Integrity and Conduct explicitly stipulates that directors, managers, and other stakeholders attending or participating in board meetings must disclose material conflicts of interest regarding agenda items that affect their personal interests or those of the entities they represent. If there is a risk of harm to the company's interests, they shall not participate in the discussion or voting, shall recuse themselves during discussion and voting, and shall not exercise voting rights on behalf of other directors. Directors shall also exercise self-discipline and shall not provide improper mutual support.

When Company personnel discover conflicts of interest between their personal affairs or those of the legal entity they represent and the execution of Company business, or situations that may confer improper benefits upon themselves, their spouses, parents, children, or related parties, they shall simultaneously report such circumstances to their direct supervisor and the Company's designated department. The direct supervisor shall provide appropriate guidance. Company personnel shall not use company resources for commercial activities outside the company and shall not allow participation in such external commercial activities to affect their work performance.

2.2 Sustainability Committee

To fulfill corporate social responsibility and promote economic, environmental, and social progress toward sustainable development goals, Prime has established the Prime Sustainable Development Code of Conduct in accordance with the "Practical Guidelines for Sustainable Development of Listed and OTC Companies." Effective 2024, the company will establish a Sustainability Committee. Authorized by the Board of Directors, the Committee shall exercise due diligence as a prudent manager to faithfully perform the following duties and report to the Board:

- 一、 Formulate, promote, and strengthen the company's sustainable development policies, annual plans, and strategies.
- 二、 Review, track, and revise the implementation and effectiveness of sustainable development initiatives.
- 三、 Overseeing sustainability disclosure matters and reviewing sustainability reports.
- 四、 Oversee the implementation of the Company's Sustainable Development Code and other sustainable development- related tasks as resolved by the Board of Directors.

The dedicated (or part-time) sustainability unit shall assist the Committee in implementing various plans, covering the following organizational tasks, and shall report to the Committee on the execution of sustainability initiatives:

- 一、 Corporate Governance Team: Responsible for corporate governance compliance, establishing reasonable compensation policies and employee performance evaluation systems, training and education, and stakeholder communication mechanisms to achieve the company's sustainable development goals.
- 二、 Sustainable Environment Subgroup: Responsible for environmental

management systems, compliance with environmental regulations and international standards, assessing sustainable transformation, enhancing resource utilization efficiency, establishing climate change response mechanisms, and designating dedicated environmental management units or personnel to achieve environmental sustainability objectives.

三、 Social Responsibility Subcommittee: Responsible for human rights management policies and procedures, compliance with human rights regulations and international standards, establishing internal and external communication channels with all organizational members (e.g., employees, subsidiaries, joint ventures) and key value chain stakeholders, assessing related risks and management mechanisms, and promoting community and cultural development to achieve sustainable business objectives.

四、 Sustainability Disclosure Task Force: Responsible for sustainability information management policies, compliance with sustainability disclosure regulations and international standards, and ensuring the full disclosure of relevant and reliable sustainability information to enhance transparency.

2.3 Risk Management

Prime leverages its existing administrative structure and internal management mechanisms to manage operational risks. Each business unit and functional department fulfills its respective responsibilities, conducting risk identification across various dimensions and formulating management strategies and countermeasures to prevent, mitigate, or transfer risks. The following sections provide explanations regarding financial risk, credit risk, liquidity risk, and going concern management.

Risk Category	Risk Description	Response Measures
Market Risk	The Company's market risk refers to the risk that the fair value or cash flows of financial instruments fluctuate due to changes in market prices. Market risk primarily includes foreign exchange risk, interest rate risk, and other price risks (e.g., equity instruments).	1.Maintain close contact with the foreign exchange departments of correspondent banks to monitor exchange rate trends. 2.Adjust foreign currency holdings based on actual funding needs and foreign exchange trends. 3.Appropriately increase US dollar liabilities to achieve hedging effects.
Credit Risk	Credit risk refers to the risk of financial loss arising from a counterparty's failure to fulfill its contractual obligations. The Group's credit risk arises from operating activities (mainly contract assets, accounts receivable, and notes receivable) and financing activities (mainly bank deposits and various financial instruments).	1.Consider the counterparty's financial condition, credit ratings from credit rating agencies, and historical transaction experience. 2.Use certain credit enhancement tools (such as advance payments and insurance) at appropriate times to reduce the credit risk of specific counterparties.
Liquidity risk	Liquidity risk refers to the risk of being unable to convert assets into cash or obtain sufficient funds to meet obligations as they fall due, including market liquidity risk and funding liquidity risk.	1.Maintain financial flexibility through contracts such as cash, cash equivalents, and bank loans.

<p>Business Continuity Management</p>	<p>Business continuity management ensures that the company can respond promptly and appropriately to various emergencies and restore normal operations to prevent or minimize the impact on the company and its customers.</p>	<p>1. Disaster Recovery Plan: a. Data Backup and Recovery: Key data is backed up regularly and stored at different locations. b. Hardware and Software Design: Critical equipment and systems must have redundancy to avoid single points of failure.</p> <p>2. Business Continuity Plan: a. Risk Assessment and Impact Analysis: Evaluate potential risks and determine their impact on business operations. b. Supply Chain Management: Ensure suppliers and partners can provide support during emergencies to prevent disruptions in critical materials or services.</p>
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2.4 Integrity, Transparency, and Legal Compliance

Integrity in business operations builds trust among customers, employees, investors, and partners, thereby promoting business stability and growth. If a company neglects ethical business practices, it may lead to financial fraud, fraudulent activities, or management corruption, ultimately damaging shareholder trust. Unethical business conduct may also result in unfair employee treatment and poor working conditions, causing employee turnover.

Policies and Regulations

In accordance with the “Code of Integrity for Listed and OTC Companies,” Prime has established the Code of Integrity, approved by the Board of Directors, to clearly articulate its integrity policies. The Company has formulated prevention measures against unethical conduct, covering:

1. Prohibition of bribery and accepting bribes.
2. Prohibition of providing illegal political contributions.
3. Prohibition of Improper Charitable Donations or Sponsorships.
4. Prohibition of Offering or Accepting Unreasonable Gifts, Entertainment, or Other Improper Benefits.
5. Prohibition of infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Prohibition of engaging in unfair competitive practices.
7. Prohibition of actions during the research, development, procurement, manufacturing, provision, or sale of products and services that directly or indirectly harm the rights, health, or safety of consumers or other stakeholders.

Legal Compliance

Prime adheres to the “Company Act,” “Securities and Exchange Act,” “Commercial Accounting Act,” “Political Contribution Act,” “Anti-Corruption Act,” “Government Procurement Act,” “Conflict of Interest Act for Public Officials,” and other regulations pertaining to listed companies or other commercial activities as fundamental prerequisites for implementing integrity-based operations.

In 2024, the Company did not receive any legal proceedings or penalties related to violations of the Code of Integrity, corruption and bribery, fraud, insider trading, anti-competitive conduct, antitrust and monopoly practices, or market manipulation.

Education and Training

The Company regularly conducts training and awareness sessions for directors, supervisors, managers, employees, agents, and beneficial owners. It also invites counterparties engaged in commercial activities with the Company to participate, ensuring they fully understand the Company's commitment to integrity, policies, prevention measures, and the consequences of unethical conduct. The 2024 training program covered corporate governance and internal auditing, totaling 54 training hours.

Course	Trainees	Number of Trainees	Completion Rate	Total Training Hours
Corporate Governance	Board Members	7	100%	21
	Company Executives	1	100%	15
Internal Audit	Company Executives	1	100%	18

Due Diligence and Complaint Mechanism

Prime requires suppliers to sign an "Integrity and Anti-Corruption Commitment Letter," pledging strict compliance with all company regulations concerning integrity management for transaction counterparts. Suppliers must never request, promise, solicit, or offer any bribes or other improper benefits to the company, its affiliates, and/or their designated representatives, nor engage in any direct or indirect acts to benefit company employees, affiliates, and/or their designated

representatives. In 2024, 16 suppliers underwent investigations and completed questionnaires, achieving a 100% completion rate.

Prime maintains a public complaint email (piper@pesi.com.tw) for all internal and external stakeholders to submit anonymous or named complaints and reports regarding violations of relevant laws and regulations by our employees. Reporters must provide at least the following information:

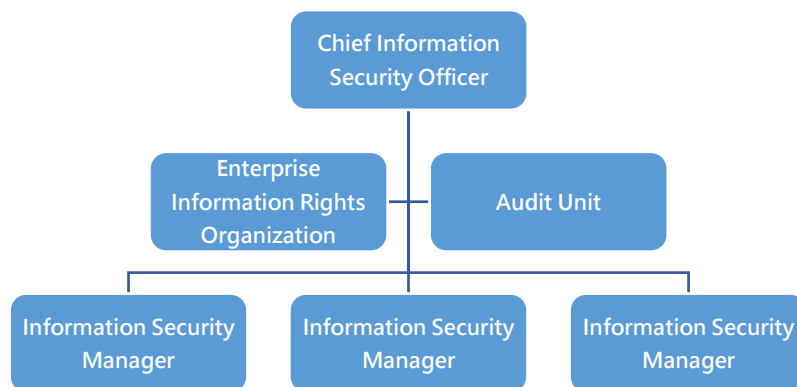
1. The whistleblower's name, ID number, and contact information (address, phone number, email address).
2. The name of the reported individual or other identifying information sufficient to identify the reported party.
3. Concrete evidence supporting the investigation. Personnel handling the report shall provide a written statement pledging confidentiality regarding the whistleblower's identity and the reported content. The company further commits to protecting whistleblowers from any adverse treatment arising from the reported matter.

The Company's designated unit (General Manager's Office) shall handle matters in accordance with the following procedures:

1. Allegations involving general employees shall be reported to the department head. Allegations involving directors or senior executives shall be reported to the independent directors.
2. The Company's designated unit and the supervisor or personnel receiving the report under the preceding paragraph shall immediately ascertain the relevant facts, seeking assistance from the Compliance Department or other relevant departments as necessary.
3. If the reported individual is confirmed to have violated relevant laws, regulations, or the Company's integrity policies and provisions, they shall be immediately required to cease the relevant conduct. Appropriate disciplinary actions shall be taken, and where necessary, legal proceedings shall be initiated to seek damages to protect the Company's reputation and interests.
4. All aspects of the complaint handling, investigation process, and investigation results shall be documented in writing and retained for five years. Such retention may be conducted electronically. Should litigation related to the complaint arise before the retention period expires, the relevant materials shall be retained until the conclusion of the litigation.
5. Where a reported matter is verified as true, the relevant department of the Company shall be tasked with reviewing the related internal control systems and operational procedures and proposing improvement measures to prevent recurrence of the same conduct.
6. The designated department of the Company shall report the reported matter, its handling method, and subsequent review and improvement measures to the Board of Directors.

2.5 Information Security Management

To safeguard the information assets of our clients and partners, Prime has established a dedicated Information Security Office. This office conducts information security risk assessments, protects the interests of the company and its stakeholders, and is responsible for: Coordinate resources and cross-departmental activities to manage information security incidents, plan information security training, develop and execute information security audit plans; review information security and data protection guidelines and policies, and ensure the effectiveness of information security management measures. In 2024, the company experienced no information security breaches and received no complaints regarding customer privacy violations or data loss. The information security risk management framework is as follows:



Information Security Policy and Management

Prime adheres to government regulations in formulating personal data management practices. We continuously gather and analyze the latest information security regulations to establish or revise relevant management procedures. We regularly review required information security operations to ensure compliance with security policies.

Information Security Operations	
1	Appoint dedicated information security personnel to prevent computer network crises and maintain information system security.
2	Segregate departmental network segments and configure CISCO ACLs to prevent cross departmental access to other computers, safeguarding departmental PC data security.
3	Enhance network security management: Install antivirus software internally and configure external network firewalls to prevent computer viruses and malicious software attacks from infiltrating and causing the company's network systems to fail.
4	Personal Computers and Network System Servers: Configure antivirus scanning tools and perform regular virus scans while updating virus definitions.
5	Educate employees on the proper use of licensed software to enhance awareness and improve information security vigilance.
6	Conduct regular security assessments of company personnel and information equipment to ensure compliance with corporate information security policies and relevant regulations.

7	<p>Network system access permissions shall be carefully evaluated by authorized supervisors and entrusted to reliable personnel to prevent unauthorized access to system information:</p> <ul style="list-style-type: none"> · System Access Permissions: User accounts and permissions shall be assigned based on specific business scopes and responsibilities. Unauthorized sharing of accounts is prohibited. Upon leaving their original position, a user's account and permissions shall be revoked immediately. · System User Accounts and Passwords: Avoid using easily guessed or compromised passwords, and change them regularly.
8	<p>System Server Data: Critical files and data must be backed up every two days to prepare for unforeseen circumstances. Backup data shall be stored on magnetic tapes and placed in a remote location safe.</p>

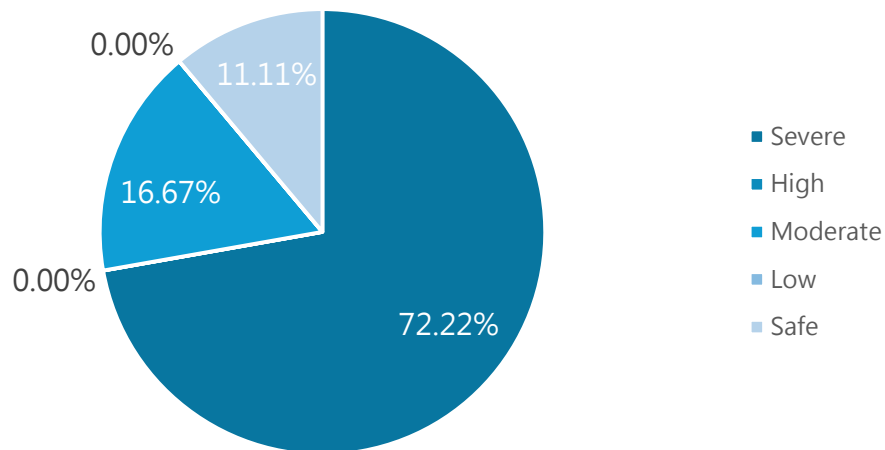
Information Security Vulnerability

Analysis

In 2024, Prime commissioned an external vendor to assist with information security testing. The results are shown in the table below:

Execution Date	July 23, 2024
Scanning Method	Comprehensive scanning and detection of operating systems.
Scanning Tool	Nessus, capable of high speed discovery, system configuration auditing, asset profiling, sensitive data discovery, patch management integration, and vulnerability analysis.
Vulnerability Severity	
Critical	Critical security vulnerabilities pose an immediate threat to the system.
High	A security vulnerability classified as a critical vulnerability, posing a high threat to the system.

Moderate	Moderate risk vulnerability not elevated to critical level; observation is sufficient.
Low	Low risk vulnerability with minimal threat, can be ignored.
Security	No vulnerabilities detected.
Vulnerability Severity Distribution Chart	



In response to the findings of this assessment, Prime commits to actively implementing improvements, prioritizing the resolution of high-risk vulnerabilities to ensure the stability and security of our information systems. We will maintain continuous focus on refining and optimizing our information security policies to safeguard the stability of our business operations and the security of customer data. This initiative is regarded as a core priority for our corporate development, providing all stakeholders with enhanced reliability and assurance.

CH3 、 Sustainable Environment

3.1 Environmental Management

With the global emphasis on sustainable development, Prime has established a dedicated environmental management unit to properly handle generated exhaust gases and waste. We continuously promote energy conservation, resource efficiency, recycling initiatives, and green product design. Additionally, Prime actively complies with clients' environmental requirements and collaborates with suppliers to jointly fulfill environmental responsibilities and reduce environmental impact. Dongguan Prime obtained ISO 14001 Environmental Management System certification in May 2018. In the second quarter of 2024, the company introduced nearly 40% green electricity to ensure compliance with environmental regulations. We continuously improve environmental performance to achieve sustainable development goals.

To ensure compliance with environmental regulations, Dongguan Prime strictly implements ISO 14001 standards and conducts environmental protection training to enhance employees' environmental awareness. Prime did not experience any violations of environmental regulations in 2024.

ISO 14001 : 2015 Certifications



Environmental Policy and Management System

Prime actively monitors global environmental protection issues and development trends, and commits to complying with relevant environmental laws and regulations at all domestic and international business locations. To further strengthen environmental management, Dongguan Prime has established the Quality, Environment, and Safety Management Manual. This manual outlines detailed environmental protection measures for all production and management activities within the factory premises. These measures cover energy usage, waste disposal, emission control, and other aspects. Regular internal audits and third-party verifications are conducted to ensure compliance with the latest environmental regulations and standards. Furthermore, Prime integrates environmental protection into daily operations by actively promoting employee training in environmental awareness and seeking innovative technologies to further reduce the carbon footprint and environmental impact of production processes. These efforts not only demonstrate Prime's commitment to environmental responsibility but also ensure the company maintains a sustainable competitive advantage in the global marketplace.

Integrating Product Design Philosophy with Environmental Awareness

In response to growing international consumer environmental consciousness and regulatory emphasis on sustainability, Since 2006, Prime has progressively established and completed environmentally friendly production processes to comply with international environmental regulations, customer green product specifications, and requirements prohibiting the use of substances with significant environmental impact. The company has also established a comprehensive quality management system based on relevant standards, strictly requiring production units and suppliers to adhere to these protocols. This ensures all supplied components and manufactured products comply with regulations such as RoHS, WEEE, and REACH.

In 2007, Prime successfully passed the green product certification of a globally renowned brand client and was awarded the corresponding certificate. This green product certification signifies that the company effectively monitors and complies with relevant regulations and client environmental requirements throughout all stages—product design, material procurement, production, and shipment. It also affirms the company's ongoing efforts to drive improvements beneficial to sustainable environmental management.

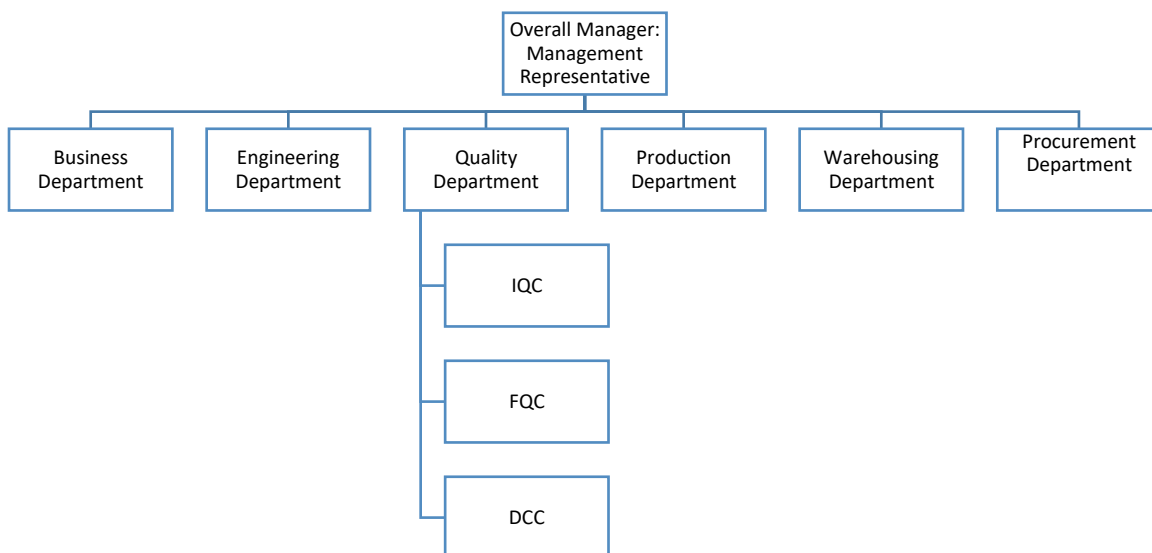
Eco-Friendly Packaging Materials

Prime employs environmentally conscious packaging materials per client specifications to minimize environmental impact and promote resource reuse. All packaging utilizes eco-compliant materials—including recyclable cardboard, biodegradable plastics, and bio-based materials—to reduce waste pollution. Additionally, Prime actively optimizes packaging designs to minimize material usage. We reduce unnecessary packaging layers while ensuring product safety and quality, thereby lowering our carbon footprint. Moving forward, we will continue exploring more eco-friendly materials and technologies to advance sustainable packaging solutions, contributing further to a greener planet.

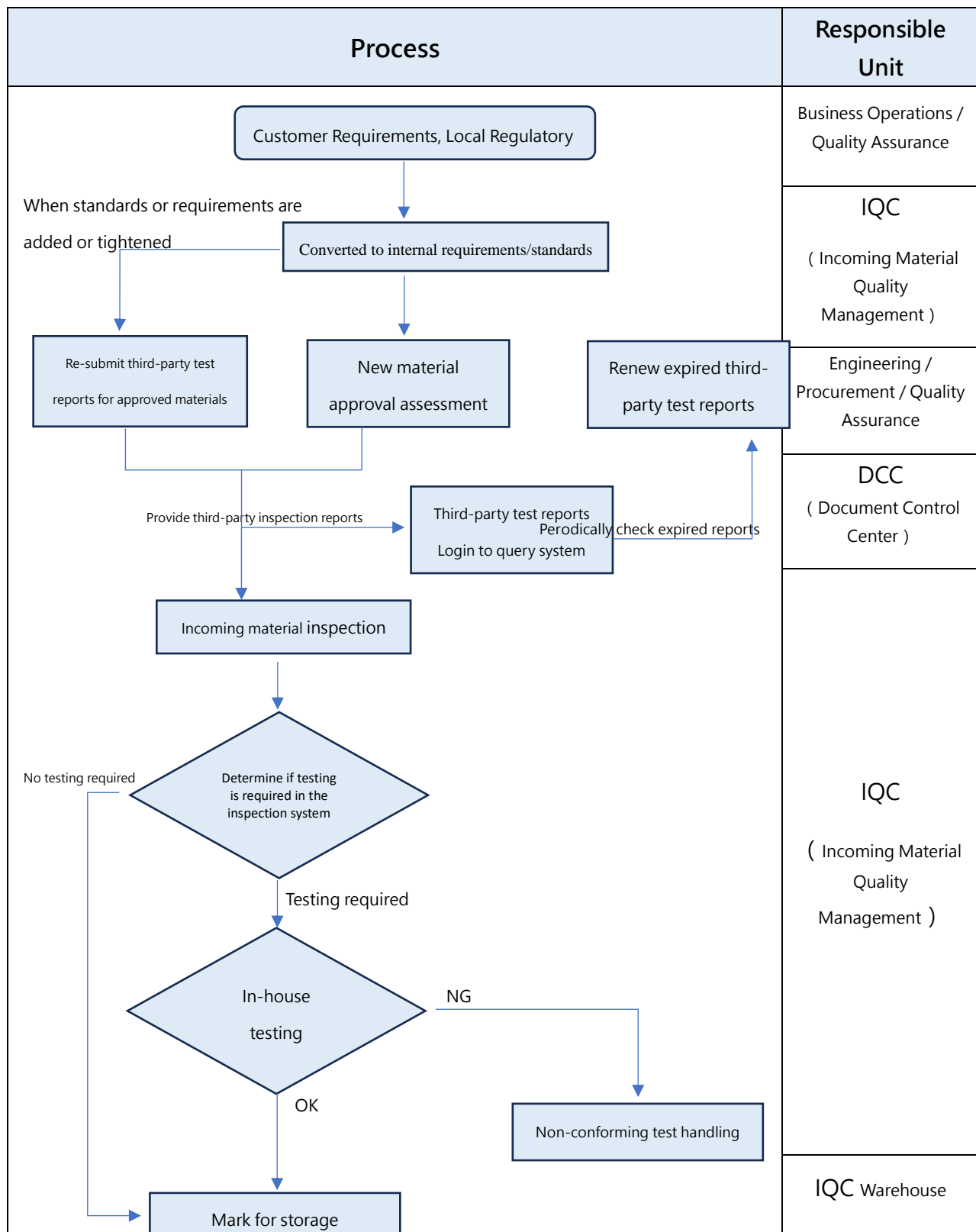
Hazardous Substance Management

To ensure all company products ultimately comply with RoHS, REACH, WEEE, and customer-specific environmental substance requirements, Dongguan Prime has established the Environmental Hazardous Substance Control Procedure. Recognized components are submitted to third-party testing to verify compliance with relevant environmental substance standards.

Environmental Substance Control Organizational Structure Chart



Environmental Substance Control Process



3.2 Climate Change and Energy Management

Climate Change Response

Prime prioritizes climate-related risks and opportunities, actively integrating climate factors into corporate governance and business strategies. This establishes corresponding oversight and governance mechanisms to ensure timely identification of challenges and opportunities arising from climate change. The Company established a Sustainability Committee in 2024 to further examine and integrate risk management processes, identifying and managing various types of risks. The Company assesses the risks and opportunities climate change presents to the business and implements relevant response measures.

Climate Change Risks	Climate Change Opportunities
<ul style="list-style-type: none">• Extreme Weather: Increases the frequency of unexpected uncertainties, potentially impacting power supply and causing inventory damage. This may lead to business interruptions and increased operational costs.	<ul style="list-style-type: none">• Green Consumption: Rising consumer awareness of green consumption drives increased demand for energy-efficient products. Proactive collaboration with suppliers is essential to expand green product diversity. Aligning with government subsidies for energy-efficient appliances further fuels revenue growth momentum.• Resource Efficiency: Responding to energy conservation and carbon reduction trends, continuous improvements in resource utilization efficiency help reduce operating costs and enhance profitability.

Prime will subsequently assess the specific financial impacts of extreme weather events and formulate response strategies to ensure the company adapts to these changes while maintaining financial stability. Future efforts will also actively explore incorporating scenario analysis to assist in quantifying climate change risks.

Energy Management

In response to environmental challenges such as the greenhouse effect and global warming, Prime has progressively monitored carbon emissions since 2013 and committed to implementing various workplace energy-saving measures. Taking the Taiwan headquarters as an example, beyond managing air conditioning temperatures, the company has installed energy-efficient air conditioning systems and automated lighting controls to reduce carbon emissions and energy consumption. Regular energy conservation and carbon reduction awareness campaigns are also integrated into daily operations.

Energy Usage at Dongguan Prime from 2022 to 2024

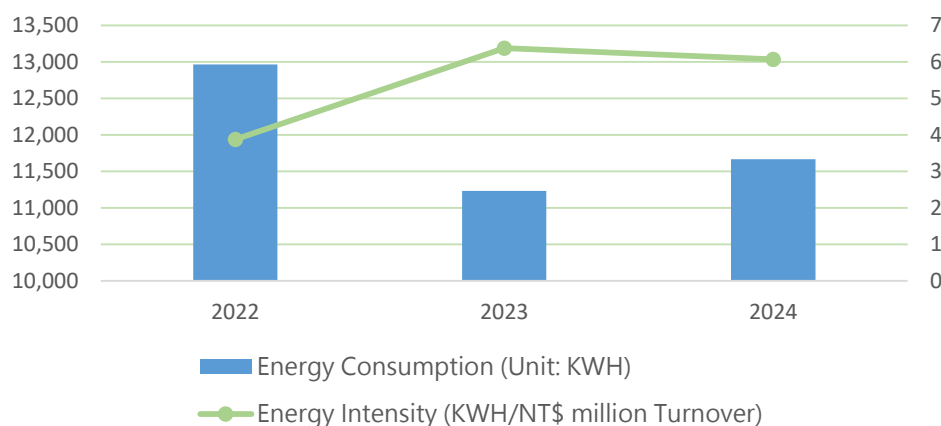
Energy Type	Unit	Year			Change from Previous Year
		2022	2023	2024	
Electricity	kWh	12,964,300	11,232,800	8,743,200	-22%
Renewable Electricity	kWh	0	0	2,924,900	100%
Total Emissions	Metric Tons CO2e/Year	6,119.15	5,301.88	4,126.79	-1,175.09

Note 1: The electricity carbon emission factor in this table adopts the latest average electricity CO2 emission factor announced by the Guangdong Provincial Government of China. 1 kWh of electricity = 0.472 kgCO2e.

Calculation formula: Carbon emissions (metric tons CO2e) = Energy consumption * 0.472 (kgCO2e)/1,000.

Unit Year	Revenue A NT\$ million	Energy Consumption B KWH (kilowatt-hours)	Energy Intensity B/A KWH/NT\$ million
2022	3,338	12,964.30	3.88
2023	1,760	11,232.80	6.38
2024	1,922	11,668.10	6.07

Dongguan Prime's Electricity Consumption and Electricity Intensity Over the Past Three Years



Renewable Energy

Prime actively promotes renewable energy usage, committed to advancing sustainable development and reducing its carbon footprint. On April 12, 2024, Dongguan Prime implemented a solar power system, installing 5,507 580-watt and 722 570-watt solar panels. The total construction area reached 20,825 square meters. In 2024, the cumulative electricity generation reached 2.9249 million kWh, accounting for 33% of the company's total electricity consumption. By converting solar energy into electricity, Prime reduces reliance on traditional energy sources and minimizes greenhouse gas emissions. Through these initiatives, Prime has not only achieved a green energy transition but also laid the foundation for future energy management and environmental protection.



Solar Panel Layout in the Factory Area

Projected Renewable Energy and Emissions Reduction Benefits for 2025

Renewable Energy		
Total Generation (in 10,000 kWh)	9,034.81	
Average Generation (MWh)	361.391	
Emissions Reduction Benefit		
Substance	Total Emissions (Tons)	Average Emissions (Tons)
Standard Coal Equivalent	27,330.29	1,093.21
Carbon Dioxide	75,169.59	3,006.78
Sulfur Oxides	14.46	0.58
Nitrogen Oxides	16.17	0.65

Greenhouse Gas Management

Greenhouse Gas Emission Targets

As global challenges posed by climate change intensify, Prime implements greenhouse gas management in accordance with ISO 14064-1:2018 standards. We actively promote greenhouse gas emission inventory activities, demonstrating our commitment to environmental responsibility. The company plans to complete its annual greenhouse gas emissions inventory by 2024 and publicly disclose relevant data to enhance corporate transparency and build stakeholder trust.

Additionally, Prime actively supports its end-customers' Science Based Targets Initiative (SBTi) commitments, striving to achieve a 50% reduction in carbon emissions from the baseline year by 2030 and reach net-zero emissions by 2050. This demonstrates our proactive fulfillment of responsibilities as a supply chain partner. The company anticipates implementing

emissions by 50% compared to the base year and achieve net-zero emissions by 2050, actively fulfilling its responsibilities as a supply chain partner. The company plans to implement relevant measures in the second quarter of 2025 and complete third-party auditing and verification by August of the same year to ensure the objectivity and credibility of carbon management outcomes.

The Company will complete the following items as required by the Financial Supervisory Commission:

Item	Implementation Details	Estimated Completion Date
Greenhouse Gas Inventory and Verification for Individual Companies	Complete greenhouse gas inventory for individual companies and finalize verification by 2028.	Inventory completed by 2026; Verification completed by 2028
Subsidiary GHG Inventory and Verification	Complete GHG inventory for subsidiaries and finalize verification by 2029.	Inventory completed by 2027; Verification completed by 2029
Supporting End-Customer Carbon Reduction Targets	Support end-customers in aligning with the Science Based Targets initiative (SBTi), achieving 50% carbon reduction by 2030 and net-zero emissions by 2050, while inviting 101 suppliers to jointly endorse these goals.	50% carbon reduction by 2030; Net-zero emissions by 2050

Note 1: Individual company GHG inventory completed in 2023.

Note 2: Subsidiary GHG inventory completed in 2024.

**Prime and Key Subsidiary—Dongguan Prime's Scope 1, Scope 2, and Scope 3
GHG Emissions Over the Past Three Years**

Unit: Metric tons of CO₂e

Facility	Scope	Year		
		2022	2023	2024
Taiwan	Scope 1	378.83	378.62	70.75
	Scope 2	336.95	328.89	239.39
	Scope 3	575.67	581.42	488.55
Dongguan	Scope 1	-	633.76	719.95
	Scope 2	-	6,406.07	5,195.21
	Scope 3	-	-	-

Note: GHG emissions data for Dongguan Ba Yi is available starting from 2023.

**Prime and Key Subsidiaries – Dongguan Prime' s Total Scope 1 and Scope 2
Greenhouse Gas Emissions Summary for the Past Three Years**

Unit: Metric tons of CO₂e

Category	Year		
	2022	2023	2024
CO ₂	347.95	6,785.40	5,467.92
CH ₄	13.84	119.94	105.02
N ₂ O	0.33	0.64	0.61
HFC	353.66	841.36	651.75
PFC	-	-	-
SF ₆	-	-	-
NF ₃	-	-	-
Total Emissions	715.78	7,747.34	6,225.30

Prime's Total Scope 3 Greenhouse Gas Emissions Over the Past Three Years

Unit: Metric tons of CO₂e

Category	Category Name	Scope Description	Emissions
3	Greenhouse gas emissions from transportation	Carbon emissions from goods transportation	194.56
4	Purchased goods and services	Carbon emissions from procured raw materials	-
	Fuel/energy outside Scope 1 and 2	Upstream emissions from purchased electricity and fuels outside primary operational sites	210.85
5	Use of sold products	Carbon emissions generated during the use phase of goods sold globally	-

Note: Classification defined according to ISO 14064:2018 standard

Since 2013, the company has progressively reduced total carbon emissions through air conditioning energy-saving measures and LED lighting retrofits.

To further decrease energy consumption, employee office areas were consolidated in 2020, thereby reducing electricity demand for air conditioning equipment.

Prime's Greenhouse Gas Emission Intensity Over the Past Three Years

Unit: Metric tons CO₂e/NT\$ million

Year/Category	Scope 1	Scope 2	Scope 3	Total Emissions
2022	0.10	0.09	0.15	0.34
2023	0.46	3.08	0.27	3.81
2024	0.35	2.40	0.22	2.97

Note: Carbon emission intensity = Carbon emissions /
Prime consolidated revenue

Energy Conservation and Carbon Reduction

Dongguan Prime has comprehensively upgraded its campus street lighting, replacing high-energy-consumption halogen lamps with low-energy, high-brightness

LED lamps. This initiative not only reduces energy consumption but also enhances campus safety and the working environment. Through this upgrade, Dongguan Prime has improved operational efficiency while demonstrating its commitment to environmental responsibility, advancing the development of green and smart management on campus.

Project Name	Parkway Lighting Upgrade	
Project Description	The original parkway lighting utilized high-energy-consumption halogen lamps. These have now been replaced with low-energy, high-brightness LED lamps.	
	Unit	Outcome
Energy Savings	KWH	34,488
Carbon Reduction	Metric tons of CO2e	16.28
Funding Invested	RMB	45,265

Beyond implementing these initiatives, Prime actively promotes environmental sustainability awareness through knowledge sharing and training programs.

Relevant measures include:

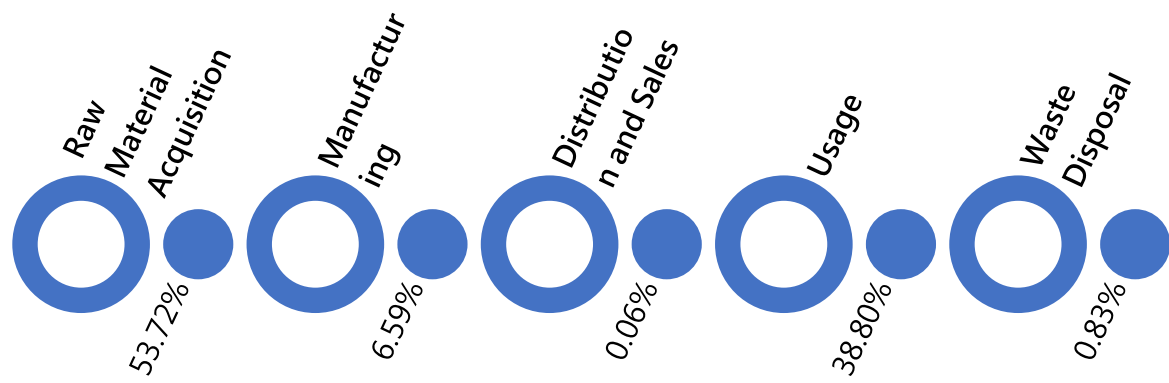
Energy Conservation Measures

- Promote energy conservation by turning off lights and computers when leaving work.
- Maintain awareness of office air conditioning temperature settings to optimize energy usage.
- Utilize environmentally friendly refrigerants in air conditioning systems.
- Encourage employees to use eco-friendly chopsticks to reduce disposable chopstick usage.
- Promote resource recycling and sorting among all employees.
- Advocate for energy and water conservation policies.
- Promote office digitization to reduce paper usage.
- Gradually replace fuel-powered vehicles with hybrid or electric models, and encourage employee adoption.
- Utilize electric forklifts.

Chunghwa Telecom MOD Set-Top Box Carbon Label

In 2024, Prime successfully obtained the first carbon label certification for a set-top box product in collaboration with Chunghwa Telecom. This achievement not only highlights Prime's commitment to environmental protection and sustainable development but also demonstrates the company's proactive efforts in adopting low-carbon technologies throughout product design and manufacturing processes. Through this collaboration, Prime will continue to drive green innovation, enhance the environmental friendliness of its products, and strive to deliver higher-quality offerings to customers.

MOD Set-Top Box Carbon Footprint Calculation (55 kg CO2e/unit)



Note: The diagram illustrates the percentage contribution of emissions from each stage to the total emissions.

Carbon Neutrality Management

In response to the global trend toward net-zero carbon emissions by 2050, Prime has actively promoted carbon neutrality management since 2023, integrating it into the company's strategic development. Prime primarily reduces overall carbon emissions by requiring suppliers to provide low-carbon products and by recording the carbon footprint of each product. The company collaborates with suppliers to ensure procured raw materials and components meet carbon emission standards while promoting carbon reduction measures throughout the supply chain. By the end of 2023, the company had completed carbon label applications for its main products with the Environmental Protection Agency and initiated low-carbon product development starting from the design phase, effectively lowering carbon emissions.

Additionally, Prime actively promotes internal energy efficiency improvements and green technology adoption to reduce carbon emissions from its own operations. Through these comprehensive measures, Prime demonstrates its commitment not only to reducing its own carbon footprint but also to actively supporting environmental protection and sustainable development goals, aspiring to contribute to the global trend toward net-zero carbon emissions.

Prime Organization Greenhouse Gas Carbon Neutrality Management Plan

Unit: : kgCO₂e

Carbon Reduction Strategy	Category Year	Category 1	Category 2	Category 3	Category 4
		Direct greenhouse gas emissions and removals	Indirect greenhouse gas emissions from energy inputs	Indirect greenhouse gas emissions from transportation	Indirect greenhouse gas emissions from organizational product use
	2024~2030	1. Encourage the use of electric vehicles (official vehicles) 2. Use environmentally friendly refrigerants in air conditioning systems 3. Use electric forklifts	1. Use renewable energy (Solar power generation) 2. Purchase green power certificates (1 certificate = 1,000 kWh) 3. Use LED lighting	1. Source raw materials locally 2. Select low-carbon transportation options	1. Reduce waste generation

Product Carbon Footprint Data Overview

Announcement Year	Customer Name	Product Model	Product Carbon Footprint (kgCO2e/unit)			貢獻百分比 (%)		
			Product Life Cycle			Product Life Cycle		
			Raw Material Acquisition Stage (including transportation)	Manufacturing Stage (including shipping to customer)	Total	Raw Material Acquisition Stage (including transportation)	Manufacturing Stage (including shipping to customer)	Total
2023	CHT	MOD504B	9.40	1.43	10.83	87	13	100
2024	ADB	CDNA5-5751 ADB TNRSE	78.89	3.31	82.20	96	4	100
	ADB	CDNA5-5751 ADB TNRSE wo HDD	27.47	2.51	29.98	92	8	100
	ADB	IPN73-9380-ADB-2670WF	10.70	1.89	12.59	85	15	100
	ADB	DDNB9-5751 ADB-2685STWFV	41.18	3.47	44.65	92	8	100
	ADB	SDN59-72180-Astro	35	0.22	35.22	99	1	100

Note: Product model MOD504B is the set-top box that helped Chunghwa Telecom achieve its first carbon label certification.

3.3 Water Resource Management

Water Resource Usage

Prime operates in a research and development-intensive industry with a high demand for technology. Its water requirements primarily stem from domestic water usage, with only a small portion allocated to plant utility equipment. Both its Taiwan and Dongguan facilities utilize municipal water supplies. The table below details Prime's water usage and recycling practices over the past three years.

Dongguan Prime Water Resource Statistics for the Past Three Years

Unit: Million Liters

Water Withdrawal Volume	Year	2022	2023	2024
	Item			
	Municipal Water	113,620	73,457	83,814

Water Conservation Measures and Recycling

Prime actively promotes water resource management by implementing separate drainage systems for rainwater and wastewater. Rainwater and air-conditioning cooling water are recycled and reused to enhance water utilization efficiency. Dongguan Prime has intensified inspections to reduce water waste and promptly address leaks. To further raise water conservation awareness, the company has posted water-saving reminders in high-usage areas like washbasins, encouraging employees to develop good habits and collectively maintain an environmentally friendly and sustainable workplace.

Dongguan Prime's Recycled Water Volume Over the Past Three Years

Unit: Million Liters

Year	2022	2023	2024
Item			
Municipal Water	3,098	2,648	6,367



Water Conservation Slogans in the Factory

3.4 Waste Management

Waste Management Policy

Prime upholds environmental principles, committing to energy conservation, resource reuse, and enhanced recyclability. Recycling bins are placed throughout office areas to effectively promote the social responsibility of resource recycling. We encourage all employees to sort recyclables, dispose of waste in accordance with regulations, and advocate for office digitization to reduce paper usage.

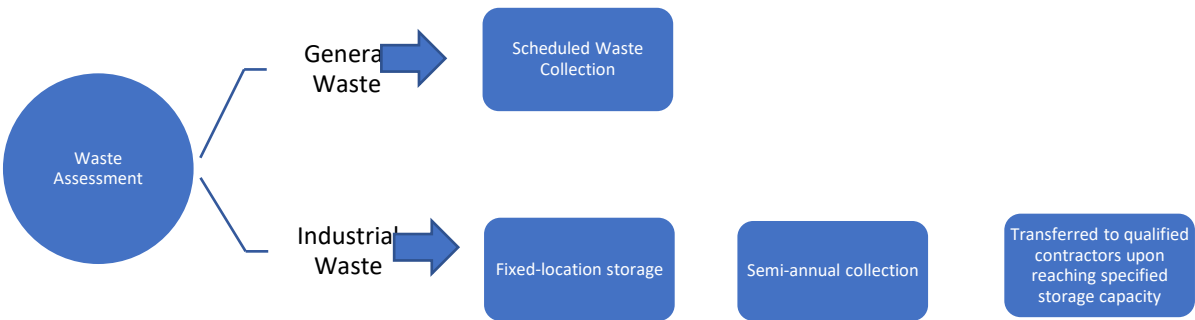


Taiwan Headquarters Waste Storage Area

Waste Disposal Process

Our company maintains compliant waste sorting and storage areas, implementing waste separation and reduction measures to minimize environmental impact. We also engage professional waste management companies to ensure proper disposal and maximize recycling opportunities.

Waste Disposal Flowchart



Prime Waste Disposal Statistics for Past Three Years

Unit: Metric Tons/Year

Item \ Year	Year		
	2022	2023	2024
General Waste	1.2	1.2	1.2
Industrial Waste	0.024	0.036	0.065

CH4 、 Innovative Services

4.1 Innovation Management and R&D

Since its founding, Prime has consistently prioritized R&D innovation, actively integrating AI technology to create product differentiation and develop new technologies. Additionally, Prime continuously develops new products and has filed patents in multiple countries including Taiwan, the United States, China, and Europe. To date, Prime has secured numerous domestic and international invention and utility model patents, holding multiple key technology patents. Through patent-driven R&D, the company continuously enhances its industrial competitiveness and solidifies its market advantage.

Innovative R&D

The electronics industry evolves rapidly. Prime not only stays abreast of industry trends but also focuses on enhancing R&D capabilities. The company actively plans product portfolios and marketing strategies, viewing innovation as its core competitive strength. To align with sustainable market development trends, Prime plans to allocate more resources to high-specification broadband technology, STB product software development, and system integration maintenance services, while strengthening AI technology and product development. Prime's R&D direction not only addresses current demands but also focuses on future technological breakthroughs, maintaining its leading position in a dynamic market.

Furthermore, Prime continues to foster strong partnerships with major international manufacturers, strengthening existing core technologies while exploring emerging fields. By integrating sustainable development principles, the company fulfills environmental and social responsibilities, further enhancing its market competitiveness and global influence.

Enhancing Broadband Technology	Continuously developing products featuring Bluetooth, WiFi-7, and Xpon Gateway capabilities.
STB Product Software Development and	Enhancing STB product software development capabilities and system integration maintenance services to further refine its content ecosystem.
System Integration Maintenance Services	Introducing AI technology to actively pursue digital transformation, developing smart home and smart long-term care series, and extending into AI-related products like smart healthcare.
AIOT Product R&D	Awarded Taiwan's Low-Earth Orbit Satellite Maritime Application Technology Project, independently developing adaptive antenna design and antenna control units tailored for maritime applications.

Enhancing Broadband Technology

Given the increasing usage of household broadband and the rising demand for broadband services, coupled with the growing number of connected devices, specifications for technologies related to broadband networking and device connectivity interfaces—such as Xpon and WiFi—are progressively advancing. Prime will allocate a significant portion of its R&D resources to the field of broadband gateway equipment technology, developing corresponding products based on actual customer needs. Prime delivered its first batch of samples for testing by European operators in Q3 2023. Furthermore, Prime will expand WiFi deployment and conduct preliminary testing and development in markets outside Europe and America to broaden its customer base.

STB Product Software Development and System Integration Maintenance Services

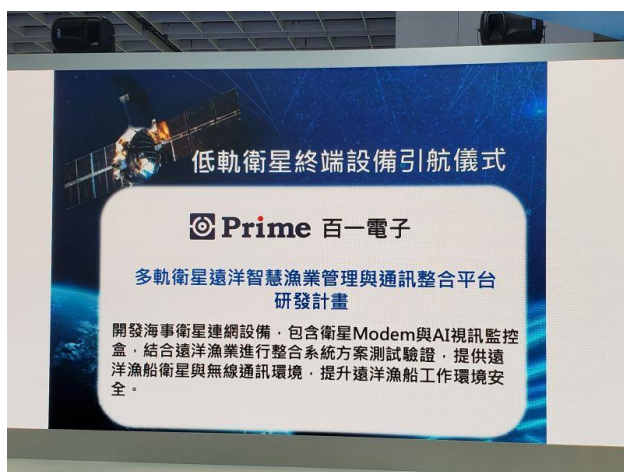
The proliferation of diverse digital content and high-speed broadband services has accelerated public demand for high-definition connected video services. Beyond traditional satellite/cable/wireless broadcast content, users now enjoy expanded streaming options via internet connectivity, enriching the STB product ecosystem.

AIOT Product R&D

Prime actively invests in AIOT product development. Its Smart Home Care System leverages advanced image and voice recognition technologies to detect common elderly accidents in home environments, enabling real-time alerts and expanding into comprehensive emergency response applications.

Low-Earth Orbit Satellites

Leveraging Prime's extensive expertise in traditional set-top box broadcasting technology, combined with microwave engineering, broadband equipment specialization, and AI capabilities, the company is actively expanding into new domains. This year, Prime secured Taiwan's Low Earth Orbit Satellite Maritime Application Technology Project. For maritime applications, the company independently developed adaptive antenna designs and antenna control units. This product also aligns with the latest network technologies, expanding Prime's multi-orbit satellite network communication product line.



Low Earth Orbit Satellite Navigation Ceremony

Additionally, Prime actively participates in exhibitions to showcase innovative technologies, broaden market perspectives, and build strong partnerships with industry leaders and collaborators. Through these exchanges, Prime not only stays

abreast of the latest market trends and technological developments but also gains valuable insights and feedback to further enhance its technical capabilities and market competitiveness. Key exhibition products for 2024 include STBs, AI, and Broadband solutions.



Broadcast Asia Singapore Exhibition



IBC Amsterdam Exhibition

Intellectual Property

To safeguard the competitive edge of the company's innovative technological capabilities and protect the interests of all stakeholders, the company has established the Intellectual Property Management Measures, Patent Law, and Patent Law Implementation Rules. These documents clearly define the operational procedures and methods for managing trade secrets and business-related confidential information, as well as the policies for managing and utilizing intellectual property rights.

Patent Applications and Grants by Year

Year	2022	2023	2024
Number of Patent Applications Filed	1	1	0
Number of Patents Granted/Approved	1	1	1

R&D Investment

Item/Year	2023	2024
R&D Expenditures	218,047 Thousand NTD	229,696 Thousand NTD
Operating Revenue	2,189,249 Thousand NTD	2,268,560 Thousand NTD
R&D Expenditures as a Percentage of Operating Revenue	9.96%	10.13%

We generously recognize and value employees with innovative spirit to enhance overall team cohesion and unity, thereby creating more market-valued products and solutions.

Reward Mechanism

Unit: New Taiwan Dollars

Eligibility	Utility Model Patents	Invention Patents
Applications filed with the Intellectual Property Office, Ministry of Economic Affairs	1,000	1,000
Patent certificates issued by the Intellectual Property Office	4,000	0
Patent technology certificates issued by the Intellectual Property Office	10,000	19,000

Education and Training

Through regular and irregular training sessions, internal awareness campaigns, and information sharing, we strive to strengthen employees' understanding and compliance with legal regulations concerning intellectual property rights and trade secrets, while promoting the concept of using legally licensed software. These activities ensure employees comprehend and adhere to intellectual property laws, avoiding legal risks from improper use or infringement. Furthermore, sharing practical case studies and legal information enables employees to gain a deeper understanding of the application and implementation of relevant legal regulations. In 2024, Prime conducted intellectual property-related training sessions with 10 participants and a total of 20

hours of instruction, aiming to further enhance the company's overall legal compliance awareness and risk management capabilities.

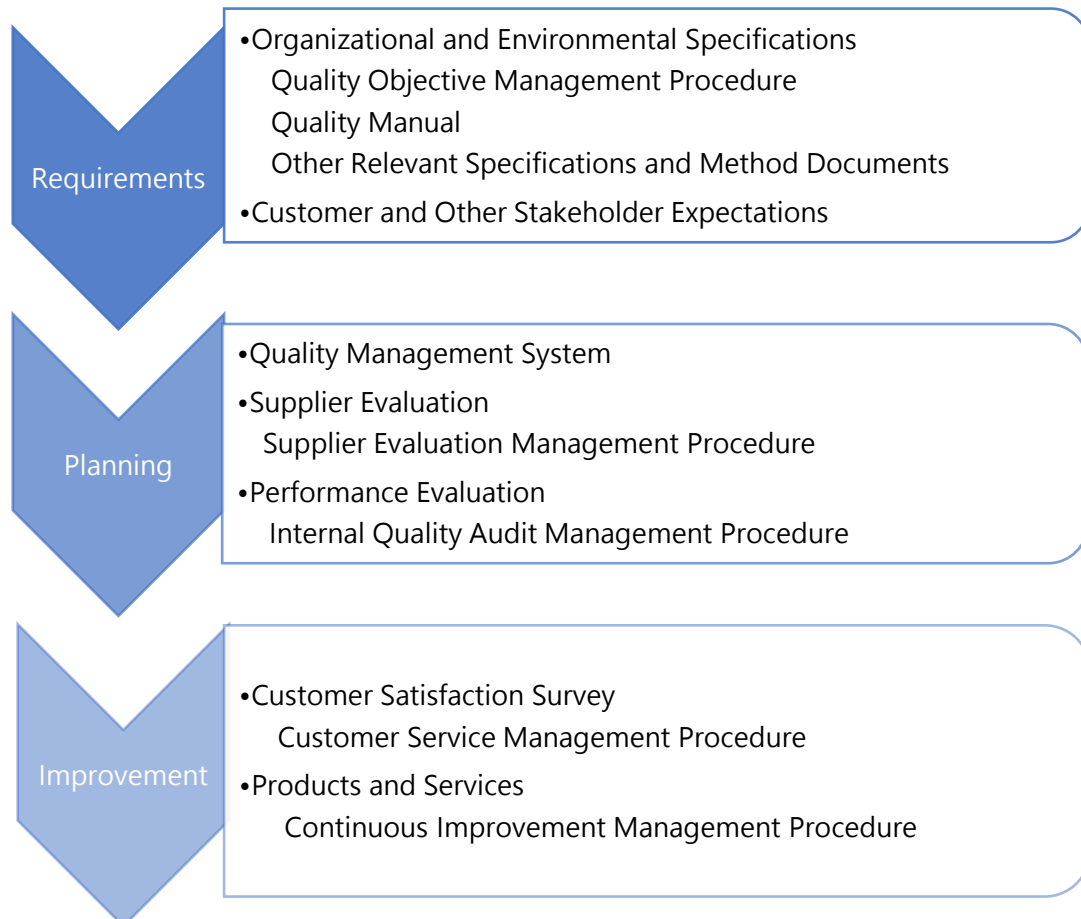
4.2 Product Quality

Quality Management

Based on the ISO 9001:2015 Quality Management System, Prime has established the Quality Manual as the core foundation for its quality management. This manual clearly defines the quality management policies, objectives, and processes, ensuring that the quality of products and services meets customer requirements and applicable regulatory standards. Prime conducts regular internal audits and management reviews to continuously improve the quality management system. We promote full participation in quality enhancement to ensure achievement of quality objectives, thereby strengthening the company's market competitiveness and brand trustworthiness.

Prime had no incidents of non-compliance with product-related safety regulations in 2024.

Quality Management Processes

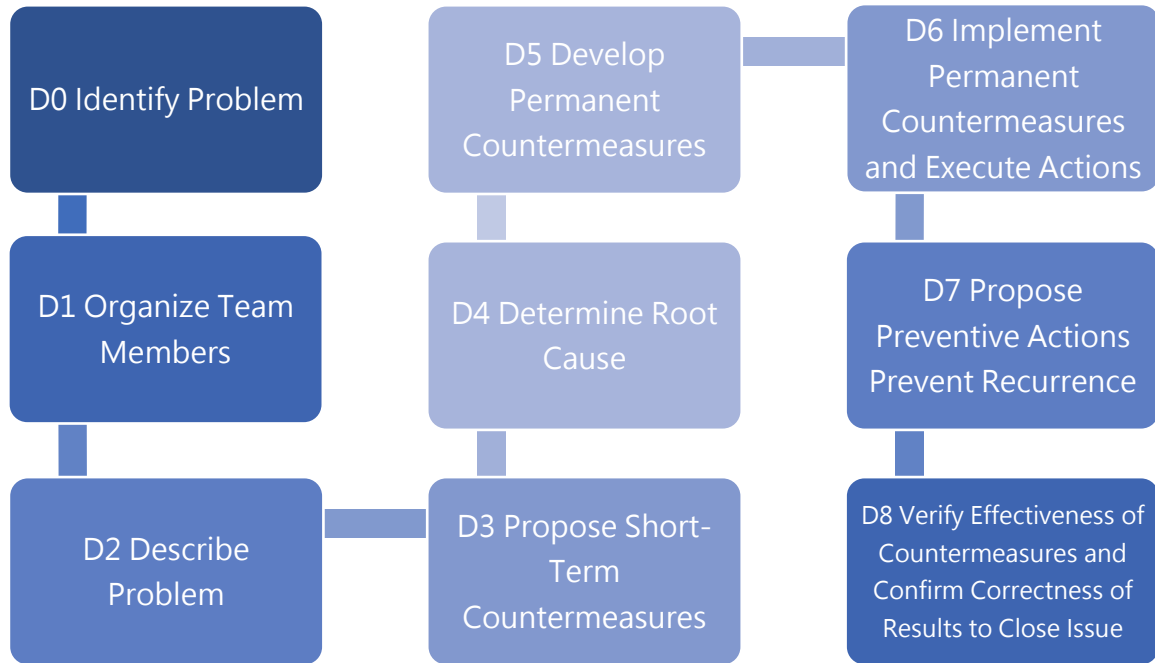


8D Problem Solving Method

For recurring critical issues, process quality anomalies, and customer quality demands, Prime employs the 8D Problem Solving Method (Eight Disciplines Problem Solving) to optimize and improve processes. This commitment to quality excellence enhances brand value. The specific process involves three steps:

Step One	Clearly identify the problem and assemble a specialized cross-functional team.
Step Two	Conduct root cause analysis, formulate short-term countermeasures, and propose long-term improvement plans to prevent recurrence.
Step Three	Implement solutions, validate their effectiveness, and incorporate successful countermeasures into standard operating procedures.

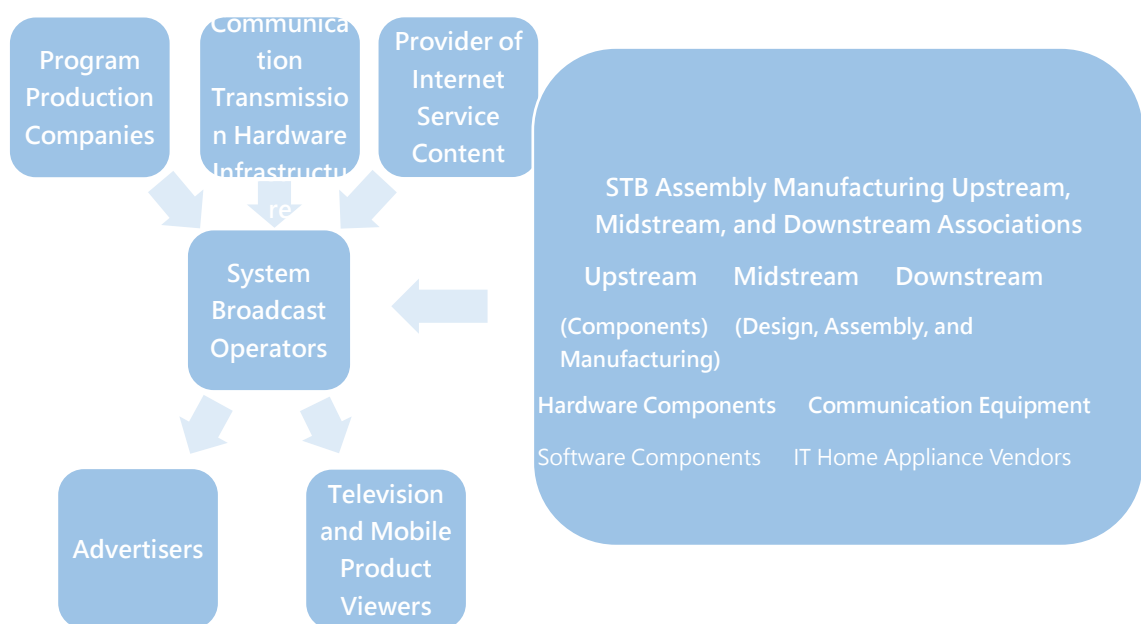
8D Problem Solving Flowchart



4.3 Supplier Sustainability Management

Prime Value Chain

Prime possesses core technologies in digital communications and intelligent systems, encompassing digital reception systems, STB products, networking technologies, and AI applications, delivering comprehensive solutions to global clients. The company specializes in customized product design and delivers end-to-end services spanning front-end reception, system operations, and smart terminal devices. Whether for digital broadcasting, IPTV systems, smart homes, long-term care, or healthcare applications, Prime delivers innovative technologies and solutions. Through diverse collaboration models, Prime plays a pivotal role in the global industrial chain, empowering clients to achieve business growth.



Supplier Management

Prime aspires to build mutually beneficial partnerships with suppliers. Beyond prioritizing product quality, delivery timelines, and pricing,

Dongguan Prime has established the “Supplier Selection, Evaluation, and Management Control Procedure” to identify qualified, high-quality suppliers. Prime commits to jointly fulfilling corporate social responsibilities with suppliers while implementing robust risk management and business continuity planning.

Supplier Selection, Evaluation, and Management Process

Process	Responsible Units
<pre> graph TD A[Identify and Select Suppliers] --> B{Preliminary Review} B -- NG --> A B -- OK --> C[Conduct On-site Evaluation] C -- 三次評價不合格 --> A C -- OK --> D{Approval} D -- NG --> A D -- OK --> E[Prototyping / Sample Approval] E -- NG --> F[Supplier Re-prototyping, R&D Re-verification] E -- OK --> G[Establish Qualified Supplier Roster] G --> H[Daily Supplier Management] G --> I[Periodic Evaluation of Qualified Suppliers] I -- NG --> J["1. Supplier Review and Improvement Submission
2. Order Reduction
3. Supplier Disqualification"] H --> K[Archive Supplier-Related Records] I --> K </pre>	Procurement Department
	(Deputy) General Manager
	Procurement Department / Engineering Department / Quality Department
	(Deputy) General Manager
	R&D Engineering / Procurement Department
	Procurement Department / Engineering Department / Quality Department / DCC (Document Control Center)
	Quality Department / Procurement Department
Archive Supplier-Related Records	All Responsible Units

All suppliers, whether new or existing, must sign the Corporate Social Responsibility Agreement to ensure compliance with RBA requirements. They are also required to regularly complete the Supplier RBA Self-Assessment Questionnaire to evaluate their performance across labor practices, health and safety, environmental protection, management systems, and business ethics. Depending on the supplier category, on-site audits are initiated with ongoing follow-up and guidance to ensure effective corrective actions. In 2024, Prime conducted on-site audits for 16 suppliers, all of which passed. Among these, 9 suppliers with actual material supply during the year underwent further evaluation. Evaluation criteria included the number of material anomalies, defective batches, quality compliance, delivery performance, and cost efficiency. The results classified 7 suppliers as Grade B and 2 as Grade C.

2024 Prime Supplier Overview

Category	Definition	Number of Suppliers
Approved Suppliers (AVL)	Self-procured materials	589
Customer-Designated Suppliers	Customer-specified	148
Restricted Suppliers	Customer-restricted or with special defined limitations	24
General Suppliers	General-purpose materials	151

Supplier Review Process



New Supplier Evaluation

Prime regards supplier management as a key initiative for implementing sustainable operations. Dongguan Prime evaluates new suppliers based on the “Supplier Selection, Evaluation, and Management Control Procedure.” A review team comprising relevant responsible managers or authorized personnel from the Procurement Department of the Materials Division, the Product Development Department, and the Quality Assurance Department conducts an initial review of supplier basic information. Concurrently, new suppliers are required to sign the “Social Corporate Responsibility Agreement.” In 2024, 44 new qualified suppliers were added.

Supplier Corporate Social Responsibility Commitments

<ul style="list-style-type: none"> Suppliers shall comply with local government environmental protection regulations and implement green procurement practices. Materials supplied must undergo environmental inspections and management. 	<ul style="list-style-type: none"> Suppliers shall identify, control, and treat waste, wastewater, and organic chemicals generated during operations in accordance with requirements. 	<ul style="list-style-type: none"> Suppliers shall establish procedures to identify operational risks related to labor, health and safety, environment, and business ethics, and implement appropriate processes to ensure compliance and risk control. 	<ul style="list-style-type: none"> Suppliers shall establish procedures to address non-compliance issues identified through internal and external assessments, inspections, and audits. Based on the nature and severity of such issues, improvement plans shall be developed to implement appropriate remedial and corrective actions. 	<ul style="list-style-type: none"> Suppliers shall prioritize environmental sustainability, collaborating with business partners to emphasize environmental protection, pollution prevention, and water resource management. They shall minimize operational environmental impacts and fulfill social responsibilities.
Environmental Protection 1	Environmental Protection 2	Risk Assessment and Management 3	Continuous Improvement 4	Environmental Sustainability 5
<ul style="list-style-type: none"> Prohibit the use of child labor, forced or compulsory labor, and prohibit abusive or discriminatory practices. Establish systems to safeguard employee rights, including employment conditions covering wages and working conditions. 	<ul style="list-style-type: none"> Suppliers shall comply with local government labor regulations. 	<ul style="list-style-type: none"> Suppliers shall provide a safe and healthy working environment, focus on industry safety knowledge, and reduce safety hazards in work processes and the workplace. 	<ul style="list-style-type: none"> Suppliers shall establish systems for fair trade, advertising, and competition, implementing measures to protect customer information. 	<ul style="list-style-type: none"> Suppliers commit to conducting all business activities with integrity, prohibiting any form of corruption, extortion, embezzlement, money laundering, or similar misconduct.
Labor and Human Rights 6	Human Rights and Labor Safety 7	Safety and Health 8	Fair Trade, Advertising, and Competition 9	Business Integrity 10

Conflict Minerals Due Diligence

Prime maintains ongoing vigilance regarding conflict minerals and requires suppliers to sign a “Conflict Minerals Non-Use Commitment.” This commitment ensures all products are free from minerals sourced from conflict-affected and high-risk areas, while adhering to electronics industry standards, fulfilling social responsibilities, and respecting human rights.

4.4 Customer Service

Prime is committed to listening to customer feedback. To ensure service quality and enhance customer satisfaction, Prime has established dedicated customer service hotlines and online communication platforms, implementing a comprehensive

customer complaint handling mechanism. We proactively conduct annual customer satisfaction surveys, client audits, and business meetings. By actively participating in trade shows, we provide communication channels and consultations for potential new clients while maintaining relationships with existing customers. This approach delivers superior service experiences, deepens client understanding of our product details, and strengthens collaborative partnerships. Through mutually beneficial goals with our clients, we create brand service value.

Customer Satisfaction Survey

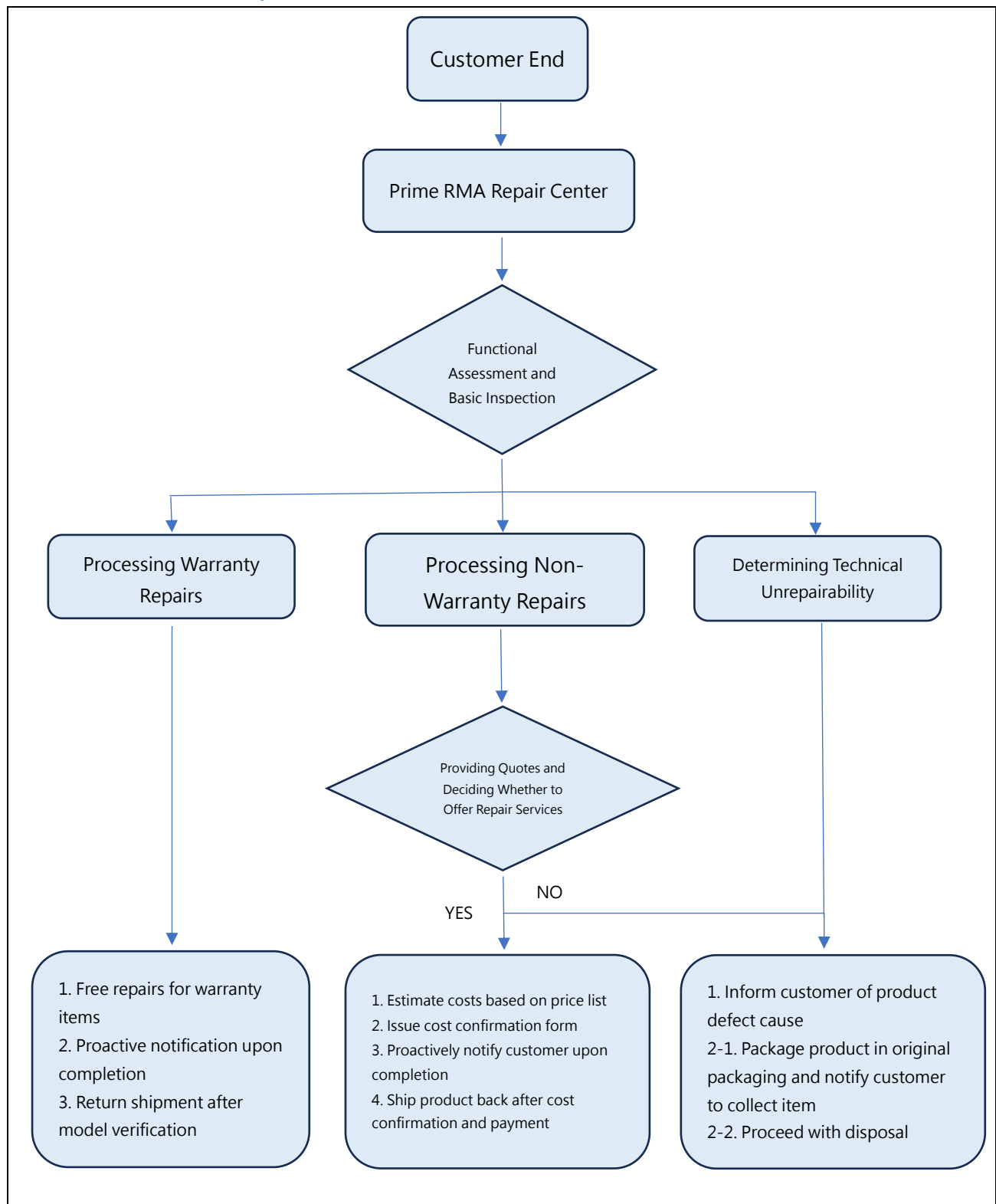
Year	2022	2023	2024
Number of Surveys	38	22	22
Average Customer Satisfaction Score	93	94	93
Customer Coverage Rate (%)	100	100	100

Note: Customer Coverage Rate = Percentage of all customers who received the satisfaction survey

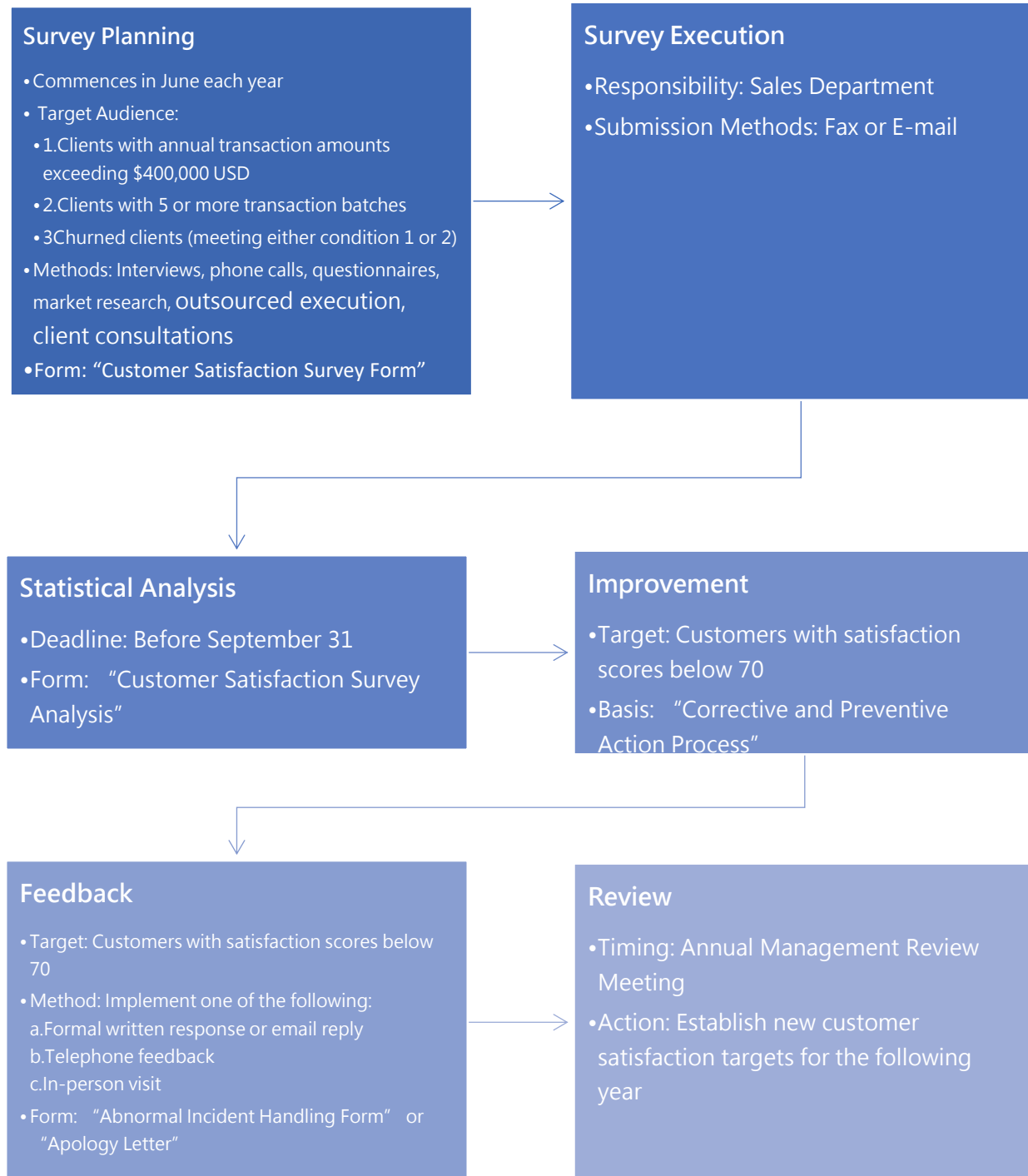
Customer Relationship Management

Prime values every customer, operating under the principle of “Quality First, Customer Foremost.” Customer feedback serves as the driving force for our growth and improvement. To achieve 100% customer satisfaction, we have established the Customer Service Management Procedures and Product Repair Management Procedures to deliver proactive, professional quality technical services. We efficiently route customer returns to internal departments for processing, aiming to enhance customer trust and satisfaction while maintaining long-term stable partnerships. This ensures timely and high-quality after-sales service delivery.

Customer Product Repair Service Flowchart



Customer Relationship Management Flowchart

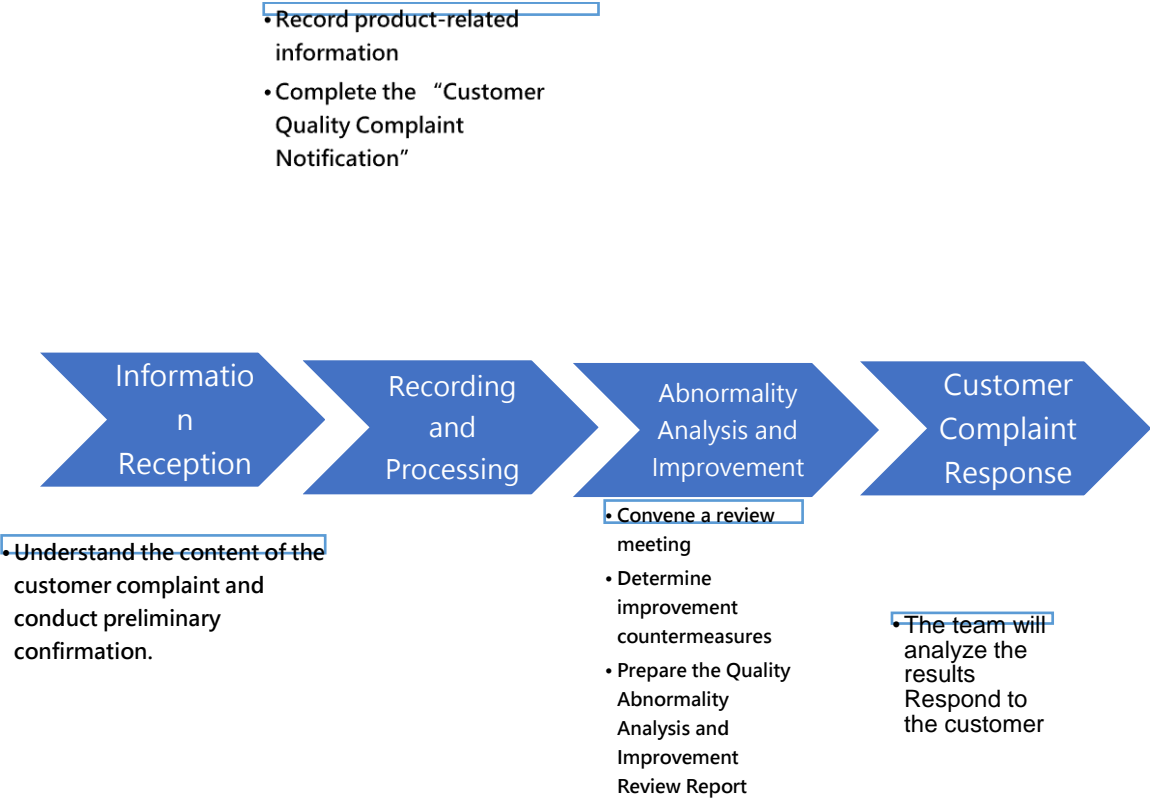


Customer Complaint Handling

To ensure the quality of customer service, Prime is committed to providing professional, prompt, and effective service to meet customer needs and expectations. The company has established the Customer Complaint Management Procedure. The following table outlines the relevant policies:

Purpose	Standardize the process for handling customer quality complaints to ensure timely and effective resolution, thereby enhancing customer satisfaction.
Scope of Application	All customer feedback received by the company regarding product quality issues.
Definition	
Short-Term Policy	Promptly analyze issues raised in customer feedback and implement corrective actions to address existing products at the customer end, striving for immediate resolution of quality anomalies; or minimize the scope of anomaly spread to eliminate or reduce adverse losses incurred by the company or customers.
Long-Term Policy	Building upon the short-term policy, the Quality Abnormality Handling Department conducts comprehensive defect analysis and judgment to identify all causes of the quality abnormality. This enables the implementation of fundamental and effective countermeasures. After verification, these measures ensure the thorough and effective resolution of the quality abnormality and prevent its recurrence.

Customer Complaint Handling Process



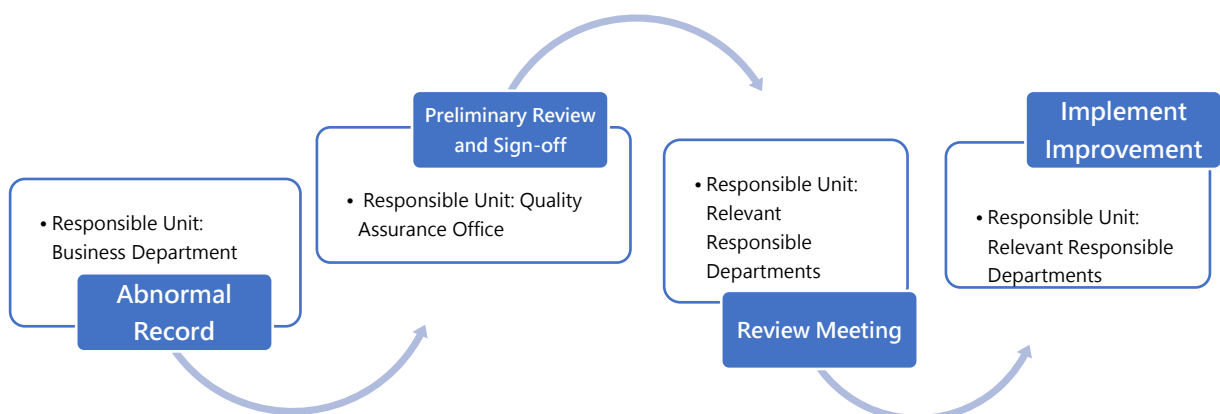
Information Reception

Upon receiving customer quality anomaly feedback, the Sales Department must first understand the complaint details and conduct preliminary verification.

Recording and Processing

The Sales Department is responsible for confirming and recording information regarding the customer's quality-defective product shipment date, quantity shipped, batch number, and reported anomaly symptoms. Relevant documentation must be completed and forwarded to the Quality Assurance Department within two hours of receiving the complaint.

Upon receiving the documentation from the Sales Department, the Quality Assurance Supervisor conducts an initial review and signs for receipt. The case is then assigned a reference number, and the relevant responsible departments are immediately convened to hold a review meeting. Together, they analyze the causes of the shipment abnormalities and establish both long-term and short-term corrective actions.



Abnormality Analysis, Improvement, and Customer Response

The Quality Assurance Department documents the review meeting outcomes in a review report and provides preliminary quality analysis and improvement countermeasures to the Sales Department within 24 hours. If long-term improvement measures cannot be promptly determined, implemented, and verified for response, the Quality Assurance Department will conduct further analysis and improvement before providing a follow-up response to Sales. Upon receiving the Quality Assurance Department's response, the Sales Department will immediately communicate it to the customer.

Prime 2024 Annual Customer Complaint Summary

Facility	Complaint Content	Number of Cases	Improvement Status	Case Resolution Rate
Taiwan Headquarters	Quality Issues	1	Clarified and addressed	100%

Customer Satisfaction Survey

To understand customer needs and expectations, identify shortcomings in services or products, and provide a basis for improvement. Prime proactively conducts annual customer service satisfaction surveys. The Sales Department sends survey emails to clients, covering multiple dimensions to understand customer needs. We are committed to cultivating deep partnerships with clients, achieving mutual benefit and win-win outcomes, and regard this as the foundation for sustainable corporate development.

Customer Satisfaction Survey Results

Survey Scope	Factory Area	Survey Frequency	Survey Copies	Response Rate	Annual Target	Average Score	Improvement Measures
<ul style="list-style-type: none"> ● Equipment Production Capacity ● Delivery ● Quality Assurance ● Environmental & Occupational Health & Safety ● Customer Communication ● Management Philosophy 	Taiwan Headquarters	Once a year	22	64%	90	93	For customers scoring 80 points, the responsible sales representative must further communicate with the customer regarding delivery time/quality/service to strive for achieving the customer's objectives.
	Dongguan	Quarterly	3	100%	92	95	None

CH5 、 Inclusive Workplace

Prime actively advances talent operations, prioritizing the cultivation of professional expertise. The company is committed to creating a friendly, healthy, and safe work environment while ensuring the fundamental rights of employees are properly safeguarded. Employees form the foundation of the company's growth and development, serving as the key asset for sustainable operations and maintaining competitiveness. To this end, the company upholds a “people-oriented” philosophy, valuing talent development and nurturing, and regards employees as its most important asset.

The company provides professional development training programs for employees, enhances cultivation initiatives, implements comprehensive education and training, effectively utilizes corporate human resources, and strengthens internal technical knowledge and experience transfer. Regarding workplace safety, the company has established an Occupational Safety and Health Committee in compliance with legal regulations. It formulates labor safety and health management regulations and annual plans, establishes standard operating procedures for occupational safety, health, and emergency response measures, and enhances employees' practical skills through regular occupational safety and health training to collectively maintain workplace operational safety.

Regarding employee rights, both the company and all group facilities strictly comply with local labor laws and regulations. We are committed to providing an effective and transparent communication platform for both labor and management. Separate labor-management committees and union committees have been established to ensure thorough communication on all issues and safeguard the rights of both parties. The Taiwan headquarters holds quarterly labor-management meetings to exchange and coordinate opinions. Dongguan Prime convenes union meetings as needed to further strengthen cooperation and mutual understanding between labor and management, promoting a stable and developing work

environment. The company hires employees with disabilities and prohibits the employment of child labor and underage workers. It adheres to internationally recognized standards and local regulations to safeguard the fundamental rights of all employees. There is no forced labor, ensuring employees can contribute their talents under voluntary, dignified, and fair conditions.

5.1 Human Rights

Human Rights Protection

As sustainable development continues to advance, enterprises are placing increasing emphasis on human rights protection and actively promoting initiatives related to human rights issues. Our company complies with government regulations and relevant personnel standards, taking concrete actions to safeguard employees' lawful rights and interests while respecting internationally recognized fundamental labor rights principles. Employee appointments, dismissals, and compensation are managed in accordance with our internal control system management regulations. We provide group insurance coverage to protect employees' basic rights, and our employment policies prohibit discriminatory treatment. Our human rights statement is as follows:

Human Rights Statement

Respect for Human Rights	<ul style="list-style-type: none"> · No preferential treatment or discrimination based on gender, age, race, physical disability, nationality, religion, marital status, or political stance
	<ul style="list-style-type: none"> · Ensuring employment policies are free from discrimination based on gender, race, age, marital status, or family situation. Implementing equal pay, employment conditions, training, and promotion opportunities. Providing diverse, open, transparent, and effective communication channels both internally and externally.
	<ul style="list-style-type: none"> • The company respects all employees and does not use corporal punishment, mental or physical coercion in treating employees.
	<ul style="list-style-type: none"> · Strictly comply with all applicable laws and regulations, prohibit pregnancy discrimination, and promote gender equality in the workplace.
	<ul style="list-style-type: none"> · Within the supply chain, we review the effectiveness of prohibiting child labor, underage labor, and forced labor, and ensure the implementation of measures to eliminate sexual harassment.
Employee Safety and Health	<ul style="list-style-type: none"> · The Company's environmental, safety, and health policy commits to preventing accidents, promoting employee safety and health, protecting company assets, and creating a safe and comfortable work environment.
Freedom of Association	<ul style="list-style-type: none"> · The company respects employees' freedom of association and legally safeguards the rights of both labor and management to engage in equal negotiations, providing a platform for such discussion
Working Hours System	<ul style="list-style-type: none"> · The company maintains records of employee working hours and respects employees' willingness to work overtime, ensuring employees do not work beyond reasonable limits.
Labor-Management Negotiation	<ul style="list-style-type: none"> • Establishing open communication channels and holding regular labor-management meetings to safeguard the rights and interests of both parties.

Intellectual Property Rights and Personal Data Protection	<ul style="list-style-type: none"> We strictly adhere to fundamental principles for protecting intellectual property and personal data. We ensure compliance with relevant laws and regulations when acquiring, using, and transferring intellectual property and personal data, extending this practice throughout our supply chain. This safeguards the secure handling of intellectual property and related data between our company and clients. For employees, beyond signing intellectual property protection commitments, we continuously promote personal data protection awareness.
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Employee Communication

Thorough communication and respect for diverse opinions serve as one of the driving forces behind our company's progress. Prime provides diverse, open, and transparent communication channels both externally and internally (such as email, service hotlines, employee suggestion boxes, etc.), prioritizing two-way, real-time communication. For those who raise concerns, the company handles matters with the highest level of confidentiality to protect individuals and prevent exposure, while also preventing retaliation or other improper actions against them. In 2024, the number of human rights complaints raised by employees was 0.

The Company maintains employee suggestion boxes in public areas, accessible only to authorized personnel. These boxes are managed by the Administration Department. Upon receiving any submissions, the relevant departments are notified to handle the matter within the prescribed timeframe. The Company received no messages via these suggestion boxes in 2024.

Additionally, Prime has established a reporting channel in accordance with the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct." This channel accepts reports from internal and external stakeholders on a named basis. The

reporting channels include the Stakeholder Section on the Company's official website, a dedicated reporting email address, and a direct extension telephone number. The Company encourages internal and external personnel to report dishonest or improper conduct. Depending on the severity of the reported circumstances, rewards may be offered. The Company commits to protecting whistleblowers from any adverse treatment resulting from their reports, thereby preventing the occurrence of dishonest conduct.

Labor-Management Meetings

Our company holds regular annual labor-management meetings, consistently treating employees with integrity. This practice is central to our commitment to fostering a positive atmosphere of communication and collaboration. Serving as a vital bridge between the company and its workforce, these meetings aim to enhance mutual understanding and cooperation, resolve workplace issues, and jointly plan future development directions.

In 2024, Prime held labor-management meetings quarterly, applicable to all employees at the Taiwan headquarters. A total of four meetings were convened this year. The Chairman shared the company's operational status and future outlook, addressing each employee's questions individually to facilitate effective two-way communication. Through these open channels, harmonious and trusting relationships are maintained, rendering collective bargaining agreements unnecessary. Employee coverage percentage is 0%. Attendance for the first three meetings was 12 participants each, while the fourth meeting had 13 attendees. This ensures employees have avenues to voice opinions, which are promptly considered as reference for company policy formulation.

Meeting Topics	<ul style="list-style-type: none"> · Labor Dynamics · Production Planning · Business and Market Overview Report · Factory Operations Report · Other Reports
Number of Attendees	The first three meetings had 12 attendees, and the fourth meeting had 13

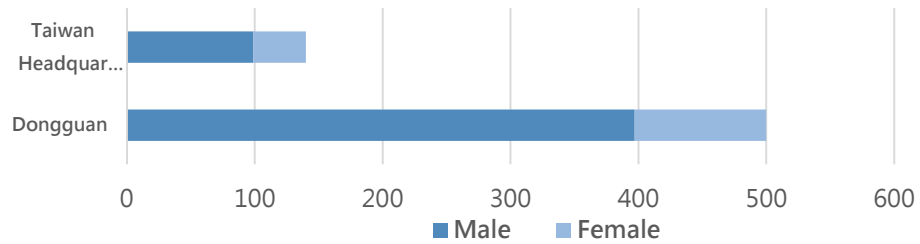
	attendees.	
Meeting Date	Meeting Content	Major Resolutions
March 28, 2024	Proposal for the election of labor representatives to the Occupational Safety and Health Committee.	Following the election of labor representatives and resolution by the labor representatives, the roster of labor representatives for the Occupational Safety and Health Committee shall be compiled in accordance with Article 87 of the Occupational Safety and Health Management Regulations for future reference.
June 27, 2024	<ol style="list-style-type: none"> 1. The Welfare Committee plans to organize departmental dinners in the second half of the year. The expenses for these dinners will be covered by the Welfare Committee account. Can the company provide employees with official business trip applications for these outings? 2. May we request approval to organize the annual year-end party day trip as in previous years? 	<ol style="list-style-type: none"> 1. Subject to the Welfare Committee's budget approval, the company agrees to grant two hours of official leave for off-site dining. 2. The company has responded that, as there is a precedent for holding such events, it will not revoke the benefit and agrees to the Welfare Committee's plan to organize the year-end party day trip.
September 27, 2024	<ol style="list-style-type: none"> 1. Eighth Labor-Management Conference Election Procedures for Labor Representatives submitted for discussion. 2. To express appreciation for the dedicated service of Labor-Management Conference committee members, Chairman Hsu proposes providing one meal voucher per year for committee members. This initiative aims to enhance camaraderie among committee members. The meal expenses will be covered by the company and purchased collectively when the Welfare 	The proposal was unanimously approved by all attending committee members.

	Committee arranges employee meal vouchers.	
December 20, 2024	<p>1. Proposal for the 2025 Annual Calendar, submitted for discussion.</p> <p>2. Overtime compensatory leave, special leave for supervisors, unused annual leave, and travel leave from the fourth quarter of 2023 must be taken by the end of the first quarter of 2024. The company continues to emphasize and promote work-life balance for managers and employees. Beyond methods to enhance work efficiency and discouraging overtime, we encourage staff to appropriately schedule leave to ensure the protection and exercise of their special leave rights. This is submitted for discussion.</p> <p>3. In accordance with past practice, employees are entitled to three days of travel leave in 2015. To be eligible for this leave, all annual special leave for the current year must be taken. Travel leave must be requested and taken before the end of the first quarter of the following year. Travel leave is calculated on a "per day" basis. Additionally, for new hires and employees on unpaid leave (), leave entitlement standards will be implemented by year-end. Proportional leave will be granted starting from the first day of the month following the completion of six months since employment or reinstatement. Leave days spanning the New Year will not be applicable. This proposal is submitted for discussion.</p>	The original proposal was approved unanimously by all attending committee members.

5.2 Human Resources

Talent Structure

The Company's human resources and hiring practices comply with legal regulations, adhering to principles of lawful employment, non-discrimination, prohibition of child labor, and exclusion of underage employees. Currently, there are 140 employees in Taiwan and 500 employees in Dongguan Prime. Among these, regular employees account for 99.69%, with non-regular employees accounting for 0.31%. All managerial positions are held by local nationals. Due to the nature of our industry, which involves developing and manufacturing hardware and software products such as digital satellite communication systems, home networking equipment, digital TV set-top boxes, and broadcast television front-end systems, our workforce primarily consists of production and R&D personnel. Consequently, the number of male employees exceeds that of female employees. In 2024, the Taiwan region had 99 male employees and 41 female employees. Dongguan Prime had 387 male employees and 113 female employees in 2024.



Job Level

Unit: Persons

	Taiwan Headquarters			Dongguan		
	Male	Female	Total	Male	Female	Total
Regular Employees (Management)	15	5	20	47	3	50
Regular Employees (Non-Management)	84	34	118	340	110	450
Non-Regular Employees	-	2	2	-	-	-
Total	99	41	140	387	113	500

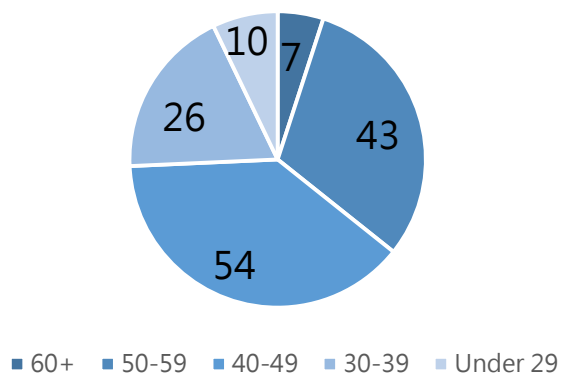
Note: Non-regular employees are defined as cleaners and kitchen assistants.

Age Group

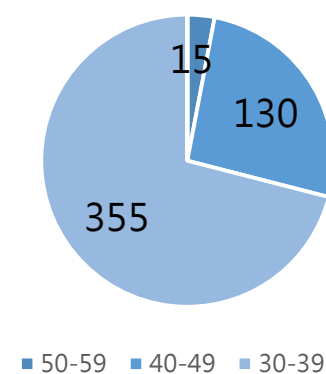
Unit: Persons

	Taiwan Headquarters			Dongguan		
	Male	Female	Total	Male	Female	Total
60+	7	-	7	-	-	-
50 - 59	27	16	43	10	5	15
40 - 49	36	18	54	80	50	130
30 - 39	20	6	26	297	58	355
Under 29	9	1	10	-	-	-
Total	99	41	140	387	113	500

Taiwan Headquarters



Dongguan

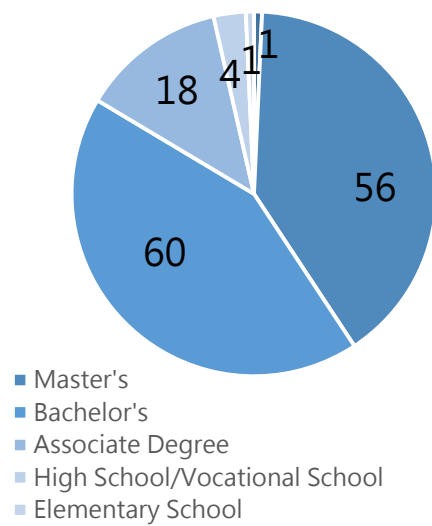


Education Level

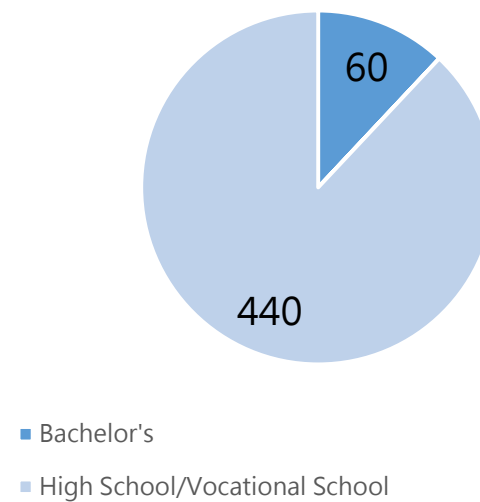
Unit: Persons

	Taiwan Headquarters			Dongguan		
	Male	Female	Total	Male	Male	Total
Doctorate	1	-	1	-	-	-
Master's	49	7	56	-	-	-
Bachelor's	38	22	60	47	13	60
Associate Degree	11	7	18	-	-	-
High School/Vocational School	-	4	4	340	100	440
Elementary School	-	1	1	-	-	-
Total	99	41	140	387	113	500

Taiwan Headquarters



Dongguan



In 2024, the company had 20 management positions at its Taiwan headquarters and 50 management positions at its Dongguan Prime facility, all filled by local supervisors. The company emphasizes gender equality, equal pay, and equal promotion opportunities. Regarding the appointment of female managers, we encourage female employees to realize their leadership potential. In 2024, the female manager appointment rate at the Taiwan headquarters was 25%, while the rate at Dongguan Prime was 6%.

Taiwan Headquarters 2024 Total Management Positions and Female Manager Hiring Numbers

Unit: Persons

Management Positions	Senior Managers	Middle Managers	Frontline Managers	Total
Number of Female Managers	3	2	-	5
Total Number of Managers	13	6	1	20
Hiring Rate	23%	33%	-	25%

Dongguan 2024 Total Management Positions and Female Manager Hiring Numbers

Unit: Persons

Management Positions	Senior Managers	Middle Managers	Frontline Managers	Total
Number of Female Managers	3	-	-	3
Total Number of Managers	50	-	-	50
Hiring Rate	6%	-	-	6%

In talent selection, Prime does not discriminate based on employees' disabilities. Currently, employees with disabilities account for 1.4% of the company's workforce, with 2 new hires in 2024. This practice advances our diversity and inclusion initiatives, fostering collaboration and innovation among employees to enhance competitiveness.

Number of Employees with Disabilities Hired in 2024

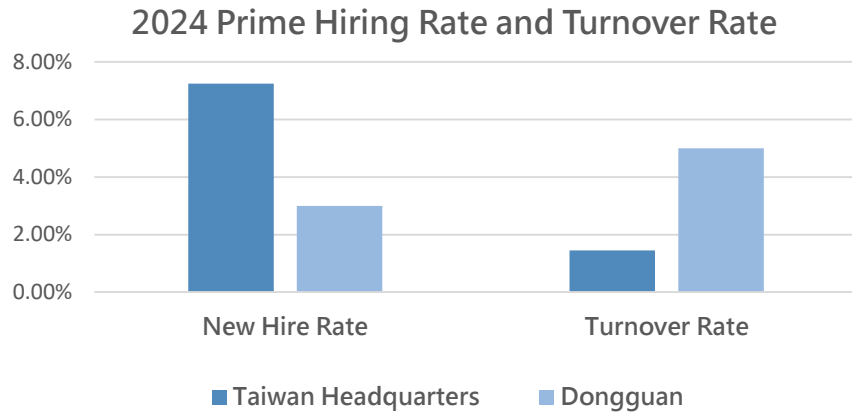
Year		2024
Total Number of Employees		140
Disabilities	Number of Employees	2
	Percentage	1.4%

Talent Recruitment and Retention

Prime recruits diverse top talent through multiple channels, primarily including the company website, job portals, and headhunting firms. The total recruitment budget for 2024 amounted to NT\$49,000.

In 2024, the number of new hires in Taiwan was 10, accounting for 7% of the total workforce. In Dongguan, Prime had 15 new hires, representing 3% of the total workforce. In 2024, the number of employees who left the company in Taiwan was 2, accounting for 1% of the total workforce. In Dongguan Prime, the number of employees who left was 25, accounting for 5% of the total workforce.

Employees are our company's most valuable asset. We adhere to legal regulations in talent recruitment, ensuring no discrimination based on gender, nationality, or race. Future plans include establishing long-term partnerships with educational institutions to maintain market competitiveness.



Note: New Hire Rate = Number of New Hires in the Year / Total Number of Employees at Year-End

Turnover Rate = Number of Employees Who Left in the Year / Total Number of Employees at Year-End

Unit: Persons

Number of New Hires in 2024

	Taiwan Headquarters			Dongguan		
Age/Gender	Male	Female	Total	Male	Male	Total
60+	-	-	-	-	-	-
50 - 59	4	-	4	-	-	-
40 - 49	-	-	-	-	-	-
30 - 39	1	1	2	15	-	15
Under 29	3	1	4	-	-	-
Total	8	2	10	15	-	15

The company is committed to providing a stable work environment. Upholding a people-oriented philosophy, we prioritize employee professional development and welfare. Beyond establishing occupational safety and health systems to provide training in professional skills and workplace safety, we clearly define regulations for reasonable working hours and extended working hours. We respect employees' willingness to work overtime and ensure the implementation of employee rights.

Number of Employees Who Left in 2024

Unit: Persons

	Taiwan Headquarters			Dongguan		
Age/Gender	Male	Female	Total	Male	Male	Total
60+	-	-	-	-	-	-
50 - 59	-	-	-	5	10	15
40 - 49	-	-	-	-	-	-
30 - 39	1	-	1	10	-	10
Under 29	1	-	1	-	-	-
Total	2	-	2	15	10	25

Compensation and Benefits System

Prime has established a Compensation Committee comprised of three independent directors. Its primary responsibilities include assisting the Board of Directors in implementing and evaluating the company's overall compensation and benefits policies, as well as managerial remuneration. The committee is required to hold at least two regular meetings annually; in 2024, it convened three times. The Company offers competitive compensation and benefits, including timely incentive bonuses and employee rewards based on operational performance. In 2024, incentive bonuses totaled NT\$55,000.

The Company's reward policy is structured around the following three key principles:

Compensation Policy	
Developing Unit	All Departments
Submission Timing	Irregular and unscheduled, prioritizing timeliness
Additional Notes	Records of rewards may also serve as reference for promotions (upgrades), annual performance evaluations, salary adjustments, and other company incentive measures such as profit sharing.

2024 Annual Total Compensation Ratio

	Taiwan Headquarters	Dongguan
Annual Total Compensation for the Highest-Paid Individual	1,014 thousand yuan	384 thousand yuan
(New Taiwan Dollars / NT\$)	865 thousand yuan	240thousand yuan
Median Annual Total Compensation for All Employees Excluding the Highest-Paid Individual	117%	160%

Prime has established an Employee Welfare Committee as a self-governing body dedicated to fostering harmonious labor-management relations. Beyond complying with the Labor Standards Act, Labor Insurance, the Employee Welfare Fund Ordinance, and relevant regulations, the committee actively cares for employees' livelihoods and benefits. Given the relatively small number of female employees, the company places particular emphasis on safeguarding their welfare, providing a lactation room to promote work-life balance.

Overview of Employee Welfare Measures

Welfare funds allocated from operating revenue, scrap income, and employee salaries	Annual travel activities and year-end banquet
Group insurance enrollment	Employee cafeteria providing complimentary lunches
Biennial health checkups and educational training programs	Designated lactation room
Commuter shuttle service and employee dormitories	Gift and condolence payments for major holidays, birthdays, weddings, childbirth, hospitalization, and bereavement

In compliance with Article 16 of the Gender Equality in Employment Act, both parents are eligible to apply for parental leave with pay upon reaching six months of employment, before each child turns three years old. The maximum leave duration is two years. Additionally, employees with less than six months of service must negotiate with the employer. In 2024, zero employees applied for childcare leave.

In accordance with the Labor Standards Act, the company has established employee retirement regulations and regularly contributes retirement funds to a dedicated retirement account as mandated by law. The Labor Pension Act has been implemented since July 1, 2005, adopting a defined contribution system. Employees may choose to apply either the retirement provisions under the Labor Standards Act or the retirement system under the Labor Pension Act while retaining their years of service prior to the Act's implementation. For employees under the Act, the Company's monthly contribution rate shall not be less than 6% of the employee's monthly salary. In 2024, the Company contributed NT\$8,295 thousand.

5.3 Talent Development

Training Initiatives and Outcomes

Prime regards its employees as the core of the company's development and competitiveness. Therefore, we place great emphasis on cultivating professional talent, making it one of our most important development objectives. The company offers diverse training programs and robust on-the-job education, including pre-employment training for new hires, in-service development courses, and specialized professional programs. Current employees are regularly scheduled for role-specific training, with senior colleagues from their departments assisting newcomers in understanding the company's industry positioning. This approach cultivates highly skilled professionals capable of tackling

challenging tasks. The total investment in education and training for the 2024 fiscal year amounted to NT\$103,000.

2024 Annual Training Schedule for Prime Education

Course Category	Course Title	Course Content	Target Audience	Total Participants	Average Training Hours per Person
Technical Enhancement	R&D Department Professional In-house Training	Patent Search and Avoidance, Asterisk Introduction, New Employee Professional Training	R&D Department Personnel	21	123
	Hardware Department Professional In-house Training	New Employee Professional Training	Hardware Department	1	536
	Software Department Professional In-house Training	PVR MW Introduction	New Hires	10	1
	Strategic Procurement Department Professional In-house Training	SAP Operation, New Employee Professional Training	Software Department Personnel	7	121
	Project Management Department Professional In-house Training	Science and Technology Project Process Sharing	Strategic Procurement Department Personnel	3	1
	Product Management Office Professional In-house	Using ChatGPT to Assist in Writing Excel VBA Programs	Project Management Department	8	2

	Training		Personnel		
	Quality Assurance Office Professional In-house Training	ISO 9001 Internal Audit Training	Product Management Office	4	1
	Mid-to-Senior Management Training Series	Corporate Governance Manager Continuing Education Course, Accounting Manager Continuing Education Course, Accounting Manager Proxy Continuing Education Course	Personnel	4	28
Course Category	Course Title	Course Content	Target Audience	Total Participants	Average Training Hours per Person
Technical Enhancement	Professional Training Series of Courses	SCH CAPTURE Schematic Design + PCB Layout Design BOARD, Space Environment Testing Course, AI Application: ChatGPT E-commerce Social Media Graphic Marketing Class, Pre-employment Training Workshop for New Internal	For employees based on job requirements	7	64.5

		Auditors, Practical Analysis of Latest Annual Report Preparation: ESG Sustainability Policy Regulations and Impact of Net- Zero Carbon Emissions on Financial Statements			
Regulatory Compliance	New Employee Orientation	Company History and Environment Overview, Attendance and Overtime Policies, Employee Benefits and Rights, Workplace Safety Awareness	New Hires	11	4
Workplace Safety	Occupational Safety and Health Training	Departmental Occupational Safety Briefings	New Hires,	16	476
	Firefighting Team Organization Training	Fire Safety Awareness, General Health and Safety	Employees as Required by Job Responsi- bilities	11	4
	First Aid Skills Training	CPR+AED Training Courses, First Aid Personnel Refresher Training	New Hires	111	4

Personnel Management	Human Resources Management Training	Handling Labor Inspections and Techniques for Reducing Overtime Pay and Wage Exclusions	All Employees, Employees as Required by Job Responsibilities	1	7
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Dongguan Prime 2024 Contractor Training Overview

Course Category	Course Content	Event Dates	Total Participants	Average Training Hours per Person
Implementation and Promotion	Approved Sample Update Management	January 8, 2024	10	1
	PDM/SAP System Application	January 19,2024	10	1
	ISO 14064 Training	January 11,2024	10	7
	Warehouse Management Procedures	January 19,2024	13	2
	ESD Protection and Safety Precautions	January 19,2024	50	1
	Pre-inspection Workstation Guidelines	May 15, 2024	20	1
Equipment Operation	Power Supply Testing Equipment Usage Standards	February 26, 2024	12	1
	SMT/DIP Process Flow	February 27, 2024	55	1
	Material Receiving Procedures	February 20, 2024	14	1

	Solder Pot Fundamentals	February 27, 2024	6	1
Environmental Safety	Moisture-Sensitive Components/FIFO Regulations	February 21, 2024	13	2
	Fire Drills	May 16, 2024	500	0.5
	Security Personnel Duties/	February 3, 2024 March 11, 2024 May 16, 2024	7	3
	Security & Fire Safety Training	March 2, 2024	4	2
	Relevant Laws and Regulations	May 15, 2024	4	2
	Corporate Social Responsibility	June 22, 2024 June 23, 2024	1	32

Average training hours for supervisors and general staff

Year	2024		2023	
Gender/Rank	Supervisory Positions	General Positions	Supervisory Positions	General Positions
Male	76	119	46	102
Female	13	89	8	30
Total	89	208	54	132

5.4 Occupational Health Management and Safety

Hygiene

Environmental Safety and Health Care

Prime's Environmental, Safety, and Health Policy commits to preventing accidents, promoting employee safety and health, protecting company assets, and creating a safe and comfortable working environment. The company strictly adheres to government safety and

health regulations and implements safety and health management practices. This includes conducting safety and health risk assessments, formulating and enforcing various safety and health work regulations. Annual employee safety, health, and wellness training courses are conducted. In accordance with the law, an internal firefighting team is established, and regular employee fire drills and disaster prevention exercises are held to effectively mitigate operational impacts. Protective measures for the work environment and employee personal safety are also in place, operating as follows:

2024 Workplace Environmental Protection Measures

<ul style="list-style-type: none"> • Regularly engage disinfection companies and cleaning personnel to maintain factory cleanliness and environmental protection. Conduct monthly maintenance on cooling towers and provide water quality test reports.
<ul style="list-style-type: none"> • Send personnel to attend environmental protection training courses organized by the Environmental Protection Administration, Executive Yuan, as well as seminars hosted by the Small and Medium Enterprise Administration, Ministry of Economic Affairs, and various environmental protection courses organized by the Taoyuan City Government.
<ul style="list-style-type: none"> •The company occupies a two-story building with two staircases. Handrails are installed on both sides, accompanied by warning signs stating “Please hold the handrail to prevent slipping.” Clear signage is displayed at all floor entrances and exits.
<ul style="list-style-type: none"> •Regular contracts are maintained with hazardous waste disposal agencies, Class A waste disposal agencies, and general industrial waste disposal agencies to safeguard the employee work environment.

2024 Employee Personal Safety Protection Measures

<ul style="list-style-type: none"> •A comprehensive health examination is conducted for all employees every two years. Following the examination, professional physicians provide personalized consultation services based on individual health reports to promote wellness and offer nutritional guidance.
<ul style="list-style-type: none"> •All bottled water consumed is regularly submitted to the Taoyuan City Health Bureau for sampling and testing for <i>Pseudomonas aeruginosa</i>, fecal streptococci, and coliform bacteria to ensure the safety and hygiene of employee drinking water.
<ul style="list-style-type: none"> •Employee shuttle bus services are provided. Annual vehicle rental contracts are signed and approved by the City Government Transportation Bureau for record-

keeping to ensure employee commuting safety.
<ul style="list-style-type: none"> •Fire prevention and evacuation facilities undergo safety inspections every two years. The “Occupational Accident Statistics Form” is submitted monthly to enforce occupational safety protocols.
<ul style="list-style-type: none"> •In accordance with the Occupational Safety and Health Act, the “Worker Safety Management Regulations” and “Safety and Health Work Guidelines” have been established. Two annual occupational safety, health, and fire prevention training sessions are conducted, featuring hands-on practice with fire extinguishers and fire hoses. A fire safety company is contracted to maintain building fire safety equipment, ensuring employee safety.
<ul style="list-style-type: none"> •Appoint a Labor Safety and Health Supervisor and Administrator as required. Maintain adequate first-aid supplies and equipment commensurate with the workplace size, layout, hazards, and workforce. Designate four qualified first-aid personnel.

2024 Employee Personal Safety Protection Measures

<ul style="list-style-type: none"> •Arrange on-site medical personnel health services and employee psychological counseling twice monthly. Additionally, schedule quarterly health seminars conducted by on-site physicians to provide employees with more comprehensive health information and consultation.
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2024 Fire Drills Conducted by Prime

2024 Prime Health Service Program and Outcomes

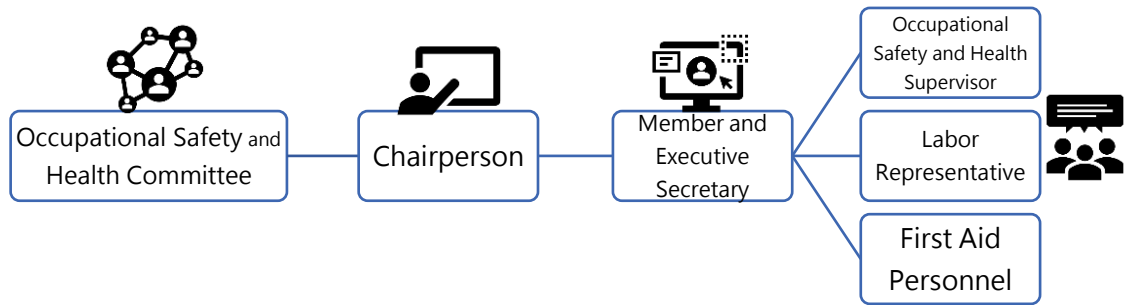
Service Item	arget Participants	Total Participants	Participation Rate	Funding Allocation (New Taiwan Dollars/NT\$)
Health Checkups	All Employees	136 Persons	93.15%	8.2 Ten Thousand

Prime spares no effort in promoting a work environment that complies with occupational safety and health standards. In accordance with legal regulations, the company has established an Occupational Safety and Health Committee. The committee convenes quarterly meetings to deliberate, coordinate, and make recommendations on safety and health matters, maintaining records for three years. The committee meetings are chaired by the chairperson, with special meetings convened as necessary. A total of four meetings were held this year.

Occupational Safety and Health Committee Roster

Title	Current Position	Responsibilities
Chairperson	Chairman	Business Manager
Member and Executive Secretary	Occupational Safety Department	Occupational Safety and Health Supervisor
Member	Administration Office	Unit Supervisor
Member	Occupational Safety Department	Occupational Safety and Health Supervisor
Member	Project Management Department	Labor Representative
Member	STB Business Group (Hardware Division I)	Labor Representative
Member	Finance Office	Labor Representative
Member	Administration Office	First Aid Personnel

Organizational Chart of the Occupational Safety and Health Committee



2024 Occupational Safety and Health Committee Meeting Agenda

Meeting Topic	Attendees	Meeting Time	Meeting Content
Regulation Revision	8	March 30, 2024	First-half 2024 occupational safety and health training and self-defense firefighting team training scheduled for June. Revisions to the following: 1. Human Factors Hazard Prevention Plan 2. Workplace Maternal Health Protection Plan 3. Prevention Plan for Illegal Acts During Duty Performance 4. Prevention Plan for Diseases Induced by Abnormal Workload 5. Occupational Safety and Health Management Regulations

Meeting Topic	Attendees	Meeting Time	Meeting Content
Work Environment	8	June 27, 2024	<p>March 29, 2024</p> <p>Conducting Work Environment Measurements:</p> <p>High/Low Voltage Electrical Equipment in Substation</p> <p>Performing Infrared Inspection</p> <p>Cooling Tower Water Pump</p> <p>Annual Inspection and Maintenance</p>
Work Environment	8	September 27, 2024	<p>Annual Maintenance and Inspection</p> <ul style="list-style-type: none"> • To ensure employee emergency protection, the company has installed AEDs in factory corridors. As required, 70% of employees in AED-equipped areas have completed relevant training. Training sessions will be scheduled in mid-October. First responders and administrators will complete AED training courses as mandated. • To address water leakage issues within the facility, three drainage gutter pumps have been installed on the roof. Waterproof tarps have been placed in the electronics warehouse to protect stored items from damage. • Work environment monitoring was conducted according to the Labor Work Environment Monitoring Plan. Relevant test results are reported as follows: Carbon Dioxide Monitoring: The

Meeting Topic	Attendees	Meeting Time	Meeting Content
			<p>permissible exposure limit for carbon dioxide is 5,000 PPM. Monitoring results showed no instances exceeding this standard.</p>
Training and Work Environment	8	December 20 2024.	<ul style="list-style-type: none"> • The annual safety inspection of firefighting equipment was completed on December 11, 2024. All deficiencies identified in the fire safety inspection report have been addressed and rectified. • To effectively communicate the contents of the fire protection plan to employees and enhance their fire prevention and disaster preparedness awareness, fire-related training was conducted on December 17, 2024, in compliance with the Fire Protection Act requirement for at least one training session every six months. This training aims to improve all employees' disaster prevention knowledge and emergency response capabilities. • The annual power-off inspection and maintenance of high-voltage electrical equipment was conducted on December 22, 2024.

Environmental, Health, and Safety Management System and

Policy

Beyond prioritizing environmental protection and fulfilling environmental responsibilities, Prime has established a dedicated occupational safety and health unit to oversee the creation of a secure working environment. The company has formulated the Environmental, Health, and Safety (EHS) and Occupational Safety and Health Management Regulations. Concurrently, it regularly conducts employee training in occupational safety and health, emergency response, and fire safety to enhance disaster prevention measures. The regulations primarily cover the following aspects:

Environmental Safety, Health, and Labor Safety Management Regulations

Scope of Application	Personnel subject to these regulations include employees and stakeholders (such as visitors, independent contractors, subcontractors, suppliers, etc.) whose job duties necessitate access to the workplace.
Regulation Content	
General Occupational Safety and Health Management Principles	<ul style="list-style-type: none">· All operations shall be conducted in accordance with relevant regulations, and operational checks and inspections shall be performed.· All workers shall receive relevant occupational safety and health training.· Hazardous machinery or equipment must be inspected and approved by an inspection agency before use and operated by personnel holding valid certifications.· All workers shall understand their individual emergency response duties in the event of an emergency.· All employees shall comply with safety and health

	<p>instructions from supervisors at all levels.</p> <ul style="list-style-type: none"> · Employees shall undergo regular health examinations and comply with the recommended actions based on the results.
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Regulatory Content	
Internal Occupational Safety and Health Management	<ul style="list-style-type: none"> · The company shall ensure that employees have good health and safety conditions at work and a good quality working environment in all activities related to business and labor. · The company is responsible for workplace facilities and working conditions and shall ensure that employees are provided with protection against accidents and other health hazards. · Employees shall comply with safety and health regulations stipulated by applicable laws or announced by the company. · To implement occupational safety and health management, the company may establish additional management plans as circumstances require. Relevant matters shall be handled according to the published plan content. Currently, the following plans are in place: <ul style="list-style-type: none"> · 1.Human Factors Hazard Prevention Plan · 2.Prevention Plan for Work-Related Illnesses Caused by Abnormal Workloads · 3.Maternal Health Protection Management Plan · 4.Prevention Plan for Unlawful Assaults During Duty · Performance · 5.Fire Protection Plan
Regulatory Content	

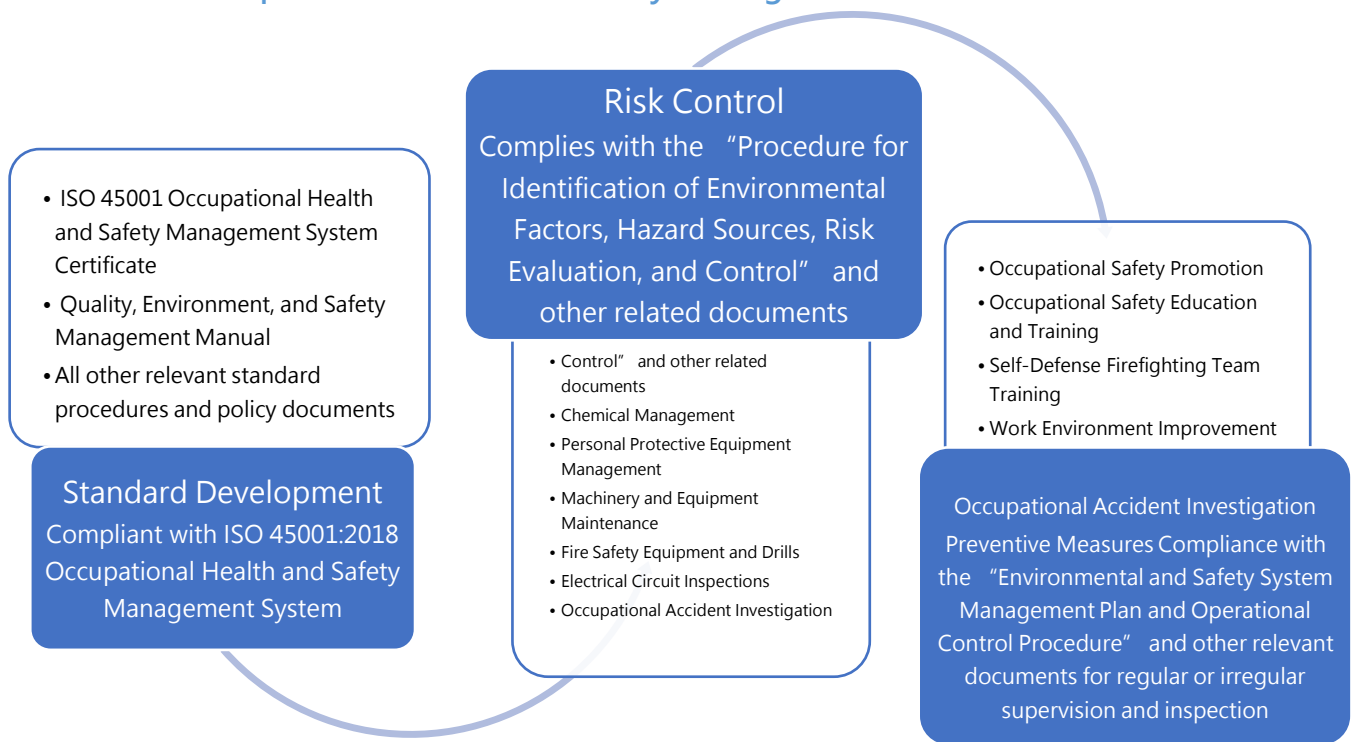
Contractor and Procurement Management	<ul style="list-style-type: none"> Contractors shall be fully aware of all factory regulations and the potential hazards associated with their contracted work. Contractors must conduct safety inspections of the work environment, work methods, and facilities. Contractors must conduct safety assessments of workplace processes and construction activities. Contractors shall have corresponding standard operating procedures for all operations to prevent industrial safety accidents caused by unsafe practices. When our employees work alongside contractors, the responsible department shall establish a coordination body with the contractor and hold regular or ad hoc coordination meetings. If our employees are not participating in joint operations, and the project involves two or more contractors working together, one of the contractors shall be designated to establish a coordination organization to handle occupational safety and health regulations.
Incident Reporting	<p>When any of the following occupational accidents occur</p> <ul style="list-style-type: none"> at a department's workplace, they must be reported to the Occupational Safety and Health Management Unit within 4 hours. The Occupational Safety and Health Management Unit must report to the Labor Inspection Authority within 8 hours of the accident: Fatal accident. An accident involving three or more victims. An accident involving one or more victims requiring hospitalization. Other accidents designated and announced by the central competent authority.
Division of Responsibilities	
Occupational Safety and Health Management Unit	Plans and supervises the implementation of all occupational safety and health-related operations within the company.
Administration Office	Plans and administers pre-employment physical examinations for new hires and periodic/special health

Occupational Injury Statistics and Risk Identification

Occupational Health and Safety Goals/Indicators		
Category	Objective	Indicator
Personal Safety	Reduce the number of minor injury incidents	Keep minor injuries below 3 incidents annually, with an injury rate per thousand employees $\leq 0.3\%$
	Zero serious injury or fatality incidents	Zero serious injuries or fatalities
	Zero occupational diseases	Annual occupational disease incidence rate: 0
Work Environment	Chemical Spill Prevention	Zero chemical leaks per year
	No fire incidents	Fire and explosion incidents: 0 per year
		No fire incidents causing losses exceeding 1,000 yuan
		Firefighting facilities are 100% installed in key fire prevention zones of the company,

Prime prioritizes a safe working environment and strives to achieve the long-term goal of zero occupational accidents. In 2024, the number of occupational injury cases involving both employees and non-employee workers was 0, and the number of employee fatalities in 2024 was 0.

Occupational Health and Safety Management Process



Dongguan Prime, in accordance with the ISO 45001:2018 Occupational Health and Safety Management System, has established the company's commitments, policies, and objectives regarding quality, environment, and occupational health and safety. It regularly improves management measures, implements the safety production responsibility system, and ensures that workplace safety and hygiene conditions comply with relevant regulations.

Hazard Identification, Environmental Factor Recognition

Scope	All routine and non-routine activities, including product manufacturing sites, construction sites within the factory premises, office areas, residential zones, canteens, dormitories, restrooms, etc.
Subject	All personnel, including company employees, contractors, and visitors.
Method	Conversations; on-site observations; review of relevant records; collection of external information; task analysis; safety checklists; failure mode analysis (FTA), etc.
Tense	Present, past, and future
State	Normal, abnormal, and emergency conditions

In implementing workplace environmental impact assessments, Dongguan Prime employs both the “Qualitative Risk Assessment Method” and the “Semi-Quantitative Job Hazard Analysis Method” to conduct environmental risk evaluations.

The qualitative risk assessment relies on expert judgment and descriptive language, primarily used when risk data is insufficient or during preliminary risk identification. This method categorizes risks as high, medium, or low through team discussions or expert intuition, suitable for smaller-scale or more intuitive risk scenarios.

The semi-quantitative safety evaluation method, however, quantifies risks using numerical data, converting assessment outcomes into specific values for clearer and more comparable results. This approach is suitable for scenarios requiring cross-departmental collaboration and involving comparisons between different risks. The 2024 assessment projects are listed in the table below:

2024 年度風險項目及相關說明

Factory	Risk Item	Risk Description	Improvement Plan
Dongguan Prime	Chemical Use	<ul style="list-style-type: none"> •Chemical spills or splashes on skin during operations •Flammable and explosive hazards 	<ul style="list-style-type: none"> •Train staff on chemical protection to understand associated hazards •Regularly inspect protective equipment functionality
	Equipment Maintenance	<ul style="list-style-type: none"> •Electrical leakage from machinery •Burns from equipment 	<ul style="list-style-type: none"> •Apply insulation and install ground fault circuit interrupters •Wear protective gear •Conduct routine maintenance to promptly identify and address abnormalities
	Material Handling	<ul style="list-style-type: none"> •Crushed toes 	<ul style="list-style-type: none"> •Wear protective gear during material handling

2024 年度風險項目及相關說明

Factory	Risk Item	Risk Description	Improvement Plan
		<ul style="list-style-type: none"> •Impact injuries from falling objects •Cuts from sharp objects 	<ul style="list-style-type: none"> •Use handling tools according to specifications •Do not exceed height warning lines when stacking materials per regulations
	Electrical Shock	<ul style="list-style-type: none"> •Aged or damaged wiring •Damaged or exposed outlets 	Regular plant inspections to eliminate electrical hazards Post warning signs for live electrical hazards Train and standardize the use of live-line tools
	Fire	<ul style="list-style-type: none"> •Accidental fires 	<ul style="list-style-type: none"> •Conduct firefighting and evacuation drills twice yearly •Monthly inspection of firefighting equipment and apparatus •Promote fire prevention and firefighting awareness

HSE Training and Promotion

Prime provides internal employees with relevant training in occupational safety and health, including occupational safety regulations and the use of hazardous machinery and equipment. Most courses are conducted in-house. The company offers four monthly on-site medical promotion sessions and arranges four annual on-site physician consultations.

CH6 、 Social Responsibility

6.1 Community Engagement

Prime actively participates in social welfare initiatives, focusing on supporting multiple social development projects spanning education, health, environmental protection, and assistance for disadvantaged groups. The company collaborates with various sectors to advance sustainable development and enhance social welfare, thereby strengthening social capital.

External Associations

To foster industry exchange, jointly advance emerging technologies and relevant information across sectors, and strengthen social communication and sustainable development, Prime actively participates in external professional associations.

Prime 2024 List of Participating Associations

Participating Organization	Participation Status
Taoyuan City Industrial Association	Member

6.2 Social Welfare

This year, Prime organized charitable and procurement activities centered on supporting disadvantaged groups, inviting employees and the broader community to participate. This further strengthened our connection with society and reinforced our corporate social responsibility. By injecting vitality into society, we enhance public welfare while amplifying our company's social influence and elevating corporate value.

Prime 2024 Social Welfare Activity Projects

Region	Social Welfare Activity	Partner Organization	Expenditure Amount (Unit: New Taiwan Dollars)
Taiwan	Taoyuan City Mobile Massage Experience for the Visually Impaired	Taoyuan City Government	-
	Taoyuan City Touring Performances by Street Artists with Disabilities		-
	Taoyuan City Sheltered Workshop Exhibition and Sales Program		15Thousand Yuan
China	Dalang First High School Anniversary Celebration	Dalang First High School	21 Thousand Yuan

Prime 2024 Annual Social Welfare Procurement Items

Procuring Entity	Procurement Item	Procurement Amount (Unit: New Taiwan Dollars)
Shen Huan Er Social Welfare Foundation	Charity Cookie Sale	15 Thousand Yuan

Appendix I GRI Content Index

Statement of Use	Prime Electronics has referenced GRI Standards in reporting content for the period from January 1, 2024, to December 31, 2024.
GRI Standards 1	GRI 1: Foundation 2021
Applicable GRI Industry Standards	None

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
General Disclosure					
GRI 2: General Disclosures 2021	Organizational and Reporting Practices				
	2 1	Organizational Details	1.1 Company Profile	5 7	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
	2 2	Entities Included in the Sustainability Report	About This Report	2	
	2 3	Reporting Period, Frequency, and Contact Person	About This Report	2	
	2 4	Information Restatement	Appendix	97	This report is the first sustainability report published by Prime. The contents of this report have not been subject to third party assurance or assurance.
	2 5	External Assurance/Confirmation	Appendix	97	
	Activities and Personnel				
	2 6	Activities, Value Chain, and Other Business Relationships	4.3 Supplier Sustainability Management	60 63	
	2 7	Employees	5.2 Human Resources	74 80	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
	2 8	Non employee workers	5.2 Human Resources	74	
	Governance				
	2 9	Governance Structure and Composition	2.1 Corporate Governance 2.2 Sustainability Committee	22 28 28 29	
	2 10	Nomination and Selection of the Highest Governance Body	2.1 Corporate Governance	22 28	
	2 11	Chairperson of the Highest Governance Body	2.1 Corporate Governance	22 28	
	2 12	Role of the Highest Governance Body in Overseeing Impact Management	2.1 Corporate Governance 2.2 Sustainability Committee	22 28 28 29	To facilitate rapid decision making and resource integration, the Chairman of Prime concurrently serves as Chief Strategy Officer. Prime has established effective internal control systems,

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
					such as , and formed an independent Audit Committee to ensure transparency and mitigate conflicts of interest.
	2 13	Impact Management Lead	2.2 Sustainability Committee	28 29	
	2 14	Role of the Highest Governance Body in Sustainability Reporting	About This Report	2	
	2 15	Conflicts of Interest	2.1 Corporate Governance	28	
	2 16	Communication of Key Significant Events	2.1 Corporate Governance	22	
	2 17	Collective Wisdom of the Highest Governance Body	2.1 Corporate Governance	24 25	
	2 18	Performance Evaluation of the Highest Governance Body	2.1 Corporate Governance	25 26	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
	2 19	Compensation Policy	2.1 Corporate Governance	27 28	
	2 20	Compensation Decision Process	2.1 Corporate Governance	27 28	
	2 21	Annual Total Compensation Ratio	2.1 Corporate Governance	28	
	Strategy, Policy, and Practice				
	2 22	Statement on Sustainable Development Strategy	Chairman's Message	4	
	2 23	Policy Commitment	1.2 Sustainable Operations	8	
	2 24	Incorporation into Policy Commitments	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
	2 25	Procedures for Mitigating Negative Impacts	2.3 Risk Management	29 30	
	2 26	Mechanisms for Seeking Advice and Raising Concerns	2.4 Integrity, Transparency, and Legal Compliance	32 33	
	2 27	Regulatory Compliance	2.4 Integrity, Transparency, and Legal Compliance	31 32	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
	Stakeholder Dialogue				
	2 29	Stakeholder Engagement Policy	1.4 Stakeholder Communication and Materiality Analysis	12 16	
	2 30	Collective Bargaining Agreements	5.1 Human Rights	72, 100	Not applicable. Collective agreements lacking disclosure items cannot be disclosed.
Material Issues					
GRI 3: Material Issues 2021	3 1	Process for Identifying Material Issues	1.4 Stakeholder Engagement and Materiality Analysis	14	
	3 2	List of Material Issues	1.4 Stakeholder Engagement and Materiality Analysis	15	
Economic Performance					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
GRI 201: Economic Performance 2016	201 3	Defined Benefit Plan Obligations and Other Retirement Plans	5.2 Human Resources	79 80	
GRI 201: Economic Performance 2016	201 4	Financial Assistance from Government	1.3 Financial Performance	10 11	
Integrity in Business Operations					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
GRI 205: Anti Corruption 2016	205 3	Identified Corruption Incidents and Actions Taken	2.4 Integrity, Transparency, and Legal Compliance	31 33	
GRI 206: Anti Competitive Practices 2016	206 1	Legal Actions Regarding Anti Competitive Practices, Antitrust, and Monopoly Conduct	2.4 Integrity, Transparency, and Legal Compliance	31 33	
Information Security Management					

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
GRI 418: Customer Privacy 2016	418 1	Complaints Verified as Customer Privacy Violations or Customer Data Loss	2.5 Information Security Management	34	
Product Quality and Safety					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
Compensation and Employee Benefits					
GRI 3: Material Issues 2021	3 3	Material Issue Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
GRI 401: Labor Practices 2016	401 1	New and Departing Employees	5.2 Human Resources	78 79	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
GRI 401: Labor Management Relations 2016	401 2	Benefits provided to full time employees (excluding temporary or part time employees)	5.2 Human Resources	79 80	
Business Continuity Management					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
Corporate Governance					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
Regulatory Compliance					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
GRI 206: Anti Competitive Practices 2016	206 1	Legal actions related to anti competitive, antitrust, and monopoly practices	2.4 Integrity, Transparency, and Legal Compliance	31	
Occupational Health and Safety					
GRI 3: Material Issues 2021	3 3	Material Issues Management	1.4 Stakeholder Engagement and Materiality Analysis	17 21	
GRI 403: Occupational Health and Safety 2016	403 1	Occupational Health and Safety Management System	5.4 Workplace Health Management and Safety and Health	84 93	
GRI 403: Occupational Health and Safety 2016	403 2	Hazard Identification, Risk Assessment, and Incident Investigation	5.4 Occupational Health Management and Safety and Hygiene	92	

GRI Standards	Disclosure Item		Corresponding Section	Page	Remarks
GRI 403: Occupational Health and Safety 2016	403 3	Occupational Health Services	5.4 Workplace Health Management and Safety and Health	84 85	
GRI 403: Occupational Health and Safety 2016	403 5	Worker Training Related to Occupational Safety and Health	5.3 Talent Development	82 83	
GRI 403: Occupational Safety and Health 2016	403 7	Preventing and mitigating occupational health and safety impacts directly related to business operations	5.4 Workplace Health Management and Safety	92	
GRI 403: Occupational Health and Safety 2016	403 9	Occupational Injuries	5.4 Workplace Health Management and Safety and Health	91	

Appendix II: Salary Information for Full-Time Employees Not Holding Supervisory Positions

Serial Number	Disclosure Pathway	Corresponding URL
1	<pre> graph LR A[Public Information Observation Station] --> B[Summary Report] B --> C[Corporate Governance] C --> D[Employee Benefits and Compensation Statistics] D --> E[Salary for Full-Time Employees Not Holding Supervisory Positions] </pre>	Public Information Observation Station
2	<pre> graph LR A[Public Information Observation Station] --> B[Single Company] B --> C[Corporate Governance] C --> D[Corporate ESG] D --> E[Corporate ESG Company Information] E --> F[ESG Information Disclosure (Individual Company Query)] F --> G[Social Dimension - Under Human Resource Development Indicators] </pre>	ESG GENPLUS