

PRIMAX

Primax Electronics Ltd.

Stock Code: 4915

2024

Annual Report



2024 Annual Report

Taiwan Stock Exchange Market Observation Post System – <https://mops.twse.com.tw>

Company Website – <https://www.primax.com.tw>

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Names, Titles, Telephone Numbers and E-Mail Addresses of the Spokesperson and Deputy Spokesperson

Spokesperson: Hsiao, Yin-Yi
Title: General Manager and CFO
Telephone: 886-2-2798-9008
E-mail: IR@primax.com.tw

Deputy Spokesperson: Tseng, Ya-Lan
Title: Senior Director, Investor Relations
Telephone: 886-2-2798-9008
E-mail: IR@primax.com.tw

Name, Address, Website, and Telephone Number of Share Registration and Transfer Agent

Name: SinoPac Securities
Address: 3F, No.17, Bo'ai Road,
Zhongzheng District, Taipei City
Website: <https://www.sinotrade.com>
Telephone: 886-2-2381-6288

Registered Address and Telephone of Corporate Headquarters

Registered Address of Corporate Headquarters: No. 669, Ruiguang Road,
Neihu District, Taipei City
Telephone: 886-2-2798-9008

Names, Address, Website, and Telephone Number of the CPA Firms Retained For Service in the Most Recent Period

Names of CPAs: Horng, Shyh-Gang ; Fu, Hung-Wen
Name of CPA firm: KPMG Taiwan
Address: 68F., No.7, Section 5, Sinyi Road, Sinyi District, Taipei City
Website: <https://www.kpmg.com.tw>
Telephone: 886-2-8101-6666

Names of the Exchanges in Foreign Countries Where the Stock of PRIMAX Is Listed For Trading and the Means for Inquiry of the Securities: None.

Company Website

<https://www.primax.com.tw/>

Chapter 1

Letter to Shareholders

Dear Shareholders,

In 2024, global inflation continued to ease, and major central banks successively adopted monetary easing policies to prevent economy downturns. However, high interest rate environment adversely impacted market demand. Additionally, major countries implemented de-risking policies, leading to significant adjustments in supply chains. Furthermore, due to mounting geopolitical risks, electronics manufacturing industry face severe challenges and demands for building resilience and adaptability of businesses.

In light of dynamic market changes, PRIMAX continued to deepen its transformation in 2024 and lie on core competency of "X-IN-1 Sensory Fusion" innovations to optimize its product portfolios with focus on enhancing profitability and product quality. In the Information Products segment, despite that AI PC market development were slower than expected, both revenue and profitability grew year over year thanks to increasing orders from PC and gaming customers. The Smart Lifestyle segment revenue declined due to demand weakness. However, the significant rise in new project wins are expected to inject growth drivers in 2025. For the Auto and AIoT segments, the surveillance, professional and automotive audio continued steady shipping, achieving high double-digit revenue growth. Moving forward, PRIMAX will focus on automotive electronics, public safety, and fleet management to further expand its market presence.

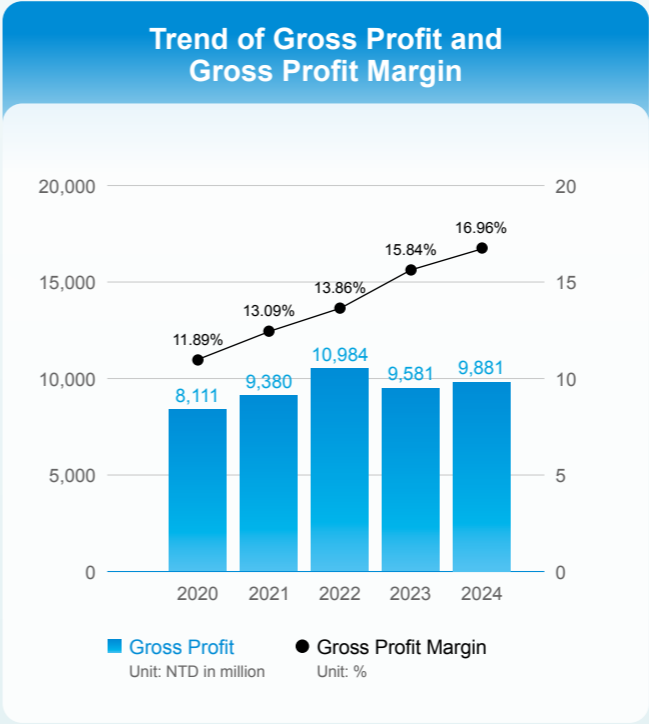
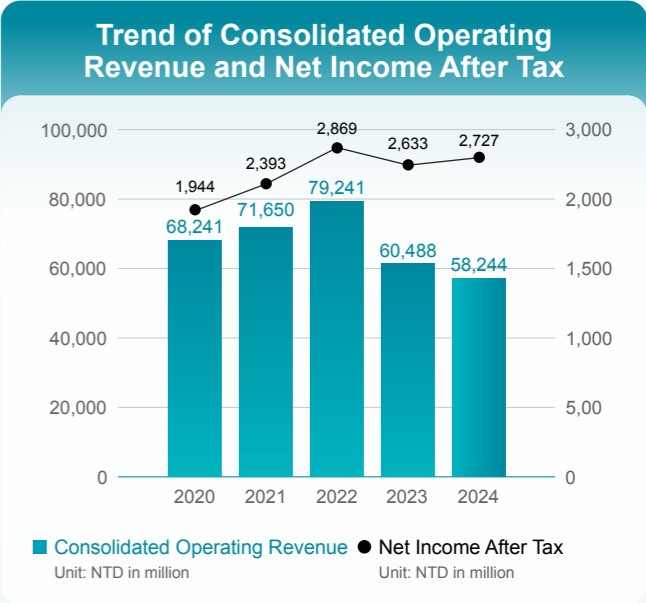
In response to the global supply chain strategy and diversification of production sites, the shipping volume from PRIMAX's Thailand plant continued to rise in 2024, while supply quality and costs of Thailand plant gradually approached the standards of the China plant. Meanwhile, the company is expanding capacity to meet evolving customer demands and enhance its global competitive edges.

The following is an overview of the Company's 2024 performance.

Business Operation Performance in 2024

(1) Implementation Results of Business Plan

In 2024, the Company reported consolidated net revenues of NT\$58,243,661 thousand, a 3.7% decrease from NT\$60,488,402 thousand in 2023. Consolidated net income after tax rose by 3.6% to NT\$2,727,124 thousand, up from NT\$2,633,489 thousand the previous year.



(2) Budget Execution Status

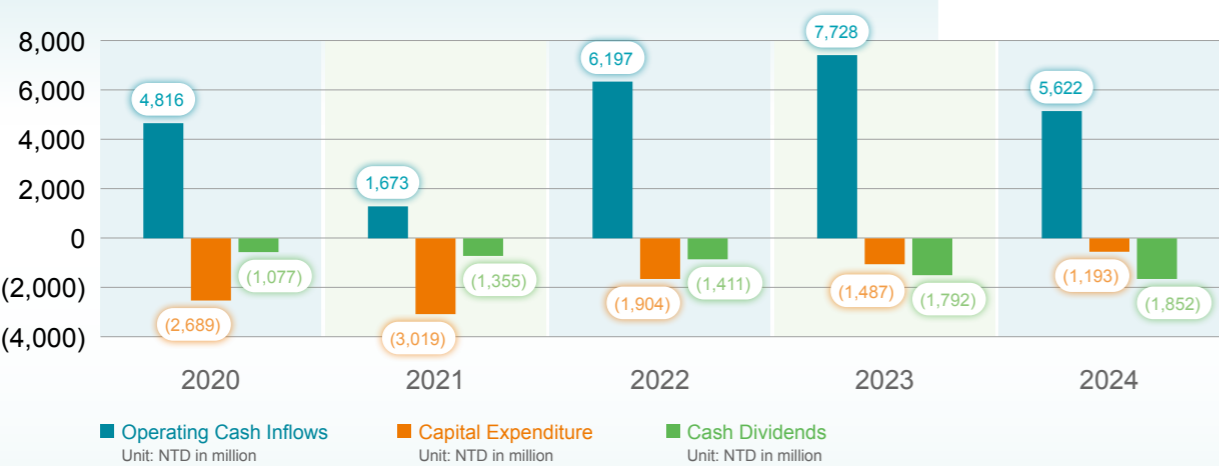
It is not applicable since the Company did not disclose financial forecasts for 2024.

(3) Cash Flow Analysis

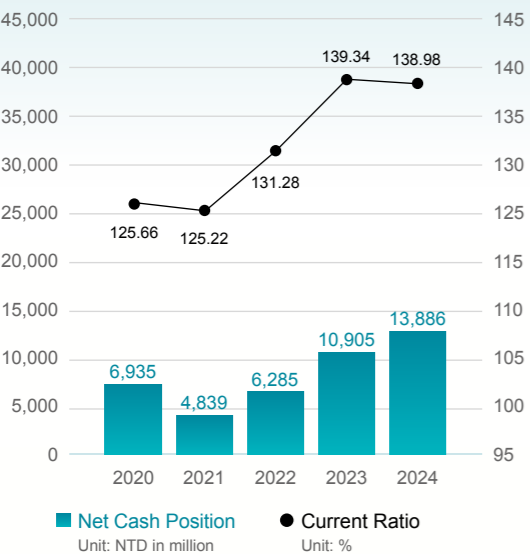
Unit: NT\$1,000

Item	2024	2023	Net change
Net cash inflows from operating activities	5,621,528	7,727,513	(2,105,985)
Net cash outflows from investing activities	(1,269,618)	(1,435,450)	165,832
Net cash outflows from financing activities	(2,079,897)	(1,496,505)	(583,392)

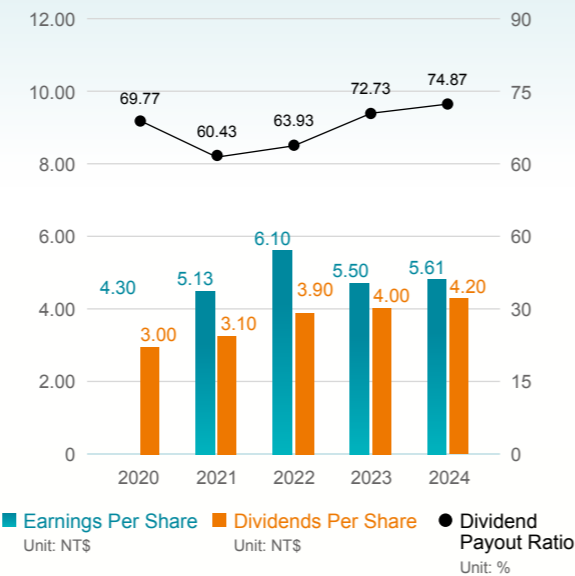
Distribution of Operating Cash Flow Across Key Expenditures



Trend of Net Cash Position and Current Ratio



Trend of Earnings Per Share, Dividends Per Share and Dividend Payout Ratio



Note: The surplus distribution for 2024 will be handled in accordance with the regulations after the resolution was adopted at the general shareholders' meeting on May 23, 2025.

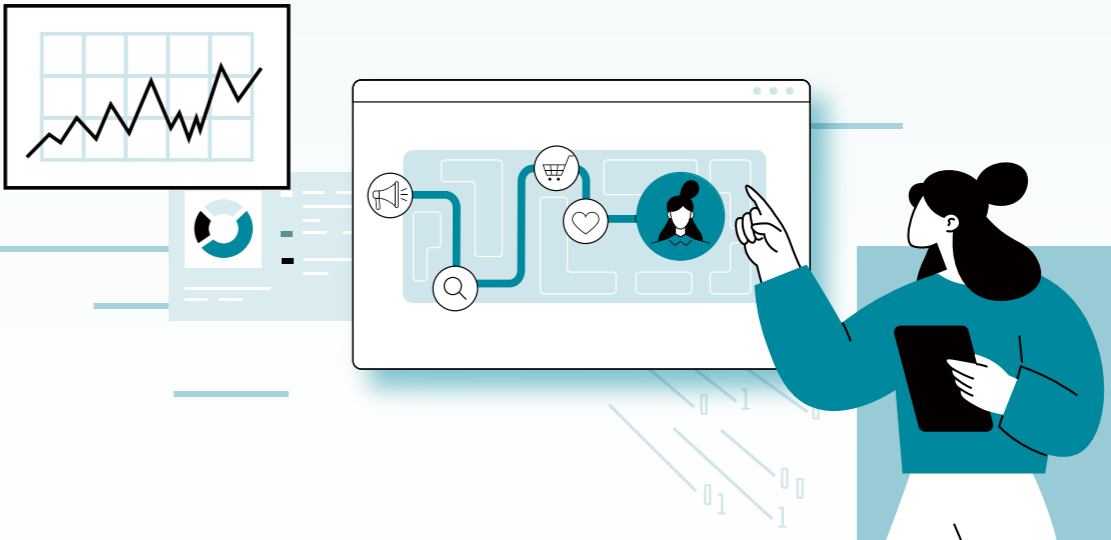
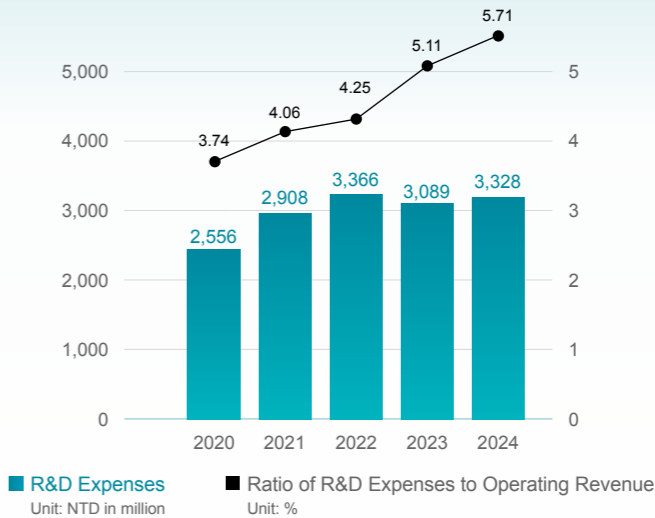
(4) Profitability Analysis

Item	2024	2023
Return on Shareholders' Equity (%)	14.01	14.09
Ratio of Operating Profit to Paid-in Capital (%)	58.64	59.25
Ratio of Income Before Tax to Paid-in Capital (%)	73.15	70.55
Net Profit Margin (%)	4.68	4.35
Earnings per Share (NT\$)	5.61	5.50

(5) Research and Development

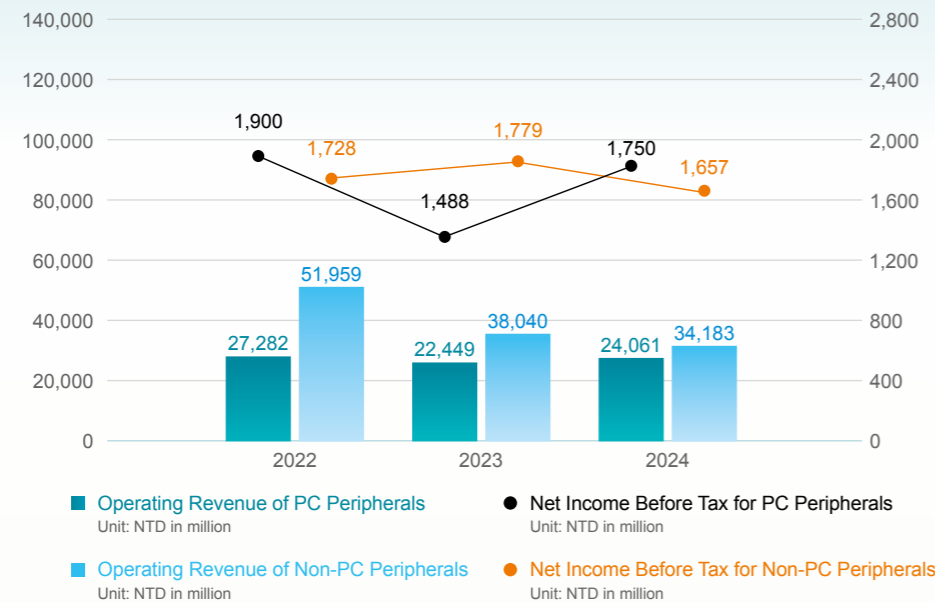
To further strengthen its technological leadership and enhance competitiveness, the Company invested NT\$3,327,670 thousand in R&D in 2024 for the development of new technologies and products. Additionally, resources were allocated to automation, upgrading and improving production processes to enhance efficiency and quality.

Trend of R&D Expenses & R&D Expenses as % of Operating Revenue



2025 Business Plan and Business Development Strategies

Trend of the Development of PC Peripherals and Non-PC Peripherals



(1) "X-IN-1 Sensory Fusion" Leading the AI Revolution, Accelerating Global Market Expansion

PRIMAX is among the few global enterprises that possess both core visual imaging and acoustic technologies. With the strong focus on "X-IN-1 Sensory Fusion," the company is dedicated to deepening the integration of visual, audio, and interface technologies. Leveraging key expertise and manufacturing strengths in microphones, camera sensors, and speakers, PRIMAX positions itself as a comprehensive AI solution provider for X-IN-1 Sensory Fusion, driving the next wave of growth amid the AI revolution.

(2) Expanding into New Markets and Smart Ecosystems

PRIMAX continues to broaden the application of multi-sensory technology, driving Edge AI innovations in audiovisual solutions across key sectors such as Public Safety and AIoT (B2B) visual solutions. The company is also advancing AI video conferencing and automotive product applications while expanding into niche markets such as industrial vision and acoustic inspections to enhance the scope of its technological applications.

In the automotive electronics market, PRIMAX is enhancing vehicle safety and user experience through automotive AIoT applications such as driver monitoring systems and intelligent safety systems. In the public safety sector, PRIMAX's visual and audio technologies have been gradually integrated into surveillance and protection systems, strengthening security infrastructure and improving monitoring capabilities. As smart city development accelerates, the demand for advanced public safety solutions continues to grow. PRIMAX will leverage its technological expertise to offer innovative security solutions, further expanding its market presence.

In addition, AI video conferencing and the professional audio market remain key focus areas, particularly in the high-end segment and premium audiovisual solutions, where market demand is steadily growing. PRIMAX leverages its acoustic expertise to optimize sound quality and provide a diverse range of products designed to meet diverse needs across the market.

(3) Strategic Investments and Capacity Optimization Driving Corporate Transformation

To strength its competitive advantages in the Smart Lifestyle and automotive AIoT markets, PRIMAX will actively seek external growth opportunities and new technologies through strategic investments, aiming to achieve a "1+1>2" synergy that accelerates corporate transformation and new business deployment.

For its global manufacturing footprint, PRIMAX is accelerating the expansion of non-China production bases as Phase II of the Thailand plant is expected to be completed by the end of 2025 and steel structure construction already in progress to meet increasing customer capacity demands. Revenue contributions from the Thailand plant are expected to multiply, strengthening the company's competitiveness in the Southeast Asian market and enhancing its market responsiveness.

In addition, PRIMAX's Innovation Incubation Center in Zhubei, Taiwan, is scheduled for completion by June 2025, serving as the company's R&D hub for AI and multi-sensory fusion technologies and a key base for small-scale, diversified production. Equipped with advanced laboratory and pilot production capabilities, the center will optimize design processes to further enhance PRIMAX's R&D strength and market responsiveness. This will enable the company to quickly adapt to market demands, drive product innovation, and further accelerate growth in the Smart Lifestyle and automotive AIoT sectors.

(4) Navigating Market Uncertainties and Driving Sustainability

Facing the global market uncertainties in 2025, PRIMAX will tackle challenges by adopting robust financial strategies and flexible market footprints, while continuously enhancing its competitiveness through technological innovation, capacity optimization, and strategic capital allocation. At the same time, the company remains committed to its sustainability blueprint, ensuring long-term value creation for shareholders.

Chairman and CEO



Chapter 2

Corporate Governance Report

1.Profiles of the Directors and Managers

(1) Information on Directors

Information on Directors (1)

Title	Nationality/ Place of Registration	Name	Gender/Age	Date Elected	Terms (Years)	Date First Elected	Shareholding When Elected		Current Shareholding			Spouse & Minor Shareholding		Shareholding by Nominees		Education and Work Experiences	Other Positions Concurrently Held at the Company or Other Companies	Other Executives, Directors, or Supervisors Who Are Spouses or within the Second Degree of Kinship			Remarks
							Shares	%	Shares	%		Shares	%	Shares	%			Title	Name	Relation	
Chairman and CEO	TW	Pan, Yung-Chung	Male/ 61~70 years old	2024.5.24	3 years	2014.9.5	6,004,046	1.30	6,140,046	1.32		165,000	0.04	0	0	<ul style="list-style-type: none">B.S. in Electronics, Feng Chia UniversityGeneral Manager of Business Department of PRIMAX	Note 1	Vice Chairman and CTO	Pan, Yung-Tai	Brothers	Note 10
Vice Chairman and CTO	TW	Pan, Yung-Tai	Male/ 71~80 years old	2024.5.24	3 years	2014.9.5	5,010,599	1.08	3,724,599	0.80		815,517	0.18	0	0	<ul style="list-style-type: none">B.S. in Mechanical Engineering, Chung Yuan Christian UniversityGeneral Manager of Business Department of PRIMAX	Note 2	Chairman and CEO	Pan, Yung- Chung	Brothers	—
Director	TW	Duh, Jia-Bin	Male/ 61~70 years old	2024.5.24	3 years	2021.7.13 (Note 11)	66,000	0.01	226,500	0.05		0	0	0	0	<ul style="list-style-type: none">MBA, Kellogg School of Management at Northwestern University USA, Master's in Hong Kong University of Science and TechnologyChairman of Foxcent Technology Co., Ltd.	Note 3	—	—	—	—
Director	TW	Green Land Investment Limited	—	2024.5.24	3 years	2021.7.13	1,030,000	0.22	544,000	0.12		—	—	—	—	—	None	—	—	—	—
		Representative: Lee, Ji-Ren	Male/ 61~70 years old				0	0	0	0		0	0	0	0	<ul style="list-style-type: none">Ph.D. in Business Administration, University of Illinois at Urbana-ChampaignAssociate Dean for Teaching and Resource Development, College of Management, National Taiwan University	Note 4	—	—	—	—
Independent Director	TW	Wu, Chun-Pang	Male/ 61~70 years old	2024.5.24	3 years	2018.10.25	0	0	0	0		0	0	0	0	<ul style="list-style-type: none">MBA, University of MissouriLL.B., National Taiwan UniversityGeneral Manager, Taiwan Branch, Deutsche Bank	Note 5	—	—	—	—
Independent Director	TW	Wang, Jia-Qi	Female/ 51~60 years old	2024.5.24	3 years	2019.6.18	0	0	0	0		0	0	0	0	<ul style="list-style-type: none">MBA, Kellogg School of Management, Northwestern UniversityManaging Director and Director of Zenith Consulting Company Limited.	Note 6	—	—	—	—
Independent Director	TW	Ma, Hui-Fan	Female/ 61~70 years old	2024.5.24	3 years	2023.5.25	0	0	0	0		0	0	0	0	<ul style="list-style-type: none">MBA in International Business, National Taiwan UniversityVice President of Human Resources, TSMC	Note 7	—	—	—	—
Independent Director	TW	Huang, Shiou- Chuan	Male/ 71~80 years old	2024.5.24	3 years	2024.5.24	0	0	0	0		0	0	0	0	<ul style="list-style-type: none">B.S. in Electrical Engineering, Tatung UniversityChairman of VIZIONFOCUS INC	Note 8	—	—	—	—
Independent Director	TW	Lai, Fei-Pi	Male/ 61~70 years old	2024.5.24	3 years	2024.5.24	0	0	0	0		0	0	0	0	<ul style="list-style-type: none">Ph.D., Computer Science, University of IllinoisProfessor, Department of Computer Science & Information Engineering and Department of Electrical Engineering, National Taiwan University.	Note 9	—	—	—	—

Note1: Legal representative and director of Primax Ind. (HK) Ltd., legal representative of Primax Ind. (Cayman Holding) Ltd, legal representative and director of Primax Tech. (Cayman Holding) Ltd., legal representative of Destiny Tech. Holding Co.,Ltd., director of Tymphony Logistics, Inc., executive director of Dongguan Tymphony Acoustic Technology Co., Ltd., chairman of Tymphony Acoustic Technology Limited, legal representative of Diamond (Cayman) Holdings Ltd., chairman of Tymphony Worldwide Enterprises Ltd., director of Tymphony HK Ltd., chairman of Tymphony Acoustic Technology (Huizhou) Co., Ltd., director of Tymphony Acoustic Technology HK Ltd., director of Gratus Technology Corp., director of Tymphony Acoustic Technology (Thailand) Co., Ltd., legal representative of Primax AE (Cayman) Holdings Ltd., director of Primax Electronics (Singapore) Pte. Ltd., director of Primax Electronics (Thailand) Co., Ltd., director of Tymphony Acoustic Technology (Singapore) Pte. Ltd., director of Primax Destiny Co., Ltd.(Japan), legal representative of Dongguan Primax Electronic & Telecommunication Products Ltd.

Note2: Director of Tymphony Acoustic Technology Limited, director of Tymphony Acoustic Technology (Thailand) Co., Ltd., director of Primax Electronics (Singapore) Pte. Ltd., director of Primax Electronics (Thailand) Co.,Ltd.

Note3: Director of LAOWANG HOLDING LIMITED TAIWAN BRANCH (CAYMAN).

Note4: Honorary Professor of National Taiwan University, chairman of Cheng Zhi Education Foundation, legal representative of AXR Entrepreneurship and Business Consulting Co., Ltd., chairman of B Current Impact Investment Fund3, legal representative of Longchen Paper & Packaging Co., Ltd., director of Commonwealth Education Media and Publishing Co., Ltd., director of Commonwealth Magazine Co., Ltd., independent director of Airoha Technology Corp., director of Advantech Co., Ltd.

Note5: Legal representative of Far Eastern International Bank, independent non-executive director of Asia Cement (China) Holdings Corporation.

Note6: Managing director and director of Zenith Consulting Company Limited, managing partner of CITIC Capital Holdings Limited.

Note7: Chairman of Yi An Co., Ltd.

Note8: Chairman of VIZIONFOCUS INC., director of Chang Wah Electromaterials Inc.

Note9: Chief secretary of NTU Alumni Assosiation, director of National Taiwan University Alumni Culture Foundation, chairman of Taiwan Information Technology Development Education Foundation.

Note10: Description of the reasons, reasonableness, necessity, and response measures where the Chairman and the General Manager are same person:
1.Reason and necessity: In response to the rapid changes in the industry, it can accelerate global expansion and decision-making efficiency.
2.Rationality: Mr. Pan Yung-Chung has served as a senior executive and director of the Company and its subsidiaries. With over 35 years of industry-related experience, he possesses a comprehensive understanding of both the industry and the Company.
3.Countermeasures:
(1) More than half of the Directors of the Board of Directors do not serve as employees or managerial officers concurrently, and the number of Independent Directors have been increased to strengthen the structure of the Board of Directors.
(2) Considering the needs for long-term corporate governance, the Board of Directors has passed a succession plan and is actively training candidates for the succession of the General Manager, and will appoint a candidate as the General Manager at an appropriate time according to actual needs.

Note11: Did not serve as a director of the Company during November 18, 2022 to May 24, 2023.

February 28, 2025; Unit: share; %

Major Shareholders of Corporate Shareholders	
February 28, 2025	
Corporate Shareholder	Major Shareholders of Corporate Shareholders
Green Land Investment Limited	Liang, Li-Sheng (80%) and Yang, Chun-Ling (20%)

Information on Directors (2)

i. Qualifications and Independence Status of Directors (Including Independent Directors)			
February 28, 2025			
Criteria	Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual Concurrently Serves as an Independent Director
Name			
Pan, Yung-Chung	<p>Mr. Pan, Yung-Chung, as a Director, Chairman, and General Manager of the Company and its subsidiaries, has served in the Primax Group for more than 35 years. Besides, he had also served as General Manager of Business Department of PRIMAX for many years. With comprehensive expertise and extensive industry knowledge, he effectively integrates the Group's resources, leveraging the advantages of a group leader and fulfill PRIMAX's vision of "people-oriented, sustainable management." Mr. Pan leads the Company to achieve recognition as "Best Employer in Asia" and earn a place in the S&P Global Sustainability Yearbook 2025, receiving the Best Progress Award.</p> <p>He possesses expertise in leadership, decision-making, business management, risk management, and information technology-related capabilities.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>	Non-independent director	None
Pan, Yung-Tai	<p>Mr. Pan, Yung-Tai, as a Senior Executive and Director of the Company and its subsidiaries, has more than 37 years of experience in the industry, R&D, management, and business operations. He personally leads the Company's R&D team, integrates the Group's R&D resources, and is committed to technological development.</p> <p>He possesses expertise in leadership, decision-making, business management, and information technology-related capabilities.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>		None
Duh, Jia-Bin	<p>Mr. Duh, Jia-Bin has previously served as the Chairman, General Manager, as well as Chief Strategy Officer of the Company. He has also held the positions of Chairman at Foxcent Technology Co., Ltd. and Mobinnova Co.,Ltd., and President of Cisco Systems, Inc. With over 30 years of relevant work experience in the industry, research and development, marketing, and management, he possesses extensive industry knowledge.</p> <p>He possesses expertise in leadership, decision-making, business management, risk management, information technology, and financial accounting.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>		None

Criteria	Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual Concurrently Serves as an Independent Director
Name			
Lee, Ji-Ren	<p>Mr. Lee, Ji-Ren has served as Vice Dean engaging in Teaching and Resource Development, Vice Dean of the School of Management, and Executive Director of the EMBA program at National Taiwan University. With nearly 30 years of expertise in strategy and business management research, teaching, and industry consulting, he has helped corporate organizations establish mid-to-long-term growth strategies, develop organizational capabilities and leadership talent, and drive business transformation. With over 20 years of experience on the boards of large enterprises and in strategic development, he provides professional insights to support the Company's board in decision-making.</p> <p>He possesses expertise in leadership, decision-making, business management, risk management, and financial accounting capabilities.</p> <p>He has served as Manager of Marketing Service Department of Boehringer Ingelheim Taiwan Ltd., Chairman of Cheng Zhi Education Foundation, Chairman of AXR Entrepreneurship and Business Consulting Co., Ltd., Chairman of B Current Impact Investment Fund3, Director of Social Enterprise Insights Co., Ltd., Independent Director of Delta Electronics Inc., Independent Director of Acer Incorporated, Independent Director of VIVOTEK Inc., Legal representative of Longchen Paper & Packaging Co., Ltd., Director of Commonwealth Education Media and Publishing Co., Ltd., Director of Commonwealth Magazine Co., Ltd., and Director of Emerging Capital Co., Ltd.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>	Non-independent director.	1
Wu, Chun-Pang	<p>Mr. Wu, Chun-Pang has over 35 years of relevant work experience in marketing, finance, management and banking, and holds a Bachelor of Law degree from National Taiwan University with legal expertise and relevant skills in leadership, decision making, business management, risk management, and financial accounting, which can enhance the supervisory function of the Board of Directors and functional committees.</p> <p>He has served as the General Manager of Deutsche Bank Taipei, Vice Chairman of Citibank, Head of Fidelity Investments Taiwan, Head and Managing Director of Bankers Trust New York Corporation, Vice General Manager of Chase Bank, Representative of Institutional Director of Far Eastern International Bank.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>	The five independent directors listed herein, during the two years before their appointment and throughout their tenure, all meet the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, these independent directors have been granted the right to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby executing their relevant duties independently.	None
Wang, Jia-Qi	<p>Mrs. Wang, Jia-Qi has more than 30 years of work experience in finance, risk, financial accounting and management, with expertise in leadership, decision-making, business management, risk management, and financial accounting, which can enhance the quality of the Board of Directors and the supervisory functions of committees.</p> <p>She served as a Mentor of the Direct Investment Department at Ping An Trust of China, Global Senior Partner at Egon Zehnder International and General Manager of its Consumer Electronics Practice, Associate in the Corporate Development Department of Primax Electronics Ltd., Consultant at McKinsey & Company (Hong Kong/Shanghai), Project Manager at P&G Taiwan, Managing Director of Zenith Consulting Company Limited, and Operating Partner at CITIC Capital Holdings Limited.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>		None

Criteria	Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual Concurrently Serves as an Independent Director
Name			
Ma, Hui-Fan	<p>Mrs. Ma, Hui-Fan has more than 30 years of work experience in information technology, risk, and management. She has served as a Senior Vice President of human resources at NCR Corporation, Trend Micro Inc. and TSMC, providing the Company's board of directors with professional advice on key leadership appointments and talent development. She possesses expertise in leadership, decision-making, business management, risk management, and information technology.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>		None
Huang, Shiou-Chuan	<p>Mr. Huang, Shiou-Chuan is currently the Chairman of the publicly listed company, VIZIONFOCUS INC. He has served as the Vice President and Vice Chairman of several multinational companies such as HP Taiwan, Foxconn Technology Group, and Innolux Corporation, where he participated in various company growth planning initiatives. With nearly 40 years of experience in the electronics industry, he possesses expertise in leadership, decision-making, business management, risk management, information technology, and financial accounting.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>	<p>The five independent directors listed herein, during the two years before their appointment and throughout their tenure, all meet the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, these independent directors have been granted the right to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby executing their relevant duties independently.</p>	None
Lai, Fei-Pi	<p>Mr. Lai, Fei-Pi is a professor at the Graduate Institute of Biomedical Electronics and Bioinformatics, as well as a professor in the Department of Computer Science & Information Engineering, and Department of Electrical Engineering at National Taiwan University. He possesses extensive industry knowledge, and has been awarded the National Innovation Award and the Outstanding ICT Elite Award. He has served as an advisor of China Medical University Hospital, Chairman of the Taiwan Information Technology Development Education Foundation, and Independent director of HannStar Display Corporation. He possesses expertise in leadership, decision-making, risk management, and information technology.</p> <p>There are no matters specified in Article 30 of the Companies Act.</p>		None

ii.Board Diversity and Independence Status

(i) Board Diversity

The Company values the diversity of the composition of its directors, and has set specific stage targets for the diversity of the board: the ratio of female or foreign directors will reach more than 10% (achieved) before 2020, reaching more than 20% (achieved) in the period of 2024-2027. The Company has proactively added a female director in 2023, achieving a female board representation of 22%. The Company conducted a full re-election of its Board of Directors in 2024. The Nomination Committee selected director candidates based not only on professional qualifications and essential criteria but also on the Company's future development needs and management objectives. Factors considered include whether candidates possess diverse expertise and experience, enabling them to provide professional insights on the Company's future development strategy from different perspectives. Based on the aforementioned considerations, the proposed board consists of nine directors, including two female directors, representing 22% of the board. This ratio has yet to reach one-third of the total board seats. The Company will actively seek female director candidates, aiming to achieve over 30% female board representation in the 2027 board election. This initiative will enhance gender diversity and enrich the board's strategic perspectives and communication dynamics.

At the end of 2024, the Board of Directors of the Company had a total of 9 members, including 5 independent directors (accounting for 56%). Three of the independent directors is given a term of less than three years, one a term of three to six years, and one a term of six to nine years. There are seven male directors (accounting for 78%) and two female director (accounting for 22%). There are two directors aged 71 to 80 (accounting for 22%), six aged 61 to 70 (accounting for 67%), and one aged 51 to 60 (accounting for 11%), showing the gradual succession from one generation to another.

In terms of the professional backgrounds of directors, all nine of them have management backgrounds (accounting for 100%), and seven have industry backgrounds (accounting for 78%), four have research and development backgrounds (accounting for 44%), six have marketing backgrounds (accounting for 67%), and two have financial backgrounds (accounting for 22%). As for their expertise and professional knowledge, all nine have leadership and management skills (accounting for 100%), eight operation and management (accounting for 89%), seven risk management (accounting for 78%), five information technology and financial accounting (accounting for 56%), and one legal knowledge (accounting for 11%).

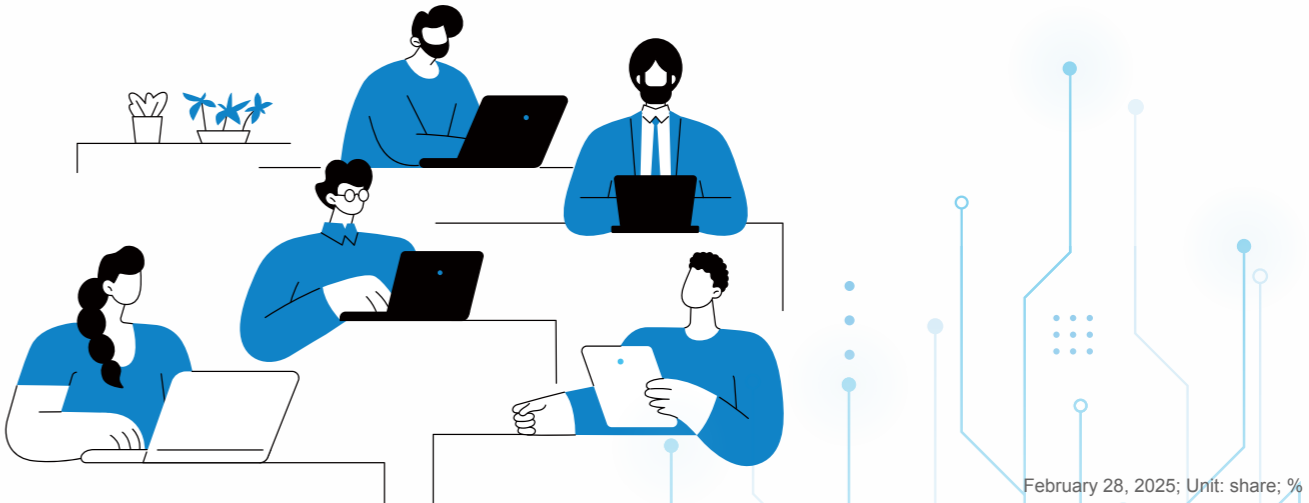
Title	Name	Basic Information				Experience					Expertise and Skills						
		Gender	Nationality	Age	Term of Independent Director	Industry	R&D	Marketing	Finance	Management	Leadership and Decision-making	Business Management	Risk Management	Information Technology	Finance and Accounting	Law	
Chairman	Pan, Yung-Chung	Male	Republic of China	61~70		✓		✓		✓	✓	✓	✓				
Director	Pan, Yung-Tai	Male	Republic of China	71~80		✓	✓			✓	✓	✓		✓			
Director	Duh, Jia-Bin	Male	Republic of China	61~70		✓	✓	✓		✓	✓	✓	✓	✓	✓		
Director	Green Land Investment Limited Representative: Lee, Ji-Ren	Male	Republic of China			✓		✓		✓	✓	✓	✓		✓		
Independent Director	Wu, Chun-Pang	Male	Republic of China	6 ~ 9 years			✓	✓	✓	✓	✓	✓	✓		✓	✓	
Independent Director	Wang, Jia-Qi	Female	Republic of China		51~60	3 ~ 6 years				✓	✓	✓	✓	✓		✓	
Independent Director	Ma, Hui-Fan	Female	Republic of China	61~70	Less than 3 years	✓				✓	✓	✓					
Independent Director	Huang, Shiou-Chuan	Male	Republic of China	71~80		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Independent Director	Lai, Fei-Pi	Male	Republic of China	61~70		✓	✓	✓		✓	✓		✓	✓			

(ii) Independence Status

- 1.The total number of directors of the Company is 9, of which 5 are independent directors reaching half of the Board seat (accounting for 56%). All independent directors maintain full independence, including but not limited to the following: neither they, their spouses, nor relatives within the s econd degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; they do not hold any shares of the Company; they do not serve as directors, supervisors, or employees of entities with specific relationships with the Company; they have not received remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises; and they do not fall under any of the conditions specified in Article 30 of the Company Act.
- 2.Except that Pan, Yung-Chung and Pan, Yung-Tai, the directors of the Company are brothers, and amongst the other directors there are no relative relations. There is no violation of the provisions in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(2) Profiles of the Managers

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse/Minor Shareholding			Shareholding by Nominees		Education and Work Experiences	Other Positions Concurrently Held at Other Companies	Managers Who Are Spouses or within the Second Degree of Kinship			Remarks
					Shares	%	Shares	%		Shares	%			Title	Name	Relation	
Chairman and CEO	TW	Pan, Yung-Chung	Male	2024.05.24	6,140,046	1.32	165,000	0.04		0	0	<ul style="list-style-type: none">B.S. in Electronics, Feng Chia UniversityGeneral Manager of Business Department of PRIMAX	Note 1	Vice Chairman and CTO	Pan, Yung-Tai	Brothers	Note 8
Vice Chairman and CTO	TW	Pan, Yung-Tai	Male	2007.12.28 (Note 7)	3,724,599	0.80	815,517	0.18		0	0	<ul style="list-style-type: none">B.S. in Mechanical Engineering, Chung Yuan Christian UniversityGeneral Manager of Business Department of PRIMAX	Note 2	Chairman and CEO	Pan, Yung-Chung	Brothers	-
General Manager of CFO	TW	Hsiao, Yin-Yi	Male	2016.09.19	983,000	0.21	0	0		0	0	<ul style="list-style-type: none">Swiss Business School EMBACFO of CMC Magnetics Co., Ltd.	Note 3		—	—	—
General Manager of Business Department	TW	Chou, Yen-Chou	Male	2011.01.17	629,000	0.14	0	0		0	0	<ul style="list-style-type: none">Ph.D. in Industrial Engineering, University of CincinnatiSenior Vice President, PRIMAX	Note 4	—	—	—	—
Vice President	TW	Chiang, Yan-Ying	Female	2015.04.01	487,106	0.10	0	0		0	0	<ul style="list-style-type: none">B.A. in Labor Relations, Chinese Culture University; EMBA, National Chengchi UniversitySenior Director, PRIMAX	None	—	—	—	—
Vice President	TW	Chang, Ching-Kai	Male	2015.04.01	967,703	0.21	0	0		0	0	<ul style="list-style-type: none">B.S. in Information Engineering, Tamkang UniversitySenior Director, PRIMAX	None	—	—	—	—
Vice President	TW	Wei, Hao-San	Male	2015.10.07	827,732	0.18	200,000	0		0	0	<ul style="list-style-type: none">M.S. in Electrical Engineering, California State University, Long BeachSenior Director, PRIMAX	Note 5	—	—	—	—
Vice President	TW	Chang, Chen-Te	Male	2020.04.15	372,880	0.08	0	0		0	0	<ul style="list-style-type: none">B.S. in Mechanical Engineering, China University of Science and TechnologySenior Director in Administration Management, PRIMAX	Note 6	—	—	—	—
Vice President	TW	Zhuo, Yi-Li	Male	2020.10.01	90,000	0.02	0	0		0	0	<ul style="list-style-type: none">Ph.D. in Philosophy, Claremont Graduate UniversitySenior Director, PRIMAX	None	—	—	—	—
Vice President	TW	Wang, Ching-Der	Male	2020.10.05	105,000	0.02	0	0		0	0	<ul style="list-style-type: none">B.S. in Mechanical Engineering, University of California, BerkeleyVice President, Accton Technology Corporation	None	—	—	—	—
Vice President	TW	Hsueh, Ya-Lin	Female	2022.04.01	169,000	0.04	0	0		0	0	<ul style="list-style-type: none">M.S. in Human Resources Management, National Changhua University of EducationGlobal Chief Human Resources Officer, Mobile Phone Subgroup A, Hon Hai Technology Group	None	—	—	—	—
Vice President	TW	Hsu, Chia Chih	Male	2022.10.01	297,500	0.06	0	0		0	0	<ul style="list-style-type: none">M.S. in Finance and Banking, University of Texas at ArlingtonSenior Director, PRIMAX	None	—	—	—	—



February 28, 2025; Unit: share; %

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse/Minor Shareholding			Shareholding by Nominees		Education and Work Experiences	Other Positions Concurrently Held at Other Companies	Managers Who Are Spouses or within the Second Degree of Kinship			Remarks
					Shares	%	Shares	%		Shares	%			Title	Name	Relation	
Vice President	TW	Hu, Ching-Yuan	Male	2022.10.01	106,000	0.02	0	0		0	0	<div><div>●</div>MBA, Thunderbird School of Global Management</div> <div><div>●</div>Senior Director, PRIMAX</div>	None	—	—	—	—
Vice President	TW	Wang, La-Yung	Male	2024.08.06	0	0	0	0		0	0	<div><div>●</div>B.S. in Physics, Tamkang University</div> <div><div>●</div>Senior Vice President, Atrust Computer Corporation</div>	None	—	—	—	—
Vice President	TW	Cho, Yu-Shan	Male	2024.09.18	25,000	0.01	0	0		0	0	<div><div>●</div>EMBA, National Chengchi University</div> <div><div>●</div>Vice President, PRIMAX.</div>	None	—	—	—	—
Vice President	TW	Shih, Tzu-Chiang	Male	2024.10.21	26,000	0.01	0	0		0	0	<div><div>●</div>B.S. in Electrical Engineering, National Taiwan Institute of Technology</div> <div><div>●</div>Senior Director, PRIMAX</div>	None	—	—	—	—
Vice President	TW	Lin, Chih-Hung	Male	2024.11.04	0	0	0	0		0	0	<div><div>●</div>M.S. in Applied Mechanics, National Taiwan University</div> <div><div>●</div>General Manager, Kiwi technology Inc.</div>	None	—	—	—	—
Accounting Supervisor	TW	Chang, Shu-Chuen	Female	2017.11.15	157,000	0.03	0	0		0	0	<div><div>●</div>M.S. in Accounting, National Cheng Kung University</div> <div><div>●</div>Director, Finance Department, Lian Hwa Foods Corp.</div>	None	—	—	—	—
Corporate Governance Officer	TW	Li, Jui-Hua	Female	2025.01.20	0	0	0	0		0	0	<div><div>●</div>B.B.A. in International Business, Tunghai University</div> <div><div>●</div>Director, PRIMAX</div>	None	—	—	—	—

Note 1: Legal representative and director of Primax Ind. (HK) Ltd., legal representative of Primax Tech. (Cayman Holding) Ltd., legal representative and director of Primax Ind. (Cayman Holding) Ltd., legal representative of Destiny Tech. Holding Co.,Ltd., director of Tymphany Logistics, Inc., executive director of Dongguan Tymphany Acoustic Technology Co., Ltd., chairman of Tymphany Acoustic Technology Limited, legal representative of Diamond (Cayman) Holdings Ltd., chairman of Tymphany Worldwide Enterprises Ltd., director of Tymphany HK Ltd., chairman of Tymphany Acoustic Technology (Huizhou) Co., Ltd., director of Tymphany Acoustic Technology HK Ltd., director of Gratus Technology Corp., director of Tymphany Acoustic Technology (Thailand) Co., Ltd., legal representative of Primax AE (Cayman) Holdings Ltd., director of Primax Electronics (Singapore) Pte. Ltd., director of Primax Electronics (Thailand) Co., Ltd., director of Tymphany Acoustic Technology (Singapore) Pte. Ltd., director of Primax Destiny Co., Ltd., legal representative of Dongguan Primax Electronic & Telecommunication Products Ltd.

Note 2: Director of Tymphany Acoustic Technology Limited, director of Tymphany Acoustic Technology (Thailand) Co., Ltd., director of Primax Electronics (Singapore) Pte. Ltd., director of Primax Electronics (Thailand) Co.,Ltd.

Note 3: Legal representative and supervisor of Dongguan Primax Electronic & Telecommunication Products Ltd., legal representative and supervisor of Primax Electronics (KunShan) Corp., Ltd., legal representative and supervisor of Primax Electronics (ChongQing) Corp., Ltd., legal representative of Beijing Destiny Electronic Technology Co., Ltd., director of Primax Destiny Co., Ltd., director of Primax Tech. (Cayman Holding) Ltd., supervisor of Dongguan Tymphany Acoustic Technology Co., Ltd., supervisor of Tymphany Acoustic Technology Limited, director of Polaris Electronics, Inc., director of Gratus Technology Corp, director of Primax Electronics (Singapore) Pte. Ltd., supervisor of Tymphany Acoustic Technology (Huizhou) Co.,Ltd.

Note 4: Legal representative of Primax Electronics (KunShan) Co., Ltd., legal representative of Primax Electronics (ChongQing) Co., Ltd., chairman of Beijing Destiny Electronic Technology Co., Ltd., supervisor of Primax Destiny Co., Ltd., director of Polaris Electronics Inc., chairman of Primax Security Technology Inc., director of Primax Electronics (Thailand) Co.,Ltd.

Note 5: Legal representative of Beijing Destiny Electronic Technology Co., Ltd., director of Primax Destiny Co., Ltd.

Note 6: Legal representative and chairman of Dongguan Primax Electronic & Telecommunication Products Ltd., legal representative and supervisor of Beijing Destiny Electronic Technology Co., Ltd.

Note 7: The date of appointment is based on the base date of merger of former PRIMAX.

Note 8: Description of the reasons, reasonableness, necessity, and response measures where the Chairman and the General Manager are same person:

1. Reason and necessity: In response to the rapid changes in the industry, it can accelerate global expansion and decision-making efficiency.
2. Rationality: Mr. Pan Yung-Chung has served as a senior executive and director of the Company and its subsidiaries. With over 35 years of industry-related experience, he possesses a comprehensive understanding of both the industry and the Company.
3. Countermeasures:

(1) More than half of the Directors of the Board of Directors do not serve as employees or managerial officers concurrently, and the number of Independent Directors have been increased to strengthen the structure of the Board of Directors.

(2) Considering the needs for long-term corporate governance, the Board of Directors has passed a succession plan and is actively training candidates for the succession of the General Manager, and will appoint a candidate as the General Manager at an appropriate time according to actual needs.



2. Remuneration Paid to General Directors, Independent Supervisors, General Managers, and Vice Presidents

(1) Remuneration Paid to the General Directors and Independent Directors in the Most Recent Year (2024)

Unit: NT\$1,000/thousand shares

Title	Name	Remuneration to Directors									Sum and Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 1)		Relevant Remuneration Received by Directors Who Are Also Employees								Sum and Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%) (Note 1)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiaries or Parent Company
		Remuneration(A) (Note 4)		Pension(B)		Remuneration to Directors(C) (Note 2) (Note 5)		Allowances(D) (Note 6)					Salary, Bonus, and Allowances(E)		Pension(F)		Employee Bonus(G) (Note 3)						
		The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements		The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company		All Companies Listed in the Consolidated Financial Statements		The Company	All Companies Listed in the Consolidated Financial Statements	
																	Cash	Stock	Cash	Stock			
Chairman and CEO	Pan, Yung-Chung	14,143	14,143	0	0	6,500	6,500	0	0		20,643 0.81%	20,643 0.81%	224	224	0	0	0	0	0	0	20,867 0.82%	20,867 0.82%	0
Vice Chairman and CTO	Pan, Yung-Tai	2,688	2,688	0	0	12,752	12,752	20	20		15,460 0.60%	15,460 0.60%	47,243	47,243	171	171	0	0	0	0	62,874 2.46%	62,874 2.46%	0
Director	Duh, Jia-Bin																						
Director	Green Land Investment Limited Representative: Lee, Ji-Ren																						
Independent Director	Cheng, Chih-Kai (Note 7)	0	0	0	0	25,500	25,500	613	613		26,113 1.02%	26,113 1.02%	0	0	0	0	0	0	0	0	26,113 1.02%	26,113 1.02%	0
Independent Director	Wu, Chun-Pang																						
Independent Director	Wang, Jia-Qi																						
Independent Director	Shen, Ying-Chuan (Note 7)																						
Independent Director	Ma, Hui-Fan																						
Independent Director	Huang, Shiou-Chuan (Note 8)																						
Independent Director	Lai, Fei-Pi (Note 8)																						

1. Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks, and time spent:The remuneration policy, procedures, standards, and structure of Independent Directors shall be governed by the "Remuneration Plan for Independent Directors" approved by the Board of Directors. A fixed amount of remuneration shall be paid to independent directors on a monthly basis. According to the Articles of Association, remuneration paid to directors every year shall be no more than 2% of annual profits. The rationality of remuneration for independent directors shall be reviewed by the Remuneration Committee and the Board of Directors. The remuneration system shall also be reviewed in a timely manner according to the operations and relevant laws and regulations to balance the Company's sustainable development and risk management.
2. In addition to the remuneration disclosed in the table above, remuneration received by the Directors for services in the most recent year (e.g., serving as external consultants of the parent company/all companies listed in the financial statements/reinvestment companies): None.

Note 1: In 2024, the Company's net income after tax attributable to the parent company was NT\$2,556,850 thousand.

Note 2: Refers to the earnings distribution proposal in the most recent year (2024) resolved by the Board (2025.02.26); the remuneration distributed to directors amounted to NT\$44,752 thousand; the amount to be distributed in the current year is estimated based on the proportion of the amount actually distributed last year.

Note 3: Refers to the earnings distribution proposal in the most recent year (2024) resolved by the Board (2025.02.26); the remuneration distributed to employees amounted to NT\$89,503 thousand; the amount to be distributed in the current year is estimated based on the proportion of the amount actually distributed last year.

Note 4: The remuneration to the Chairman is proposed by the Human Resource Department based on the considerations for the competitive environment and operational risks and in line with the corporate management policy and bonus plan and then is sent to the Board of Directors for resolution after the Remuneration Committee evaluates the performance results and approves the proposal.

Note 5: The net income before the remuneration to employees and directors is deducted in 2024 is NT\$3,012,435 thousand, and the proportion of remuneration to directors is 1.49%. After being approved by the Remuneration Committee, the remuneration proposal is submitted to the Board of Directors; then, the remuneration is distributed after the resolution is adopted at the shareholders' meeting.

Note 6: Reimbursement of meals, accommodation, and transportation is based on actual expenses.

Note 7: Dismissal during re-election of the Board on May 24, 2024.

Note 8: Newly elected during re-election of the Board on May 24, 2024.

Range of Remuneration Paid to Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements
Less than NT\$1,000,000				
NT\$1,000,000 (inclusive) to 2,000,000 (not inclusive)				
NT\$2,000,000 (inclusive) to 3,500,000 (not inclusive)	Cheng, Chih-Kai; Shen, Ying-Chuan; Huang, Shiou-Chuan; Lai, Fei-Pi	Cheng, Chih-Kai; Shen, Ying-Chuan; Huang, Shiou-Chuan; Lai, Fei-Pi	Cheng, Chih-Kai; Shen, Ying-Chuan; Huang, Shiou-Chuan; Lai, Fei-Pi	Cheng, Chih-Kai; Shen, Ying-Chuan; Huang, Shiou-Chuan; Lai, Fei-Pi
NT\$3,500,000 (inclusive) to 5,000,000 (not inclusive)	Green Land Investment Limited; Ma, Hui-Fan; Wang Jia-Qi	Green Land Investment Limited; Ma, Hui-Fan; Wang, Jia-Qi	Green Land Investment Limited; Ma, Hui-Fan; Wang, Jia-Qi	Green Land Investment Limited; Ma, Hui-Fan; Wang, Jia-Qi
NT\$5,000,000 (inclusive) to 10,000,000 (not inclusive)	Duh, Jia-Bin; Pan, Yung-Tai; Wu, Chun-Pang	Duh, Jia-Bin; Pan, Yung-Tai; Wu, Chun-Pang,	Wu, Chun-Pang	Wu, Chun-Pang
NT\$10,000,000 (inclusive) to 15,000,000 (not inclusive)				
NT\$15,000,000 (inclusive) to 30,000,000 (not inclusive)	Pan, Yung-Chung	Pan, Yung-Chung	Pan, Yung-Chung, Pan, Yung-Tai	Pan, Yung-Chung, Pan, Yung-Tai
NT\$30,000,000 (inclusive) to 50,000,000 (not inclusive)			Duh, Jia-Bin	Duh, Jia-Bin
NT\$50,000,000 (inclusive) to 100,000,000 (not inclusive)				
More than NT\$100,000,000				
Total	NT\$62,216 thousand	NT\$62,216 thousand	NT\$109,854 thousand	NT\$109,854 thousand

(2) Remuneration Paid to the General Manager and Vice Presidents in the Most Recent Year (2024)

Unit: NT\$1,000/thousand shares

Title	Name	Salary(A)		Pension(B)		Bonus and Allowances(C)		Amount of Employee Remuneration (D) (Note 1)				Sum and Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 2)		Compensation Paid to Managers from an Invested Company Other than the Company's Subsidiaries or Parent Company
		The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company	All Companies Listed in the Consolidated Financial Statements	The Company		All Companies Listed in the Consolidated Financial Statements		The Company	All Companies Listed in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
Chairman and CEO(Note 3)	Pan, Yung-Chung	61,744	61,744	2,033	2,033	204,417	204,417	0	0	0	0	268,194 10.49%	268,194 10.49%	None
Chairman and CEO(Note 4)	Duh, Jia-Bin													
General Manager of Operations (Note 5)	Kuo, You-Min													
Director and CTO	Pan, Yung-Tai													
General Manager of Business Department	Chou, Yen-Chou													
General Manager and CFO	Hsiao, Yin-Yi													
Vice President	Wei, Hao-San													
Vice President	Hu, Ching-Yuan													
Vice President	Chiang, Yan-Ying													
Vice President	Chang, Ching-Kai													
Vice President	Hsu, Chia Chih													
Vice President	Zhuo, Yi-Li													
Vice President	Chang, Chen-Te													
Vice President	Wang, Ching-Der													
Vice President	Wang, La-Yung													
Vice President	Cho, Yu-Shan													
Vice President	Shih, Tzu-Chiang													
Vice President	Lin, Chih-Hung													
Vice President	Hsueh, Ya-Lin													

Note 1: Refers to the most recent year's (2024) earnings distribution proposal approved by the Board of Directors (2025.02.26) to distribute remuneration to employees totaling NT\$89,503 thousand. As of the publication date of this report, the remuneration paid to the General Manager and Vice General Managers has not been discussed by the Remuneration Committee; thus, the amount to be distributed in the current year is based on the proportion of the actual amount distributed last year.

Note 2: In 2024, the Company's net income after tax attributable to the parent company was NT\$2,556,850 thousand.

Note 3: Assumed the position of Chairman on May 24, 2024, and General Manager on June 3, 2024.

Note 4: Stepped down on May 24, 2024.

Note 5: Stepped down on October 31, 2024.

Note 6: Appointed on August 6, 2024.

Note 7: Appointed on September 18, 2024.

Note 8: Appointed on October 21, 2024.

Note 9: Appointed on November 4, 2024.



Range of Remuneration Paid to the General Manager and Vice Presidents	Name of General Manager and Vice Presidents	
	The Company	All Companies Listed in the Consolidated Financial Statements
Less than NT\$1,000,000	Lin, Chih-Hung	Lin, Chih-Hung
NT\$1,000,000 (inclusive) to 2,000,000 (not inclusive)	Cho, Yu-Shan	Cho, Yu-Shan
NT\$2,000,000 (inclusive) to 3,500,000 (not inclusive)	Wang, La-Yung	Wang, La-Yung
NT\$3,500,000 (inclusive) to 5,000,000 (not inclusive)	Shih, Tzu-Chiang	Shih, Tzu-Chiang
NT\$5,000,000 (inclusive) to 10,000,000 (not inclusive)	Chang, Chen-Te; Zhuo, Yi-Li; Chiang, Yan-Ying	Chang, Chen-Te; Zhuo, Yi-Li; Chiang, Yan-Ying
NT\$10,000,000 (inclusive) to 15,000,000 (not inclusive)	Pan, Yung-Chung; Wang, Ching-Der; Chang, Ching-Kai	Pan, Yung-Chung; Ching-Der; Chang, Ching-Kai
NT\$15,000,000 (inclusive) to 30,000,000 (not inclusive)	Duh, Jia-Bin; Kuo, You-Min; Pan, Yung-Tai; Hsiao, Yin-Yi; Chou, Yen-Chou; Wei, Hao-San; Hsueh, Ya-Lin; Hu, Ching-Yuan; Hsu, Chia Chih	Duh, Jia-Bin; Kuo, You-Min; Pan, Yung-Tai; Hsiao, Yin-Yi; Chou, Yen-Chou; Wei, Hao-San; Hsueh, Ya-Lin; Hu, Ching-Yuan; Hsu, Chia Chih
NT\$30,000,000 (inclusive) to 50,000,000 (not inclusive)		
NT\$50,000,000 (inclusive) to 100,000,000 (not inclusive)		
More than NT\$100,000,000		
Total	NT\$268,194 thousand	NT\$268,194 thousand

(3) Names of Managerial Officers Who Receive Employee Remuneration and the Distribution in the Most Recent Year (2024)

Unit: NT\$1,000/thousand shares

Title	Name	Value of Shares (Note 1)	Amount of Cash (Note 1)	Total	Total Remuneration as a Percentage of Net income after Tax (%) (Note 2)
Chairman and CEO (Note 3)	Pan, Yung-Chung	0	0	0	0%
Chairman and CEO (Note 4)	Duh, Jia-Bin				
General Manager of Operations (Note 5)	Kuo, You-Min				
Director and CTO	Pan, Yung-Tai				
General Manager of Business Department	Chou, Yen-Chou				
General Manager and CFO	Hsiao, Yin-Yi				
Vice President	Wei, Hao-San				
Vice President	Hu, Ching-Yuan				
Vice President	Chiang, Yan-Ying				
Vice President	Chang, Ching-Kai				
Vice President	Hsu, Chia Chih				
Vice President	Zhuo, Yi-Li				
Vice President	Chang, Chen-Te				
Vice President	Wang, Ching-Der				
Vice President	Wang, La-Yung				
Vice President	Cho, Yu-Shan				
Vice President	Shih, Tzu-Chiang				
Vice President	Lin, Chih-Hung				
Vice President	Hsueh, Ya-Lin				
Corporate Governance Officer (Note 10)	Su, Yu-Chen				
Accounting Supervisor	Chang, Shu-Chuen				

Note 1: Refers to the most recent year's (2024) earnings distribution proposal approved by the Board of Directors (2025.02.26) to distribute remuneration to employees totaling NT\$89,503 thousand. As of the publication date of this report, the remuneration paid to the General Manager and Vice Presidents has not been discussed by the Remuneration Committee; thus, the amount to be distributed in the current year is based on the proportion of the actual amount distributed last year.

Note 2: In 2024, the Company's net income after tax attributable to the parent company was NT\$2,556,850 thousand.

Note 3: Assumed the position of Chairman on May 24, 2024, and General Manager on June 3, 2024.

Note 4: Stepped down on May 24, 2024.

Note 5: Stepped down on October 31, 2024.

Note 6: Appointed on August 6, 2024.

Note 7: Appointed on September 18, 2024.

Note 8: Appointed on October 21, 2024.

Note 9: Appointed on November 4, 2024.

Note 10: Stepped down on January 20, 2025.

(4) Analysis of the Proportion of Total Remuneration to Net Income After Tax

Separate comparisons and descriptions of total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and all other companies included in the consolidated financial statements during the past two fiscal years to Directors, the General Manager and Vice Presidents, with analysis and description of remuneration policies, standards, and packages, procedure for determining remuneration, and its linkage to operating performance and future risks

i. Analysis of Total Remuneration of Directors, the General Manager, and Vice Presidents as a Percentage of Net Income After Tax During the Past Two Fiscal Years

Personal Status	Ratio of Total Remuneration to Net Income (Loss) after Tax			
	2023		2024	
	The Company	Consolidated	The Company	Consolidated
Director	2.39%	2.39%	2.43%	2.43%
General Manager / Vice Presidents	8.87%	8.87%	10.49%	10.49%

ii. Remuneration Policies, Standards, and Packages; the Procedure for Determining Remuneration; and Its Linkage to Operating Performance and Future Risks

(i) The Company's remuneration to Directors includes Directors' remuneration and compensation.

- In accordance with Article 21 of the Company's Articles of Incorporation, the remuneration of all directors is authorized to be determined by the Board of Directors based on the industry standards.
- The remuneration to Directors is stipulated in Article 25 of the Company's Articles of Association. No more than 2% of profit, if applicable, shall be allocated as remuneration to Directors. After the Remuneration Committee approves the remuneration proposal, it shall be submitted to the Board of Directors for resolution and reported to the shareholders' meeting.
- Reasonable remuneration to Directors shall be given based on the Company's operating results and sustainable development as well as each Director's contribution to the Company's performance and the results of the Board's performance evaluation.
- The remuneration to the Chairman is proposed according to the corporate management policy and bonus plan and then is sent to the Board of Directors for resolution after the Remuneration Committee evaluates the performance results and approves the proposal.
- Indicators of remuneration include the following, but are not limited to:

- a. Operating performance, such as revenue, gross profit, earnings per share, etc.
- b. External evaluation, such as corporate governance evaluation, etc.
- c. Corporate sustainability indicators, such as carbon reduction strategies and compliance status.

Such performance evaluation and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is also reviewed constantly based on actual business operations and applicable laws.

(ii) The remuneration policy for the General Manager and Vice Presidents of the Company is proposed by the Human Resources Department based on the position held, the operating scale, the competitive environment, the salary standard in the industry, the Company's overall operating performance, and individual performance achievement rate and in line with the corporate management policy and bonus plan; after evaluation and approval by the Remuneration Committee, the proposal is sent to the Board of Directors for resolution. The remuneration consists of fixed salary and variable rewards. The fixed salary is the basic salary of employees, and the variable rewards are mainly linked to the Company's (or various business units') operational performance and strategic goal achieving status, and there are short-term and long-term incentives, deferred compensation, and peer company comparison mechanisms, to avoid risks caused by managerial officers' excessive pursuit of short-term benefits, to effectively guide long-term business performance, and to increase the Company's value. The main operating performance and strategic objectives covered include but are not limited to:

- a. Revenue, gross profit, net income, free cash flow, return on invested capital, productivity, earnings per share (EPS), and return on shareholders' equity (ROE).
- b. Achieving specific strategic goals for specific important technologies, products, clients, and markets within a specified period.
- c. Other major ESG-related strategic objectives, such as carbon reduction product design and development, manufacturing base carbon reduction rate, talent development plan, etc.

The aforementioned performance evaluation and reasonableness of the remuneration to the General Manager, Vice Presidents, and managerial officers are all reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed at any time according to the actual operating conditions and relevant laws and regulations.

3. Status of Corporate Governance

(1) Operations of the Board of Directors

In 2024 (9 times) and 2025 (2 times), as of the publication date of this Annual Report, the Company's Board of Directors held a total of 11 meetings. The attendance records of the Directors are as follows:

Title	Name	Number of Attendance Required in Person(A)	Attendance in Person (B)	By Proxy	Attendance Rate(%) [B/A]	Remarks
Chairman	Pan, Yung-Chung	11	11	0	100%	
Vice Chairman	Pan, Yung-Tai	11	11	0	100%	
Director	Duh, Jia-Bin	11	11	0	100%	
Director	Green Land Investment Limited Representative: Lee, Ji-Ren	11	11	0	100%	
Independent Director	Cheng, Chih-Kai	4	4	0	100%	Stepped down on May 24, 2024. Attendance of 4 times is required
Independent Director	Wu, Chun-Pang	11	11	0	100%	
Independent Director	Wang, Jia-Qi	11	11	0	100%	
Independent Director	Shen, Ying-Chuan	4	4	0	100%	Stepped down on May 24, 2024. Attendance of 4 times is required
Independent Director	Ma, Hui-Fan	11	11	0	100%	
Independent Director	Huang, Shiou-Chuan	7	7	0	100%	Newly appointed on May 24, 2024. Attendance of 7 times is required
Independent Director	Lai, Fei-Pi	7	6	1	86%	Newly appointed on May 24, 2024. Attendance of 7 times is required

Other matters:

1. With regard to the operation of the Board of Directors, if any of the following circumstances occur, the date, term of the meetings, content of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, so there is no need to fill in the report.
 - (2) In addition to the aforementioned matter, other resolutions at the Board meetings about which independent directors expressed objection or reservations, which are recorded on the record or in a written statement: At the Board of Directors meeting on June 3, 2024, the first agenda item concerned the change of the Company's General Manager. Regarding the proposal to dismiss the former General Manager, Independent Director Lai, Fei-Pi opposed the motion, while Independent Director Huang, Shiou-Chuan expressed no opinion. The proposal was approved by the Board resolution. Following the meeting, the Company, in accordance with regulations, issued a material information announcement stating that its Independent Director had expressed a dissenting opinion on the Board's discussion.
2. For avoidance of any resolution involving a director's conflicts of interest, the director's name, the content of the resolution, the reason for the avoidance of conflicts of interest, and participation in voting shall be specified: The Company's Directors attendance at meetings encountered no problem and participated in voting based on their powers and responsibilities; the following is the implementation of avoidance of proposals involving personal conflicts of interest:
 - (1) On January 24, 2024, for the 3rd proposal discussed by the Board of Directors on 2023 bonus plan for senior executives, Director Pan, Yung-Tai was a party involved in this proposal, and Director Pan, Yung-Chung recused from this proposal and did not participate in the discussion and voting, the remaining attending directors agreed to pass the case. For the 4th proposal for 2023 Chairman's bonus plan, as Chairman Duh, Jia-Bin was the main party discussed, he did not participate in the discussion and voting to avoid conflicts of interest, the remaining attending directors agreed to pass the case.
 - (2) On February 26, 2024, for the 16th proposal discussed by the Board of Directors on 2024 bonus plan for senior executives and important leaders, Director Pan, Yung-Tai was a party involved in this proposal, and Director Pan, Yung-Chung recused from this proposal and did not participate in the discussion and voting, the remaining attending Directors agreed to pass the case. For the 17th proposal for 2024 Chairman's performance standards and bonus plan, as Chairman Duh, Jia-Bin was the main party discussed, he did not participate in the discussion and voting to avoid conflicts of interest, the remaining attending directors agreed to pass the case.
 - (3) On March 21, 2024, for the 3rd proposal discussed by the Board of Directors on 2023 annual salary adjustment plan for senior executives, Director Pan, Yung-Tai was a party involved in this proposal, and Director Pan, Yung-Chung recused from this proposal and did not participate in the discussion and voting, the remaining attending Directors agreed to pass the case. For the 4th proposal for 2023 Chairman's remuneration plan, as Chairman Duh, Jia-Bin was the main party discussed, he did not participate in the discussion and voting to avoid conflicts of interest, the remaining attending directors agreed to pass the case.
 - (4) On June 3, 2024, the 1st proposal discussed by the Board of Directors concerned the change of the Company's General Manager and was discussed in two stages. During the discussion of the proposal to dismiss the former General Manager, Director Duh, Jia-Bin, as the concerned party, recused himself from the discussion. The remaining attending directors approved the proposal by a majority vote. When discussing the proposal for the new General Manager, Director Pan, Yung-Chung was a party involved in this proposal, he did not participate in the discussion and voting to avoid conflicts of interest. The remaining attending directors approved the proposal by a majority vote as well.
 - (5) On June 18, 2024, the 2nd proposal by the Board of Directors concerned the 2024 Chairman remuneration plan. Chairman Pan, Yung-Chung and Director Pan, Yung-Tai, as stakeholders in this case, recused themselves from the discussion. The remaining attending directors approved the proposal.
 - (6) At the Board of Directors meeting on August 8, 2024, the 11th proposal concerned the first issuance of restricted employee shares in 2024 granted to non-executives. Director Pan, Yung-Tai, as an interested party, recused himself from the discussion, and the remaining attending directors approved the proposal. The 12th proposal addressed the second issuance of restricted employee shares for 2023 and the first issuance for 2024 granted to executives. Director Pan, Yung-Tai, as an interested party, also recused himself from the discussion, and the remaining attending directors approved the proposal.
 - (7) On January 20, 2025, for the 10th proposal discussed by the Board of Directors on 2024 bonus plan for senior executives, Director Pan, Yung-Tai, as an interested party, recused himself from the discussion, the remaining attending Directors agreed to pass the case. For the 11th proposal for 2024 Chairman's bonus plan, Chairman Pan, Yung-Chung and Director Pan, Yung-Tai, as stakeholders in this case, recused themselves from the discussion. The remaining attending directors approved the proposal.
 - (8) On February 26, 2025, for the 16th proposal discussed by the Board of Directors on the Company's 2024 second issuance of restricted employee shares granted to non-executives, the 17th proposal regarding the 2024 second issuance of restricted employee shares granted to executives, the 18th proposal regarding the 2024 senior executive remuneration survey report and 2025 salary adjustment proposal, and the 19th proposal regarding the 2025 senior executive and important leaders bonus plan, Director Pan, Yung-Tai as an interested party, recused himself from the discussion, and the remaining attending directors approved the proposal; for the 20th proposal on 2025 the Company's Chairman remuneration plan, the 21st proposal on the 2025 Chairman's performance standards and bonus plan, Chairman Pan, Yung-Chung and Director Pan, Yung-Tai, as stakeholders in this case, recused themselves from the discussion. The remaining attending directors approved the proposal.

3. Evaluation of the performance of the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once per year	January 1, 2024 to December 31, 2024	Performance Evaluation of the Board of Directors	Internal self-evaluation	1. Participation in the Company's operations 2. Improvement of the quality of the Board's decision-making 3. Composition and structure of the Board 4. Election and continuing education of the Directors 5. Internal control
		Performance Evaluation of the Board Members		1. Alignment of the Company's goals and tasks 2. Awareness of Director's duties. 3. Participation in the Company's operations 4. Management of internal relationship and communication 5. The Director's professionalism and continuing education 6. Internal control
		Performance Evaluation of the Audit Committee		1. Participation in the Company's operations 2. Awareness of the Audit Committee's duties 3. Improvement of the decision-making quality of the Audit Committee 4. Management of internal relationship and communication 5. The Director's professionalism and continuing education
		Performance Evaluation of the Remuneration Committee		1. Participation in the Company's operations 2. Awareness of the Remuneration Committee's duties 3. Improvement of the decision-making quality of the Remuneration Committee 4. The composition of the Remuneration Committee and the election of committee members
		Performance Evaluation of the Nomination Committee		1. Participation in the Company's operations 2. Awareness of the Nomination Committee's duties 3. Improvement of the decision-making quality of the Nomination Committee 4. The composition of the Nomination Committee and the election of committee members
		Performance Evaluation of the Sustainable Development and Risk Management Committee		1. Participation in the Company's operations 2. Awareness of the Sustainable Development and Risk Management Committee's duties 3. Improvement of the decision-making quality of the Sustainable Development and Risk Management Committee 4. The composition of the Sustainable Development and Risk Management Committee and the election of committee members
Once every three years	January 1, 2023 to December 31, 2023	Performance Evaluation of the Board of Directors	External evaluation: The external evaluation was conducted by Taiwan Investor Relations Institute (TIRI) as the external unit of evaluating the Company's board performance	1. Composition and professional development of the Board 2. Quality of the Board's decision-making 3. Operational efficiency of the Board of Directors 4. Internal control and risk management 5. Participation of the Board on Corporate Social Responsibility
		Performance Evaluation of the Board Members		1. Management of the goals and missions of the Company 2. Awareness of Director's duties. 3. Participation in the Company's operations 4. Management of internal relationship and communication 5. The Director's professionalism and continuing education 6. Internal control
		Performance Evaluation of the Functional Committees		1. Participation in the Company's operations 2. Awareness of functional committees' duties 3. Improvement of the decision-making quality of functional committees 4. The composition of the functional committees and the election of their members 5. Internal control

4. Goals for strengthening the functions of the Board of Directors (such as establishing an Audit Committee and enhancing information transparency) in the current and the most recent fiscal year and assessing implementation thereof.

- (1) Goals for strengthening the functions of the Board of Directors
- i. The Company has established a Remuneration Committee under the Board of Directors on January 12, 2011 upon approval of the Board of Directors and appointed members of the Remuneration Committee in accordance with Article 5 of the Company's Remuneration Committee Charter. On March 10, 2020 and August 8, 2024, the amendments to the Remuneration Committee Charter were approved so as to strengthen the functions of the Board of Directors.
 - ii. The Company has set up an Audit Committee on July 7, 2015 upon approval of the Board of Directors and appointed members of the Audit Committee in accordance with Article 4 of the Company's Audit Committee Charter. On March 10, 2020, the amendments to the Audit Committee Charter were approved so as to strengthen the functions of the Board of Directors.
 - iii. The Company has established a Nomination Committee under the Board of Directors on March 7, 2017 upon approval of the Board of Directors and appointed members of the Nomination Committee in accordance with Article 4 of the Company's Nomination Committee Charter. On March 28, 2019 and November 6, 2020, the amendments to the Nomination Committee Charter were approved by the Board of Directors so as to strengthen the functions of the Board of Directors.
 - iv. On March 28, 2019, a resolution of the Board of Directors was adopted to formulate the Company's Standard Operating Procedures for Handling Directors' Requests, to assist Directors in performing their duties and enhance the effectiveness of the Board of Directors.
 - v. Implementing corporate governance system and enhancing information transparency: The Board of Directors operate in accordance with the Rules of Procedure for Board of Directors Meetings. In order to improve the supervision function and strengthen the management function, the amendments to the Rules of Procedure for Board of Directors Meetings were approved by the Board of Directors on March 10, 2020 and November 4, 2022, based on which the Company's Board of Directors is convened adequately.
 - vi. The Company's Board of Directors resolved to pass the formulation of the Regulations on the Scope of Duties of Independent Directors on July 2, 2007. On November 14, 2017 and November 6, 2020, the amendments to the Regulations on the Scope of Duties of Independent Directors were approved, to enable the Company's independent directors to perform their functions for the Board of Directors and the Company's operations so as to strengthen the functions of the Board of Directors.
 - vii. Directors' further training: The Company arranges further training sessions for Directors to obtain relevant information in order to maintain their core values and professional advantages and capabilities.
 - viii. The Company's Board of Directors resolved to pass the formulation of the Corporate Governance Best Practice Principles on January 25, 2016 to protect the interests of shareholders and respect stakeholders. On May 7, 2020 and January 7, 2023, the amendments to the Corporate Governance Best Practice Principles were approved to strengthen the functions of the Board of Directors and enhance information transparency.
 - ix. The Company established the Risk Management Committee and the "Risk Management Committee Charter" on November 4, 2021 upon approval of the Board of Directors, hoping to build an effective risk management mechanism. The Company revised the "Corporate Risk Management Policy and Procedures" on November 4, 2022 for achieving business sustainability and strengthening the functions of the Board of Directors. On May 8, 2024, the Board of Directors approved the resolution to change the "Risk Management Committee" to the "Sustainable Development and Risk Management Committee." The Board amended the "Risk Management Committee Charter" as the "Sustainable Development and Risk Management Committee Charter" to establish a corporate culture of sustainable value, set the Company's sustainability development goals, and formulate relevant management policies and specific plans.
 - x. On March 24, 2016, the Board of Directors resolved to adopt the Company's "Code of Practice on Corporate Social Responsibility". On March 10, 2020 and November 4, 2021, the Board of Directors resolved to revise the "Code of Practice on Corporate Social Responsibility". On January 21, 2022, the Board of Directors resolved to change the above into the "Code of Practice on Sustainable Development". On May 8, 2024 the Board resolved to revise sections of the Code of Practice to actively realize sustainable development goals in line with international development trends, enhance national economic contributions, improve the quality of life of employees, communities and society through corporate citizenship, and promote competitive advantages based on sustainable development.
 - xi. On November 4, 2022, the Board of Directors of the Company resolved to determine that the Company's "Procedures for Preparation and Validation of Sustainability Reports" complied with the issued General Guidelines, Industrial Guidelines and Major Topic Guidelines for the preparation of the previous year's Sustainability Reports. On November 7, 2024, the Board of Directors resolved to abolish the original Procedures and establish the "Sustainability Information Management Procedures", enhancing the Company's sustainability information management and related internal control systems.
 - xii. On November 4, 2022, the Board of Directors of the Company resolved to establish an effective internal important information processing and disclosure mechanism by establishing the "Procedures for Internal Significant Information Processing and Prevention of Insider Trading Operations" to avoid improper leakage of information. The Board of Directors agreed to amend the Procedures on November 8, 2023 to ensure the consistency and correctness of the information exposed, and strengthen the prevention of insider trading to ensure its compliance.
 - xiii. In response to the rapidly changing macro environment and industry competition, the Company has established an Annual Board Strategy Meeting starting in 2024. This initiative enables directors to quickly understand and stay informed about the Company's status, strengthens two-way communication between the Board and management, and helps shape the Company's long-term strategic direction. Additionally, directors leverage their expertise and experience to provide effective guidance to the management team.
- (2) Assessment of the implementation: The Company upholds the principle of operational transparency and posts important resolutions on the Market Observation Post System (MOPS) right after a Board meeting to protect shareholders' rights.

(2) Performance of Audit Committee

The Audit Committee primarily assists the Board in carrying out its supervision responsibilities and the responsibilities under the Companies Act, the Securities and Exchange Act and other relevant laws. The audit committee of the Company is composed of all of the independent directors. The committee operates in accordance with the organizational rules applicable to the audit committee of the Company, and has an effective and close communication and contact with internal auditors and CPA of the Company.

1. The key points that the Audit Committee reviews annually.

- (1) Proper presentation of the Company's financial statements.
- (2) Appointment, resignation, independence, competence and performance of CPA.
- (3) Effective implementation of internal controls within the Company.
- (4) Supervise the Company's compliance with relevant laws and regulations.
- (5) Supervise the Company's control over existing or potential risks.
- (6) Supervise the performance of the Company's internal audit department.

2. The Company's Audit Committee consists of five members. The current term of office is from May 24, 2024 to May 23, 2027.

3. In 2024 (5 times) and 2025 (2 time), as of the publication date of this Annual Report, the Company’s Audit Committee held a total of 7 meetings. The attendance records of the Independent Directors are as follows

Title	Name	Number of Attendance Required in Person (A)	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	Cheng, Chih-Kai	2	2	0	100%	Stepped down on May 24, 2024 Attendance of 2 times is required.
Independent Director	Shen, Ying-Chuan	2	2	0	100%	Stepped down on May 24, 2024 Attendance of 2 times is required.
Independent Director	Wu, Chun-Pang	7	7	0	100%	
Independent Director	Wang, Jia-Qi	7	7	0	100%	
Independent Director	Ma, Hui-Fan	7	7	0	100%	
Independent Director	Huang, Shiou-Chuan	5	5	0	100%	Newly appointed on May 24, 2024 Attendance of 5 times is required.
Independent Director	Lai, Fei-Pi	5	4	1	80%	Newly appointed on May 24, 2024 Attendance of 5 times is required.

Other matters:

1. If the Audit Committee has any of the following circumstances, the date, session, and proposal content of the meeting held by the Audit Committee, Independent Directors' objections or reservations or recommendations, resolutions of the Audit Committee, and the Company's response toward the Audit Committee's opinions shall be specified.
- (1) Matters listed according to in Article 14-5 of the Securities and Exchange Act: As of the publication date of this Annual Report, the resolutions of the Audit Committee of the Company were approved by all Audit Committee members present.

Key Points	Implementation Status				
	Conference Date	Proposal	Opinions of Independent Directors	Resolutions	The Company's Response to the Audit Committee's Opinions
Proper presentation of the Company's financial statements	2024/2/26	The Company's 2023 Business Report and Financial Statements.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
	2024/5/8	The Company's consolidated financial statements for the first quarter of 2024.			
	2024/8/8	The Company's consolidated financial statements for the second quarter of 2024.			
	2024/11/6	1.The Company's consolidated financial statements for the third quarter of 2024. 2.Discussion and update of major regulations with accountant on financial report audit results.			
	2025/2/26	The Company's 2024 Business Report and Financial Statements.			
Appointment, resignation, independence, competence and performance of CPA	2024/2/26	The Company's regular evaluation of the independence and suitability of CPA.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
	2025/2/26	The Company's regular evaluation of the independence and suitability of CPA.			
Effective implementation of internal controls within the Company	2024/2/26	The Company's proposal for "Statement on Internal Control System" for 2023.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
	2025/2/26	The Company's proposal for "Statement on Internal Control System" for 2024.			
The laws and regulations the company shall comply with	2024/5/8	The Company's proposal to establish the "Group Tax Policy."	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
	2024/8/8	1.Revision of the Company's "Operational Authorization Procedures" (approval authority for decision-making on asset acquisition or disposal) and "Authorization Limits for Asset Acquisition or Disposal." 2.The Company's proposal to establish the Group's "Strategic Investment Operating Guidelines.			
	2024/11/6	Revision of the Company's "Internal Control System" and "Enforcement Rules for Internal Audit."			
	2025/1/20	Revision of the Company's "Operational Authorization Procedures."			
	2025/2/26	1.Revision of the Company's "Internal Control System for Payroll Cycle." 2.Proposal to amend and supplement the general principles appendix of the Company's pre-approval policy for non-assurance services. 3.Revision of the Company's "Audit Committee Charter."			

Key Points	Implementation Status				
	Conference Date	Proposal	Opinions of Independent Directors	Resolutions	The Company's Response to the Audit Committee's Opinions
Performance of the Company's internal audit department	2024/11/6	The Company's 2025 Audit Plan.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
		The audit supervisor attends the meeting each quarter to report on the audit operations, the execution of plans, and present significant audit findings.			
Control of the Company's existing or potential risks		1. An internal control self-assessment is conducted annually to identify risks. 2. Based on the level of risk, an annual audit plan is developed and executed, with the completion of all audit activities for 2024.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
Others	2024/2/26	The Company's 2023 earnings distribution plan.	All independent directors have no objections	The Audit Committee members present unanimously agreed.	Approved by all Directors present
	2024/5/8	1.The Company's Thai subsidiary's (Primax Electronics (Thailand) Co., Ltd) plan to establish a capital expenditure budget for the construction of the second-phase factory in Thailand. 2.The Company's personnel change for the internal audit supervisor.			
	2024/6/8	The Company's plan to conduct a cash capital increase for its subsidiary, Diamond (Cayman) Holdings Ltd.			
	2024/8/8	1.Endorsement and guarantee for extension of subsidiary Primax Electronics (Singapore) Pte. Ltd. 2. 2024 first issuance of restricted employee shares granted to non-executives.			
	2025/1/20	1.The Company's Thai subsidiary, Primax Electronics (Thailand) Co., Ltd., plans to increase the capital expenditure budget for the construction of a steel structure factory and substation at its Thailand facility. 2. The Company's Thai subsidiary, Tymphany Acoustic Technology (Thailand) Co., Ltd., plans to establish a capital expenditure budget for the construction of a steel structure warehouse and cafeteria at its Thailand facility.			
	2025/2/26	1.The Company's 2024 earnings distribution plan. 2. 2024 second issuance of restricted employee shares granted to non-executives.			

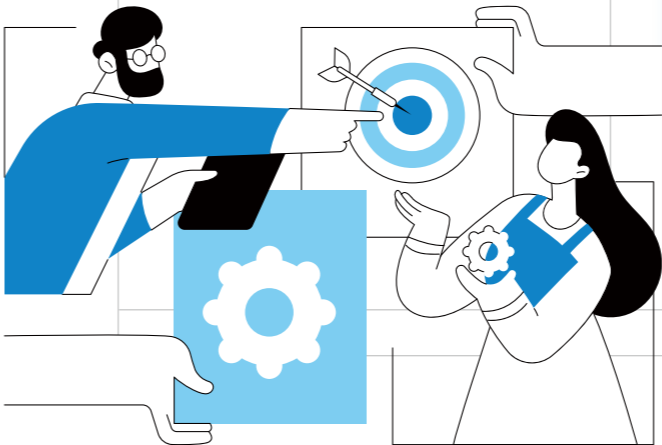
2. Except for the aforementioned matters, other resolutions which were not approved by the Audit Committee but approved by two-thirds of all Board of Directors members: None.
2. With regard to the recusal of Independent Directors from voting due to conflicts of interest, the name of the Independent Directors, the proposal content, reasons for recusal due to conflicts of interest, and voting outcomes shall be specified: None
3. The communication between Independent Directors and internal audit officer, and CPAs :
- (1) The Company's internal audit officer regularly reports at the meeting of the Audit Committee to the Independent Directors the auditing results and its follow-up. It is required that the auditing report for the meeting contain the risk level for identification and that a presentation on internal audit be given at the Audit Committee meeting based on the risk attributes of the operational cycle. The suggestions made by the Independent Directors have been implemented immediately, and the execution of the audit business and results have been fully communicated. A summary of the communication between the Independent Directors and the internal audit supervisor has been disclosed on the Company's official website.
- (2) The CPAs of the Company regularly reported to the Independent Directors the results of financial statement audits or reviews and other matters required by relevant laws and regulations. In 2024, the CPAs explained to the Independent Directors the significant accounting estimates and the key audit matters of the financial statements. The Company's Independent Directors and CPAs maintained good communication, and a summary of the communication between the Independent Directors and the CPAs has been disclosed on the Company's official website.



(3) Implementation Status of Corporate Governance, Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies, and Reasons Thereof

Evaluation Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	Description	
1. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓	The Company has established the Corporate Governance Best Practice Principles and disclosed them on the official website and MOPS.	No significant difference.
2. Shareholding structure & shareholders' rights			
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and does the Company implement these procedures accordingly?	✓	(1) The Company has engaged spokespersons and deputy spokespersons. There are share affairs and legal departments set up handling shareholders' suggestions or disputes.	No significant difference.
(2) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓	(2) The Company has entrusted a professional share affair agency to keep abreast of the shareholding status of directors, managers, and major shareholders.	
(3) Has the Company established, and does it execute, a risk management and firewall system between the Company and its affiliated companies?	✓	(3) The Company has established relevant guidelines in the internal control system, so as to set up an appropriate risk control mechanism and the firewall.	
(4) Has the Company established internal rules against insiders using undisclosed information to trade securities with?	✓	(4) The Company has established management regulations for prevention of insider trading using undisclosed information to buy and sell securities.	
3. Composition and responsibilities of the Board of Directors			
(1) Has the Board developed, and does it implement, a diversity policy and specific management goals?	✓	(1) The Company has formulated the Corporate Governance Best Practice Principles and disclosed the complete information on the Company's website and MOPS. Article 20 stipulates that the policy of board member diversity shall include but not limited to the following two aspects: I. Basic conditions and values: gender, age, nationality and culture, etc II. Professional knowledge and expertise: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and experience in the industry. In addition, to achieve the ideal goal of corporate governance, the entire Board of Directors shall possess the following abilities: 1. Operational judgment capability. 2. Accounting and financial analysis capability. 3. Business management capability. 4. Crisis management capability. 5. Industry knowledge. 6. An international market perspective. 7. Leadership. 8. Decision-making capability. The Company attaches importance to the diversity of composition of directors. For specific stage targets for the diversity of the board, please refer to page 15 of this annual report.	No significant difference.
(2) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		
(3) Has the Company formulated Board performance evaluation regulations and an evaluation method, and does it conduct performance evaluation annually and regularly, report the results of the performance evaluation to the Board of Directors, and use them as a reference for individual Directors' remuneration as well as nomination and renewal terms?	✓	(2) The Company has established the Nomination Committee and the Sustainable Development and Risk Management Committee. In the future, it will also set up other functional committees according to actual needs. (3) The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors on November 10, 2016 and disclosed it on the Company's website and MOPS. In particular, the Rules stipulate that the Company shall perform an internal performance evaluation of the Board of Directors at least once a year, and at least every three years by an independent external professional agency or a team of external experts and scholars, and the annual performance evaluation shall be performed at the end of the year. The scope of evaluation includes the Board of Directors, Board Members, and Functional Committees. The results of the performance evaluation of the Board of Directors shall be completed before the most recent Board meeting held in the following year. The latest results for 2024 were reported to the Board of Directors on January 20, 2025. For relevant evaluation content, please refer to page 26 of this annual report.	

Evaluation Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																										
	Yes	Description																																											
		<p>(4) The Company's Audit Committee regularly evaluates the independence and competency of certified accountants every year, and then reports the evaluation results to the Board of Directors. The Company obtains information on 13 Audit Quality Indicators (AQIs) provided by the accounting firm, and evaluates the audit quality of the accounting firm and the audit team in accordance with the "Audit Quality Indicator (AQI) Interpretation Guidelines for Audit Committees" published by the regulatory authority. The latest evaluation was approved by the Audit Committee on February 26, 2025, and was reported to the Board of Directors for approval on February 26, 2025. The evaluation results are as follows:</p> <p>Accountant independence and competency assessme</p> <table><tr><th>Evaluation Item</th><th>Evaluation Result</th><th>Qualified and Independent</th></tr><tr><td>(1) Does the auditor have any direct or significant financial interest with the Company?</td><td>No</td><td>Yes</td></tr><tr><td>(2) Has the auditor engaged in any loan or guarantee transactions with the Company or its directors?</td><td>No</td><td>Yes</td></tr><tr><td>(3) Does the auditor have any close business relationship or potential conflicts of interest with the Company?</td><td>No</td><td>Yes</td></tr><tr><td>(4) Has the auditor ever acted as a negotiator or representative of the Company in disputes involving third parties?</td><td>No</td><td>Yes</td></tr><tr><td>(5) Does the auditor have any familial relationship with the Company's directors, executives, or individuals significantly influencing audit-related matters?</td><td>No</td><td>Yes</td></tr><tr><td>(6) Has the auditor or any audit team member been employed by the Company or its director/executives within the past two years, potentially affecting audit independence?</td><td>No</td><td>Yes</td></tr><tr><td>(7) Has the engagement of the signing auditor not exceeded seven consecutive years; and if so, has there been a mandatory rotation interval of at least two years?</td><td>Yes</td><td>Yes</td></tr><tr><td>(8) Are the auditor and their firm required to issue an independence declaration?</td><td>Yes</td><td>Yes</td></tr><tr><td>(9) Has the auditor issued equity or debt securities for the Company?</td><td>No</td><td>Yes</td></tr><tr><td>(10) Do the auditor and their firm meet audit quality indicators (AQI) for professional competence?</td><td>Yes</td><td>Yes</td></tr><tr><td>(11) Do the auditor and their firm meet AQI supervision-related indicators?</td><td>Yes</td><td>Yes</td></tr><tr><td>(12) Has the auditor provided any non-audit services that may affect their independence?</td><td>No</td><td>Yes</td></tr><tr><td>(13) Do the auditor and their firm provide performance evaluation of their services?</td><td>Yes</td><td>Yes</td></tr></table> <p>Regarding the AQIs and other indicators with significant differences from the industry, the accounting firm has already provided explanations and improvement measures to the Audit Committee on February 26, 2025. The committee will continue to monitor the progress of improvement. The appointed accounting firm has no significant differences in AQIs compared to the industry.</p>	Evaluation Item	Evaluation Result	Qualified and Independent	(1) Does the auditor have any direct or significant financial interest with the Company?	No	Yes	(2) Has the auditor engaged in any loan or guarantee transactions with the Company or its directors?	No	Yes	(3) Does the auditor have any close business relationship or potential conflicts of interest with the Company?	No	Yes	(4) Has the auditor ever acted as a negotiator or representative of the Company in disputes involving third parties?	No	Yes	(5) Does the auditor have any familial relationship with the Company's directors, executives, or individuals significantly influencing audit-related matters?	No	Yes	(6) Has the auditor or any audit team member been employed by the Company or its director/executives within the past two years, potentially affecting audit independence?	No	Yes	(7) Has the engagement of the signing auditor not exceeded seven consecutive years; and if so, has there been a mandatory rotation interval of at least two years?	Yes	Yes	(8) Are the auditor and their firm required to issue an independence declaration?	Yes	Yes	(9) Has the auditor issued equity or debt securities for the Company?	No	Yes	(10) Do the auditor and their firm meet audit quality indicators (AQI) for professional competence?	Yes	Yes	(11) Do the auditor and their firm meet AQI supervision-related indicators?	Yes	Yes	(12) Has the auditor provided any non-audit services that may affect their independence?	No	Yes	(13) Do the auditor and their firm provide performance evaluation of their services?	Yes	Yes	
Evaluation Item	Evaluation Result	Qualified and Independent																																											
(1) Does the auditor have any direct or significant financial interest with the Company?	No	Yes																																											
(2) Has the auditor engaged in any loan or guarantee transactions with the Company or its directors?	No	Yes																																											
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(11) Do the auditor and their firm meet AQI supervision-related indicators?	Yes	Yes																																											
(12) Has the auditor provided any non-audit services that may affect their independence?	No	Yes																																											
(13) Do the auditor and their firm provide performance evaluation of their services?	Yes	Yes																																											
3. Composition and responsibilities of the Board of Directors																																													
(4) Does the board of directors of the company regularly (at least once a year) evaluate the independence and competency of the CPAs with reference to the Audit Quality Indicators (AQIs), and disclose the evaluation process in detail in the annual report?	✓		No significant difference.																																										



Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Rea-sons Thereof																												
	Yes	No	Description																													
4. Has the Company (list on a stock or OTC market) engaged an appropriate number of qualified corporate governance personnel, and designated the corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with necessary information to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the meetings of the Board of Directors and the shareholders 'meeting according to laws, and taking the minutes of board and shareholders' meetings)?	<div>✓</div>		<p>The Company's ESG Office is the unit dedicated to corporate governance, and dedicated personnel are responsible for implementing and promoting corporate governance-related matters. On August 6, 2020, the Board of Directors passed a resolution to appoint Senior Director Su, Yu-Chen (Note) as the Corporate Governance Officer, reporting directly to the chairman. Su, Yu-Chen has been a supervisor in charge of finance in public companies for more than three years, and he is qualified as required by laws. The powers and duties of the Corporate Governance Officer are as follows:</p> <p>(1) Report on the progress of corporate governance and the improvement plans to the Board of Directors regularly (at least once a year)</p> <p>(2) Proceed with the affairs related to meetings of Board of Directors and shareholders' meetings in compliance with the laws</p> <p>(3) Produce meeting minutes for the meetings of the Board of Directors and shareholders' meetings</p> <p>(4) Assist in directors' and supervisors' compliance of laws</p> <p>(5) Assist directors in taking office and continuing education</p> <p>(6) Provide directors with information required for performing duties</p> <p>(7) Report to the Board of Directors on his/her findings as to whether the Independent Directors' qualifications at the time of nomination, election and during the term of office are in accordance with the relevant laws and regulations</p> <p>(8) Handle the matters arising from changes in directors</p> <p>(9) Other matters stipulated in the Company's Articles of Association or contracts, such as the evaluation of corporate governance of the TWSE, the trend of better corporate governance practices, and the amendments to the domestic corporate governance laws and regulations</p> <p>The matters that were carried out in 2024 are as follows:</p> <ul style="list-style-type: none">• Scheduled the annual Board of Directors and functional committees' meetings to ensure compliance with relevant laws and regulations.• Scheduled regular meetings between independent directors, CPAs, and internal audit directors.• Assisted in arranging suitable continuing education classes for directors, ensuring that all directors have completed the number of annual training hours.• Registered the date of the shareholders' meeting for 2024 in accordance with the laws and prepared the relevant materials for the meeting and the annual report in both Chinese and English.• Reported to the Board of Directors on the results of corporate governance implementation in the previous year, the current year's status, and the 2025 governance plan on May 8, 2024.• Arranged and planned the internal evaluation of the performance evaluation of the Board of Directors, individual Directors, and functional committees for 2024, and reported on said matters to the Board of Directors on January 20, 2025. <p>Continuing Education for the officers: In accordance with related regulations, the Company's officers are required to complete 18 hours of continuing education within one year of appointment by the Board of Directors, with a minimum of 12 hours of continuing education per year. Su, Yu-Chen, Corporate Governance Officer of the Company, has completed a total of 15 hours of continuing education courses in 2024. The content of courses is as follows:</p> <table><tr><th>Training date</th><th>Organizer</th><th>Class Title</th><th>Hours</th></tr><tr><td>2024/3/22</td><td>Taiwan Stock Exchange Corporation (TWSE)</td><td>CDP Taiwan Conference – Promoting a New Carbon Era with Sustainable Knowledge</td><td>3</td></tr><tr><td>2024/11/14</td><td>The Greater Chinese Financial Development Association</td><td>Global Political and Economic Analysis After the U.S. Presidential Election</td><td>3</td></tr><tr><td>2024/11/21</td><td>Taiwan Institute for Sustainable Energy</td><td>7th Global Corporate Sustainability Forum</td><td>3</td></tr><tr><td>2024/11/22</td><td>The Greater Chinese Financial Development Association</td><td>New Trends in Circular Economy and Sustainable Management</td><td>3</td></tr><tr><td>2024/12/5</td><td>The Greater Chinese Financial Development Association</td><td>Global and Taiwan Economic Outlook</td><td>3</td></tr><tr><td>Total</td><td></td><td></td><td>15</td></tr></table> <p>Note: As of January 20, 2025, the Company has appointed Li, Jui-Hua, Director, as the Corporate Governance Officer.</p>	Training date	Organizer	Class Title	Hours	2024/3/22	Taiwan Stock Exchange Corporation (TWSE)	CDP Taiwan Conference – Promoting a New Carbon Era with Sustainable Knowledge	3	2024/11/14	The Greater Chinese Financial Development Association	Global Political and Economic Analysis After the U.S. Presidential Election	3	2024/11/21	Taiwan Institute for Sustainable Energy	7th Global Corporate Sustainability Forum	3	2024/11/22	The Greater Chinese Financial Development Association	New Trends in Circular Economy and Sustainable Management	3	2024/12/5	The Greater Chinese Financial Development Association	Global and Taiwan Economic Outlook	3	Total			15	No significant difference.
Training date	Organizer	Class Title	Hours																													
2024/3/22	Taiwan Stock Exchange Corporation (TWSE)	CDP Taiwan Conference – Promoting a New Carbon Era with Sustainable Knowledge	3																													
2024/11/14	The Greater Chinese Financial Development Association	Global Political and Economic Analysis After the U.S. Presidential Election	3																													
2024/11/21	Taiwan Institute for Sustainable Energy	7th Global Corporate Sustainability Forum	3																													
2024/11/22	The Greater Chinese Financial Development Association	New Trends in Circular Economy and Sustainable Management	3																													
2024/12/5	The Greater Chinese Financial Development Association	Global and Taiwan Economic Outlook	3																													
Total			15																													

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established on the Company's website? Are major corporate social responsibility (CSR) topics about which the stakeholders are concerned addressed appropriately by the Company?	✓		<p>Besides following AA 1000 Stakeholder Engagement Standards (SES), to allow PRIMAX stakeholders to better identify adherence to GRI Standards (2021 Update), the Company evaluates actual or potentially affected stakeholders according to the management of each sustainability issue. The ESG Office then identifies seven key stakeholders in accordance with the AA 1000 SES, including: Government/Competent authority, Customers, Shareholders/Investors /Financial Institutions/External Appraisal institutions, Employees, Suppliers/Contractors/ Outsourcers, Local community, NPO/NGO.</p> <p>Every six months, the ESG Office issues questionnaires on various topics of interest to all stakeholders as a reference for the identification of relevant sustainability issues and significant topic of interest. The ESG Office then regularly reports the status of stakeholder communication to the Board of Directors.</p> <p>For further information on stakeholder communication and topics of interest, please refer to Chapter 6 - Corporate Sustainable Development pages 93 of this Annual Report.</p>	No significant difference
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		<p>The Company commissioned the SinoPac Securities Stock Affairs Agency to handle relevant matters.</p>	No significant difference
7. Information disclosure (1) Has the Company established a website to disclose information on financial operations and corporate governance? (2) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to collect and disclose information, creating a spokesperson system, and webcasting investor conferences)? (3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month in advance of the specified deadline?	✓ ✓ ✓		<p>(1) The Company has set up a website with a section dedicated to "investment," which contains complete information on financial business activities and corporate governance.</p> <p>(2) The Company has set up an official website in both Chinese and English languages and has appointed dedicated personnel to disclose material information on MOPS in both Chinese and in English simultaneously, including information on the financial business activities and corporate governance. The Company has also engaged spokespeople and acting spokespeople, who are responsible for communication with the outside on corporate information and holding investor conferences.</p> <p>(3) The Company announced the self-closing profit and loss information in advance within 45 days after the end of fiscal year 2024 and before the end of the following month after the end of each quarter, and published each quarterly financial report one to two days before the prescribed period. The annual financial report was announced in advance on February 26, 2025, and the first, second, and third quarter financial reports, along with monthly operational results, were disclosed and filed ahead of the regulatory deadlines.</p>	No significant difference



Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of client policies, and participation in liability insurance by directors and supervisors)?	✓		<div>1. The Company protects employees' basic rights and interests in accordance with the Labor Standards Act and has established the Employee Welfare Committee in accordance with the Enforcement Rules of the Employee Welfare Fund Act. The current benefit system covers regular health checkups, bonuses (coupons) for birthday and three major holidays, marriage and funeral subsidies, scholarships, domestic and overseas travel subsidies, emergency relief loans, year-end party and luck draw, and club activities.</div> <div>2. The Company attaches great importance to the harmony of labor-management relations. In order to protect employees' rights and benefits, employees can engage in two-way communication through departmental meetings, employee seminars, labor-management meetings, an employee suggestion box, and other channels to communicate the Company's various systems and work environment issues and to inspect and maintain the safety and health in the work environment regularly so as to ensure employees' safety and health while at work.</div> <div>3. The Company has established smooth and effective communication channels and designated specific points of contact for employees, non-profit organizations, shareholders, clients, business partners, and the government, to protect their rights and interests.</div> <div>4. The Company has established client service management procedures, client satisfaction surveys, and client complaints procedures, including identifying client complaints and determining the applicable responsibility for the complaints, while evaluating client satisfaction periodically, to ensure that the best service is provided to clients.</div> <div>5. The Company has established various internal regulations and internal control systems in accordance with the laws, and conducts various risk management and evaluations, while the internal audit unit engages in both periodical and occasional review of the implementation of internal control systems.</div> <div>6. Directors' continuing education status: Please refer to "Directors' Continuing Education in 2024" in this Annual Report (page 35).</div> <div>7. The Company has purchased liability insurance for Directors. The current policy is valid until December 31, 2025 and the amount insured is US\$20 million.</div>	No significant difference.
9. Describe improvements made according to the corporate governance assessment made in the latest fiscal year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide priority improvements and measures to be taken for improvements that have yet to be carried out.			<p>The Company's corporate governance evaluation results from 2016 to 2023, except for 2018 and 2023, which is 6-20%, the remaining five sessions (2016 to 2017, 2019 to 2022) are all ranked 5% of the overall listed companies. The Company's corporate governance evaluation results in 2024 were not published as of the publication date (February 28, 2025) of the Annual Report.</p> <p><u>The Company strove to improve the deficiencies identified in the corporate governance evaluation, and the main implementation results are as follows:</u></p> <div>1. Diversified the composition and strengthened the structure and independence of the Board of Directors. At the 2019 and 2023 general shareholders' meeting, a female Independent Director was elected in a by-election, reaching a total of two female Independent Directors. The Company aims to have one-third of its board seats occupied by female directors by 2027. Independent director seats have already exceeded 50%, with each serving no more than three consecutive terms.</div> <div>2. Strengthened the disclosure of the operation of each functional committee (Audit Committee, Remuneration Committee, Nomination Committee, and Sustainable Development and Risk Management Committee).</div> <div>3. The Board of Directors designated a full-time Corporate Governance Officer in charge of matters related to corporate governance, and its operation and execution were fully disclosed.</div> <div>4. The Company's 2023 Sustainability Report was prepared in accordance with the latest GRI Standards and SASB-Hardware indicators. It was verified by SGS at a moderate assurance level based on AA 1000 AS v3 Type 2 standards. After being reviewed and approved by the Board of Directors on August 8, 2024, the report was uploaded in both Chinese and English to the Company's official website and the Market Observation Post System (MOPS) on August 20, 2024.</div> <div>5. The uninterrupted full-length recording of the 2024 Shareholders' Meeting has been uploaded to the Company's official website.</div> <div>6. The Company has established a policy linking executive remuneration to ESG-related performance evaluations and has disclosed it in the annual report and sustainability report.</div> <div>7. The Company passed the verification of the Taiwan Intellectual Property Management System (TIPS) in 2024.</div> <div>8. In 2024, the Company invested NT\$3 million to support domestic cultural development. This was achieved through the design of engaging activities and cultural products, as well as sponsoring performing arts groups and promoting art and cultural learning through camp activities. These initiatives aimed to raise awareness among employees and the public about sustainability and cultural development, inspire creativity, and expand the influence of collective participation from all sectors of society.</div>	

Directors' Continuing Education in 2024:

Title	Name	Training date	Organizer	Class Title	Hours	Total Hours in 2024
Director	Pan, Yung-Chung	2024/09/26	Chung-Hua Institution for Economic Research	Analysis of Green Economy Trends	3	9
		2024/10/28	Taipei Foundation of Finance	Trends in the Development of the Generative AI Industry	3	
		2024/10/30	Corporate Operating and Sustainable Development Association	Analysis of Corporate Mergers and Acquisitions, Equity Investment Planning, and Joint Venture Agreement Practices	3	
Director	Pan, Yung-Tai	2024/11/21	Taiwan Project Management Association	Board of Directors vs Management	3	6
		2024/12/04	Taiwan Project Management Association	ESG Investing and Corporate Social Responsibility	3	
Director	Duh, Jia-Bin	2024/03/14	Taiwan Institute of Directors	Analysis of the International Competitiveness of the Current Tax System	1.5	16.5
		2024/03/22	Taiwan Stock Exchange Corporation, BCSD Taiwan	CDP Taiwan Conference – Promoting a New Carbon Era with Sustainable Knowledge	3	
		2024/06/19	Taiwan Institute of Directors	Identifying International Competitiveness of Taiwanese Enterprises Amidst Global Competitive and Cooperative Dynamics	3	
		2024/09/26	Corporate Operating and Sustainable Development Association	Promoting Corporate Sustainable Development through Risk Management	3	
		2024/10/22	Chung-Hua Institution for Economic Research	Challenges and Responses to the New Global Landscape	3	
		2024/10/30	Corporate Operating and Sustainable Development Association	Analysis of Corporate Mergers and Acquisitions, Equity Investment Planning, and Joint Venture Agreement Practices	3	
Director	Green Land Investment Limited Representative: Lee, Ji-Ren	2024/03/11	Taiwan Corporate Governance Association	2024 International Economic Situation	3	9
		2024/04/30	Taiwan Corporate Governance Association	Corporate Strategy Development Directions	3	
		2024/08/12	Taiwan Corporate Governance Association	Taiwan Industry Economic Climate Outlook	3	
Independent Director	Wu, Chun-Pang	2024/02/02	Securities and Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3	6
		2024/02/06	Securities and Futures Institute	How Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Management	3	
Independent Director	Wang, Jia-Qi	2024/09/26	Corporate Operating and Sustainable Development Association	Promoting Corporate Sustainable Development through Risk Management	3	6
		2024/12/03	Taiwan Project Management Association	Introduction to Information Security	3	
Independent Director	Ma, Hui-Fan	2024/10/22	Chung-Hua Institution for Economic Research	Challenges and Responses to the New Global Landscape	3	6
		2024/12/06	Securities and Futures Institute	A Corporate Perspective on Emerging Financial Technology Crimes and Anti-Money Laundering Prevention	3	
Independent Director	Huang, Shiou-Chuan	2024/08/07	Taiwan Corporate Governance Association	Analysis of the International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3	6
		2024/11/06	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	
Independent Director	Lai, Fei-Pi	2024/01/26	Taiwan Corporate Governance Association	Analysis of Taiwan's Economic Trends in 2024	3	9
		2024/07/10	Securities and Futures Institute	How the Board of Directors Ensures Corporate Sustainability: Starting with Talent Discovery and Development	3	
		2024/07/18	Chung-Hua Institution for Economic Research	Global Geopolitical and Economic Trends and the Opportunities, Challenges, and Responses for Taiwan's Industries	3	

(4) The Composition, Duties, and Implementation Status of the Remuneration Committee, Nomination Committee, and Sustainable Development and Risk Management Committee

1. Remuneration Committee

In order to improve corporate governance and strengthen the functions of the Board of Directors, PRIMAX established the Remuneration Committee in 2011, with the aim of assisting the Board of Directors in assessing and approving the remuneration policies and systems for the Chairman and managerial officers. According to the Company's "Remuneration Committee Charter," the members of the Remuneration Committee shall be appointed by the resolution of the Board of Directors, and the number of members shall not be less than three, one of whom shall be the convener and at least one of whom shall be Independent Director. The members of the Remuneration Committee are appointed by the Board of Directors. The Remuneration Committee shall meet at least twice a year. In 2024, there have been five meetings and in 2025, two meetings were held as of the issue date of this annual report. The Remuneration Committee has held a total of seven meetings as of the publication date of the annual report.

(1) Information on the Members of the Remuneration Committee

February 28, 2025

Identity	Qualification	Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual Concurrently Serves as a Remuneration Committee Member
	Name			
Independent Director (Convener)	Ma, Hui-Fan	Industry, human resources, and management	✓	None
Independent Director	Wu, Chun-Pang	Marketing, finance, and management	✓	None
Independent Director	Wang, Jia-Qi	Industry, finance, and management	✓	None

(2) Information on operations of the Remuneration Committee

- a. The 5th Remuneration Committee of the Company has four members at the beginning of its term. On May 24, 2024, the Board of Directors appointed three members of the 6th Remuneration Committee, all of whom are Independent Directors.
- b. Term of office of the 6th Committee: From May 24, 2024 to May 23, 2027, the Remuneration Committee held 5 meetings in 2024, and 2 meetings in 2025 as of the date of publication of the annual report, a total of 7 meetings. The membership and attendance are as follows:

Title	Name	Number of Attendance Required in Person (A)	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Ma, Hui-Fan	7	7	0	100%	Re-elected on May 24, 2024
Member	Wang, Jia-Qi	4	4	0	100%	Newly appointed on May 24, 2024
Member	Wu, Chun-Pang	7	7	0	100%	Re-elected on May 24, 2024
Member	Shen, Ying-Chuan	3	3	0	100%	Stepped down on May 24, 2024
Member	Cheng, Chih-Kai	3	3	0	100%	Stepped down on May 24, 2024

Other matters:

1. If the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (e.g., if the salary and remuneration approved by the Board of Directors are better than those proposed by the Remuneration Committee, please specify the differences and the reason): None.
2. For the resolutions of the Remuneration Committee, if any member expresses objections or reservations, which are recorded on the record or in a written statement, the date, meeting session, content of the proposal, the opinions of all members, and the handling of the members' opinions shall be stated:

Key Points	Implementation Status			
	Conference Date	Proposal	Resolutions	The Company's Response to the Remuneration Committee's Opinions
1. Formulate policies, systems, standards, and structure of remuneration to Directors (including the Chairman), General Manager, and Vice Presidents and review them as necessary based on factors, including the Company's goals, operational performance, and competitive environment.	2024/2/26	2024 Bonus Plan for Senior Officers and Important Supervisors	The Remuneration Committee members present unanimously agreed.	Approved by all Directors present
		Chairman's 2024 Performance Standards and Bonus Plan		
		Planned Issuance of Restricted Employee Shares in 2024		
		Proposal for the 2024 Restricted Employee Stock Issuance Plan		
	2024/3/21	2023 Annual Senior Managers' Remuneration Survey Report and 2024 Annual Remuneration Adjustment Plan		
	2024/3/21 2024/6/18	2024 Chairman's Remuneration Plan		
	2025/2/26	Planned Issuance of Restricted Employee Shares in 2025		
		Proposal for the 2025 Restricted Employee Stock Issuance Plan		
		2024 Annual Senior Managers' Remuneration Survey Report and 2025 Annual Remuneration Adjustment Plan		
		2025 Chairman's Remuneration Plan		
		2025 Bonus Plan for Senior Officers and Important Supervisors		
2. Periodically assess the performance of the Chairman, General Manager, and Vice Presidents and verify the content and amount of their individual remuneration based on the evaluation results of individual performance. Review the relevance and rationality of the items and amounts of the remunerations of directors and officers according to the results of their performance evaluation results.	2024/1/24	2023 Bonus Distribution for Senior Managers	The Remuneration Committee members present unanimously agreed.	Approved by all Directors present
		2023 Bonus for the Chairman		
	2024/2/26	Proposal for the Company's 2023 Remuneration Distribution to Employees and Directors		
		2023 Second Issuance of Restricted Employee Shares		
	2024/8/8	2024 First Issuance of Restricted Employee Shares		
		2024 Bonus Distribution for Senior Managers		
	2025/1/20	2024 Bonus for the Chairman		
3. Assess and approve the standards of benefits for General Manager, and Vice Presidents.	2025/2/26	Proposal for the Company's 2024 Remuneration Distribution to Employees and Directors		
	2024/1/24	2023 Remuneration Committee Year-End Report	The Remuneration Committee members present unanimously agreed.	Approved by all Directors present
	2025/1/20	2024 Remuneration Committee Year-End Report		

2. Nomination Committee

(1) Information on the Members and Operations of the Nomination Committee

In order to comply with the direction of corporate governance development and strengthen the function of the board of directors, the Company formulated the "Organizational Regulations for Nomination Committee" in March 2017 and established a Nomination Committee to review the qualifications of company directors and senior managers, and propose a list of suitable candidates to the Board of Directors. The Nomination Committee periodically reviews the relevant qualifications and suitability of each director and senior manager, and makes recommendations to the Board of Directors. Qualifications: A total of five members, the four of whom are elected by the Chairman and the Board of Directors, including at least two Independent Directors.

Information on Members and Operations of the Nomination Committee

- a. There are five members of the Nomination Committee of the Company. On May 24, 2024, the Board of Directors appointed the fourth-term committee, including two independent directors.
- b. The 4th term of office is from May 24, 2024 to May 23, 2027. Four meetings were held in 2024. The qualifications and experience of the members, their attendance and the matters discussed are as follows:

Title	Name	Qualifications and Experience	Number of Attendance Required in Person(A)	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman (Convener)	Pan, Yung-Chung	Industry, marketing, and management	4	4	0	100%	Re-elected on May 24, 2024
Director	Pan, Yung-Tai	Industry, R&D, and management	2	2	0	100%	Newly appointed on May 24, 2024
Independent Director	Ma, Hui-Fan	Industry, human resources, and management	2	2	0	100%	Newly appointed on May 24, 2024
Independent Director	Wu, Chun-Pang	Marketing, finance, and management	4	4	0	100%	Re-elected on May 24, 2024
Director	Lee, Ji-Ren	Industry, marketing, and management	4	4	0	100%	Re-elected on May 24, 2024
Director	Duh, Jia-Bin	Industry, R&D, marketing, and management	2	2	0	100%	Stepped down on May 24, 2024
Independent Director	Cheng, Chih-Kai	Industry, finance, and management	2	2	0	100%	Stepped down on May 24, 2024

Other matters:

The date, session, and proposal content of the meeting held by the Nomination Committee, members' objections or reservations, resolutions of the Nomination Committee, and the Company's response toward the Nomination Committee's opinions shall be specified.

Key Points	Implementation Status			
	Conference Date	Proposal	Resolutions	The Company's Response to the Nomination Committee's Opinions
1. Search for qualified Directors and senior managers, and propose the lists to the Board of Directors, include the Company's Directors, General Manager, Chief Executive Officer, Chief Financial Officer, Directors and Supervisors of major subsidiaries.	2024/3/21	Nomination of the Chairman of the Company	The Nomination Committee members present unanimously agreed.	Approved by all Directors present
	2024/6/3	Proposal for the personnel change of the Company's General Manager		
2. Review the list of candidates and provide suggestions for the Board to determine if replacement is necessary.	2024/5/8	Director reassignments for major subsidiaries	The Nomination Committee members present unanimously agreed.	Approved by all Directors present
	2024/6/3	Proposal to reassign the legal representative for the major subsidiary, Diamond (Cayman) Holdings Ltd.		
	2024/8/8	Proposal to reassign the legal representative for major subsidiaries		

3. Sustainable Development and Risk Management Committee

(1) Information on the Members and Operations of the Sustainable Development and Risk Management Committee

To fulfill the Company's sustainable development goals, enhance risk management mechanisms, and strengthen corporate governance, the Board of Directors approved the establishment of the "Risk Management Committee" on November 4, 2021, and formulated the "Risk Management Committee Charter." Subsequently, on May 8, 2024, the Board approved renaming the committee to the "Sustainable Development and Risk Management Committee" and revised the charter to the "Sustainable Development and Risk Management Committee Charter."

The Sustainable Development and Risk Management Committee assists the Board of Directors in continuously promoting corporate social responsibility, risk management, and enhancing corporate governance to achieve sustainable operations. Its responsibilities include:

- Formulating, promoting, and strengthening the Company's sustainable development and risk management policies, annual plans, and strategies.
- Review the appropriateness of the risk management framework.
- Review the early warning and response measures for key risk management issues and supervise the improvement.
- Overseeing the disclosure of sustainability information and reviewing the sustainability report.
- Overseeing the implementation of the Company's Code of Practice on Sustainable Development or other sustainability-related tasks as resolved by the Board of Directors.
- Review, track, and revise the implementation and effectiveness of sustainable development and risk management initiatives, and report regularly to the Board of Directors.

The members of this committee shall be appointed by the resolution of the Board of Directors, and the number of members shall not be less than three, at least one of whom shall be Independent Director.

The Company's Sustainable Development and Risk Management Committee consists of four members, with the current term running from May 24, 2024, to May 23, 2027. In 2024, the committee convened three times, with attendance details and discussion topics as follows:

Title	Name	Number of Attendance Required in Person(A)	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman (Convener)	Pan, Yung-Chung	3	3	0	100%	
Director	Pan, Yung-Tai	2	2	0	100%	Newly appointed on May 24, 2024
Independent Director	Wu, Chun-Pang	3	3	0	100%	
Independent Director	Wang, Jia-Qi	3	3	0	100%	
Director	Duh, Jia-Bin	1	1	0	100%	Stepped down on May 24, 2024

Other matters:

The date, session, and proposal content of the meeting held by the Sustainable Development and Risk Management Committee, members' objections or reservations, resolutions of the committee, and the Company's response toward the Sustainable Development and Risk Management Committee's opinions shall be specified.

Key Points	Implementation Status			
	Conference Date	Proposal	Resolutions	The Company's response toward the Sustainable Development and Risk Management Committee's opinions
1. Sustainable Development and Risk Management vision, direction, strategy, plan, and implementation effectiveness.	2024/5/8	Change of the "Risk Management Committee" into the "Sustainable Development and Risk Management Committee," as well as the amendment of the "Risk Management Committee Charter" to the "Sustainable Development and Risk Management Committee Charter."	Unanimously agreed by all members present	Approved by all Directors present
	2024/8/8	1. Proposal for the name change of "Corporate Risk Management Policy and Procedures" as "Corporate Risk Management Implementation Guidelines" 2. Proposal for the Company's establishment of the new version of the "Corporate Risk Management Policy and Procedures"		
	2024/11/6	1. Abolishment of the Company's "Rules Governing the Preparation and Filing of Sustainability Reports" 2. Establishment of the Company's "Sustainability Information Management Procedures"		
2. Assessment results of sustainable development, operations, and climate change risks, along with corresponding strategies and implementation status	2024/8/8	2023 Sustainability Report and Stakeholder & Materiality Assessment Results	Unanimously agreed by all members present	Approved by all Directors present

(5) Implementation Status of Sustainable Development, Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies, and Reasons Thereof

Evaluation Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Does the Company establish a sustainable development management framework and a dedicated (or part-time) unit for promoting sustainable development? Is the unit authorized by the Board of Directors to implement CSR activities at the executive level and supervised by the Board of Directors?	✓		Please refer to Page 92: (2) ESG Operations and Management in Chapter 6 - Corporate Sustainable Development of this Annual Report	No significant difference.
2. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established relevant risk management policies or strategies?	✓		Please refer to Chapter 6 - Corporate Sustainable Development, pages 93-94: (3) Communication with Stakeholders, (4) Corporate Operational Risk Identification and Management	No significant difference.
3. Environmental Issues (1) Has the Company established a suitable Environment Management System (EMS) in line with the nature of its industry? (2) Is the Company committed to improving energy efficiency and utilizing renewable resources with reduced environmental impact? (3) Has the Company assessed the potential risks and opportunities arising from climate change at present and in the future and taken relevant countermeasures? (4) Has the Company calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?	✓ ✓ ✓ ✓		Please refer to Chapter 6 - Corporate Sustainable Development of this Annual Report 1. Page 94-95: (1) Environment Policy and (2) Environmental Management System 2. Page 101-107: (3) Climate-Related Financial Disclosures-Indicators and Targets and (4) Green Design and Products 3. Page 97-101: (3) Climate-Related Financial Disclosures. For more information on the Company's TCFD, please refer to the "TCFD Report". For details on climate change-related greenhouse gas emissions, water consumption, and total weight of waste annual results, achieved goals and related data, please refer to the Company's Sustainability Report Chapter Four: Environmental Sustainability 4. Page 101-106 : (3) Climate-Related Financial Disclosures-Indicators and Targets	No significant difference.
4. Social issues (1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Has the Company established and offered proper employee benefits (including remuneration, leave, and other benefits) and reflected the business performance or results in employee remuneration appropriately? (3) Has the Company provided employees with a safe and healthy work environment as well as conducted regular classes on health and safety? (4) Has the Company established effective career and competence development and training plans? (5) Has the Company complied with relevant laws, regulations and international guidelines for client health and safety, client privacy, and marketing and labeling of its products and services and established relevant consumer or client protection policies and grievance procedures? (6) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, or labor rights and supervised the compliance?	✓ ✓ ✓ ✓ ✓ ✓		Please refer to Chapter 6 - Corporate Sustainable Development of this Annual Report 1. Page 108: (1) Human Rights Policy 2. Page 108: (2) Talent Retention 3. Page 108: (3) Occupational Safety and Health 4. Page 109: (4) Employee Development 5. Page 109: (5) Customer Relations 6. Page 109: (6) Supply Chain Management	No significant difference.

Evaluation Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Does the Company refer to internationally accepted reporting standards or guidelines for the preparation of sustainable reports and other reports that disclose non-financial information about the Company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	✓		The Company's 2024 Sustainability Report was prepared in accordance with GRI Standards and will apply for SGS verification in accordance with AA1000 ASV3 Type II Medium Assurance level.	No significant difference.

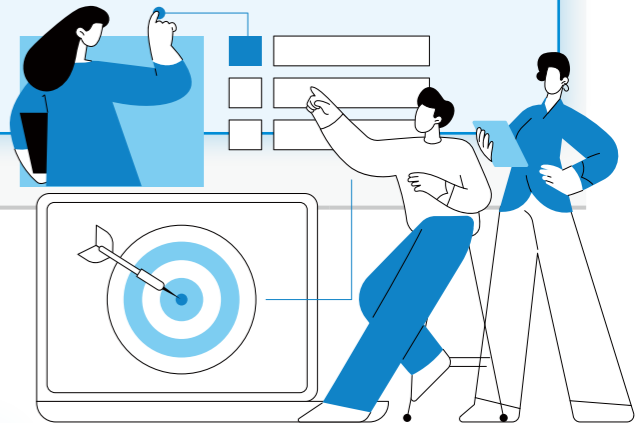
6. If the Company has established the sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the Principles and their implementation:

The Company has formulated the "Sustainable Development Best Practice Principles of PRIMAX," which has been implemented in aspects of corporate governance, environmental protection, social wellbeing, and corporate sustainable development in compliance with the Principles without material discrepancy. For corporate governance, please refer to the "Status of Corporate Governance" of this Annual Report. For details regarding environmental protection and social wellbeing, please refer to the Annual Sustainability Report.

7. Other important information that facilitates understanding of the status of sustainable development:
- Please see Chapter 6 - Corporate Sustainable Development page 94 of this Annual Report: (5) 2024 ESG Performance and Honors, and on page 109: (7) Social Engagement.
 - The Company website ESG Section: <https://esg.primax.com.tw/>

8. Climate-related information
Climate-related information implementation status:

Item	Implementation
1. Describe board and management oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term) 3. Describing the financial impact of extreme climate events and transition actions. 4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described. 6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs). 9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	Please refer to Chapter 6 – Corporate Sustainability, (3) Climate-Related Financial Disclosures in this annual report. 1. Pages 96–97: 2. Governance 2. Pages 99–100: Financial Impact Analysis Table 3. Pages 98–101: 3. Financial Impact Analysis of Climate Change Risks and Opportunities and 4. Climate Scenario Analysis 4. Pages 97–101: 3. Risk Management and Strategy 5. Pages 98–101: 3. Financial Impact Analysis of Climate Change Risks and Opportunities and 4. Climate Scenario Analysis 6. Pages 101–106: 4. Indicators and Targets 7. Page 106: 6. Internal Carbon Pricing Framework 8. Pages 101–106: 4. Indicators and Targets 9. Pages 101–103: 4-1. Greenhouse Gas (GHG) Emissions Indicators and Targets



(6) Implementation Status of Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies, and Reasons Thereof

Evaluation Item	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	Description	
1. Establishment of ethical corporate management policies and programs (1) Has the company established an integrity management policy approved by the Board of Directors, clearly articulated the policy and practices in its internal regulations and external communications, and demonstrated the commitment of the Board and senior executives to actively implement the policy? (2) Has the Company established a mechanism for assessing the risk of unethical conduct, regularly analyzed and evaluated business activities with higher risks of unethical behavior within its scope of operations, and formulated programs to prevent unethical conduct based on these assessments which at a minimum include the preventive measures for the various acts specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"? (3) Has the Company clearly defined operational procedures, behavior guidelines, penalties for violations, and a grievance system within the plan to prevent unethical behavior, and ensured its effective implementation? Furthermore, does the Company regularly review and amend the aforementioned plan?	<div>✔</div> <div>✔</div> <div>✔</div>	(1) The Company has established a ethical management policy approved by the Board of Directors, and clearly articulated stated the policy and practices in its internal regulations and on the Company's external website. Additionally, the Board of Directors and senior management have actively committed to implementing the business policy and have each signed a statement of adherence to the Ethical Corporate Management Best Practice Principles. (2) The Company has incorporated ethical management operations in its internal control procedures, and the operation auditing unit will conduct regular risk assessments and report the audit results to the Board of Directors. (3) In order to prevent unethical conduct, the Company clearly stipulates the operating procedures, behavior guidelines, disciplinary actions for violations, and complaint reporting methods in the internal Code of Conduct, and the Human Resources Department reviews the internal regulations regularly.	In compliance with the ethical corporate management principles without material differences.
2. Fulfillment of ethical corporate management (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counter parties? (2) Has the Company set up a dedicated unit under the Board of Directors to implement ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct as well as the supervision of the execution process? (3) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly (4) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	<div>✔</div> <div>✔</div> <div>✔</div> <div>✔</div>	(1) In the Company's "Procedures for Ethical Management and Guidelines for Conduct," it has clearly defined the ethical corporate management evaluation procedure before a business relationship is established, regulated the avoidance of transactions with unethical business entities, and required inclusion of ethical corporate management in the contract terms at the time of signing contracts with others. (2) The Company has designated the Human Resources Department as the dedicated unit responsible for promoting ethical management. This unit reports to the Board of Directors at least once a year on the annual implementation status. In the event of any unethical conduct, the dedicated unit will report the handling measures and subsequent review and improvement actions to the Board of Directors. (3) i. The Company's "Rules of Procedure for Board of Directors Meetings" and "Procedures for Ethical Management and Guidelines for Conduct" have provisions for avoiding directors' conflicts of interest included, that is if the proposals by the Board of Directors are of interest to the directors themselves or the corporates they are representing, and are jeopardizing the Company's interests, those directors can make statements and provide answers but cannot participate in discussion and voting. They shall also avoid discussion and voting and cannot represent other directors to exercise their voting rights. ii. When employees in the Company are performing business, if they encounter conflicts of interest, they shall report to their direct supervisors and the dedicated unit. (4) The Company has established an accounting system and internal control system in accordance with relevant laws and regulations. The Audit Office also inspects the compliance with the accounting system and internal control system and reports to the Board of Directors on a regular basis.	In compliance with the ethical corporate management principles without material differences.

Evaluation Item	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																
	Yes	Description																																	
2. Fulfillment of ethical corporate management (5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	<div>✔</div>	(5) The Company's implementation of ethical management in 2024 is as follows: i. Held communication meetings to raise employees' and suppliers' awareness of the Company's honest and ethical conduct and whistle-blowing system. ii. Used electronic billboards to play promotion videos on integrity, along with fun games, to convey the value of integrity in an easy-to-understand but deep manner. iii. Established an independent whistle-blowing mailbox on the Company's website and intranet to enhance the effectiveness of the whistle-blowing system. iv. Arranged a one-hour session of introduction and explanation of integrity and ethics in the orientation for new employees. v. Related training results in 2024 are as follows: <table><tr><th>Class Title</th><th>CN Number of Attendees</th><th>TP Number of Attendees</th><th>TH Number of Attendees</th></tr><tr><td>Orientation Training (Integrity Management) / Indirect Staff</td><td>67</td><td>121</td><td>68</td></tr><tr><td>Orientation Training (Integrity Management) / Direct Staff</td><td>10,776</td><td>-</td><td>1,561</td></tr><tr><td>PRIMAX Group Information Security Education Training</td><td>1,053</td><td>484</td><td>65</td></tr><tr><td>Trade Secret Training</td><td>235</td><td>371</td><td>16</td></tr><tr><td>Customs Laws and Regulations (Customs Trade Compliance)</td><td>538</td><td>-</td><td>-</td></tr><tr><td>Training for Key Functional Personnel</td><td>531</td><td>-</td><td>1,112</td></tr><tr><td>Total</td><td>13,200</td><td>976</td><td>2,822</td></tr></table> vi. The implementation of ethical corporate management in 2024 was reported to the Board of Directors on January 20, 2025.	Class Title	CN Number of Attendees	TP Number of Attendees	TH Number of Attendees	Orientation Training (Integrity Management) / Indirect Staff	67	121	68	Orientation Training (Integrity Management) / Direct Staff	10,776	-	1,561	PRIMAX Group Information Security Education Training	1,053	484	65	Trade Secret Training	235	371	16	Customs Laws and Regulations (Customs Trade Compliance)	538	-	-	Training for Key Functional Personnel	531	-	1,112	Total	13,200	976	2,822	In compliance with the ethical corporate management principles without material differences.
Class Title	CN Number of Attendees	TP Number of Attendees	TH Number of Attendees																																
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3. Status of enforcing whistle-blowing systems in the Company (1) Has the Company established both reward and whistle-blowing systems and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party? (2) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and relevant confidentiality mechanisms? (3) Does the Company provide protection to whistle blowers against receiving improper treatment?	<div>✔</div> <div>✔</div> <div>✔</div>	(1) The Company has specified the norms of rewards and punishments, grievance system, and disciplinary actions in the "Procedures for Ethical Management and Guidelines for Conduct," and has incorporated the ethical corporate management into in the Code of Conduct and human resources policies. (2) The Company has set up an anonymous whistle-blowing system and established a dedicated unit in charge of handling business secrets as well as formulating and implementing procedures for the management, retention, and confidentiality of the secrets; meanwhile, it shall review the implementation results regularly to ensure the continued effectiveness of the operating procedures. (3) The Company has updated the relevant regulations in the "Procedures for Ethical Management and Guidelines for Conduct" to ensure that whistle-blowers will not be treated improperly because of whistle-blowing.	In compliance with the ethical corporate management principles without material differences.																																
4. Enhanced disclosure of corporate social responsibility information Does the Company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	<div>✔</div>	Please visit the MOPS (https://mops.twse.com.tw/) or the Company's website (https://www.primax.com.tw/) for the content of the Company's ethical corporate management best practice principles. For relevant information regarding implementation, please refer to the annual "Sustainability Report."	In compliance with the ethical corporate management principles without material differences.																																

Evaluation Item	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	

5. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe any discrepancies between the prescribed best practices and the actual activities taken by the Company: No significant difference.

The Human Resources Department is the dedicated unit responsible for the implementation in this regard. It formulates relevant regulations, including the Ethical Corporate Management Best Practice Principles and the Code of Conduct, to clearly prohibit acceptance of any improper benefits. It also advocates the importance of integrity and the value of ethics through internal training and promotion activities while establishing a whistle blowing system, to ensure the effectiveness of implementation.

6. Other important information that facilitates the understanding of the implementation of ethical corporate management (such as review of and amendment to the company's Ethical Corporate Management Best Practice Principles):

- (1) The Company's suppliers and subcontractors are required to sign the "Supplier Declaration."
- (2) In the Company's "Procedures for Ethical Management and Guidelines for Conduct," it clearly stipulates that employees shall explain the Company's ethical management policies and relevant regulations to the trading partners during business transactions. They must also explicitly refuse any direct or indirect offers, promises, or requests of improper benefits in any form or on anyone's behalf. These include rebates, commissions or facilitation payments, or any other improper benefits provided or received through other means.
- (3) During the training of new recruits, the importance of promoting integrity and ethics is stressed and promoted.

(7) Other important information that can promote the understanding of the company's corporate governance status shall be disclosed:

The Company's Chairman and management succession plan has been approved by the Board of Directors in November 2018. The Human Resources Department is the dedicated unit responsible for the planning and execution of the plan, and shall report to the Board of Directors at least once a year. The most recent report on the implementation status to the Board of Directors was on November 7, 2024. In the Company's Chairman and management succession plan, the successors must have excellent work and strategic thinking abilities, whose values must be consistent with the those of the Company, including decency, honesty, humbleness, pragmatism, respect, promise keeping, and sharing. In 2024, the Company redefined the positions that need succession talent development in the first phase, according to organizational development needs. Candidates will be selected within three to five years. The succession training model will be based on "work rotation" and "project assignment" within the Group to strengthen their strategic thinking and strategy formulation capabilities.

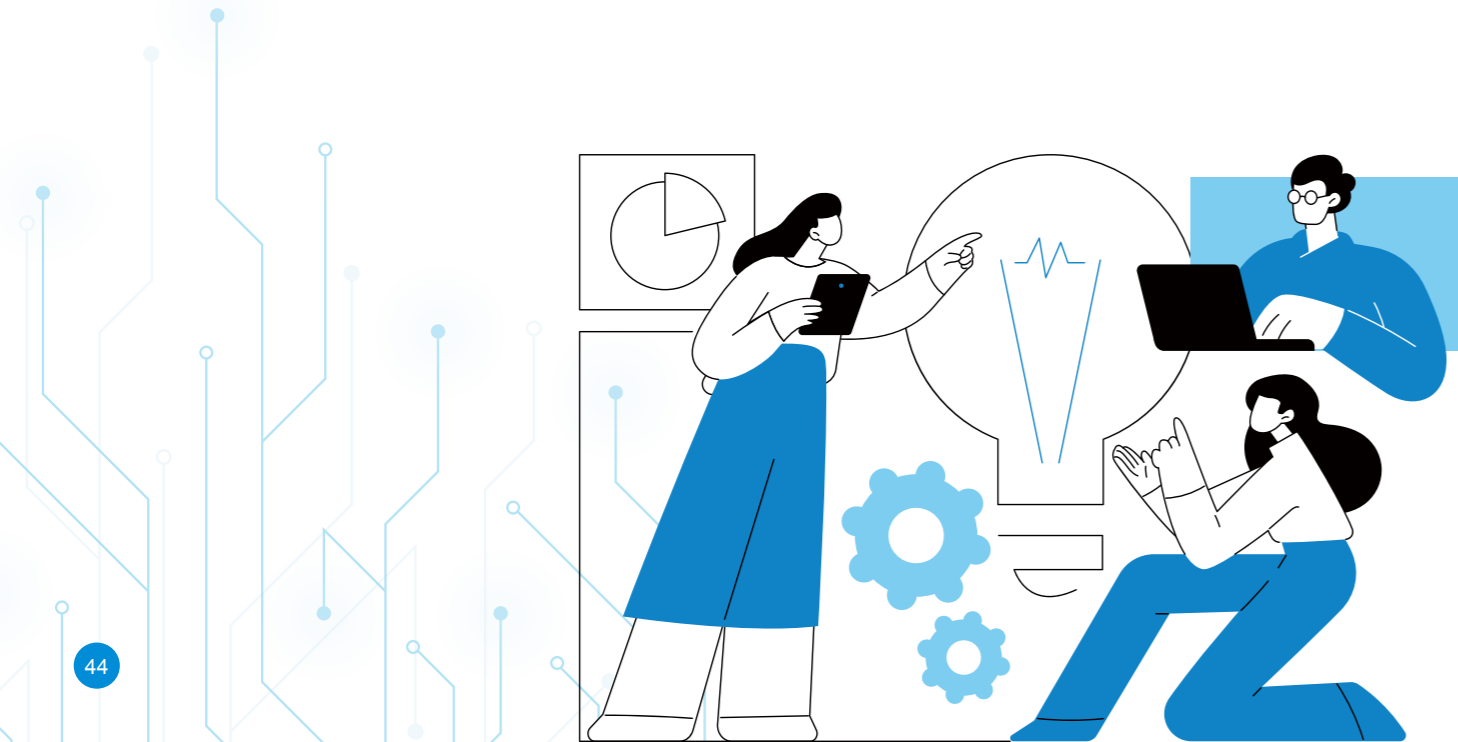
(8) Internal Control System Execution Status

Primax Electronics Ltd.
Statement on Internal Control System

Date: February 26, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

1. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
2. The internal control system has innate limitations. No matter how robust and effective the internal control system is, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the Company's internal control system has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
3. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. The internal control system used in the "treatment criteria" to judge the project is divided into five components according to the process of management control: 1. Control Environment, 2. Risk Assessment, 3. Control Operations, 4. Information and Communication, and 5. Supervise the operation. Each constituent element includes a certain number of items. For more information on such items, please refer to the Regulations.
4. The Company has already adopted the aforementioned Regulations to evaluate the effectiveness of its internal control system design and operating effectiveness.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of its subsidiaries), to provide reasonable assurance over the operational effectiveness and efficiency, reliability, timeliness, and transparency of reporting, as well as compliance with applicable laws and regulations.
6. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the contents above will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement had been approved by the Board of Directors on February 26, 2025. All nine attending Directors agree with the contents of this Statement in unanimity, and hereby this statement is made.



Primax Electronics Ltd.

Chairman

Signature

General Manager

Signature

ii. If a CPA has been hired to carry out a special audit of the internal control system, please furnish the CPA audit report: None.

(9) Major Resolutions of the Shareholders' Meeting and Board Meetings for the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report

i. Major Resolutions at the Shareholders' Meeting and the Implementation Status

Date	Important Proposal
2024.5.24	<p>1. Passed the proposal for the Company's 2023 Business Report and Financial Statements. Performance results: approved.</p> <p>2. Passed the proposal for the Company's 2023 earnings distribution. Performance results: The base date of distribution was set on June 28, 2024, and the date of distribution was on July 18, 2024, with the cash dividend per share of NT\$4, and all payments had been distributed.</p> <p>3. Passed the proposal for issuance of new restricted employee shares. Performance results: It was approved by the Financial Supervisory Commission on July 30, 2024 and the said shares were issued within two year after entered into force.</p> <p>4. Passed the proposal for re-election of the Board of Directors. Performance results: The election of 4 Directors: Pan, Yung-Chung, Pan, Yung-Tai, Duh, Jia-Bin, Lee, Ji-Ren; and the election of 5 Independent Directors: Wu, Chun-Pang, Wang, Jia-Qi, Ma, Hui-Fan, Huang, Shiou-Chuan, Lai, Fei-Pi. Approved for registration by the Ministry of Economic Affairs on June 7, 2024.</p> <p>5. Passed the proposal to release newly elected directors from non-competition restrictions. Performance results: The non-competition restrictions for directors was lifted, and a material information announcement was made on May 24, 2024.</p>

ii. Major Resolutions of the Board Meetings

Date	Important Proposal
2024.1.24	<p>1. Passed the proposal for the Company's 2024 business plan and budget plan.</p> <p>2. Passed the proposal to establish a new subsidiary in Taiwan.</p> <p>3. Passed the proposal for the 2023 bonus distribution to the Company's senior managerial officers.</p> <p>4. Passed the proposal for 2023 bonus to the Chairman.</p>
2024.2.26	<p>1. Passed the proposal for the Company's 2023 Business Report and Financial Statements.</p> <p>2. Passed the proposal for Company's regular assessment of the independence and competency of CPAs.</p> <p>3. Passed the proposal for the Company's 2023 earnings distribution.</p> <p>4. Passed the proposal for the Company's 2023 remuneration distribution to employees and directors.</p> <p>5. Passed the proposal for issuance of new restricted employee shares.</p> <p>6. Passed the proposal for "2024 measures for issuance of new restricted employee shares."</p> <p>7. Passed the proposal for re-election of the Board of Directors.</p> <p>8. Passed the proposal to release newly elected directors from non-competition restrictions.</p> <p>9. Passed the proposal for the date, time, place, and main proposals of the Company's 2024 annual shareholders' meeting.</p> <p>10. Passed the proposal for accepting nominations for directors (and independent directors) according to the Company's 2024 annual shareholders' meeting director election measures.</p> <p>11. Passed the proposal for 2024 bonus plan for the senior managerial officers and important leaders.</p> <p>12. Passed the proposal for 2024 Chairman's performance standards and bonus plan.</p>
2024.3.21	<p>1. Passed the proposal to add an additional agenda item for the Company's 2024 annual shareholders' meeting.</p> <p>2. Passed the proposal for nomination of the Chairman of the Company.</p> <p>3. Passed the proposal for the 2023 Annual Senior Managers' Remuneration Survey Report and 2024 Annual Remuneration Adjustment Plan.</p> <p>4. Passed the proposal for 2024 Chairman's Remuneration Plan.</p>

Date	Important Proposal
2024.5.8	<p>1. Passed the Company's consolidated financial statements for the first quarter of 2024.</p> <p>2. Passed the Company's proposal for the establishment of the "Group Tax Policy."</p> <p>3. Passed the plans of the Company's Thai subsidiary's (Primax Electronics (Thailand) Co., Ltd) to establish a capital expenditure budget for the construction of the second-phase factory in Thailand.</p> <p>4. Passed the proposal of the personnel change for the Company's internal audit supervisor.</p> <p>5. Passed the proposal for the reassignments of Directors of major subsidiaries.</p> <p>6. Passed the proposal to rename the "Risk Management Committee" as the "Sustainable Development and Risk Management Committee," as well as to amend the "Risk Management Committee Charter" to the "Sustainable Development and Risk Management Committee Charter."</p> <p>7. Passed the amendment for sections of the Company's "Sustainable Development Best Practice Principles."</p>
2024.5.24	<p>1. Passed the proposal to appoint members of the fourth Nomination Committee.</p> <p>2. Passed the proposal to appoint members of the fourth Audit Committee.</p> <p>3. Passed the proposal to appoint members of the sixth Remuneration Committee.</p> <p>4. Passed the proposal to appoint members of the second Sustainable Development and Risk Management Committee.</p>
2024.6.3	<p>1. Passed the proposal for the personnel change of the Company's General Manager.</p> <p>2. Passed the proposal for the reassignments of the legal representative of the major subsidiary, Diamond (Cayman) Holdings Ltd.</p> <p>3. Passed the proposal for the dismissal of the directors of the major subsidiary, Tymphony Worldwide Enterprises Limited (TWEL).</p> <p>4. Passed the proposal to set the ex-dividend base date and date of distribution of 2023 earnings and cash dividends.</p>
2024.6.18	<p>1. Passed the proposal for the Company's plan to conduct a cash capital increase for its subsidiary, Diamond (Cayman) Holdings Ltd.</p> <p>2. Passed proposal for the 2024 Chairman's Remuneration Plan.</p>
2024.8.8	<p>1. Passed the 2023 Sustainability Report and the Results of Stakeholder and Materiality Topic Identification.</p> <p>2. Passed the proposal to rename the Company's "Corporate Risk Management Policy and Procedures."</p> <p>3. Passed the proposal to establish the new version of the Company's "Risk Management Policy and Procedures."</p> <p>4. Passed the Company's consolidated financial statements for the second quarter of 2024.</p> <p>5. Passed the Company's proposal to establish the Group's "Operational Guidelines for Strategic Investments."</p> <p>6. Passed the proposal to amend the Company's "Operating Authorization Procedures" (approval authority for decision-making on asset acquisition or disposal) and "Authorization Limits for Asset Acquisition or Disposal."</p> <p>7. Passed the proposal to extend the endorsement and guarantee for the Company's Singapore subsidiary, Primax Electronics (Singapore) Pte. Ltd.</p> <p>8. Passed the proposal to reassign the legal representative of major subsidiaries.</p> <p>9. Passed the revision of sections of the Company's "Audit Committee Charter."</p> <p>10. Passed the Company's 2024 first issuance of restricted employee shares granted to non-executives.</p> <p>11. Passed the Company's 2023 second issuance of restricted employee shares and 2024 first issuance of restricted employee shares granted to executives.</p>
2024.11.7	<p>1. Passed the proposal to abolish the Company's "Rules Governing the Preparation and Filing of Sustainability Reports."</p> <p>2. Passed the proposal to establish the Company's "Sustainability Information Management Procedures."</p> <p>3. Passed the Company's 2025 Audit Plan.</p> <p>4. Passed the proposal to amend the Company's "Internal Control System" and "Enforcement Rules for Internal Audit."</p> <p>5. Passed the Company's consolidated financial statements for the third quarter of 2024.</p> <p>6. Passed the proposal for the withdrawal of the cancellation of restricted employee shares.</p>
2025.01.20	<p>1. Passed the proposal for the Company's 2025 business plan and budget plan.</p> <p>2. Passed the plans of the Company's Thai subsidiary, Primax Electronics (Thailand) Co., Ltd., to increase the capital expenditure budget for the construction of a steel structure factory and substation at its Thailand facility.</p> <p>3. Passed the plans of the Company's Thai subsidiary, Tymphony Acoustic Technology (Thailand) Co., Ltd., to establish a capital expenditure budget for the construction of a steel structure warehouse and cafeteria at its Thailand facility.</p> <p>4. Passed the proposal to amend the Company's "Operating Authorization Procedures."</p> <p>5. Passed the proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings."</p> <p>6. Passed the proposal for the personnel change of the Company's Corporate Governance Officer.</p> <p>7. Passed the proposal to amend the Company's "Managerial Compensation and Remuneration Procedures."</p> <p>8. Passed the proposal for the 2024 bonus distribution to the Company's senior managerial officers.</p> <p>9. Passed the proposal for 2024 bonus to the Chairman.</p>

Date	Important Proposal
2025.02.26	<div>1. Passed the proposal to amend the Company's Articles of Association.</div> <div>2. Passed the proposal for the Company's "Definition of Frontline Employees."</div> <div>3. Passed the proposal to amend the Company's "Internal Control System for Payroll Cycle."</div> <div>4. Passed the Company's proposal for "Statement on Internal Control System" for 2024.</div> <div>5. Passed the proposal to amend and supplement the general principles appendix of the Company's pre-approval policy for non-assurance services.</div> <div>6. Passed the proposal for Company's regular assessment of the independence and competency of CPAs.</div> <div>7. Passed the Company's 2024 Business Report and Financial Statements.</div> <div>8. Passed the Company's 2024 earnings distribution plan.</div> <div>9. Passed the proposal to amend the Company's "Audit Committee Charter."</div> <div>10. Passed the proposal to release former directors from non-competition restrictions.</div> <div>11. Passed the proposal for the withdrawal of the cancellation of restricted employee shares.</div> <div>12. Passed the proposal for the Company's 2024 remuneration distribution to employees and directors</div> <div>13. Passed the proposal for issuance of new restricted employee shares.</div> <div>14. Passed the proposal for the date, time, place, and main proposals of the Company's 2025 annual shareholders' meeting.</div> <div>15. Passed the proposal for "2025 measures for issuance of new restricted employee shares."</div> <div>16. Passed the proposal for Company's 2024 second issuance of restricted employee shares granted to non-executives.</div> <div>17. Passed the proposal for the Company's 2024 second issuance of restricted employee shares granted to executives.</div> <div>18. Passed the proposal for the 2024 Annual Senior Managers' Remuneration Survey Report and 2025 Annual Remuneration Adjustment Plan.</div> <div>19. Passed the proposal for the 2025 Bonus Plan for Senior Officers and Important Supervisors.</div> <div>20. Passed the 2025 Chairman's Remuneration Plan.</div> <div>21. Passed the Chairman's 2025 Performance Standards and Bonus Plan.</div>

(10) Major Issues Recorded or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in the Most Recent Year and as of the Publication Date of This Annual Report

Date	Major Resolution
2024.6.3	Discussion Item: Proposal 1 Personnel change of the Company's General Manager. Opinion of the dissenting director: 1. Independent Director Lai, Fei-Pi: Opposition to the proposal to dismiss the original General Manager. 2. Director Lee, Ji-Ren and Independent Director Huang, Shiou-Chuan: Expressed no opinion on the proposal to dismiss the original General Manager. 3. Director Duh, Jia-Bin: Opposition to the proposal of nominating the new General Manager.
	Discussion Item: Proposal 2 Reassignment of the legal representative for the major subsidiary, Diamond (Cayman) Holdings Ltd. Opinion of the dissenting director: Director Duh, Jia-Bin expressed opposition to the proposal.
	Discussion Item: Proposal 3 Dismissal of the directors of the major subsidiary, Tymphany Worldwide Enterprises Limited (TWEL). Opinion of the dissenting director: Director Duh, Jia-Bin expressed opposition to the proposal.

4. Information on CPA Professional Fees

Unit: NT\$ 1,000

CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
KPMG Taiwan	Hong, Shyh-Gang	2024	9,810		9,810	
	Fu, Hung-Wen	2024				
KPMG Taiwan	Hong, Shyh-Gang	2024		1,090	1,090	Assurance service for 2024 profit-seeking enterprise income tax returns filing: NT\$1,090 thousand

(1) Where the CPA firm was replaced, and the audit fees in the fiscal year when the replacement was made were less than those in the previous fiscal year before the replacement, the amount of the audit fees paid before/after the replacement and reasons thereof shall be disclosed: **None.**

(2) Where the audit fees paid for the current year was more than 10% less than those paid in the previous year, the amount, proportion, and reasons thereof shall be disclosed: **None.**

5. Information on Replacement of CPA:

(1) About the former CPA:

Replacement Date	Reason for replacement and explanation	Description of whether the CPA or the Company terminated or rejected the engagement	Opinion and reasons for issuing audit reports other than unqualified opinions within the last two years	Any disagreement with the issuer	Other disclosures (What shall be disclosed in Article 10, Paragraph 6, item 1-4 to item 1-7 of the Regulations)
2023.02.24	Internal organizational adjustment of KPMG Taiwan	None	None	None	None

(2) About the Succeeding CPA

Firm Name	Name of CPA	Date of engagement	Accounting treatment or accounting principle for specific transactions as well as consultation items and results on audit assessment on the financial report prior to formal engagement	Written Opinion on the Disagreements between the Successor and Predecessor Auditors
KPMG Taiwan	Hong, Shyh-Gang, Fu, Hung-Wen	2023.02.24	None	None

(3) Reply from the Former CPA to Head 1 and Item 3 of Head 2 of Article 10, Paragraph 6 of the Regulations: **None.**

6. Where the Company's Managers during the Past Year, Held a Position at the Accounting Firm of Its CPA of Such Accounting Firm: None.

7. Conditions of Share Transfer from the Directors, Managers, and Major Shareholders

(1) Conditions of Share Transfer and Changes in Equity Pledge

Title	Name	2024		As of February 28, 2025	
		Shareholding Increase (Decrease)	Pledged Share Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Share Increase (Decrease)
Chairman and CEO	Pan, Yung-Chung	80,000	0	0	0
Vice Chairman and CTO	Pan, Yung-Tai	(1,286,000)	0	6,000	0
Director	Duh, Jia-Bin	160,500	0	66,000	0
Director	Green Land Investment Limited	(486,000)	0	0	0
	Representative: Lee, Ji-Ren	0	0	0	0
Independent Director	Wang, Jia-Qi	0	0	0	0
Independent Director	Cheng, Chih-Kai (Note 1)	0	0	0	0
Independent Director	Wu, Chun-Pang	0	0	0	0
Independent Director	Shen, Ying-Chuan (Note 1)	0	0	0	0
Independent Director	Ma, Hui-Fan	0	0	0	0
Independent Director	Huang, Shiou-Chuan (Note 2)	0	0	0	0
Independent Director	Lai, Fei-Pi (Note 2)	0	0	0	0
General Manager of Operations	Kuo, You-Min (Note 3)	(41,000)	0	0	0
General Manager and CFO	Hsiao, Yin-Yi	211,000	0	0	0
General Manager of Business Department	Chou, Yen-Chou	126,000	0	9,000	0
Vice President	Chiang, Yan-Ying	(38,000)	0	12,000	0
Vice President	Chang, Ching-Kai	60,000	0	8,000	0
Vice President	Wei, Hao-San	(86,000)	0	12,000	0
Vice President	Chang, Chen-Te	16,000	0	0	0
Vice President	Hsu, Chia Chih	103,000	0	24,000	0
Vice President	Zhuo, Yi-Li	(15,000)	0	(40,000)	0
Vice President	Wang, Ching-Der	39,000	0	0	0
Vice President	Hsueh, Ya-Lin	93,000	0	19,000	0
Vice President	Hu, Ching-Yuan	79,000	0	0	0
Vice President	Wang, La-Yung (Note 4)	0	0	0	0
Vice President	Cho, Yu-Shan (Note 5)	0	0	0	0
Vice President	Shih, Tzu-Chiang (Note 6)	0	0	0	0
Vice President	Lin, Chih-Hung (Note 7)	0	0	0	0
Accounting Supervisor	Chang, Shu-Chuen	29,500	0	0	0
Corporate Governance Officer	Su, Yu-Chen (Note 8)	80,000	0	0	0
Corporate Governance Officer	Li, Jui-Hua (Note 9)	0	0	0	0

Note 1: Dismissal during re-election of the Board on May 24, 2024.
Note 2: Newly appointed during re-election of the Board on May 24, 2024.
Note 3: Retired on October 31, 2024.
Note 4: Newly appointed on August 6, 2024.
Note 5: Newly appointed on September 18, 2024.

Note 6: Newly appointed on October 21, 2024.
Note 7: Newly appointed on November 4, 2024.
Note 8: Stepped down on January 20, 2025.
Note 9: Newly appointed on January 20, 2025.

(2) Shares Are Transferred to and From Related Parties: None.

(3) Shares Are Pledged with Related Parties: None.

8. Relationships Among the Top Ten Substantial Shareholders

June 28, 2024; Unit: share

Name	Shares Held		Spouse/Minor Shareholding		Shareholding by Nominees		Name and Relationship between the Company's 10 Largest Shareholders, or Spouses or Relatives within the Second Degree of Kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
CAPITAL TIP Customized Taiwan Select High Dividend ETF Account	31,992,000	6.91%	0	0	0	0	None	None	
Taipei Fubon Commercial Bank Co., Ltd. Custody of Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Special Account	30,691,000	6.63%	0	0	0	0	None	None	
Hua Nan Commercial Bank Custody of Yuanta Taiwan Value High Dividend ETF Investment Trust Fund Special Account	9,374,000	2.02%	0	0	0	0	None	None	
Yuanta Taiwan High Dividend Low Volatility ETF Account	8,369,000	1.81%	0	0	0	0	None	None	
The Shanghai Commercial & Savings Bank, Ltd.	8,120,000	1.75%	0	0	0	0	None	None	
Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF Special Account	7,637,000	1.65%	0	0	0	0	None	None	
JPMorgan Custody of JPMorgan Securities Limited Investment Account	7,514,300	1.62%	0	0	0	0	None	None	
Fubon Taiwan High Dividend 30 ETF Special Account	7,300,000	1.58%	0	0	0	0	None	None	
Yeh, Yu-Fen's trust property account under custody of Cathay United Bank	6,680,227	1.44%	0	0	0	0	None	None	
HSBC Bank Custody of Goldman Sachs International Company's Investment Account	6,645,177	1.44%	0	0	0	0	None	None	

9. Information on Investees of Comprehensive Shareholding Ratio

December 31, 2024; Unit: thousand shares; %

Invested Company(Note 6)	Investment by PRIMAX		Investment by Directors/ Supervisors/ Managers and by Companies Directly or Indirectly Controlled by the Company		Total Investment	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Dongguan Primax Electronic & Telecommunication Products Ltd.	— (Note 1)	100.00	—	—	— (Note 1)	100.00
Primax Electronics (KunShan) Co., Ltd. (Note 11)	— (Note 1)	100.00	—	—	— (Note 1)	100.00
Primax Electronics (ChongQing) Co., Ltd.	— (Note 1)	100.00	—	—	— (Note 1)	100.00
Beijing Destiny Electronic Technology Co., Ltd.	— (Note 1)	100.00	—	—	— (Note 1)	100.00
Primax Destiny Co., Ltd.	0.5	100.00	—	—	0.5	100.00
Polaris Electronics Inc.	1,600	100.00	—	—	1,600	100.00
Primax Industries (Hong Kong) Ltd. (Note 11)	446,817	100.00	—	—	446,817	100.00
Primax Technology (Cayman Holding) Ltd.	285,067	100.00	—	—	285,067	100.00
Primax Industries (Cayman Holding) Ltd. (Note 11)	6,197,636	100.00	—	—	6,197,636	100.00
Destiny Technology Holding Co., Ltd.	1,050	100.00	—	—	1,050	100.00
Diamond (Cayman) Holdings Ltd. (Note 2)	156,050	100.00	—	—	156,050	100.00
Gratus Technology Corp.	300	100.00	—	—	300	100.00
Tymphony Worldwide Enterprises Ltd. (Note 10)	279,191	100.00	—	—	279,191	100.00
TYP Enterprises, Inc.	0.5	100.00	—	—	0.5	100.00
Tymphony HK Ltd.	144,395	100.00	—	—	144,395	100.00
Tymphony Logistics, Inc.	200	100.00	—	—	200	100.00
Tymphony Acoustic Technology (Huizhou) Co., Ltd. (Note 2 and Note 7)	378,518	100.00	—	—	378,518	100.00

Invested Company(Note 6)	Investment by PRIMAX		Investment by Directors/ Supervisors/ Managers and by Companies Directly or Indirectly Controlled by the Company		Total Investment	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Dongguan Tymphony Acoustic Technology Co., Ltd.	— (Note 1)	100.00	—	—	— (Note 1)	100.00
Dongguan Dongcheng Tymphony Acoustic Technology Co., Ltd.	— (Note 5)	— (Note 5)	—	—	— (Note 5)	— (Note 5)
Tymphony Acoustic Technology HK Ltd.	418,090	100.00	—	—	418,090	100.00
Tymphony Acoustic Technology (UK) Limited	400	100.00	—	—	400	100.00
Tymphony Acoustic Technology Europe, s.r.o.	187,800	100.00	—	—	187,800	100.00
Tymphony Acoustic Technology Limited	5,000	100.00	—	—	5,000	100.00
Primax AE (Cayman) Holdings Ltd.	48,200	100.00	—	—	48,200	100.00
Tymphony Acoustic Technology (Thailand) Co., Ltd. (Note 8)	7,789	100.00	—	—	7,789	100.00
Primax Electronics (Singapore) Pte.Ltd.	40,100	100.00	—	—	40,100	100.00
Primax Electronics(Thailand) Co.,Ltd. (Note 8)	1,244	100.00	—	—	1,244	100.00
Tymphony Acoustic Technology (Singapore) Pte. Ltd.	0(Note 4)	100.00	—	—	0(Note 4)	100.00
Primax Security Technology Inc. (Note 3)	20	100.00	—	—	20	100.00
Mibtech Plastic & Molds (Thailand) Company Limited (Note 9)	319	40.00	—	—	319	40.00

Note 1: This is a company with limited liability, so no shares are issued.

Note 2: In response to the funding needs, the Company, injected capital in the amount of USD 27 million into its sub-subsidiary, Tymphony Worldwide Enterprises Ltd. through a capital increase in its subsidiary, Diamond (Cayman) Holdings Ltd.

Note 3: It is a 100% wholly-owned subsidiary established on March 11, 2024.

Note 4: As of December 31, 2024, no funds have been invested.

Note 5: Merged into Dongguan Tymphony Acoustic Technology Co., Ltd. in June 2024.

Note 6: Investments accounted for using equity method.

Note 7: As required by law, 1 share is held by an individual.

Note 8: As required by law, Primax Electronics (Thailand) Co., Ltd. and Tymphony Acoustic Technology (Thailand) Co., Ltd. each have 8 shares held by individuals.

Note 9: Tymphony Worldwide Enterprises Ltd., following a board resolution on August 6, 2024, entered into a joint venture with unrelated parties to establish Mibtech Plastic & Molds (Thailand) Company Limited. In December 2024, it invested NT\$31,900 thousand (equivalent to US\$1,000 thousand), acquiring a 40% stake in the company.

Note 10: The Company, through its subsidiary Diamond (Cayman) Holdings Ltd., hold the equity interest in Tymphony Worldwide Enterprises Ltd., and in December 2024, acquired the equity interest in Tymphony Acoustic Technology (Huizhou) Co., Ltd. from the minority shareholders for a total amount of RMB 304,587,000. After the acquisition, the Company's shareholding ratio increased from 77.01% to 100.00%.

Note 11: Due to global operation planning, the Company's subsidiary in China, Primax Electronics (KunShan) Co., Ltd. reduced its capital and refunded the total amount of USD 20 million to Primax Industries (Hong Kong) Ltd. on November 26, 2024. Primax Industries (Hong Kong) Ltd. then refunded USD 20 million to Primax Industries (Cayman Holding) Ltd. in November 2024. Subsequently, the amount of USD 19.5 million was refunded to the Company through Primax Industries (Cayman Holding) Ltd. in December 2024. This capital reduction does not affect the shareholding ratio of the original investment structure.

February 28, 2025; Unit: shares

Share Type	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	465,744,824	84,255,176	550,000,000	Listed

(2) List of Major Shareholders

June 28, 2024; Unit: Shares

Name of major shareholder	Shares	Percentage (%)
CAPITAL TIP Taiwan Select High Dividend ETF Fund Account	31,992,000	6.91
Taipei Fubon Commercial Bank Co., Ltd. Custody of Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Special Account	30,691,000	6.63
Hua Nan Commercial Bank Custody of Yunta Taiwan Value High Dividend ETF Investment Trust Fund Special Account	9,374,000	2.02
Yunta Taiwan High Dividend Low Volatility ETF Account	8,369,000	1.81
Shanghai Commercial & Savings Bank, Ltd.	8,120,000	1.75
Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF Special Account	7,637,000	1.65
JPMorgan Custody of JPMorgan Securities Limited Investment Account	7,514,300	1.62
Fubon Select Taiwan High Dividend 30 ETF Fund Special Account	7,300,000	1.58
Yeh, Yu-Fen's trust property account under custody of Cathay United Bank	6,680,227	1.44
HSBC Bank Custody of Goldman Sachs International Company's Investment Account	6,645,177	1.44

(3) The Company's Dividend Policy and Implementation Status

1. Dividend Policy Stipulated in the Company's Articles of Association

Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to cover accumulated losses and allocate 10% of the remaining net earnings as the Company's legal reserve unless and until the accumulated legal reserve reaches the Company's paid-in capital. In addition, after the appropriation or reversal of special reserve according to relevant laws and regulations, for the undistributed surplus at the beginning of the same period as the cumulative earnings distributable to shareholders, the Board of Directors shall put forward a surplus distribution proposal and submit it to the shareholders' meeting for resolution.

The Company's dividend policy is formulated by the Board of Directors based on its operating conditions, capital expenditure budget, future capital needs, and long-term financial planning while having the shareholders' interests and the balance of dividends considered. In the current stage of the dividend policy, in the absence of other special circumstances, the principle of not less than 50% of the current year's surplus after tax prevails. If the surplus is distributed as stock dividends or cash dividends, the distribution ratio of cash dividends shall not be less than 10% of the total dividends, but this distribution ratio of cash dividends may be adjusted according to the overall operating conditions of the year.

2. Proposed Dividend Distribution for the Year

The Company's 2024 earnings distribution plan was approved by the Board of Directors on February 26, 2025. A cash dividend of NT\$1,963,007,861 is proposed to be distributed to shareholders, representing a payout ratio of approximately 74.87%. The distribution will be processed in accordance with relevant regulations following approval at the Annual General Shareholders' Meeting scheduled for May 23, 2025.

3. Explanation of Expected Major Changes in Dividend Policy: None.

Chapter 3
Capital Overview

1. Capital and Shares

(1) Sources of Capital

February 28, 2025 Unit: NT\$1,000; thousands shares

Year and month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital increase by assets other than cash	Others
2024.03	10	550,000	5,500,000	462,931	4,629,318	Cancellation of new restricted employee shares issued of NT\$420 thousands	None	Note 1
2024.09	10	550,000	5,500,000	466,033	4,660,328	Issuance of new restricted employee shares NT\$31,010 thousands	None	Note 2
2024.11	10	550,000	5,500,000	465,745	4,657,448	Cancellation of new restricted employee shares issued of NT\$2,880 thousands	None	Note 3

Note1: Issued by the Ministry of Economic Affairs, R.O.C. No. 11330040870 dated March 21, 2024.
Note2: Issued by the Ministry of Economic Affairs, R.O.C. No. 11330160010 dated September 19, 2024.
Note3: Issued by the Ministry of Economic Affairs, R.O.C. No. 11330206260 dated November 28, 2024.

(4) Impact of Stock Dividends Issuance by the Resolution of the Shareholders on the Company's Business Performance and Earnings per Share: Not applicable.

(5) Remuneration to Employees, Directors, and Supervisors

1. The Percentages or Ranges with Respect to Remuneration to Employees, Directors, and Supervisors, as Set Forth in the Company's Articles of Association

If there is profit at the end of a fiscal year, the Company shall appropriate 2% to 10% of the profit for the remuneration to employees and no more than 2% for the remuneration to directors. However, if the company has accumulated losses, the amount shall be set aside to cover the deficit, and then distributed to employees and directors in accordance with the aforementioned percentage.

The employee remuneration in the preceding paragraph can be distributed in the form of shares or cash, and the recipients of the said remuneration shall include the Company's employees who meet specific criteria.

The term "profit for the current year" mentioned in Paragraph 2 refers to earnings of the pre-tax benefit of the current year deducting the remuneration to employees and directors.

The remuneration distributed to employee and directors shall be adopted by the Board of Directors via a resolution with more than two-thirds of the directors present and a majority of the directors' attendance while being reported to the shareholders' meeting.

2. The Estimation of the Amount of Remuneration to Employees, Directors, and Supervisors, Respectively, Based on the Calculation of the Number of Shares Paid to Employees as Remuneration and the Accounting Treatment of the Discrepancy, If Any, between the Actual Distributed Amount and the Estimated Figure for the Current Period

The remuneration distributed to employees and directors by the Company in accordance with the Company Act and the Company's Articles of Association is based on the initial estimation of amount of remuneration to employees and directors, during the preparation of mid-term and annual financial statements and listed under proper accounting accounts under the operating costs or operating expenses, based on the nature of the remuneration to employees and directors. If there is a discrepancy between the amount for distribution approved at the shareholders' meeting and the amount estimated in financial statements, it is considered as a change of estimate and is listed as profit or loss for the current period.

3. Information on Remuneration Distribution Approved by the Board of Directors

1. Remuneration to employees, directors, and supervisors is distributed by cash or stock. If there is any discrepancy between the amount and the estimated amount for the fiscal year when these expenses are recognized, the discrepancy, reason thereof, and the status of treatment shall be disclosed.
- The Company, by resolution of the Board of Directors on February 26, 2025, approved the proposed distribution of employee cash remuneration and director remuneration of NT\$89,503,000 and NT\$44,752,000, respectively. There are no differences between the proposed amount and the amount in the accounts.
2. The amount of employee remuneration distributed by stock and the proportion to the total net income after-tax and total employee remuneration for the current period: This is not applicable as the Company has not proposed allocation of employee stock remuneration.

4. Actual Distribution of Remuneration Paid to Employees and Directors in the Previous Year (Including the Number, Sum, and Price of Shares Distributed), and Where There Is Any Discrepancy between the Amount Actually Distributed and the Amount Recognized, the Sum, Reason Thereof, and Treatment of the Discrepancy Shall Be Described

The Company's distribution of employee cash remuneration and director remuneration in 2023 is NT\$89,330,000 and NT\$44,665,000, respectively. There are no differences between the proposed amount and the amount in the accounts.

(6) The Company's Buying Back of Shares: None

2. The Handling Situation of Corporate Bonds, Preferred Stocks, and GDR: None

3. Issuance of Employee Stock Options: None

4. New Restricted Employee Shares

(1) The New Restricted Employee Shares That Have Not Fully Met the Vesting Conditions, and the Impact on Shareholders' Equity

February 28, 2025

Type of New Restricted Employee Shares	The First Issue in 2020	The Second Issue in 2020	The First Issue in 2022	The Second Issue in 2022	The First Issue in 2023	The Second Issue in 2023	The First Issue in 2024
Date of effective registration	2020/7/20 3,000,000 shares		2022/7/26 4,500,000 shares		2023/7/20 4,500,000 shares		2024/7/30 4,350,000 shares
Date of issuance	2020/7/30	2021/1/25	2022/8/9	2023/2/8	2023/8/4	2024/8/13	2024/8/13
Number of new restricted employee shares issued (shares)	2,260,000	740,000	3,355,000	1,145,000	3,740,000	760,000	2,341,000
Number of restricted employee shares available to issue (shares)	0		0		0		2,009,000
Issue price	0	0	0	0	0	0	0
Ratio of the number of new restricted employee shares issued to the total shares issued (%)	0.49	0.16	0.72	0.25	0.80	0.16	0.50
Vesting conditions for new restricted employee shares	It must meet the Company's operating results and personal performance as stipulated in the issuance rules.						
Restricted rights for new restricted employee shares	1. Employees granted new restricted employee shares, before fulfilling the vesting conditions, shall not sell, pledge, transfer, or donate them to others or perform any other means of disposal. 2. Employees shall attend, propose, speak, and vote at the shareholders' meeting according to the trust or custody contract. 3. In addition to the aforementioned restrictions, before the vesting conditions are met, employees' other rights after granted new restricted employee shares in accordance with the regulations, including but not limited to: dividends, bonuses, the right for being distributed with capital surplus, the subscription rights for cash capital increase, and voting rights, are the same as the ones bestowed by the Company's ordinary shares issued.						
Custody of new restricted employee shares	In the custody of trust.						
Handling of new restricted employee shares granted or subscribed to when the vesting conditions are not fully met	For new restricted employee shares granted to employees, when the vesting conditions are not fully met, the shares will be fully withdrawn by the Company and canceled without any compensation.						
Number of new restricted employee shares that have been withdrawn or repurchased	289,000	96,000	248,000	42,000	160,000	0	25,000
Number of restricted shares with the restrictions lifted	1,884,000	644,000	1,993,000	657,000	1,116,000	0	0
Number of restricted shares with the restrictions not yet lifted	87,000	0	1,114,000	446,000	2,464,000	760,000	2,316,000
The ratio of the number of unreleased restricted shares to the total number of issued shares (%)	0.02	0	0.24	0.10	0.53	0.16	0.50
Impact on shareholders' equity	No significant impact.						

Note: The total number of shares issued as of Feb. 28, 2025 is 465,744,824

(2) Name and Acquisition Status of Managerial Officers Who Have Acquired New Restricted Employee Shares, and of Employees Ranking Among the Top 10 in the Number of New Restricted Employee Shares Acquired

February 28, 2025; Unit: shares

Title	Name	New restricted employee shares acquired	Ratio of new restricted employee shares issued to the total shares issued	Released				Unreleased			
				Number of released restricted shares	Issue price	Issuance amount	Ratio of released restricted shares to the total shares issued	Number of unreleased restricted shares	Issue price	Issuance amount	Ratio of unreleased restricted shares to the total shares issued
Manager and Employee	CTO	Pan, Yung-Tai	3,980,000	1,926,000	0	0	0.41%	2,054,000	0	0	0.44%
	General Manager and CFO	Hsiao, Yin-Yi									
	General Manager of Business Department	Chou, Yen-Chou									
	Vice President	Chang, Chen-Te									
	Vice President	Chang, Ching-Kai									
	Vice President	Chiang, Yan-Ying									
	Vice President	Wei, Hao-San									
	Vice President	Zhuo, Yi-Li									
	Vice President	Wang, Ching-Der									
	Vice President	Hsueh, Ya-Lin									
	Vice President	Hsu, Chia Chih									
	Vice President	Hu, Ching-Yuan									
	Vice President	Wang, La-Yung									
	Vice President	Shih, Tzu-Chiang									
	Accounting Supervisor	Chang, Shu-Chuen	2,803,000	1,291,000	0	0	0.28%	1,512,000	0	0	0.32%
	Corporate Governance Officer	Lee, Jui Hua									
	Employee	Chang, Shih-Peng									
	Employee	Yang, Chang-Lung									
	Employee	Chen, Chi-Shiu									
	Employee	Li, Yi-Ju									
	Employee	Philip Scott Mcphee									
	Employee	Chen, Chung-Yuan									
	Employee	Fan, Kang-Yang									
	Employee	Wu, Chang-I									
	Employee	Su, Yu-Chen									
	Employee	Chang, Liang-Ping									

Note 1: The total number of shares issued as of Feb. 28, 2025 is 465,744,824.

5. The Handling Situation of Mergers and Acquisitions or the Issuance of New Shares by Other Companies

- (1) Completion of Mergers and Acquisitions or Issuance of New Shares in Connection with the Acquisition of Another Company's Shares in the Most Recent Year and up to the Publication Date of This Annual Report: **None**
- (2) Any Issuance of New Shares in Connection with the Acquisition of Another Company's Shares Approved by the Board of Directors in the Most Recent Year up to the Publication Date of This Annual Report: **None**

6. Status of Implementation of Capital Allocation Plans

- (1) Description of the Plans:
As of the quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have not been completed, or that have been completed but are yet to record any benefit within the past three fiscal years: **Not applicable**
- (2) Execution Status:
As of the quarter before the publication date of this annual report, regarding the implementation of each plan mentioned in the preceding paragraph, please conduct an item-by-item analysis that compares the status of implementation and expected benefits: **Not applicable**



Chapter 4

Operational Highlights

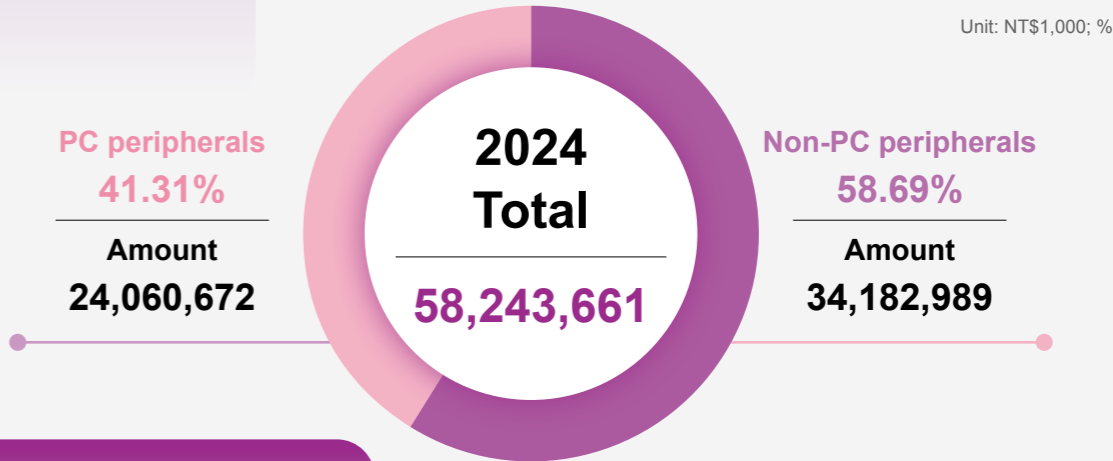
1. Business Activities

(1) Business Scope

1. Main Areas of Business Operations

CB01020	Affairs Machine Manufacturing	I301010	Information Software Services
CC01030	Electrical Appliances and Audiovisual Electronic Products Manufacturing	F113050	Wholesale of Computers and Clerical Machinery Equipment
CC01060	Wired Communication Mechanical Equipment Manufacturing	F118010	Wholesale of Computer Software
CC01070	Wireless Communication Mechanical Equipment Manufacturing	F213030	Retail Sale of Computers and Clerical Machinery Equipment
CC01080	Electronics Components Manufacturing	F218010	Retail Sale of Computer Software
CC01101	Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing	C805050	Industria Plastic Products Manufacturing
CC01110	Computer and Peripheral Equipment Manufacturing	CA02010	Manufacture of Metal Structure and Architectural Components
CE01030	Optical Instruments Manufacturing	CA02090	Metal Wire Products Manufacturing
F401021	Controlled Telecommunications Radio-Frequency Devices and Materials Import	F401010	International Trade
		F114030	Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
		F214030	Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
		ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue Breakdown



3.Current Products (Services)

I. Information Products

A-1 PC Peripherals

- Wired/wireless optical mice, wireless Bluetooth dual-mode mice
- Wired (backlit membrane keyboards, MFi)/Wireless keyboards
- Ultra-thin tablet keyboards
- Laptop keyboard modules (optical, mechanical)
- Laptop touchpads, external touch device
- Force-sensitive haptic modules, dynamic full-color light-effect precise multi-point touch panel modules
- Wireless pointers
- Laptop mini LED lighting module

A-2 Gaming Products

- Gaming mice (wired, wired/wireless dual-mode, wired/wireless/Bluetooth triple-mode)
- Gaming keyboards (wired/wireless, wired/wireless/Bluetooth triple-mode mechanical, wired optical, magnetic-analog mechanical)
- Wired/Bluetooth game controllers, MFi mobile game controllers, smart TV remote control
- Wired USB game controllers, wireless 2.4 GHZ dual-mode gamepad, wireless 2.4GHZ infrared (VR) gamepad

A-3 Business Equipment Products

- Image scanners, printers, multifunctional office machines, and office automation productsOffice scanner modules
- Office scanner modules
- Development of control panels for monochrome and color printers, and multifunctional office machines
- Development of software and firmware for scanner module, monochrome and color printers, and multifunctional office machines
- Direct thermal and thermal transfer label printer

II. Smart Lifestyle

B-1 Consumer Speaker

- Smart voice-activated speakers
- Bluetooth portable speakers
- One-piece surround speakers (2.1 and 5.1 channels)
- One-piece surround speakers supporting Dolby Atmos
- Computer/acoustic speakers
- Smart home wireless speaker systems
- Portable wireless amplifiers
- Speaker drivers

B-2 Headphones

- Wireless in-ear headphones
- Circumaural headphones
- True wireless Bluetooth headphones
- Headphones for games
- Voice-activated speakers
- Speaker drivers
- Noise-cancelling wireless in-ear headphones
- True wireless Bluetooth hearing aid earphones

B-3 Microphones

- USB smart microphones
- Wireless smart microphones

3. Current Products (Services)

III Automotive and AIoT

C-1 Automotive Electronic Products

1. Automotive camera modules

- Reversing and rear-view auxiliary camera modules
- Advanced driving assistance camera modules, triple-camera modules, controllers
- L4/L5 Camera modules for autonomous driving
- Camera modules for driving monitoring and in-vehicle detection
- Panorama camera modules
- ToF Time-of-Flight sensor camera module

2. Automotive IoT Product

- V2X cameras, imaging system
- Camera for advanced driving assistance
- V2X gateway device
- V2X smart sensors

3. Car Audio Products

- Portable speaker for cars
- In-car sound system

C-2 Industrial IoT Products

Industrial IoT Products

- Industrial IoT video devices
- Security monitoring devices
- License plate recognition devices
- Communication gateways

C-3 Smart IoT Products

1. IoT camera modules

- Security control and other B2B camera modules
- Camera modules for video conferencing systems
- Drone camera modules
- AR/MR/VR camera modules
- Smart robot camera modules
- Smart speaker/home central device camera modules
- Smart doorbell/smart door lock camera modules
- Smart door lock facial recognition module, fingerprint module, ultra wide angle camera modules
- AIoT fitness device camera modules
- Camera modules for smart shop
- Temperature monitoring camera module for smart building

2. Smart Vision Technology

- Smart video conferencing cameras
- 360 degree video conferencing cameras
- 4K Webcam
- AR/VR mixed reality mobile devices

3. Surveillance and Security Devices

- Ultra-high-frequency radar sensors
- Smart doorbells
- MMWRadar fall detection and home safety protection sensing device
- Smart door locks with 3D facial recognition
- Smart access control devices, video access control devices
- Home and outdoor network surveillance cameras
- Security surveillance digital cameras, pet monitoring cameras
- 5G explosion-proof box digital cameras
- AI digital camera
- 4G LTE, 5G professional police body cameras

C-4 Professional Acoustic Products

1. Professional Speakers

- Professional acoustic equipment and digital mixers for personal performance
- Professional amplifiers for professional performance venues
- Full-frequency, low-frequency, high-frequency, and various professional speaker drivers

2. Conference Products

- Video conferencing system
- Conference control system
- Online audio conference system

4. New Products (Services) Under Development

I. Information Products

- Green computer input devices, mice, and keyboards
- Smart AI wireless/wired mice
- High-speed mice, keyboards for gaming
- Optical, magnetic-analog mechanical keyboards for gaming
- Programmable high-speed mice
- Multi-touch accurate panels
- Silent-designed laptop keys
- The structural design of detachable keys
- The surface treatment of PU leather-wrapped keys

II. Smart Lifestyle

- Speaker driver through new processes
- Wireless smart microphones

III. Automotive and AIoT

1. Automotive and AIoT Camera Modules

- Automotive camera modules
- Reversing auxiliary camera modules
- Camera modules for driverless car and advanced driver assistance
- Driving and in-car surveillance camera modules
- Triple-camera modules for advanced driving assistance
- ToF Time-of-Flight sensor module
- 3D facial recognition module
- In-cabin display camera module
- Smart camera module - equipped with self-defogging/cleaning functions
- Smart 360-degree surround view camera module

2. Automotive IoT Product

- V2X video system
- V2X gateway devices
- V2X asset management devices

3. Industrial IoT Product

- Integrated wireless (5G, Wi-Fi, LTE) communication gateway devices
- Field surveillance IoT video devices
- 5G license plate monitoring gateway devices

4. Smart Vision Products

- mPTZ video camera
- Smart video conference system

5. Surveillance and Security Products

- 5G professional police body cameras
- 180-degree wide-angle, 360-degree panoramic surveillance digital camera
- Smart control panel
- Networked surveillance camera for garage using
- Advanced pet surveillance camera
- Video intercom
- Video door locks
- 3D facial recognition model
- Access control card reader
- Wireless IoT hub

(2) Industry Overview

1. Industry Status and Development

I. Information Products

PRIMAX's computer peripherals are used with desktop and laptop computers, tablets, and mobile phones; keyboards, mice, keyboard modules, touch panel modules, and gaming devices are the main sales items. According to a report by the IDC, global PC shipments in 2024 reached 262.7 million units, marking a 1% growth compared to 2023. Although the market recovery has been slow, there was still growth in the fourth quarter. Additionally, since Windows 10 support set to end in October 2025, business demand for upgrading hardware have continued, which will lead to stronger growth in 2025, and make the PC refresh cycle reach its peak.

II. Smart Lifestyle

Smart lifestyle acoustic products include smart speakers, smart headphones, and voice-activated home devices, which are the key components of the smart home ecosystem. With the development of artificial intelligence, voice recognition, and Internet of Things (IoT) technologies, these products have equipped high sound quality, voice control, and multi-device connectivity function. Furthermore, they play a crucial role in various scenarios such as home management, entertainment, and health monitoring, leading to a continuous growth in market demand.

With the integration of 5G and low-power technologies, smart acoustic product will further enhance its connectivity and expand into new scenarios such as healthcare, education, and commercial spaces in the future. It will bring more innovative opportunities to the consumer electronics industry and broaden the market prospects.

III. Automotive and AIoT

The global automotive electronics market has been growing rapidly, driven by advancements in technologies such as Advanced Driver Assistance Systems (ADAS), Vehicle-to-Everything (V2X), and Electric Vehicles (EV). These developments are driving an increasing penetration rate of automotive electronics. In addition, the popularity of electric vehicles makes the demand for charging equipments increase, while in-car smart features are gradually becoming a core competitive advantage for automotive brands. As autonomous driving technology matures, it has further driven the widespread adoption of camera modules, automotive sensors, high-performance processors, and artificial intelligence applications.

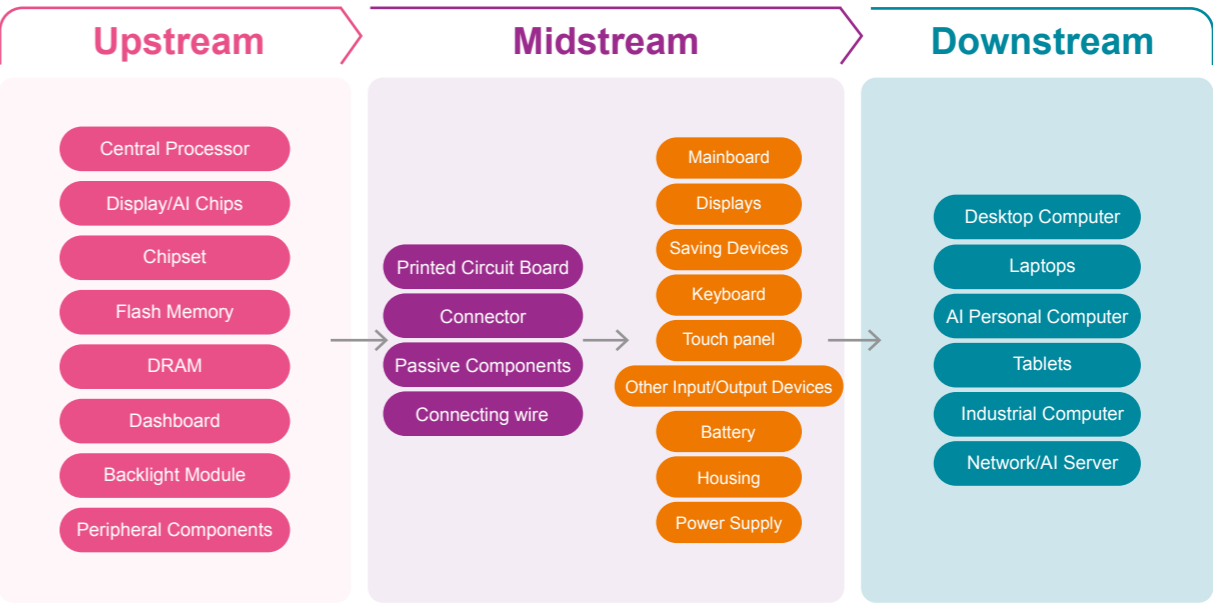
The rapid growth in demand for home security, smart cities, smart transportation, and personal safety has become the main driving force behind the booming development of the global security surveillance industry. With the continuous expansion of market demand, many manufacturers are launching high-performance, diversified, and comprehensive high-definition surveillance products. These products are integrated with mobile devices and cloud computing technologies to significantly enhance the real-time and convenience of security protection.

Regarding to technical areas, artificial intelligence (AI) has become one of the core driving forces behind security surveillance. By leveraging machine learning and deep learning technologies, AI enables intelligent image analysis, such as facial recognition, license plate recognition, behavior analysis, and anomaly detection, significantly improving the performance and accuracy of surveillance systems. The application of edge computing reduces data transmission latency, enabling faster real-time processing and response capabilities. This is particularly suited for high-frequency scenario demands. In addition, innovations in optical and imaging technologies, such as 180-degree and 360-degree ultra-wide-angle cameras, multi-image stitching technology, and color night vision, have greatly enhanced surveillance coverage and round-the-clock monitoring capabilities. High-speed wireless networking technologies, such as WiFi 6E and 5G, not only support large-scale device connections but also improve data transmission rates and stability, providing a solid foundation for the deployment of smart surveillance systems.

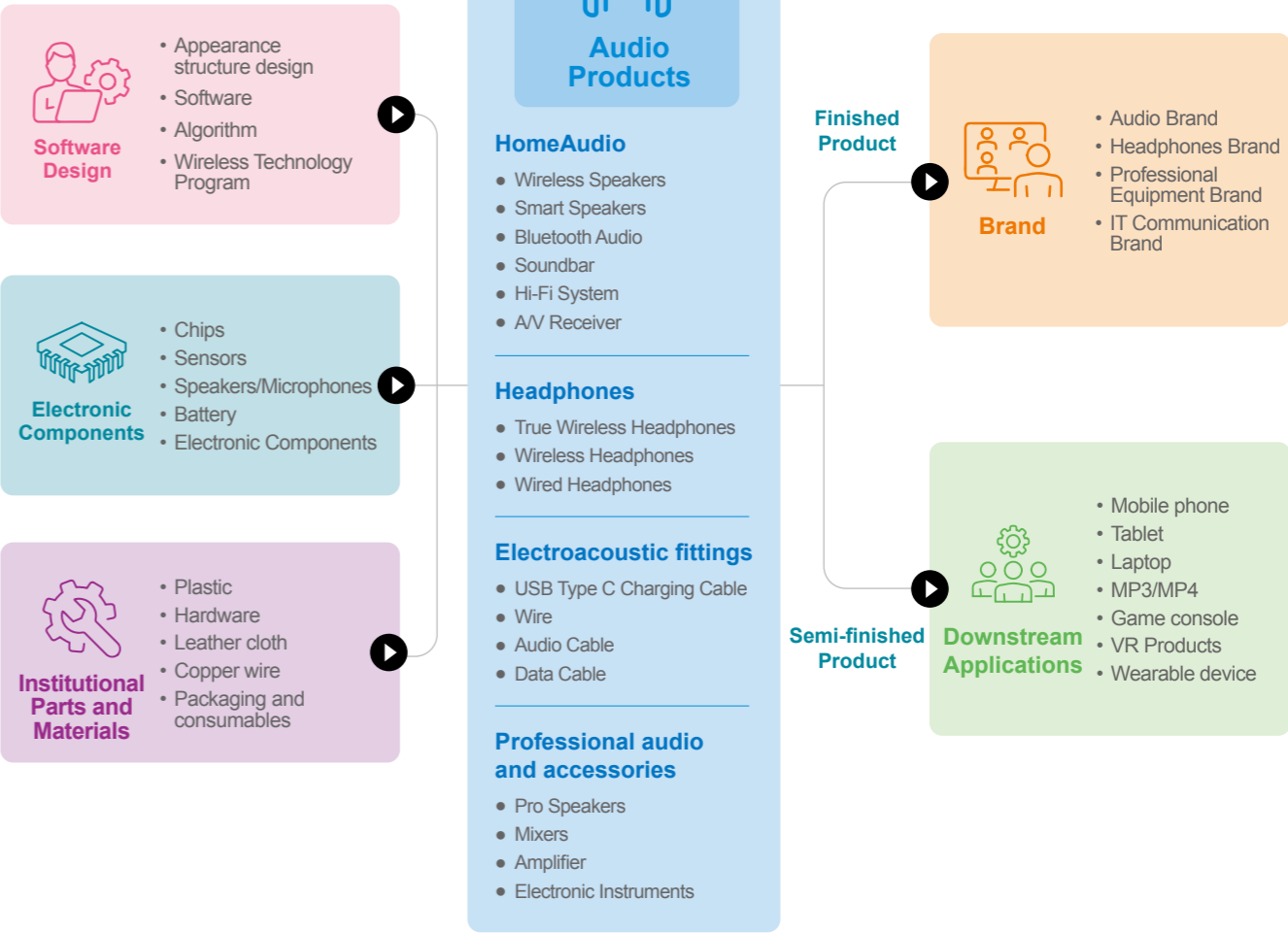
On the market level, with the continuous advancement of smart city and smart transportation development, security surveillance has become deeply integrated into various sectors, such as public infrastructure management, traffic order maintenance, retail operations optimization, and residential property security. In the future, with continued technological innovation and the expansion of application scenarios, the global security surveillance market is expected to maintain steady double-digit growth, creating more development opportunities for industry participants and providing higher levels of support for overall societal security.

2. Correlation of the Industry Supply Chain

I. Information Products

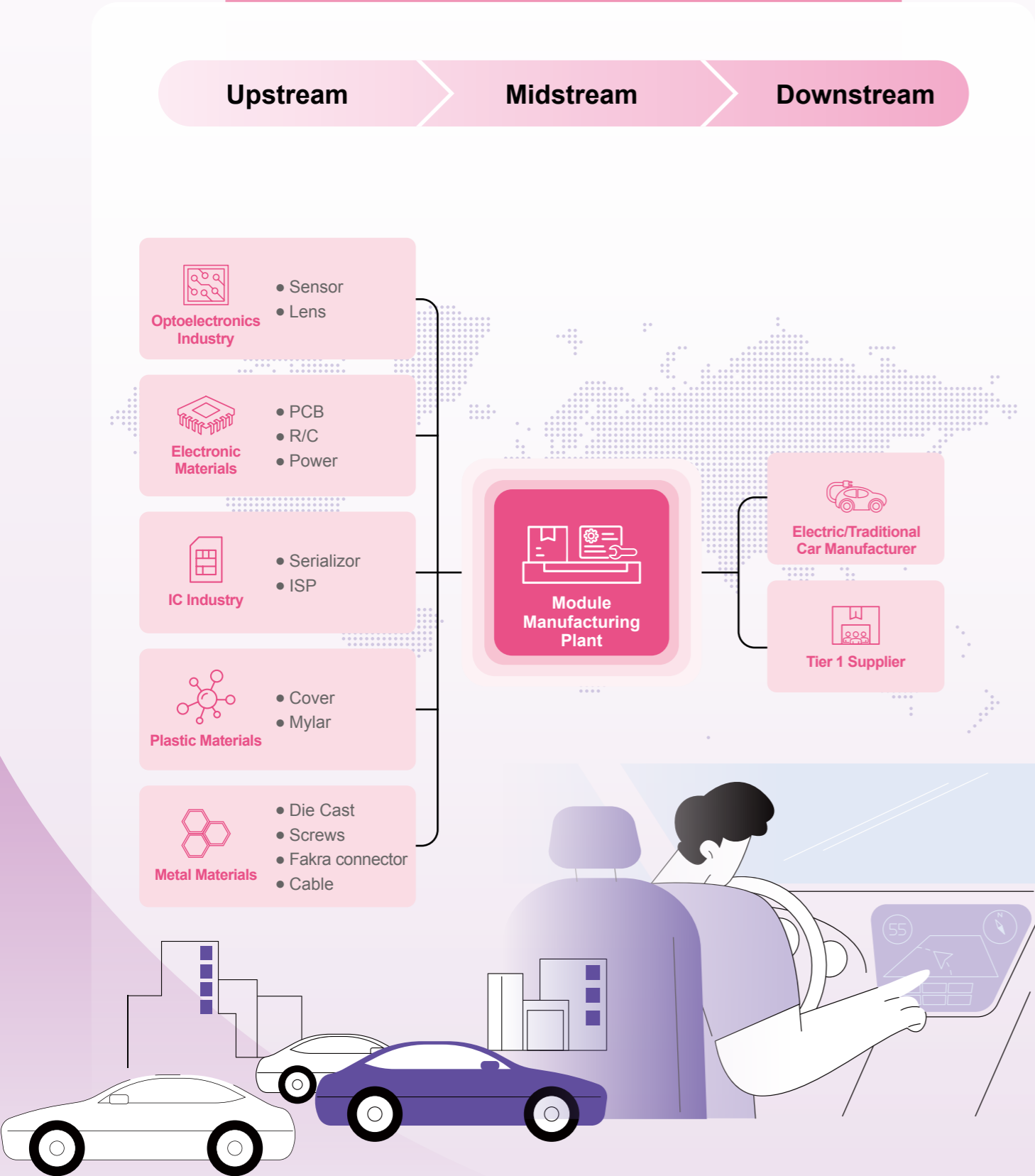


II. Smart Lifestyle



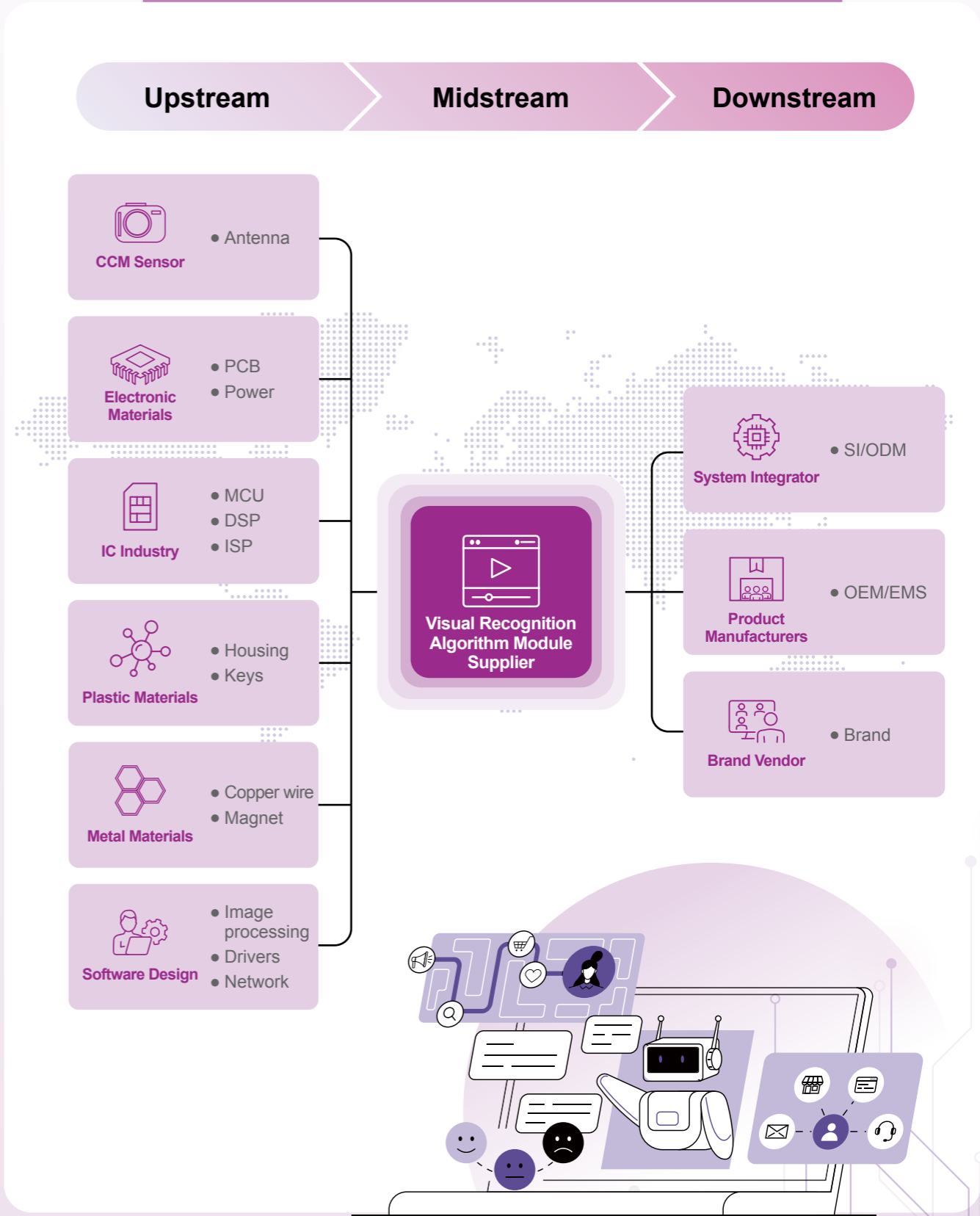
III. Automotive and AIoT

Automotive Camera Module Product Supply Chain



III. Automotive and AIoT

Smart Vision Technology Product Supply Chain



2.3. Product Competition Overview

I. Information Products

In the field of PC input devices, although voice and gesture recognition technologies offer new alternatives, keyboards and mice remain the mainstream products in the market due to their high input accuracy, efficiency, and adaptability to various usage scenarios. PRIMAX focuses on enhancing product competitiveness by combining innovative technologies with sustainable concepts to fully meet the diverse needs of the market.

In response to the market's pursuit of high-performance operations, PRIMAX has developed high-speed scroll wheel technology, significantly improving accuracy and fluidity of use. Additionally, in response to the global trend of carbon reduction and environmental protection, we are leading the way by using eco-friendly materials in the design of our keyboards and mice, creating more responsible and innovative products. To address the need for precision and comfort in input devices for lightweight electronic products, we have developed a high-precision haptic trackpad that provides an excellent long-term user experience while balancing accuracy and convenience. To maintain technological leadership, we are actively integrating AI technologies and combining personalized designs to offer intelligent solutions for Human Machine Interface. Currently, related AI technologies have been implemented in actual products, significantly enhancing user value and product differentiation, solidifying PRIMAX's competitiveness in the global market.

II. Smart Lifestyle

With the rapid evolution of technology and the high demand for intelligent audio experiences from consumers, market trends are increasingly aligned with our core capabilities. PRIMAX's technological advantages include self-developed speaker components, immersive audio engineering integration, innovative mechanical and material design, AI-driven digital signal processing, and high-performance automated production technologies.

This year, we further integrated AI technology into audio solutions and strengthened connectivity with IoT devices, enabling a seamless smart lifestyle experience. At the same time, we continue to optimize the product development process to meet the demand for immersive audio and personalized sound settings, ensuring that we provide high-quality, intelligent audio solutions. These solutions are flexible and adaptable, catering to diverse market needs across both home and commercial applications.

III. Automotive and AIoT

In the automotive camera module market, PRIMAX takes technological innovation and quality advantages as our core competence, actively responding to the competitive pressure from large automotive component manufacturers and technology companies. By implementing low-light noise reduction technology, high dynamic range (HDR) image processing, and AI image analysis, PRIMAX's products possess comprehensive improvements in performance, reliability, and cost-effectiveness. At the same time, we establish deep collaborations with automotive manufacturers and provide customized solutions to further strengthen our competitiveness.

In the security surveillance field, PRIMAX focuses on high-end technologies and differential product strategies. By combining AI, edge computing, and high-speed transmission, we launch smart surveillance systems, home security cameras, and portable security recorders to meet diverse application needs. Through modular design and cost optimization, we enhance the cost-performance ratio to attract the market.

With PRIMAX's core image processing technology, high-quality mass production capabilities, and innovation, we have established a strong competitive advantage in the automotive and security surveillance markets. PRIMAX will continue to focus on technological breakthroughs and product differentiation to solidify our market position and expand global influence.

(3) Research and Development

3.1. Overview of Research and Development Expenses

Unit: NT\$1,000

Year	R&D Expenses	Ratio to Operating Revenue(%)
2024	3,327,670	5.71%

3.2. R&D Accomplishments in the Most Recent Fiscal Year and up to the Publication Date of the Annual Report



2024

R&D Results

- Design and development of Smart AI wireless mouse
- Design and development of low-carbon wireless 3D optical mouse
- Design and development of wireless mouse with a built-in charging scroll
- Design and development of wireless mouse and wireless keyboard with solar/ambient light charging capability
- Design and development of optical, magnetic-analog mechanical gaming keyboard
- Design and development of VR game controller with integrated infrared detection
- Design and development of electromagnetic vibration-based touch panel
- Design and development of capacitive pressure sensing technology touch panel
- Design and development of a composite pressure sensing technology for application in touch devices
- Design and development of electromagnetic fast-response haptic feedback device
- Design and development of lightweight, low-carbon touch module
- Design and development of force-sensitive keys for e-sports laptops
- Design and development of high-pressure sensation protective cover keyboard
- Design and integration of AI applications into touch modules, and development of content creator control software and its algorithms for button controllers
- Design and development of button controller with microphone input interface for customizable image and function settings
- Design and development of touch controller with automated detection panel activation and corresponding software functions
- Design and development of 8-coil dual-channel wireless charging module for automotive use
- Design and development of magnetic, high-efficiency and electromagnetic induction wireless charging transmitter base
- Design and development of low-carbon, detachable and portable Qi-standard wireless charging receiver module
- Design and development of magnetic resonance wireless charging transmitter charging case for hearing aids
- Design and development of wireless low-latency e-sports headphones
- Design and development of USB high-fidelity e-sports headphones
- Design and development of 360-degree camera
- Design and development of smart glasses camera
- Design and development of smart VR camera
- Design and development of edge computing AI smart camera
- Design and development of the fifth generation of professional police body camera
- Design and development of automotive camera module with lens heater for defogging and de-icing
- Design and development of automated cleaning system for automotive camera modules
- Design and development of 5G license plate monitoring gateway device
- Design and development of high-speed license plate recognition camera
- Design and development of vehicle detection radar device
- Design and development of LTE Cat-M In-vehicle Asset Tracker
- Design and development of POV Professional Camera



2024

R&D Results

- Design and development of OTS Smart Lock
 - Design and development of Mini Dome AI Camera
 - Design and development of Micro Dome AI Camera
 - Design and development of 5G Bullet Surveillance AI Camera
 - Design and development of 3D facial recognition access control system
 - Design and development of 3D facial recognition smart door lock
 - Design and development of outdoor waterproof and dustproof wireless home camera
 - Design and development of smart doorbell
 - Design and development of garage camera
 - Design and development of the third generation of pet camera
 - Design and development of ultra-thin, deep bass speaker for soundbars
 - Design and development of the full-range of new process eco-friendly speakers
 - Design and development of PC-based digital signal processor tool
- Design and development of AI digital signal processor tool
 - Design and development of communication headphones without microphone
 - Design and development of Auracast-compatible open-ear headphone
 - Design and development of high-efficiency green soundbar
 - Design and development of multi-purpose SOM platform
 - Design and development of 5.1.2 channel all-in-one soundbar
 - Design and development of 4.1.4 wireless audio system
 - Design and development of zero-latency audio processing module
 - Design and development of new model automotive speaker
 - Design and development of line-array system for small conference rooms
 - Design and development of line-array system for large indoor venues

(4) Long-term and Short-term Business Development Plans

4.1. Short-term Business Development Plans

- (1) Continuously increase market share in information products, smart living, automotive, and IoT products.
- (2) Improve product and service quality to meet customer needs.
- (3) Foster customer relationships by engaging with customers in the early stages of product design, actively providing beneficial solutions, and growing together with customers to maintain stable order sources.
- (4) Continuously expand the penetration rate of high-priced and high-value-added products to increase overall company profitability.

4.2. Long-term Business Development Plans

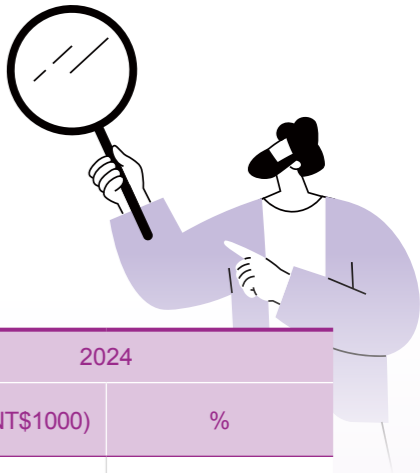
- (1) Continuously research and develop new technologies to enhance product competitiveness while also promoting environmentally friendly design to establish a comprehensive and eco-friendly safety ecosystem.
- (2) Enhance the automation production capabilities of all manufacturing facilities to reduce manufacturing costs and shorten product lead times.
- (3) Continuously develop new customers to expand the ongoing growth of the business.

2. Overview of Market Conditions, Production and Sales

(1) Market Analysis

1. Sales by Region

Geographic Distribution	Year	2023		2024	
		Amount (NT\$1000)	%	Amount (NT\$1000)	%
China		28,358,071	46.88	25,946,327	44.55
Europe		9,912,399	16.39	10,799,318	18.54
USA		17,973,542	29.71	17,745,858	30.47
Others		4,244,390	7.02	3,752,158	6.44
Total		60,488,402	100.00	58,243,661	100.00



2. Market Share

PRIMAX is a professional electronic product designer, developer and manufacturer of information products ,smart lifestyle and automotive and AIoT related products, with a high rating in the industry. Our products are diverse and cover a wide range of applications, including mice, keyboards, touch panels, multifunctional office machines, automotive and IoT camera modules, in-vehicle IoT devices, automotive audio equipment, industrial IoT products, smart imaging systems, surveillance and security devices, as well as speakers, headphones and special acoustic products, and they take pride of place in the areas of smart IoT application scenarios.

3. Market Dynamics and Future Growth

I. Information Products

The market for keyboards, mice, and touch panel modules is expected to maintain steady growth in the future, primarily driven by the recovery of the personal computer market and increasing demand for high-performance input devices. With the launch of new operating systems such as Microsoft Windows 12, a new wave of device upgrades is anticipated, boosting the demand for keyboards and mice. Additionally, the gaming peripheral market is benefited from the rapid expansion of the global esports industry, as professional players and gaming enthusiasts seek devices with high precision, durability, and personalized designs. Furthermore, as environmental awareness continues to rise, keyboards and mice made from eco-friendly materials are expected to become a new competitive trend in the market. Overall, this sector holds strong growth momentum on both the supply and demand sides.

II. Smart Lifestyle

The market for acoustic products such as speakers, microphones, and headphones is expected to experience rapid growth, driven by the popularization of digital entertainment, remote work and education as well as smart devices. With continuous advancements in audio technology, consumer demand for high-quality sound, noise-canceling, and wireless products continues to rise. In particular, products featuring AI technology, smart connectivity, and personalized functions are gaining favor with the market. Furthermore, the increasing penetration rate of smart speakers and wireless headphones in the smart home and wearable device sectors will further expand the market size. At the same time, the rise of live streaming and content creators is fueling demand for professional microphones and high-performance headphones. Overall, the acoustic product market is expected to maintain stable supply and demand, with technological upgrades and diverse applications serving as the primary drivers of growth.

III. Automotive and AIoT

The automotive and AIoT markets are poised for strong growth, driven by rising demand for intelligent solutions and policy support. In the automotive IoT sector, advancements in autonomous driving and smart cockpit technologies are fueling increasing demand for high-performance camera modules, sensors, and wireless communication technologies. For smart homes, consumer expectations for security and convenience are driving the adoption of products such as smart doorbells and surveillance cameras. Meanwhile, smart cities are driving the need for IoT-enabled access control and surveillance systems as infrastructure modernization and data-driven management continue to expand. Looking ahead, AI technology, edge computing, and big data analytics will be at the core of next-generation AIoT solutions, enabling more efficient and secure applications while driving rapid growth on both the supply and demand sides.

4. Competitive Niches

A. X-IN-1 Sensory Fusion Technology

PRIMAX leverages X-IN-1 Sensory Fusion Technology as a competitive niche, integrating visual, acoustic, tactile, and AI technologies to enable innovative multi-sensory applications. Through intelligent image processing, immersive audio, high-precision haptic feedback, and personalized AI algorithms, we deliver a more efficient, safer, and highly immersive product experience. This technological advantage not only enhances competitiveness in the AIoT, automotive, and consumer electronics sectors, but also expands application scenarios, meeting users' dual demands for innovation and quality. It provides differentiated value to the market and strengthens PRIMAX's leading position.

B. Capacity Advantage and Economies of Scale

PRIMAX has not only decades of experience in the development, design, and manufacturing of imaging products and embedded devices, but also a strong technological development team with strict manufacturing and quality management processes. Our outstanding R&D team can immediately adjust the production process and assist customers in optimizing their existing products to fulfill their needs. Additionally, PRIMAX has successively set up production bases in Thailand, Dongguan, Kunshan, Chongqing, and Huizhou in China, to continue to increase production capacity. With economies of scale and flexible capacity allocation, we have enhanced the difficulty for new competitors to enter the market.

C. Global Logistics-Oriented Production

PRIMAX operates our management under a global logistics strategy, providing high-quality products and logistical support. With excellent manufacturing process management and highly flexible production capabilities, we have established production and distribution networks in Thailand, Dongguan, Kunshan, Chongqing, Huizhou in China, and other locations. Additionally, to offer localized customer service and to stay close to the market, we shorten product delivery times through our global real-time supply warehouses in the United States, the Netherlands, China, and other regions, ensuring stable and prompt service for our customers and improving production efficiency.

D. Maintain Strong Partnerships with Leading Global Companies

PRIMAX focuses on the research and development of PC peripherals, mobile camera modules, business equipment, smart home, and electroacoustic-related products. We have gained international recognition for our quality and reliability. As strategic partners with our clients, we deeply engage in key technology developments to understand market trends. Over the years, we have established great cooperative relations with upstream and downstream industries. In the future, we will also be important partners for close cooperation with major manufacturers when developing new products.

5. Favorable and Unfavorable Factors for Future Development, and the Company's Countermeasures

Favorable Factors

PRIMAX leverages its integration advantage in multi-sensor fusion technology, combining visual, acoustic, tactile, and AI innovations to deliver high-value-added and innovative products that enhance our market competitiveness. Meanwhile, the demand for AIoT, automotive equipment, gaming devices, and acoustic products continues to grow steadily, driven by digital transformation, intelligent upgrades, and rising consumer expectations. To better serve customers, we have established production bases in Dongguan, Kunshan, Chongqing, Huizhou (China), and Thailand. With outstanding product development capabilities and production management expertise, we have not only gained customer recognition but also been able to deliver comprehensive services efficiently, while reducing production costs. This enables us to seize more opportunities in an increasingly competitive market. Furthermore, global policies supporting environmental protection, smart cities, and IoT present us with lots of opportunities. By strengthening customer relationships and providing differentiated solutions, PRIMAX has further solidified our market leadership.

Unfavorable Factors

The global economic uncertainty and geopolitical factors continue to have an impact, including changes in trade policies and tariff barriers, which may increase export costs for electronic products and compress profit margins. Fluctuations in raw material prices, supply chain instability, and shortages of key components also pose challenges to production planning and delivery schedules. At the same time, the electronic products market is becoming increasingly competitive, with rapid technological advancements potentially driving up R&D costs and intensifying product pressure. As environmental regulations become increasingly stringent, companies need to continually invest resources to meet green design and carbon emission control requirements, further adding to operating costs.

Countermeasures

1. Response to Tariffs and Trade Policies

Continuously optimize supply chain deployment by diversifying production bases to reduce reliance on a single region and flexibly adjusting export market strategies to mitigate the impact of tariff barriers. Actively collaborate with local governments and industry organizations to stay informed about policy developments and seek supportive measures.

2. Strengthen R&D and Product Competitiveness

Focus on X-IN-1 Sensory Fusion Technology and differentiated product design to increase the proportion of high-value-added products, reduce the pressure from price competition, and respond quickly to changes in market demand.

3. Supply Chain and Production Management

Establish closer partnerships with key suppliers, optimize procurement strategies to address raw material fluctuations, while enhancing production automation and efficiency to reduce costs and shorten lead times.

4. Environmental and Compliance

Continue to invest in green design and low-carbon technologies, develop products using recyclable or renewable materials, establish a comprehensive environmental management system to ensure compliance with increasingly stringent regulations, and enhance the social responsibility image of the companies.

5. Market Expansion and Partnership Development

Actively develop emerging markets, particularly in the areas of AIoT and automotive IoT applications, strengthen early-stage collaboration with customers, and jointly develop innovative solutions to enhance market competitiveness and brand loyalty.

(2) Core Applications and Manufacturing Processes of Major Products

1. Core Applications of Major Products

Major Products and Services	Core Applications or Functions
Mouses	Control computer cursor and scrolling of wheel, to enable easy operations in the window operating systems.
Keyboards	Enable input of characters and provide other convenient computer shortcut keys.
Touch panel	Uses fingers to control the computer cursor, scrolling of wheel, and other convenient controls.
Scanners	Applicable to personal computers, printers, file servers, flash drives, as well as digitization and storage of photos/documents.
Multifunctional office machines	Applicable to photo/document scanning, photocopying, electronic document printing, and document fax for individuals, homes, offices, shops, hotels, and digital data centers
Office automation products	Applicable to photo/document destruction, lamination, and other processing modes for individuals, homes, offices, shops, hotels, and digital data centers.
Micro-camera module	Applicable to mobile phones, tablets, commercial and home surveillance devices, smart TVs, game consoles, dash cam, GPS built-in camera modules, video conferencing system, smart door lock camera module, smart glasses camera module and automotive camera modules.
Network camera module	Applicable to laptops, LCD monitors, built-in network camera modules, and externally attached network cameras.
Wireless speakers	Applicable to music appreciation, audio-visual combination, and mobile phone communication for individuals and homes.
Smart speakers	Applicable to smart home control, voice inquiry about data, App linkage, and relevant service connections, and music appreciation for individuals and homes.
Microphones	Applicable to voice content creation, virtual meetings, virtual calls, and life records.
Smart video conference device	Provide high-definition video, intelligent audio processing, and automatic framing adjustments to enhance remote collaboration efficiency. Support data sharing and meeting recording playback.
Professional police body camera	Designed for recording on-site law enforcement footage, featuring high-definition video recording, night vision, GPS tracking, and a waterproof, shock-resistant design to ensure evidence integrity and enhance officer safety.
Security monitoring device	Enhances security monitoring with high-definition cameras, motion detection, and real-time alert features to safeguard designated areas.
Smart doorbells, door locks, and access control devices	Integrates IoT technology to enable remote monitoring and control, ensuring precise management of entry and exit area while enhancing overall security protection.

2. Production Process



(3) Supply of Main Raw Materials

PRIMAX's products are mainly divided into two product lines: computer peripheral products and non-computer peripheral products. To ensure a stable supply of raw materials, we have established procurement bases in Dongguan, Kunshan, Chongqing (China), and Thailand, and set up a supply chain department at our headquarters in Taiwan to strictly monitor customer demand, inventory level as well as supply and demand of key parts in conjunction with the procurement and development units of various business units.

As the global impact of the pandemic gradually eases, the issue of material supply shortages has improved. To address potential external uncertainties in the future, the Group is actively expanding local production suppliers and continuously promoting the strategic procurement of key components. This strategy not only enhances supply chain flexibility and production delivery speed but also effectively reduces supply chain risks. By establishing an information-sharing mechanism with customers and suppliers, along with the agility and resilience of internal operations, the Group is able to respond flexibly to market changes, ensure stable material supply, and prevent shortages.

(4) Names of Customers Accounting for More Than 10% of Total Purchases or Sales in Either of the Most Recent Two Years, the Respective Purchase or Sales Amounts and Ratios, and Explanations for Any Changes in These Figures

1. Major supplier information that accounted for more than 10% of the total purchase amount in any year of the last two years: None
2. Major sales customer information that accounted for more than 10% of total sales in any of the last two years:

Unit: NT\$1,000

Year	2023				2024			
Item	Name	Amount	Percentage of Net Sales	Relationships with the Issuer	Name	Amount	Percentage of Net Sales	Relationships with the Issuer
1	Company C	5,020,172	8%	None	Company C	6,549,286	11%	None
2	Company B	6,610,707	11%	None	Company B	5,645,782	10%	None
3	Company A	8,175,939	14%	None	Company A	5,452,847	9%	None
4	Others	40,681,584	67%	—	Others	40,595,746	70%	—
5	Net Sales	60,488,402	100%	—	Net Sales	58,243,661	100%	—

PRIMAX's main customers are internationally renowned high-tech companies from diverse fields with high stability. In addition to maintaining a good relationship with existing customers, we have actively developed new products with a view to expanding the market and customer sources in other business sectors, while striving to diversify customers and minimize the risk of sales concentration.

3. Employee Information

The number, average service time, average age, and educational background of the employees in the most recent two years as of the publication date of the annual report

Year		2023	2024	Current Year As of February 28, 2025
Number of Employees	Technician (Engineering)	2,711	2,642	2,591
	Management and Business Personnel	1,290	1,247	1,251
	Direct Employees (including Dispatched)	8,656	9,030	7,550
	Total	12,657	12,919	11,392
Average Age		34.2	36.4	36.3
Average Years of Service		4.2	5.5	5.3
Education (%)	Ph.D.	0.1%	0.1%	0.1%
	Master	5.5%	5.6%	5.4%
	University	27.1%	27.4%	27.6%
	Senior High School	27.9%	29.2%	28.9%
	Below High School	39.4%	37.7%	38.0%

Note: The above calculation scope includes indirect and direct full-time employees and dispatched direct workers.

4. Information on Environmental Protection Expenditures

In the most recent year and as of the date of publication of the Annual Report, the total amount of loss (including compensation) and disposal of the Company due to environmental pollution, and disclosure of its future coping measures (including improvement measures) and possible expenses (including the estimated amount of loss, disposal and compensation that may occur without responding to the measures, if it is impossible to reasonably estimate, it should explain the facts that it cannot reasonably estimate): None.

Environmental protection expenditure statistics can be found in Chapter 6 - Corporate Sustainability (Page 92) of this annual report.

5. Labor Relations

(1) The Company's Employee Benefits Related to Education, Training, and Pension Systems, and Its Implementation Status, as well as Labor- Management Agreements and Measures to Safeguard Employees'Rights and Interests

1. Employee Benefits and Implementation Status

The Company has set up an Employee Welfare Committee in accordance with the Employee Welfare Act to handle the appropriation and distribution of welfare fund. Key points of the current welfare system include: labor insurance and national health insurance, group insurance, annual health check, birthday vouchers, labor/Dragon Boat Festival/Mid-Autumn Festival gifts, employee and family marriage and bereavement subsidies, employee and family scholarships, employee hospitalization, domestic and foreign travel subsidies, maternity subsidies, childcare subsidies, year-end and lottery, community activities, employee group travel, measures to promote employees' physical and mental health, and employee leisure spaces.

2. Employee Education and Training and Its Implementation

In order to continuously enhance the competitiveness, develop important technologies, and cultivate management talents, the Company has established a variety of learning and development channels to enable employees to have reinforced learning effects through various methods.

On-the-job Training

Learning and development in the workplace, strengthening job experience by participating in work meetings, project (task) assignments, job rotations, etc.

Internal Training

Internal training is divided into three categories: supervisor training, professional training, and general training; including basic courses for new recruits, executive courses, professional technical courses, quality courses, general lectures, and English courses.

External Professional Training

In order to encourage colleagues to continue to improve their professional ability, or to develop work-related second professional skills based on career development, the Company fully subsidizes the cost of professional external training.

Overseas Training

Select colleagues with excellent performance and development potential to participate in short-term overseas professional training or conferences to enrich international perspectives.

Online Learning and Knowledge Community Platform

On the digital e-learning system, provide general knowledge, basic professional knowledge, English learning courses, so that learning is not limited by time and space; colleagues can also exchange knowledge and share discussions through the community discussion area and blog area on the platform.

Self-learning

Encourage continuous learning of work-related knowledge and skills, and can apply for flexible working hours for on-the-job training; in addition, in response to the Company's international business model, English subsidies are also provided to encourage colleagues to strengthen their language skills.

3. Retirement System and Implementation

PRIMAX (formerly known as "Hong Chuan Investment Ltd.") was established on March 20, 2006 and had merged the original PRIMAX, with the original employees' relevant rights and benefits effective unconditionally on December 28, 2007. The pension system of the original PRIMAX has also remained unchanged. The payment requirements for and standards of labor pension are processed in accordance with the Labor Standards Act (hereinafter referred to as "the old system") and the Labor Pension Act (hereinafter referred to as "the new system").

For employees who have chosen the old system or the new system but with seniority accumulated under the old system, PRIMAX has established a retirement plan in accordance with the Labor Standards Act and deposits a monthly retirement reserve fund in the special account with the Bank of Taiwan for the payment of future pension. In addition, for employees who are entitled to the new system, PRIMAX appropriates an amount equivalent to 6% of the monthly salary as a labor pension reserve fund in accordance with the Labor Pension Act to the personal pension account with the Bureau of Labor Insurance.

4. Labor-Management Agreements and Measures for Safeguarding Employee Rights and Interests

PRIMAX's labor-management relationship is harmonious and positive. Employees can communicate with the Company on issues related to various systems and the work environment through departmental communication meetings to maintain positive interaction between the employer and the employees. In addition, PRIMAX's Employee Welfare Committee is in charge of handling various employee welfare matters and holding events and activities occasionally to enhance the harmonious work atmosphere between the Company and employees and to build coherence. The details are specified below:



5. Implementation of the Company's Measures to Promote Workplace Diversity and Gender Equality

1. Added gender-friendly toilets.
2. To help employees with smooth transition to a new status, they are eligible to apply for an additional 4 weeks of remote work after the birth of their newborn.
3. A postpartum gift money of NT\$50,000 is provided. Since the implementation of this new policy in May 2022, a total of 62 employees and their families have benefited (13 in 2022, 27 in 2023 and 22 in 2024).
4. Amount of employees with disabilities exceeds the standard and PRIMAX receives public praise from Taipei Municipal Government to make promotional videos.

(2) Losses Incurred Due to Labor Disputes in the Most Recent Year and up to the Publication Date of the Annual Report: None

Since its establishment, PRIMAX has maintained an honest and responsible attitude and is committed to employees' well-being and the labor-management harmony, to work together for the Company's growth, making the Company's performance grow increasingly. Therefore, the labor-management relation has always been harmonious, and it is expected that there will be no labor disputes in the future.

6. Information Security Management

(1) The Information Security Risk Management Framework, the Information and Communication Security Policy, the Specific Management Program, and the Resources Invested in the Information and Communication Security Management Shall Be Specified

1. Information Security Management Policies, Objectives and Relevant Procedures and Documents

Based on the expectations of shareholders and customers for information security and the requirements of external regulators, PRIMAX has formulated an information security policy and has established an information security management system. The core value of the information security policy is to protect customer confidential information and the Company's business secrets, which are mainly divided into five goals:

- Commitment to protecting the confidentiality, integrity, availability and compliance of the Company's critical information systems and data**
- Ensure that the Company's digital assets are not stolen, compromised or attacked**
- Achieve ISO 27001 information security certification and regular audits to maintain the effectiveness of the information security management system**
- Continuous improvement of employee information security awareness and implementation of sensitive information and personal data protection mechanisms**
- Have good flexibility in ICT (Information and Communication Technology) to avoid any disruptions to the Company's operation caused by information security incidents.**

Develop the Company's information security management system and its four-tier management procedure documents in accordance with the ICT security policy and objectives; and regularly pass the third-party impartial unit verification every year to ensure that the information security management system continues to operate effectively.

PRIMAX's security risk management and continuous improvement framework, based on the spirit of continuous improvement for PDCA of the information security management system, are as follows:

PRIMAX's Framework for Information and Communication Security Risk Management and Continuous Improvement



2. Information Security Management Structure

To enhance PRIMAX's information security management, integrating Enterprise Information Security and Information Department, with the Chief Financial and Information Officer (CFIO) serving as the highest authority. The Enterprise Information Security and Information Department is responsible for promoting information security policies and resource allocation, with dedicated information security personnel ensuring the effective and continuous implementation of various management norms and control measures. The organizational structure of the Enterprise Information Security and Information Department is illustrated in the diagram

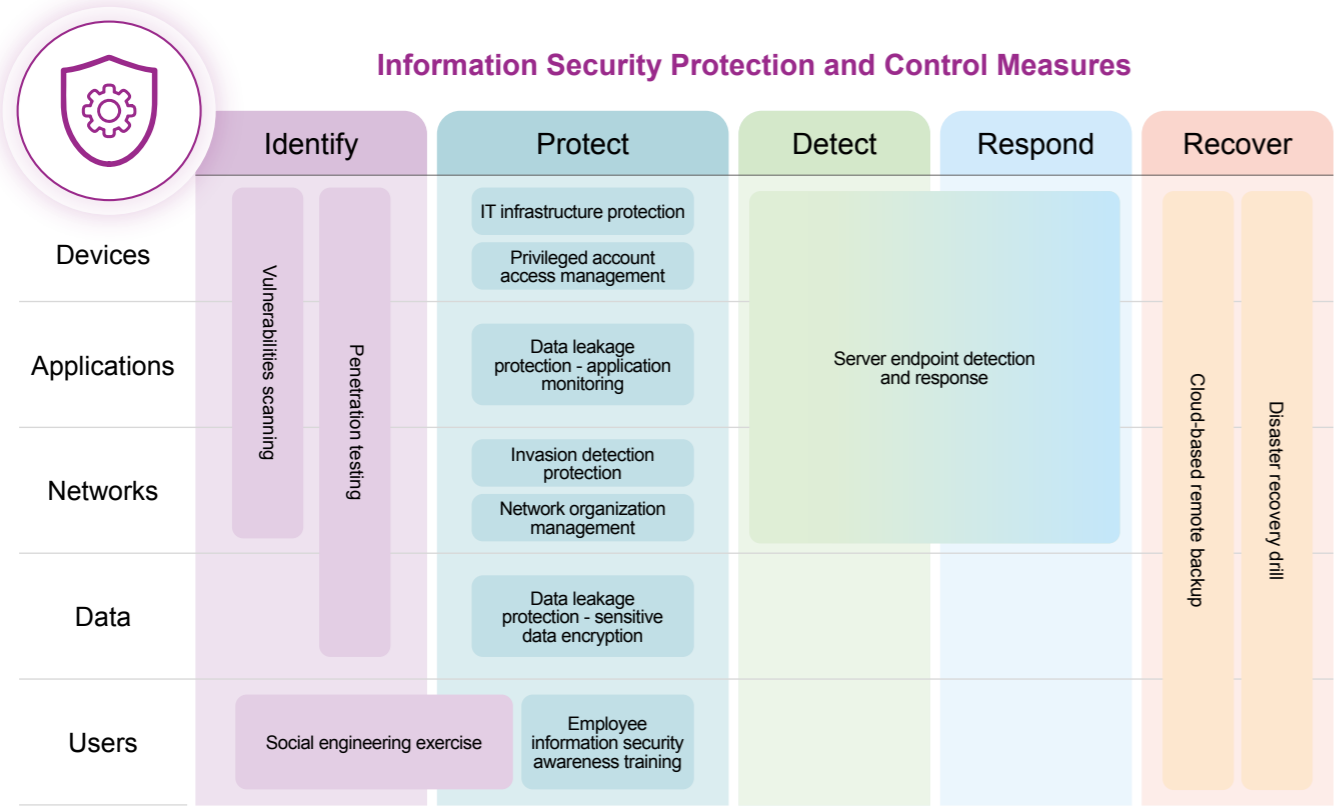


3. Specific Information and Communication Security Management Plan and Resources Invested

PRIMAX has established ISO 27001 (Information Security Management System) and maintain the validity of the certificate through annual regular renewal. In order to improve application system security and reduce risks, the Company plans to introduce NIST Cybersecurity Framework 2.0 (Information and Communication Security Framework) as the basic information security framework, strengthen information security management and supervisory control mechanisms, and maintain information security control measures. The specific information security management mechanism and invested resources are as follows: system equipment vulnerability scanning and penetration testing are regularly performed every year to patch medium and high-risk vulnerabilities. Additionally, client privileged account access management, data leakage prevention systems, server-side endpoint detection and response systems, and threat detection and corresponding measures have been implemented. These measures aim to protect against and mitigate the risks of external intrusions and internal sensitive data leaks. Continuous monitoring of logs through the security incident management system enables real-time anomaly detection, reinforcing the information security management mechanism.

At least two security awareness education training sessions and at least six social engineering exercises a year are arranged, including in-class and real-time online training and E-learning online information security education training sessions. Also, information security protection and current affairs case awareness is promoted through e-mails, instant messaging and digital television, with the aim of strengthening the security awareness of PRIMAX's employees. PRIMAX also enrolls in "Enterprise Information Security Risk Management Insurance/Fraud Risk Protection Insurance" to reduce or transfer the loss of information security.

PRIMAX and our subsidiary-Tymphany Acoustic Technology Limited have been certified by "ISO 27001:2022" in December and Septemebr 2024, and the current certificate are valid from December 22, 2024 to November 16, 2026 and from September 6, 2024 to September 5, 2027 respectively. According to the future development blueprint for information security, the Company plans to include key operational processes such as engineering, and manufacturing in the certification scope and undergoes annual audits conducted by an independent third-party certification body to ensure continued compliance.



4. Internal Audit of Information Security

The Enterprise Information Security and Information Department - the information security audit team formulates assessment items based on the characteristics of risks, the self-assessment and verification of information security has been completed on March 29, 2024, and submits the assessment results and supporting documents to the Audit Department for verification. The Company's Audit Department implements a cycle audit of information every year, of which information security is a necessary audit item. The audit was completed from March 1, 2024 to March 15, 2024, and improvement items are tracked and reviewed quarterly. All the audit results are reported to the Audit Committee and the Board of Directors.

(2) The Losses, Potential Impacts, and Countermeasures Resulting From Significant Information and Communication Security Incidents in the Most Recent Year and up to the Publication Date of the Annual Report Shall Be Disclosed. If Such Losses or Impacts Cannot Be Reasonably Estimated, the Fact That Cannot Be Reasonably Estimated Shall Be Stated.

PRIMAX has implemented and continuously updated the measures for the management and control of information security. As of the latest year and the date of publication of the annual report, there have been no losses suffered by major information security incidents.

6. Important Contracts

Nature of Contract	Counterparty	Contract Period	Major Contents	Restrictions
Leasing	Shin Kong Life Insurance	February 2021 - December 2035	Lease of a PRIMAX building	None
Loan contracts	E.SUN Bank	October 2021 - September 2024	Medium-to-long-term borrowing facility	None
Construction contract	Fu Tai Construction	August 2022 - Warranty responsibility completed	New construction of Taiwan Innovation Center	None
Mechanical and electrical engineering contract	GO-IN Engineering	August 2022 - Warranty responsibility completed	New construction of Taiwan Innovation Center	None
Leasing	Dongguan Huanshu InformationTechnology Service Company	September 2023 - August 2026	Dongguan idle factory building	None



Chapter 5

Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

1. Financial Position

Unit: NT\$1,000

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		36,245,818	32,936,374	3,309,444	10.05%
Property, Plant and Equipment		8,086,736	7,740,909	345,827	4.47%
Intangible Assets		2,020,234	2,013,589	6,645	0.33%
Other Assets		3,775,629	3,862,248	(86,619)	(2.24%)
Total Assets		50,128,417	46,553,120	3,575,297	7.68%
Current Liabilities		26,080,267	23,637,001	2,443,266	10.34%
Non-current Liabilities		4,213,174	3,819,543	393,631	10.31%
Total Liabilities		30,293,441	27,456,544	2,836,897	10.33%

Item	Year	2024	2023	Difference	
				Amount	%
Share Capital		4,657,448	4,629,738	27,710	0.60%
Capital Surplus		3,512,958	2,359,753	1,153,205	48.87%
Retained Earnings		12,050,294	11,340,522	709,772	6.26%
Other Equity Interest		(385,724)	(1,316,504)	930,780	(70.70%)
Non-controlling Interests		-	2,083,067	(2,083,067)	(100%)
Total Equity		19,834,976	19,096,576	738,400	3.87%

Explanation of major changes in financial ratios (if the change is more than 20% in the previous and later periods):

- Increase in capital surplus compared to last year: Primarily due to premium arising from the acquisition of minority interests by Tymphony Worldwide Enterprises Ltd., the parent company of Huizhou Tymphony Acoustic Technology Co., Ltd., by minority shareholders at a price below net asset value.
- Increased in other equity interest compared to last year: primarily due to foreign currency translation adjustments arising from the appreciation of the US dollar.
- The decrease in non-controlling interests compared to last year: Primarily due to the acquisition of all shares held by minority shareholders in Huizhou Tymphony Acoustic Technology Co., Ltd. by its parent company, Tymphony Worldwide Enterprises Ltd., resulting in 100% ownership.

2. Financial Performance

(1) Financial Performance Analysis for the Last Two Years

Unit: NT\$1,000

Item	Year	2024	2023	Difference	
				Amount	%
Operating Revenue		58,243,661	60,488,402	(2,244,741)	(3.71%)
Operating Costs		48,362,968	50,907,102	(2,544,134)	(5.00%)
Gross Profit		9,880,693	9,581,300	299,393	3.12%
Operating Expenses		7,149,601	6,838,317	311,284	4.55%
Operating Income		2,731,092	2,742,983	(11,891)	(0.43%)
Non-operating Income and Expenses		675,855	523,389	152,466	29.13%
Profit Before Tax		3,406,947	3,266,372	140,575	4.30%
Income Tax Expense		679,823	632,883	46,940	7.42%
Net Income (Including After-Tax Profit or Loss from Discontinued Operations)		2,727,124	2,633,489	93,635	3.56%

Explanation of major changes in financial ratios (if the change is more than 20% in the previous and later periods, and the amount of the change is NT\$10 million):

- Increase in non-operating income and expenses compared to last year: primarily due to an increase in net interest income.

(2) Expected Sales Volume for the Coming Year and Its Basis, Potential Impact on the Company's Future Financial and Business Performance, and Response Plans

The Company's estimated sales volume is based on industry environment, projected market supply and demand, business development, current order status, and production capacity planning at manufacturing sites. For the sales of major products in the year 2025, product sales and operations are expected to benefit from order growth. At the same time, the Company is optimizing its portfolio to focus on enhancing profitability. Currently, the Company maintains a sound financial structure and strong operational fundamentals. Its own funds, along with net cash inflows from operating activities, are sufficient to support the working capital and capital expenditure needs driven by revenue growth.

3. Cash Flow

(1) Cash Flow Analysis for 2024

Unit: NT\$1,000

Cash Balance at Beginning of Year	Net Cash Flow from Operating Activities for the Year	Cash Inflow (Outflow) in 2024	Cash Balance at End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
10,904,683	5,621,528	2,981,302	13,885,985	—	—
Analysis of cash flow changes in the most recent year: (1) Operating activities: Net cash inflow from operating activities was NT\$5,621,528 thousand, primarily due to an increase in profits during the period. (2) Investing activities: Net cash outflow from investing activities was NT\$1,269,618 thousand, primarily due to the acquisition of property, plant and equipment. (3) Financing activities: Net cash outflow from financing activities was NT\$2,079,897 thousand, primarily due to distribution of cash dividends.					

(2) Liquidity Improvement Plan

There has been no shortfall in the liquidity of the Group's cash flows in the most recent year.

(3) Cash Flow Analysis for the Coming Year (2025)

Unit: NT\$1,000

Cash Balance at Beginning of Year	Net Cash Flow from Operating Activities for the Year	Cash Inflow (Outflow) in 2025	Cash Balance at End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
13,885,985	3,702,972	(1,943,060)	11,942,925	—	—
1. Analysis of cash flow changes for the coming year: (1) Operating activities: Net cash inflow from operating activities is expected to be NT\$3,702,972 thousand, primarily due to the expected increase in profit for the period. (2) Investing activities: Net cash outflow from investing activities is expected to be NT\$3,019,982 thousand, primarily due to the expected acquisition of plant and equipment. (3) Financing activities: Net cash outflow from financing activities is expected to be NT\$2,626,050 thousand, primarily due to the expected distribution of cash dividends. 2. Analysis of remedial measures for cash inadequacy and liquidity: The cash is adequate, so it is not applicable.					

Note: The figures for the coming year (2025) are on a consolidated basis

4. The Impact of Most Recent Major Capital Expenditures on Financial Operations

In response to business development and strategic planning needs, PRIMAX is expanding its investment in Thailand. On May 8, 2024, the Company announced an additional capital expenditure budget of THB 694 million for the construction of the second phase of its Thailand plant, which is expected to be completed in 2026.

In response to global strategic planning, PRIMAX has expanded its investment in Taiwan and, on April 12, 2022, announced an additional capital expenditure budget of NT\$2.101 billion for factory construction. An innovation center will be established in Zhubei, Taiwan, which is expected to be completed by mid-2025. It will include advanced laboratories, an industry-academia incubation center, and a new product manufacturing center.

5. Investment Policy

(1) Investment Policy

Based on factors, such as business needs and the Company's future strategic development, relevant units provide professional information, and the Finance and Information Management Division compiles the information and puts forward suggestions to the managers in charge; investment proposals are thus made. The investee's past performance, future prospects, market conditions, and operating conditions will be assessed as a reference for investment decision-making.

(2) Main Causes of Profit or Loss from Investments in the Most Recent Year and Improvement Plans

December 31, 2024 Unit: NT\$1,000

Item	Description	Amount of Profit (Loss) Recognized in 2024 (Note 1)	Main Reason for Profit or Loss	Improvement Plan
	Primax Industries (Cayman Holding) Ltd.	415,985	Normal operation	—
	Primax Technology (Cayman Holding) Ltd.	137,062	Normal operation	—
	Destiny Technology Holding Co.,Ltd.	(14,237)	Normal operation	—
	Primax Destiny Co., Ltd.	416	Normal operation	—
	Diamond(Cayman)Holdings Ltd.	504,026	Normal operation	—
	Gratus Technology Corp.	3,919	Normal operation	—
	Primax AE(Cayman) Holdings Ltd.	7,668	Normal operation	—
	Primax Industries (Hong Kong) Ltd.	620,296	Normal operation	—
	Polaris Electronics, Inc.	13,540	Normal operation	—
	Primax Electronics (Singapore) Pte. Ltd.	(140,193)	Normal operation	—
	Primax Electronics (Thailand) Co., Ltd.	(148,701)	Normal operation	—
	Tymphany Worldwide Enterprises Ltd.	511,081	Normal operation	—
	Tymphany HK Ltd.	(205,814)	Normal operation	—
	TYP Enterprises,Inc.	5,892	Normal operation	—
	Tymphany Logistics,Inc.	4	Normal operation	—
	Dongguan Primax Electronic & Telecommunication Products Ltd.	492,572	Normal operation	—
	Beijing Destiny Electronic Technology Co., Ltd.	(14,237)	Normal operation	—
	Primax Electronics (KunShan) Co., Ltd.	33,181	Normal operation	—
	Primax Electronics (ChongQing) Co., Ltd.	256,376	Normal operation	—
	Tymphany Acoustic Technology (Huizhou) Co., Ltd.	583,437	Normal operation	—
	Dongguan Tymphany Acoustic Technology Co., Ltd.	161,743	Normal operation	—
	Dongguan Dongcheng Tymphany Acoustic Technology Co., Ltd.	0	(Note 5)	—
	Tymphany Acoustic Technology HK Ltd.	62,049	Normal operation	—
	Tymphany Acoustic Technology (UK) Limited	4,709	Normal operation	—
	Tymphany Acoustic Technology Europe, s.r.o.	64,105	Normal operation	—
	Tymphany Acoustic Technology Limited	37,886	Normal operation	—
	Tymphany Acoustic Technology (Thailand) Co., Ltd.	18,477	Normal operation	—
	ALT International Co.,Ltd (Cayman)	0	Normal operation	—
	Tymphany Acoustic Technology (Singapore) Pte. Ltd. (Note 2)	0	Normal operation	—
	Primax Security Technology Inc. (Note 3)	(7)	Normal operation	—
	Mibtech Plastic & Molds (Thailand) Company Limited (Note 4)	0	Normal operation	—

Note1: The amounts listed in the financial report for 2024 have been audited and certified by CPAs.

Note2: As of December 31, 2024, no funds have been invested.

Note3: It is a 100% wholly-owned subsidiary established on March 11, 2024.

Note4: This is an related company of the Group.

Note5: Merged into Dongguan Tymphany Acoustic Technology Co., Ltd. in June 2024.

(3) Investment Plans for the Coming Year: No major investment plans.

6. Risk Analysis and Evaluation

(1) Effects of Interest, Exchange, and Inflation Rate Changes on the Company's Financial Results and Future Countermeasures



Exchange Rate Fluctuations

The Group's revenue business is mainly based on export, and the products for export are mainly quoted in US dollars, and the transactions conducted with overseas suppliers and the purchase of machinery and equipment from overseas suppliers are also denominated in US dollars, resulting in a mutually offsetting effect, and thus providing natural hedging against exchange rate fluctuations. The Group's net foreign exchange gain for the 2024 was NT\$154,234 thousand, accounting for 0.26% of net operating revenue. Therefore, the overall foreign exchange factor did not pose a risk to profitability. However, to mitigate the risks arising from exchange rate fluctuations on the Company's profitability, the Group utilizes spot and forward foreign exchange transactions for hedging when appropriate. Moving forward, the Group will continue to monitor market exchange rate changes and internal foreign exchange positions while maintaining a balance between foreign currency assets and liabilities. This approach aims to hedge against exchange rate fluctuations and minimize their impact on the Company's profitability.



Interest Rate Fluctuations

The Group's interest expense for 2024 accounted for 0.26% of the operating revenue of the year, indicating that the interest expense did not have a significant impact on the Group's profit and loss. In addition, the Company regularly assesses the bank borrowing rate and maintains a good relationship with banks to obtain a more favorable interest rate so as to reduce the interest expense.



Inflation

According to the announcement of the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the average annual rate of increase in the Consumer Price Index rose by 2.18%, while the Producer Price Index increased by 1.22% in 2024, indicating a more moderate inflation trend compared to 2023. As a result, there was no significant impact on the Group's profitability in 2024. The Group keeps watch on fluctuations in market prices, and adjusts the sales prices as well as raw materials and inventory levels appropriately, and no significant impact has been caused due to inflation.

(2) Policies Regarding High-Risk and High-Leverage Investments, Loans to Others, Endorsements and Guarantees, and Derivatives Transactions, as Well as the Main Causes of Gains or Losses and Future Response Measures

1. High-Risk and High-Leverage Investments

The Company focuses on the management of its main business activities, and has not invested in high-risk industries, nor has it engaged in highly leveraged investments.



2. Loans to Others and Endorsements/Guarantees Provided

In the most recent fiscal year and up to the date of the annual report's publication, the company has only extended loans and provided endorsements or guarantees for 100%-owned subsidiaries or between parent companies and subsidiaries, as necessary for business dealings or financial transactions. All loans to others and endorsements or guarantees provided by the company are handled in accordance with the policies and measures specified in the company's 'Procedures for Lending Funds to Others' and 'Procedures for Endorsements and Guarantees.' The relevant processes have been carefully executed, considering risk conditions and related regulations.

3. Derivatives Transactions

When the Company engages in derivative transactions, it always conducts careful evaluation. Any derivative transaction is aimed at helping to improve business performance and reducing the Company's operating and financial risks. The transactions are processed in accordance with its Regulations Governing Acquisition or Disposal of Assets and the scope of authorization.



(3) Future R&D Plans and Estimated R&D Expenses

1. Future R&D Plans

The main products currently developed by the Group are PC peripheral products, IoT camera modules, automotive camera modules, network cameras, security systems, multi-function service machines, audio systems and smart home products. The future development plan will continue to cooperate with international manufacturers and strategically cooperate with start-up companies, focusing on pressure trackpads, smart home products, self-media audio-visual devices, esports headphones, smart security camera systems, IoT camera modules, 3D sensing modules, conference audio systems, professional audio products, automotive electronics, Industry 4.0, intelligent manufacturing, and industrial solutions, etc., to further enhance the Group's R&D capabilities and increase the market share of our products, making the Group's products more international and competitive.

2. Estimated R&D Expenses

The Group plans to allocate research and development expenses gradually based on the progress of new product and technology development, and will maintain a certain level of growth depending on future operational conditions to ensure the Group's competitive advantage. It is estimated that R&D expenses will be around NT\$3.4 billion in 2025.



(4) Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations, and Corresponding Response Measures

The Group operates in accordance with the relevant laws and regulations of the domestic and foreign countries where investments are made, and the relevant personnel also pay attention to the changes of the laws and regulations at any time for the management to stay informed. Therefore, important changes in domestic and foreign policies and laws can be updated immediately and responded to effectively by the Group.

(5) Impact of Technological and Industry Changes (Including Information Security Management Risks) on the Company's Financial and Business Operations, and Corresponding Response Measures

In response to the rapid changes in advanced science and technology, the Group has continuously invested in R&D resources and regularly tracked, collected and analyzed the market and technological development changes of specific areas in PC peripherals, mobile camera modules, business equipment products, smart home products, and automotive and vehicle networking related products to reduce the impact of technological changes, and has also strengthened the research and development of high value-added, high-margin products, making the Company's products more diversified and stable to ensure profitability.

The Company has established comprehensive network and computer-related security measures and continues to promote information security management systems to the entire group, but hackers may intrude computer viruses, malware or ransomware into the Company's network and systems, attempt to interfere with the Company's operations, damage computer systems, and thus obtain system control, or snoop on confidential information. These attacks may result in the Company compensating its clients for losses due to delays or disruptions in production; or a breach of contract may result in incurring significant overheads. The Group plans to utilize AI technology and adopt multi-layered security measures, including system detection, threat monitoring, and data protection, to minimize the damage caused by malicious attacks. The Company continuously updates and implements relevant information security control measures, such as conducting annually regular network and system vulnerability scans and penetration testing, and addressing medium- to high-risk vulnerabilities. Additionally, the Company has established privileged account access management, data leak prevention management, server endpoint detection and response systems, as well as threat detection and response services. These efforts aim to protect and reduce the risk of external intrusions and internal sensitive data leaks. The Company also utilizes a information security incident management system to monitor logs, ensuring real-time monitoring of anomalies and strengthening the information security management framework.

The Group continues to expand its extensive strategic alliance system with existing clients through product design, mass production, logistical support, distribution and after-sales service with excellent process technology to strengthen the long-term coexistence and prosperity mutually. So far, technological changes (including information technology security risks) and industry changes have not had any significant financial impact on the Group.

(6) Impact of Changes in Corporate Image on the Company's Crisis Management and Corresponding Response Measures

Primax is dedicated to innovation and R&D, continually enhancing its competitiveness while maintaining stable operational performance and delivering consistent value to shareholders. The Company's strong reputation is built on sound corporate governance, comprehensive risk management, and a long-term commitment to sustainable business practices.

Primax's performance has been widely recognized in both domestic and international evaluations. These include an MSCI ESG rating of A, inclusion in the S&P Global Sustainability Yearbook, and a Leadership Level rating by CDP. The Company has also ranked among the top 5% of listed companies in the Taiwan Stock Exchange Corporate Governance Evaluation six times.

In addition, Primax has been honored with the TCSA Taiwan Top 100 Sustainable Companies Award for five consecutive years and recognized as one of the Top 100 Sustainable Corporations by CommonWealth Magazine, underscoring its strong corporate image. The Company has established a dedicated team responsible for the prevention, management, and response to issues related to corporate image.

As of the end of the most recent fiscal year and up to the publication date of this annual report, there have been no incidents that have adversely affected the Company's corporate image.

(7) Expected Benefits, Possible Risks, and Countermeasures for Merger: **None**

(8) Expected Benefits, Potential Risks, and Response Measures for Factory Expansion

In response to business development and strategic planning needs, PRIMAX is expanding its investment in Thailand. On May 8, 2024, the Company announced an additional capital expenditure budget of THB 694 million for the construction of the second phase of its Thailand plant, which is expected to be completed in 2026.

In response to global strategic planning, PRIMAX has expanded its investment in Taiwan and, on April 12, 2022, announced an additional capital expenditure budget of NT\$2.101 billion for factory construction. An innovation center will be established in Zhubei, Taiwan, which is expected to be completed by mid-2025. It will include advanced laboratories, an industry-academia incubation center, and a new product manufacturing center.

(9) Risks Associated with Concentrated Purchasing or Sales and the Company's Response Measures

1. Purchase Concentration Risks and Response Measures

In addition to the purchase of finished products, Primax maintains at least two qualified suppliers for other goods to be purchased, to maintain the flexibility of purchases, ensure uninterrupted supply of goods, and maintain the advantage of bargaining to achieve the goal of cost reduction. In summary, Primax does not have the risk of concentration of purchases or interruption of supply.

2. Sales Concentration Risks and Response Measures

The Group's main customers are mainly internationally renowned high-tech companies from diverse fields with high stability. In addition to maintaining a good relationship with existing customers, the Group has actively developed new products with a view to expanding the market and customer sources in other business sectors, while striving to diversify customers and minimize the risk of sales concentration.

(10) Effect of Major Shareholding Changes by Directors or Shareholders Holding Over 10%, and Related Risks and Response Measures : **None**

(11) Effects of Changes in Managerial Control on the Company and Related Risk Mitigation Measures: **None**

(12) Litigation and Non-Litigation Risks



During the most recent fiscal year and up to the publication date of the annual report, any material litigation, non-litigation, or administrative proceedings that have been adjudicated or are still pending, involving the company, its directors, supervisors, general manager, de facto responsible persons, major shareholders holding more than 10% of the shares, or its subsidiaries, and that may have a significant impact on shareholders' rights or the market price of the company's securities, shall be disclosed. The disclosure shall include the facts of the dispute, the amount in controversy, the date the proceedings commenced, the principal parties involved, and the status of the case as of the date of publication of the annual report: **None**

(13) Other Significant Risks and Corresponding Response Measures

Intellectual Property Rights Management

Strategies and Goals

In order to align with advanced technology tendency and protect technical achievement, we continuously engross sufficient resources in R&D and analysis for the variation of marketing and technology in relation to our products. We also formulate intellectual property policy which integrates the operation goal and R&D resources so as to reinforce the advantage in competition. The Company continues to strengthen its patent portfolio to maintain competitiveness in observable market indicators. In addition to enhancing the quality of patent management, we integrated and refined our internal intellectual property (IP) management regulations in 2023, and have continued to ensure their effective implementation. This ensures that our IP protection efforts are closely aligned with the Company's future core revenue-generating products and key technologies. To support our primary product development initiatives, the Company has established a targeted patent strategy, encourages R&D innovation, and closely monitors the patent activities of industry peers. These efforts are aimed at reinforcing our patent positioning in key customer markets.

We are committed to achieving a top-30 ranking among domestic legal entities in patent filings by the year 2030.

Our intellectual property tactics as described below :

Implement the intellectual property regulations	Strengthen patent oversight and encourage R&D innovation	Reinforce patent portfolio in target customer segments	Carry out the management of intellectual property	Carry out the management of confidential information	Carry out the management of electronic laboratory notebook

Intellectual Property Management Plan

Management of Patent

For the purpose of protection of technical achievement and leading position, we not only constantly encourage our staff to file application for utility patent via the corporate innovation award and supporting structured evaluation process, but also establish the patent management policy and risk control mechanism. Leveraging AI tools, we systematically manage both the quantity and quality of employee patent filings. Externally, we maintain close communication and cooperation with patent authorities in both domestic and key international markets to enhance examination efficiency and secure high-quality patent protection. We also take efficient actions to reduce patent risk. We strive to monitor the competitors of certain products and analyze relevant market and patent information.

Management of Copyright

We promulgated Regulation of Copyright to formulate the process of acquirement, preservation and maintenance of copyright.

Protection of Trade Secret

Trade secrets and confidential information are critical to the Company's operations and core technologies. In addition to establishing internal regulations for the management of confidential documents, the Company has clearly defined relevant policies within the employee code of conduct and employment agreements. Furthermore, regular training and awareness programs are conducted to reinforce the importance of trade secret protection and confidential information management among employees, as well as to ensure understanding of the associated protective measures.

Implementation Status

The report of the implementation of intellectual property events has been submitted to the Board of Directors on Nov.7, 2024. We have carried out the management of intellectual property rights since 1990, the details are listed as follows :

1. Application of Patent

Primax Group has filed numerous patent applications in countries since 1990.

2. Process management

1990

We formulated and promulgated Regulation of Patent Application.

2002

Regulation of Risk Management and Patent Usage was put into force.

2004

The Enterprise Patent System was introduced.

2021

Regulation of Copyright and Regulation of Trade Secret were put into force. In addition, the AI system was introduced for analysis of global patent databases and assistance in identifying high-quality patents and recognizing key innovators.

2022

Procedure of Copyright and Procedure of Trade Secret were put into force.

2023

We enhanced internal IP governance framework, amended and established Procedure of Patent, Regulation and Procedure of IP Confidential Documents.

2024

Amend the Regulation of Patent Application as well as the Regulation and Procedure of IP confidential documents.




3. Activation of Property

In 2006, approximately 900 patents were sold, achieving the monetization of intangible assets.

4. Risk Control


Patent investigation and documentation control have been conducted since 2012 to ensure effective mitigation of patent risks during product development.

5. Management of Trade Secret



The following are excerpts from the Company's Regulations on the Management of Intellectual Property and Confidential Documents, as well as the Employee Code of Conduct and Employment Agreements:

- Employees are obligated to maintain the confidentiality of both the business matters they personally handle and the Company's overall business secrets.
- Employees shall not disclose any business secrets during or after their employment. Violation of this obligation may result in dismissal and may also subject the employee to legal liability for damages and criminal responsibility.
- Employees of the Company are also prohibited from disclosing or using trade secrets belonging to their previous employers.



Measures for Managing Intellectual Property-Related Risk

We occasionally receive the notices from third parties who assert that our products may involve in the controversy of intellectual property rights. We respect and try not to infringe third parties' intellectual property rights for all time. In view of the foregoing, we will analyze the related issues pertaining to legitimate, technical and business aspects to formulate the best tactics for resolution of the IP controversy so as to protect the Company's and stakeholders' interests.

Summary of Acquired Intellectual Property and Outcomes

As of December 31, 2024, the Company had been granted 942 patents, and 492 patent applications were under review.

7. Other Important Matters: None





Chapter 6

Corporate Sustainability

1. Overview

(1) Vision and Strategy

Under the spirit of P.R.I.MAX, the Company in 2022 established Primax's sustainability strategy blueprint, which aligns with seven United Nations Sustainable Development Goals (SDGs), and plans to implement corresponding action plans under this blueprint. The sustainability strategy blueprint is structured around three key dimensions, with performance indicators set for each responsible unit and clear definitions for each goal's scope. This ensures a more precise evaluation of execution effectiveness. Additionally, the Company regularly tracks progress and adjusts targets dynamically to align sustainability initiatives with global trends, further integrating them into business operations to achieve the vision of sustainable corporate development. At the same time, under the SDG 17 goal of partnerships, Primax actively responds to international initiatives, including RE100, GRI, SASB, CDP, and DJSI. Additionally, the Company aligns with the SASB Technology & Communications – Hardware indicators in its reports to enhance the completeness of information disclosure.

(2) ESG Operation and Management

To achieve corporate sustainability, Primax Group has established the Board of Directors as the highest governing body. In 2021, the Company further set up the "Risk Management Committee" under the Board of Directors. After two years of operation, it became evident that corporate sustainability and risk management are deeply interconnected. Effective management of internal and external risks is essential for achieving sustainable development. Therefore, in 2024, the Committee was restructured as the "Sustainable Development and Risk Management Committee" to reflect the need for close collaboration and holistic evaluation in organizational structure, major risks, and key issues of concern to stakeholders. The Sustainable Development and Risk Management Committee convenes at least twice a year to report to the Board of Directors on sustainability and risk management strategies and policies, annual plans and execution results, as well as the identification and response measures for major risk management issues. The Committee also oversees improvement mechanisms. In the event of significant issues, additional meetings may be held, and matters may be submitted for Board resolution.

In 2024, the Board of Directors held a total of 9 meetings, with sustainability-related agenda items as listed in the following table:

Date of Meeting	Proposal
2024/05/08	<ul style="list-style-type: none">Change of the "Risk Management Committee" into the "Sustainable Development and Risk Management Committee," as well as the amendment of the "Risk Management Committee Charter" to the "Sustainable Development and Risk Management Committee Charter."
2024/08/08	<ul style="list-style-type: none">The annual Sustainability Report and the results of the identification of stakeholders and material issuesName change of "Corporate Risk Management Policy and Procedures" as "Corporate Risk Management Implementation Guidelines"Proposal for the establishment of the new version of the "Corporate Risk Management Policy and Procedures"
2024/11/06	<ul style="list-style-type: none">Abolishment of the Company's "Rules Governing the Preparation and Filing of Sustainability Reports"Establishment of the Company's "Sustainability Information Management Procedures"

(3) Communication with stakeholders

Besides following AA 1000 Stakeholder Engagement Standards (SES), to allow Primax stakeholders to better identify adherence to GRI Standards (2021), the Company evaluates actual or potentially affected stakeholders according to the management of each sustainability issue. The ESG Office then identifies seven key stakeholders in accordance with the AA 1000 SES, including: Government/Competent authority, Customers, Shareholders/Investors /Financial Institutions/External Appraisal institutions, Employees, Suppliers/Contractors/Outsourcers, Local community, NPO/NGO.

Primax adopts a diversified approach to stakeholder engagement, including one-way, two-way, one-to-many, and many-to-one models, to ensure that all voices are heard effectively. The ESG Office collects concerns related to sustainability issues from key communication contacts among these stakeholder categories every six months, checks for any significant impact events, and compiles reports that serve as references for identifying significant issues. These are regularly presented to the Board of Directors. For detailed information on the sustainability concerns and communication channels of stakeholders, please refer to the table below:

Stakeholders	Main Issues of Concern	Communication Methods and Channels
Government/Competent authority	Ethical Management/Climate Change Response/Economic Performance/Water Resources/Air Pollution Emissions/Waste Management/Occupational Safety and Health/Product Health and Safety/Labor and Human Rights/Labor-Management Relations	Official Correspondence/Market Observation Post System (MOPS)/Company Official Website
Customers	Ethical Management/Privacy and Information Security/Occupational Safety and Health/Sustainable Supply Chain Management/Climate Change Response/Green Innovation and Life Cycle Management/Biodiversity/Waste Management/Ecological Conservation	GP, RBA, QPA, QSA Audit/Customer GP, Environmental Requirements/Customer Satisfaction Survey/Customer & Supplier Conference/Product RFQ
Shareholders/Investors/ Financial Institutions/External Appraisal Institutions	Economic Performance/Occupational Safety and Health/Ethical Management/Climate Change Response/Risk Management/Labor-Management Relations/Sustainable Supply Chain Management/ Customer Management/Green Innovation and Life Cycle Management/Talent Recruitment and Retention	Annual Shareholders' Meeting/Quarterly Operating Results Presentation and Teleconference/Monthly Revenue Announcement/Domestic Interviews and Meetings/Forum for Overseas Investors
Employee	Economic Performance/Occupational Safety and Health/Privacy and Information Security/Talent Recruitment and Retention/Ethical Management/ Product Innovation and Development/Diversity and Equality/Talent Development and Training	Labor Conferences/Employee Performance Interviews/ Business Division Communication Meeting/Interviews with Grassroots Employees/Union or Welfare Committee Meetings/Opinion Survey/Internal Publicity Channel/Appeal Consultation Channel
Suppliers/Contractors/ Outsourcers	Economic Performance/Labor-Management Relations/ Customer Management/Product Innovation and Development/Ethical Management/Occupational Safety and Health/Sustainable Supply Chain Management	New AVL Evaluations and Declarations/Environmental Requirements for Primax Clients/Annual Review/ Supplier Training (GHG/CFP/GP)/Supplier Conference
Local Communities	Sustainable Supply Chain Management/Social Engagement/Local Communities/Product Safety and Health/Climate Change Response/Talent Recruitment and Retention/Waste Management	Risk Assessments/Volunteer Activities/Donations
Non-Governmental Organizations/Non-Profit Organizations	Social Engagement/Local Communities/Economic Performance/Ethical Management/Privacy and Information Security/Talent Recruitment and Retention/ Climate Change Response/Biodiversity	Telephone Interviews/ESG Mailbox/Mail/Official Correspondence

(4) Corporate Operational Risk Identification and Management

With the authorization of the Board of Directors, the ESG Office is responsible for calling and assigning each function to set up a risk assessment team. The risk assessment team holds meetings at least once a year to identify operational risks of sustainability and climate risks and opportunities. The Risk Assessment Team held a risk assessment meeting in December to review the risk scores of various business risks, with a focus on evaluating emerging risk items. The team conducted a review of the potential new risk scenarios that Primax might face. This year, a total of 31 risk factors were compiled. After identification, the main operational risks for Primax in 2024 include: industry development changes, competitive pressure from peers, product innovation and development, investment and merger strategies, capacity planning and expansion, organizational structure and capability development, customer concentration, and new customer development; main response strategies include: 1. Choosing more competitive products to achieve balanced development, 2. Accelerating the enhancement of overseas factories' organization, manufacturing capabilities, quality, and cost competitiveness, 3. Identifying areas that need strengthening for business growth or transformation and seeking suitable business partners externally, and 4. Combining product and new technology momentum to expand operations in new target regions, among others.

(5) 2024 ESG Performance and Honors



Received an MSCI ESG Rating of A



Honored in the S&P Global Sustainability Yearbook



Received Leadership Level in CDP's Climate Change Questionnaire



Won the TCSA Top 100 Sustainable Model Enterprises Award and the Sustainability Report Platinum Award



CommonWealth Sustainable Citizens Awards Top 100 for Large Enterprises



Business Weekly Top 100 Carbon Competitive Companies



Top 50 in the CommonWealth Sustainable Talent Awards



HR Asia Best Companies To Work For In Asia

2. Environmental Aspects

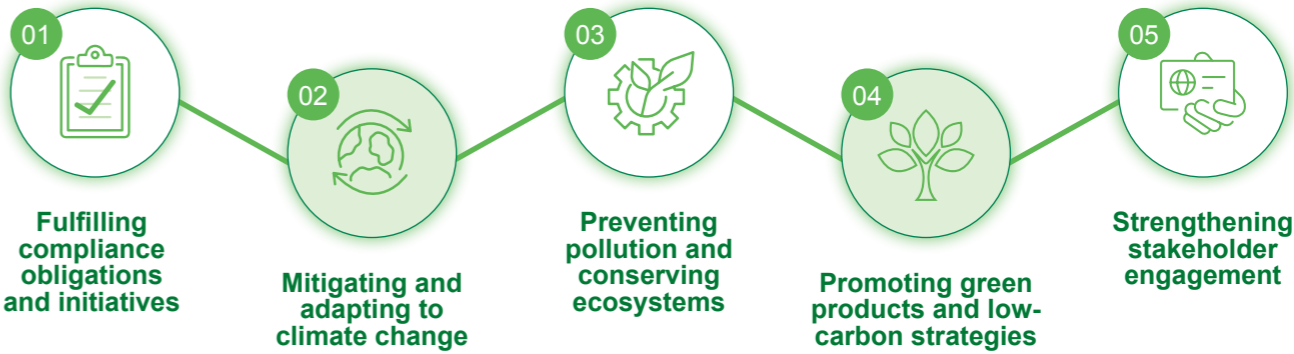
(1) Environmental Policy

Primax Electronics Ltd. (hereinafter referred to as "the Company") is committed to corporate sustainability. Maximizing environmental protection is one of the core goals of the Company's sustainability strategy blueprint. The Company fulfills compliance obligations and actively responds to international environmental initiatives across production activities, product design, and services. It leads employees, suppliers, and other key value chain partners in concretely implementing sustainable practices to collectively protect the environment.

Applicable Parties and Scope

This policy applies to Primax and its subsidiaries with over 50% ownership and operational control globally, suppliers, service providers, contractors, and other key business value chain partners. The scope includes product research and development, procurement, production operations, distribution and transportation, and waste management. The Company follows this policy to fulfill its management responsibilities and promote environmental sustainability initiatives.

Primax's Environmental Protection Policy and Promotion Guidelines



(2) Environmental Management System

Management System

Based on industrial characteristics and in response to the SDGs and climate actions, the Company has introduced the environmental management system (ISO14001), energy management system (ISO50001), water footprint management system (ISO14046), hazardous substance process management system (IECQ QC080000), and other management systems certified by third-party accreditation bodies to take proper control of the process and materials, so as to ensure that the products produced in line with the environmental protection requirements; meanwhile, there are dedicated units in place to maintain the environmental quality of the production plants in mainland China and to strengthen the implementation of energy-saving and carbon reduction measures.

Environmental Accounting

Up to the latest fiscal year and as of the printing of the annual report, Primax has not incurred any losses (including compensations) or penalties due to environmental pollution.

Unit: NTD

Classification of Environmental Protection Costs	Description		Expenditures
1. Direct cost of reducing environmental impact	1. Direct cost of reducing environmental impact	Including air pollution control costs, water pollution control costs, other pollution control costs	4,808,308
	2. Resource conservation cost	The cost of conserving resources (such as water resources)	3,044,200
	3. Business waste and general office waste disposal and recycling cost	The cost of business waste disposal (including reuse, incineration, and landfill)	2,943,617
2. Indirect cost of reducing environmental impact (management expenses related to environmental protection)	Includes (1) Employee environmental education expense; (2) Environmental management system architecture and certification fees; (3) Environmental load monitoring expense; (4) Increased cost of purchasing eco-friendly products; (5) Personnel costs related to the entity in charge of environmental protection		58,373,844
Total			69,169,969

(3) Climate-Related Financial Disclosures

1. Disclosure Principles and Scope

In response to global warming, extreme weather conditions, heightened awareness of environmental protection, energy conservation, safety, health, and conservation, Primax Group formally became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021 and published its first TCFD Report in 2022. In 2024, Primax further aligned with the International Sustainability Standards Board (ISSB) issued International Financial Reporting Standards S2, which relates to climate-related disclosures (IFRS S2), and referenced the disclosure examples of climate-related disclosures in IFRS S2 jointly developed by the Taiwan Financial Supervisory Commission and the Accounting Research and Development Foundation of the Republic of China to prepare the climate-related financial disclosure report for this year. This report is Primax Group's fourth "Climate-related Financial Disclosure Report." The reporting period is from January 1, 2024, to December 31, 2024. The scope of the report is consistent with the consolidated financial entities in the Primax Annual Report. Some information, if it covers the supply chain, will be further explained in the report. This year, when evaluating the feasibility of climate risk and opportunity responses, some information has been incorporated into the value chain to help Primax more comprehensively identify overall risks, improving the effectiveness of risk management. For the complete climate-related financial disclosure content, please refer to the "Primax 2024 Climate-related Financial Disclosure Report." For the complete climate-related financial disclosure content, please refer to the "Primax 2024 Climate-related Financial Disclosure Report."

2. Governance

1. Climate Governance Framework and Responsibilities

Primax established the "Risk Management Committee" under the Board of Directors in November 2021 to implement the Company's sustainability development goals, enhance risk management mechanisms, and strengthen corporate governance. In 2024, the Board of Directors approved renaming it to the "Sustainable Development and Risk Management Committee," making it the dedicated unit for overall risk management at Primax. The Sustainable Development and Risk Management Committee is chaired by the Chairman of the Board and regularly reports its progress to the Board of Directors, ensuring that the board members are informed about the potential impacts of business risks on the Company's operations and the current strategies in place to address them.

In August 2024, the Sustainable Development and Risk Management Committee revised the "Risk Management Policies and Procedures" and added the "Corporate Risk Management Implementation Guidelines." These were implemented after approval by the Board of Directors. The scope of application covers the sustainable operations risk management activities at the corporate level of the Primax Group, where there is substantial control. On the other hand, the Board of Directors has authorized the ESG Office to be responsible for the overall risk and opportunity assessment of Primax. The Vice President of Sustainability serves as the chairperson and convenes a risk assessment team with representatives from various functional units. The team is responsible for evaluating and managing operational risks, sustainability risks, climate change risks, and implementing and promoting sustainability management. The assessment and reporting are carried out in accordance with the risk management process outlined in Primax's "Corporate Risk Management Implementation Guidelines."

Primax Climate Governance Framework [S2.6(a)(i) 、S2.6(a)(iii) 、S2.6(a)(v) 、S2.6(b)(i) 、S2.6(b)(ii)]

Organization		Convener	Responsibilities Overview	Reporting Frequency	Reporting Content
Governance Unit	Board of Directors	Chairman	The highest management and decision-making body of Primax ensures that the operational strategy direction aligns with the management policies, overseeing the effective operation of the overall sustainable development and risk management mechanisms.	—	—
	Sustainable Development and Risk Management Committee	Chairman	Responsible for reviewing the corresponding policies and implementation results of sustainable development and climate change risk assessments.	Reports to the Board at least twice a year	Climate risk response strategies and implementation results
	Remuneration Committee	Independent Director	Regularly assess the performance goals of senior managerial officers (including ESG indicators) and determine the content and amount of individual compensation based on the results.	Reports to the Board at least twice a year	The bonus program is planned each March, and the performance results of the previous year's bonus plan for managerial officers are reviewed the following January
Management Team	ESG Office	Vice President of Sustainability	Responsible for convening, driving, and executing the risk assessment team, regularly or as needed based on operational requirements, to carry out the Company's overall enterprise risk assessment process	Reports to the Sustainable Development and Risk Management Committee at least twice a year	Enterprise risk management report Sustainability management status, greenhouse gas inventory progress
	Risk Assessment Team	Vice President of Sustainability	Conduct risk assessments, implement response strategies, and complete risk mitigation projects	The management team regularly reports to the Sustainable Development and Risk Management Committee	The performance of response measures or risk mitigation project implementation
	Audit Team	Audit Officer	Independently conduct internal control and operational risk audits	Regularly reports to the Audit Committee	Annual audit plan and implementation results

Note: In the climate change governance framework of the Primax Group, the management team follows the "Risk Management Policies and Procedures" and the "Corporate Risk Management Implementation Guidelines" to carry out cross-functional collaboration activities. These activities integrate controls and procedures with other internal functions, enhancing the momentum of corporate decision-making and strengthening climate governance.

2. Climate Supervision and Management

The content related to climate-related risks and opportunities was first reported by the Vice President of Sustainability, serving as the convener of the ESG Office, to the Sustainability and Risk Management Committee. Subsequently, the Committee's convener, Chairman Pan, Yung-Chung, presented the report to the Board of Directors for approval. In 2024, the Sustainable Development and Risk Management Committee held three meetings. The meeting content included adjustments to the risk management framework and procedural documents, the sustainability report (including a special chapter on climate change), and the progress of greenhouse gas emissions management. [S2.6(a)(ii)]

To enhance the Board of Directors and management's knowledge related to climate change, Primax arranges periodic continuing education courses. In 2024, eight related courses were planned, covering topics such as net zero, circular economy, emerging risks, and risk management. In the future, Primax will continue to strengthen climate-related training programs for the Board of Directors and management team.

3. Climate Reward Mechanism

Climate change has caused abnormal global climate variations, with the greenhouse effect being the most significant factor. Reducing greenhouse gas emissions has become an urgent issue. As a global corporate citizen, Primax encourages its employees to continuously improve through the establishment of an incentive mechanism. The Company has implemented the "Energy Conservation and Waste Reduction Management Control Measures" for all employees, including energy-saving and carbon-reduction proposals. Employees who submit proposals are rewarded based on the effectiveness of their projects, receiving commendations or higher incentives, as well as additional performance-based year-end bonuses in accordance with the employee reward and punishment regulations.

At the same time, we formulated a sustainability strategy blueprint in 2022. Starting in 2023, 10-15% of the variable compensation for senior executives at the vice president level and above has been linked to sustainability performance, including targets such as smart manufacturing and greenhouse gas reduction. Starting in 2024, to accelerate low-carbon design development and on-site low-carbon manufacturing for green production, performance indicators have been set, including energy intensity reduction targets for regional manufacturing managers and the completion of low-carbon product development projects by the highest-ranking R&D executives. These factors will impact 5-10% of their annual performance evaluations. [S2.6(a)(v) 、29(g)(i) 、29(g)(ii)]

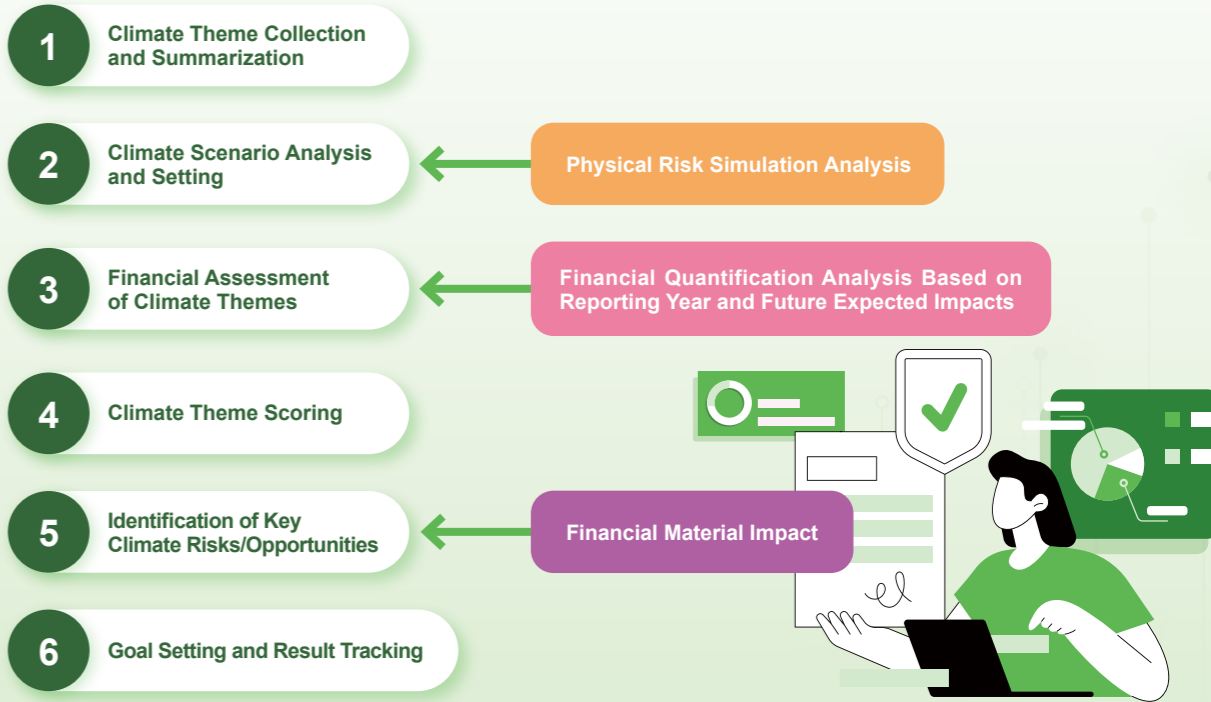
To inspire the creativity and teamwork of Primax employees, the Company held its first Primax Makerthon Proposal Competition in 2024, with one of the key categories focusing on green design. A total of nearly NT\$700,000 in prizes was awarded for this event. Some of the proposals later even received patents, continuously uncovering outstanding talent within the Company. [S2.6(a)(v) 、29(g)(i) 、29(g)(ii)]

3. Risk Management and Strategy

1. Climate Risk and Opportunity Identification Process and Assessment Methodology

The assessment team conducts climate risk evaluations in accordance with the Corporate Risk Management Policies and Procedures. The evaluation criteria include "Likelihood" and "Impact", which are measured and scored based on the Company's impact scale and likelihood scale. The likelihood assessment considers the probability or frequency of risk occurrence, while the impact assessment primarily focuses on financial quantification. The likelihood and impact scores are evaluated separately for different time horizons: short-term (1–3 years), mid-term (3–5 years), and long-term (5–10 years). In addition, during the risk assessment, Primax also considers the resilience (tolerance) to the risks faced and the degree of reliance on external or internal resources. These factors serve as a reference for the Company in formulating its response strategies.

Climate Risk and Opportunity Assessment Process



2. Climate-related Major Risks and Opportunities

The evaluation timeline for this year is set as short-term (2025-2026), medium-term (2027-2029), and long-term (2030-2034). Each climate topic is assessed for risks/opportunities across these three time horizons, and based on the evaluation results, the levels are categorized as 3 (high), 2 (medium), or 1 (low) to assess risks with significant potential impacts and opportunities with potential benefits. For climate topics with different timelines and levels, response strategies are developed. High risks should be addressed with mitigation plans, while medium risks are evaluated to determine if reporting and decision-making processes are necessary. 【S2.10(c) 、10(d)】

Each climate topic is assessed based on the "probability × impact" score to determine the risk level. The 2024 evaluation results show no high-risk items, but there are two potential high-opportunity items in the medium and long term. To align more closely with the spirit of financial reporting standards, we also referenced the definition of financial materiality impact in the IFRS guidelines and conducted a dual assessment. A score of 4 for impact is set as the threshold for determining financial materiality. According to the assessment results, there are no climate risk items in 2024 with financial estimates exceeding the financial materiality threshold. However, there are three climate themes that are expected to generate positive financial benefits due to the implementation of response measures. Based on the analysis results and discussions by the team, and considering the Company's current situation and future challenges, the decision was made to identify two key climate risks for this year: "Transition Risk - Increased customer climate change response requirements" and "Transition Risk - Climate information reporting & disclosure requirements." During the risk assessment process, the team also evaluated several climate themes based on the expected response strategies and potential benefits. These included three key climate opportunities for this year: "Reputation Opportunity - Enhancing corporate reputation," "Market Opportunity - Entering new markets," and "Product/Service Opportunity - Meeting customer carbon reduction needs to drive demand growth." These opportunities were seen as having the potential to effectively reduce risks and bring additional positive benefits. After identifying the key climate risks and opportunities, the ESG Office conducts discussions on climate risk and opportunity response strategies. This includes reviewing and revising the relevant countermeasures and resources to be invested, while continuously tracking changes in the results of annual evaluations. Regular reporting of the outcomes and decision-making are carried out to ensure ongoing alignment with the Company's objectives. 【S2.10(a) 、10(b)】

Major Risks/Opportunities Rating Analysis Table 【S2.10(c)】

Item	Risk/Opportunity Item	Category	Risk/Opportunity Rating			Financial Material Impact		
			Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term
R01	Climate information reporting & disclosure requirements	Regulatory Risk	Low	Low	Medium	Low	Low	Low
R02	Increased customer climate change response requirements	Market Risk	Medium	Medium	Medium	Low	Low	Low
O01	Enhancing corporate reputation	Reputation Opportunity	Medium	Medium	Medium	High	High	High
O02	Meeting customer carbon reduction needs to drive demand growth	Product/Service Opportunity	Medium	High	High	High	High	High
O03	Entering new markets	Market Opportunity	Medium	High	High	High	High	High

3. Financial Impact Analysis of Climate Change Risks and Opportunities

In addition to outlining major climate opportunities, this report further examines two moderate climate risks, providing a detailed explanation of the strategic planning of Primax Group. It also analyzes the impact on financial performance and condition, including the income statement (revenues and expenses), cash flow statement, and balance sheet (assets and liabilities, capital, and financing).

Financial Impact Analysis Table 【S2.13(a) 、13(b) 、15(a) 、15(b) 、16(a) 、16(d)】

Item/Climate Theme	Climate-Related Risks and Opportunities Reasonably Expected to Impact the Entity's Outlook	Value Chain Relevance			Expected Costs and Expenditures	Financial Impact for the Reporting Period (2024)	Expected Financial Impact
		Upstream	Primax	Downstream		Financial Condition, Financial Performance, and Cash Flow	
R01 Climate information reporting & disclosure requirements	As global climate policies become increasingly stringent, governments worldwide are gradually requiring companies to disclose or report climate-related information. The operations and manufacturing locations of the Primax Group span Taiwan, China, Thailand, the Czech Republic, and other regions. Failure to promptly understand and comply with relevant regulations could result in regulatory fines, potentially impacting the Company's reputation and customer orders.	-	●	-	<ul style="list-style-type: none">Cost of preparing, verifying, and disclosing the sustainability reportAnnual Report IFRS S2 advisory feesCost of establishing environmental management information systemClimate management system verification feesEnvironmental management system verification feesIFRS S1/S2 energy-saving investment costsCost of purchasing renewable energy certificatesR&D costs for eco/low-carbon designEnvironmental-related initiative support fees	Scenario <ul style="list-style-type: none">To comply with the mandatory reporting and disclosure requirements of the regulatory authorities, Primax must annually disclose its sustainability report, chapter on climate change adaption, group greenhouse gas emissions, and reduction information, and incur relevant verification, validation, and advisory costs.To meet customer climate change-related requirements, Primax continues to invest in corresponding measures, such as using recycled materials and renewable energy, which leads to an increase in production costs.Primax has consistently achieved excellent results in various sustainability rankings and ESG-related awards. This will help enhance the Company's reputation and customer evaluations, potentially driving an increase in customer demand and boosting business revenue. The synergistic effect generated is calculated based on the increase in business revenue for 2024 compared to the previous year.	Scenario <ul style="list-style-type: none">Due to the increasing demand for sustainability, it is anticipated that related expenses may rise in the future. Therefore, an estimated assumption of a 5~10% annual increase in sustainability-related expenditures has been made.Primax Group's active implementation of ESG management meets customer expectations and demands, contributing to continuously driving customer order opportunities.
R02 Increased customer climate change response requirements	With the changing market trends, customer demands for the use of eco-friendly recycled materials, green energy, and improved energy efficiency during the product usage phase are increasing. If these customer demands are not met, it could result in a decline in product and service demand or difficulty in securing new orders.	●	●	●			Financial Impact : <ul style="list-style-type: none">Ongoing investment in sustainability-related management expenses is expected to lead to an increase in future operating expenses and cash outflows from operating activities. These outflows are projected to account for the following proportions of net cash inflows from operating activities: Short term: 1.77% Medium term: 1.65% Long term: 1.48%A projected rise in equipment replacement is expected to result in increased capital expenditures and cash outflows, along with a proportional uptick in depreciation expenses
O01 Enhancing corporate reputation	Primax actively responds to stakeholder expectations and international ranking concerns by setting strict and clear SBTi carbon reduction targets. The Company is committed to implementing ESG sustainability management, continuously investing in corresponding actions to achieve carbon reduction commitments, and meeting customer climate change-related requirements.	-	●	●			
O02 Meeting customer carbon reduction needs to drive demand growth		●	●	●		Financial Impact <ul style="list-style-type: none">The operating cash outflow for sustainability-related management expenses is NT\$103,610 thousand dollars.Operating cash inflow from the increase in revenue.No significant impact on assets and liabilities, or capital and financing.	
O03 Entering New Markets	Due to climate change trends, the automotive market is shifting from internal combustion engine vehicles to electric vehicles. Primax is currently developing products such as automotive lenses and electric vehicle chargers, and its subsidiary Tymphany has created car-mounted portable speakers and speaker drivers for electric vehicles, as well as electric vehicle charging stations. If we can enter the electric vehicle market in the future, we anticipate opportunities	●	●	●	Business <ul style="list-style-type: none">Establishment of regional supply bases and overseas factory construction costs.R&D product technology development and investment in the forward-looking development of automated robotic arms (including R&D, equipment, mold development, etc.).	Business Scenario : <ul style="list-style-type: none">Capital expenditures for the construction of overseas factories.Investment in R&D for product technology and advanced development of intelligent automation (robotic arms), including R&D expenses, production line setup costs, equipment and mold development, and related capital expenditures. Financial Impact: <ul style="list-style-type: none">Capital expenditures for plant construction, equipment, and mold development totaled approximately NT\$26,738 thousand, resulting in cash outflows and depreciation expenses for the year.R&D and related management expenses totaled approximately NT\$29,250 thousand, leading to operating expenses and cash outflows from operating activities.	Business Scenario : <ul style="list-style-type: none">The Company will continue to invest in R&D product technology development and the advanced development of robotic arm automation, with an estimated annual increase of 5% in related expenditures.Expected increase in revenue from automotive products. Financial Impact : <ul style="list-style-type: none">Ongoing investment in fixed assets and mold development is expected to increase future capital expenditures and cash outflows, along with the recognition of depreciation expenses.Continued investment in R&D and related resources is projected to raise future operating expenses and cash outflows from operating activities. These outflows are estimated to account for the following proportions of net cash inflows from operating activities: Short term: 1.01% Medium term: 0.95% Long term: 0.79%Capital expenditures for fixed assets and mold development will be depreciated in accordance with accounting standards.

- Short-term (2025-2026), Mid-term (2027-2029), Long-term (2030-2034). 【S2.10(a)】
- Primax Group's net cash inflow from operating activities in 2024 was NT\$5,621,528 thousand, with ample cash flow to cover the above expenses, without the need to raise funds through financing. 【S2.14(b) 、16(c)(ii)】
- The anticipated financial impact involves assumptions and is subject to forecasting uncertainties. A rolling evaluation and adjustment process will be adopted to better align with actual circumstances.
- To avoid concerns regarding financial forecasts, the revenue growth data for the anticipated financial impact will be presented in a qualitative description format. 【S2.19(b) 、21(a) 、21(b)】



Overall, Primax Group's management strategies for climate-related risks and opportunities can be categorized into three main areas: climate mitigation, climate governance, and R&D-driven transformation. These strategies have not had a significant impact on the Group's cash flow, financial performance, or financial position. Primax continues to grow steadily, strengthening corporate resilience and competitive advantage through proactive sustainability strategies and climate change management. As global sustainability trends drive industry transformation, Primax will continue to seize emerging opportunities—enhancing operational efficiency while laying a strong foundation for long-term growth. [S2.14(a)(i) 、 14(a)(ii) 、 14(a)(iv)]

- Climate Mitigation – Actions include energy-saving equipment upgrades, renewable energy installations, and the purchase of green power certificates. In 2024, the Group invested approximately NT\$6,117 thousand in related operating expenses, accounting for around 0.11% of the year's net cash inflow from operating activities. [S2.14(a)(i) 、 14(a)(ii) 、 14(a)(iv) 、 15(a) 、 16(a)]
- Climate Governance – Efforts include regulatory disclosures, establishment of climate management systems, and consulting/assurance service costs. In 2024, the Group invested approximately NT\$28,031 thousand in related operating expenses, representing about 0.50% of the year's net cash inflow from operating activities. [S2.14(a)(i) 、 14(a)(ii) 、 14(a)(iv) 、 15(a) 、 16(a)]
- R&D-Driven Transformation – This focuses on investments in eco-design R&D, resources to support new market opportunities, and in-vehicle technology development, including equipment purchases and factory construction. In 2024, the Group invested approximately NT\$98,712 thousand in related operating expenses (about 1.76% of net operating cash inflows) and approximately NT\$26,738 thousand in capital expenditures (around 0.48%). [S2.14(a)(i) 、 14(a)(ii) 、 14(a)(iv) 、 15(a) 、 16(a)]

2024 Financial Impact Summary Table [S2.15(a) 、 16(a)]

Item	Climate Theme	Operating Revenue	Operating Costs	Capital Expenditure	Cash flow	Impact on Revenue (Management Effectiveness)		
						Short-term	Mid-term	Long-term
R01	Climate information reporting & disclosure requirements	-	Increase	-	Decrease	0.01%	0.01%	0.01%
R02	Increased customer climate change response requirements	-	Increase	-	Decrease	0.49%	0.48%	0.46%
O01	Enhancing corporate reputation	Increase	Increase	-	Increase	6.97%	7.00%	7.05%
O02	Meeting customer carbon reduction needs to drive demand growth	Increase	Increase	-	Increase	1.33%	1.34%	1.37%
O03	Entering new markets	Increase	Increase	Increase	Increase	2.00%	3.32%	6.20%

4. Climate Scenario Analysis

a. Scenario Setting

To strengthen the Company's resilience in responding to climate-related risks and opportunities, Primax Group conducted a climate-related scenario analysis in 2024. For transition risks, Primax referenced the latest World Energy Outlook 2024 (WEO 2024) report published by the International Energy Agency (IEA). For physical risks, the Company referred to the greenhouse gas emission scenarios presented in the Sixth Assessment Report (AR6) by the Intergovernmental Panel on Climate Change (IPCC).

Climate Scenario Selection Explanation [S2.22(b)(i)(1)~ S2.22(b)(i)(7)]

Scenario Source	Climate Scenario	Scenario Description	Selected Scenario	Assessment Scope
IEA WEO 2024	NZE Net Zero scenario	The global target to limit the average temperature increase to 1.5° C is achieved, with widespread use of renewable energy by 2030 and achieving net-zero emissions by 2050.	Transition Risk/ Opportunity	Primax Group
	STEPS Established Policy Scenario	This scenario explores the development and potential challenges under the climate change response measures already in place and specific policies formulated. By the end of this century, the global average temperature is expected to increase by approximately 2.4° C compared to pre-industrial levels	Transition Risk/ Opportunity	
IPCC AR6	SSP1-1.9 Ultra-Low Emissions Scenario	In this scenario, global CO2 emissions are effectively reduced, with the global average temperature rise by the end of the century limited to 1.5° C above pre-industrial levels. Net zero emissions are achieved around 2050	Physical Risks	Primax Group and the top 80% of its suppliers in terms of transaction volume
	SSP1-2.6 Low Emissions Scenario	The world attempts to slowly achieve sustainability goals, with the global average temperature increase being kept below 2° C compared to pre-industrial levels by the end of this century, and achieving net zero emissions around 2075.	Physical Risks	
	SSP5-8.5 Ultra-high Emissions Scenario	There are almost no climate management policies in place, and CO2 emissions are expected to double around 2050	Physical Risks	

b. Transition Risk Scenario Analysis

In 2024, Primax's transition risk scenario simulation and assessment covers all operational sites under the Group's consolidated financial statements. The transformation risk scenarios are primarily based on the latest World Energy Outlook report published by the International Energy Agency (IEA), key assumptions Note 1, and the Primax Group 2050 Net Zero Pathway Report. However, the regulatory and policy directions of governments in the various countries where the operational sites are located will evolve over time and are subject to rolling adjustments with a high degree of uncertainty. Primax will closely monitor regulatory changes in the regions where its sites are based. The significant areas of uncertainty in the transformation risk scenario analysis include policy changes Note 2, technological advancements Note 3, market demand changes Note 4, environmental changes Note 5, and economic factors Note 6. [S2.22(a)(i) 、 22(a)(ii) 、 22(b)(i)(1) 、 22(b)(i)(3) 、 22(b)(i)(4) 、 22(b)(i)(6) 、 22(b)(i)(7)]

- Referring to IFRS S2 paragraph 22(b)(ii), its main assumptions include climate-related policies in the jurisdiction of the individual operations, macroeconomic trends, energy usage and mix, and technological developments. [S2.22(b)(ii)]
- Policy changes: Taiwan's 2050 net-zero carbon policy may become stricter due to political and economic shifts, geopolitical factors, and the evolving climate change situation. Other production and operational locations may also introduce new policies in response to climate change developments. [S2.22(a)(ii)]
- Technological advancements: In the areas of renewable energy and the electric vehicle market, significant breakthroughs in technology are expected as key challenges are overcome. [S2.22(a)(ii)]
- Market demand changes: The demand for low-carbon products or the electric vehicle market may change over time. Primax will need to adapt to these market shifts to ensure that its products meet customer demands. [S2.22(a)(ii)]
- Environmental changes: As global warming becomes more severe, the frequency of extreme weather events caused by climate change, such as typhoons, droughts, and heavy rainfall, is expected to increase. These natural disasters could have a significant impact on the Company's operations and value chain. [S2.22(a)(ii)]
- Economic factors: The global economic inflation situation may affect investment and capital flow. Primax Group needs to consider how these economic factors will impact the Company's financial position and operational status. [S2.22(a)(ii)]

c. Physical Risk Scenario Analysis

To further understand the operational impact of physical risks on Primax Group, the Company, before conducting the climate risk assessment, referred to the SSP emission scenarios from the IPCC AR6 and the impact of country or region-level variables. This assessment includes risks arising from sea-level rise, water resource stress, drought, high temperatures, flooding, and heavy rainfall, as well as the potential or actual disasters triggered by these risks. The risk assessment team considered past actual events, scenario analysis simulation results, and potential financial impacts. Based on the simulation evaluation time for different physical risks, they further comprehensively considered the impact and likelihood of each risk occurrence. [S2.22(b)(i)(1) 、 S2.22(b)(i)(7)]

- Referring to IFRS S2 Paragraph 22(b)(ii)(3), the impact of country or region-level variables includes local climate patterns, demographics, land use, infrastructure, and the availability of natural resources.
- The "sea level rise" scenario is based on regional sea level rise predictions proposed by Strauss et al. (2015), using the Climate Central analysis software. These predictions refer to the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC), with a simulation evaluation period from 2015 to 2100.
- The "water resource stress" scenario is conducted using the Aqueduct Water Risk Atlas by the World Resources Institute (WRI). The model evaluates water resource stress over the reporting year (2024) and the period from 2015 to 2045.
- The "flooding," "drought," and "high temperature" analyses are based on the timeframes defined by Primax Group for short, medium, and long terms. The simulation assessment period for these models is the reporting year (2024) and the period from 2025 to 2034.
- The scope of the physical risk simulation covers all operational locations under the consolidated financial statements of Primax Group, as well as the top 80% of major trading suppliers by transaction volume. This does not include companies under Primax Group that are purely holding in nature.

4. Indicators and Targets

1. Greenhouse Gas (GHG) Emissions Indicators and Targets

Primax is committed to achieving net-zero emissions by 2050, in line with national goals responding to global climate change and the Paris Agreement. The Company has outlined a pathway to net-zero by using science-based targets, following the methodologies set by the Science Based Targets initiative (SBTi). This commitment is underpinned by systematic policies and reduction plans to meet these targets. [S2.33(h)]

Primax Group's Scope 1 + Scope 2 greenhouse gas emissions for 2024 amount to 24,254.8 tons of CO2e per year (Market Base), a reduction of 9207.2 tons of CO2e per year compared to the baseline year 2023, representing a decrease of 27.515%. Primax Group has achieved the original target of reducing greenhouse gas emissions by 60% (Market Base) by 2023, ahead of the 2030 deadline. In 2024-2025, with the setting and application of the SBTi long-term net-zero target, the group will reset its greenhouse gas reduction targets, continuing to challenge and demand progress on the journey toward net-zero.

Unit: Metric tons of carbon dioxide equivalent (tCO2e)

Target Scope	Primax Group		
Target	Metrics		Base year (2023) Amount [S2.33(e)]
	Indicator Name	Current Year (2024) Amount	
2050 Net Zero Emissions	Scope 1 Total Greenhouse Gas Emissions [S2.29(a)(i)(1) ∙ S2.33(a)]	6,903.5	4,974.1
	Scope 2 Total Greenhouse Gas Emissions (Market Base) [S2.29(a)(i)(2) ∙ S2.33(a)]	17,351.3	28,487.9
	Scope 2 Total Greenhouse Gas Emissions (Market Base)	24,254.8	33,462.0
	Scope 2 Total Greenhouse Gas Emissions (Location Base)	35,236.9	48,273.4
	Scope 1+2 Total Greenhouse Gas Emissions (Location Base)	42,140.4	53,247.5
	Scope 3 Total Greenhouse Gas Emissions [S2.29(a)(i)(3) ∙ S2.33(a)]	2,129,887.1	1,973,519.7

1. The Group referenced the exemption clauses provided by IFRS S2 to maintain consistency in sustainability information across periods and conducts greenhouse gas inventory in accordance with ISO 14064-1:2018 [S2.29(a)(ii), S2.B26(b)]
2. The Group adopts the operational control approach for greenhouse gas measurement. Emission factors are used for greenhouse gas input values, while purchased electricity follows the latest electricity emission factors announced by the Ministry of Economic Affairs. Global Warming Potential (GWP) values are referenced from the IPCC Sixth Assessment Report [S2.29(a)(iii), S2.B26(b)(c), S2.B28(a)(b), S2.B29]
3. The Group's greenhouse gas emission reduction targets include the seven greenhouse gases listed in the Kyoto Protocol [S2.36(a)]
4. The Group's greenhouse gas emission reduction targets include Scope 1 and Scope 2 emissions [S2.36(b)]
5. The Group's greenhouse gas emission reduction targets are not derived using the sectoral decarbonization approach [S2.36(d)]
6. The disclosed greenhouse gas emission figures are based on self-assessment. For the verified figures certified by a third party, please refer to the Primax 2024 Sustainability Report.

2024 Primax Group Scope 1 and Scope 2 Greenhouse Gas Emissions [S2.29(a)(iv)(1)(2)]

Unit: Metric tons of carbon dioxide equivalent (tCO2e)

	Greenhouse Gas Emissions		
	Scope 1	Scope 2	Total
Primax Group	6,903.5	35,236.9	42,140.4
Other Invested Entities (Equity Affiliates)	None	None	None
Total Disclosed Emissions (Operational Control Approach)	6,903.5	35,236.9	42,140.4

2024 Primax Group Scope 2 Greenhouse Gas Emissions by Region (Grid-Based) [S2.29(a)(v)]

Unit: Metric tons of carbon dioxide equivalent (tCO2e)

Regional-Based Method	Scope 2 Greenhouse Gas Emissions	
	Emissions	Ratio (%)
Taiwan Plants	1,554.3	4.41%
Overseas Plants (Overseas Regional Power Grid)	33,682.6	95.59%
Total	35,236.9	100%

1. Taiwan Plants: The purchased electricity carbon emission factor is calculated based on the Ministry of Economic Affairs' 2023 announced coefficient of 0.494 kg CO2e/kWh.
2. China Plants: The purchased electricity carbon emission factor is calculated based on 0.5336 kg CO2e/kWh.
3. Thailand Plant: The purchased electricity carbon emission factor is calculated based on 0.438 kg CO2e/kWh.
4. Czech Republic Plant: The purchased electricity carbon emission factor is calculated based on 0.370 kg CO2e/kWh.

In addition to calculating greenhouse gas emissions in accordance with the ISO 14064-1: 2018 standard, the Primax Group also conducts an inventory of indirect greenhouse gas emissions across various categories based on the GHG Protocol methodology. Taking into account both upstream and downstream activities in the value chain, the Group has identified material and relevant Scope 3 categories, including C1 , C3 and C11. For a complete breakdown of Scope 3 emission categories, please refer to the "Primax 2024 Sustainability Report" section.

2024 Primax Group GHG Protocol Scope 3 Greenhouse Gas Emissions [S2.29(a)(i)(3) ∙ S2.29(a)(vi)(1)]

Unit: tCO2e

Material Scope 3 Categories	Greenhouse Gas Emissions	Ratio (%)
C1	912,381.0	42.84%
C3	9,242.3	0.43%
C11	1,198,959.9	56.29%

2024 Primax Group Scope 3 Information [S2.B55 ∙ B56(b)]

Significant Emission Type	Calculation Method	Emission Factor	Input Value
C1 Purchased Goods and Services	Amount of purchased raw materials × emission factor × GWP. Purchased raw materials refer to physical materials provided by suppliers, as listed in the BOM (Bill of Materials); auxiliary materials not listed in the BOM are excluded.	The emission factors are sourced from Ecoinvent v3.9.1, U.S. LCI Database, DK Input Output Database 2003, the Taiwan EPA Carbon Footprint Platform, and Defra 2024	<ul style="list-style-type: none">Unit weight and quantity of purchased raw materialsExpenditure on purchased goods or services, product type, etc.
C3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	Purchased electricity or fuel × indirect carbon footprint of electricity or fuel.	Taiwan EPA Carbon Footprint Platform, China Product Life Cycle Greenhouse Gas Emission Factor Database (2022), IEA (2023) Life Cycle Upstream Emission Factors, Ecoinvent 3.9.1, and DEFRA 2024	Electricity and fuel consumption
C11 Use of Sold Products	1. Number of finished products sold × product power consumption × emission factor × GWP. Finished products refer to those directly used by consumers, and power consumption is calculated over the full product life cycle. 2. The calculation scope covers seven major global manufacturing sites of Primax, including: Primax (Dongguan), Primax (Chongqing), Primax (Kunshan), Primax (Thailand), Tymphany (Huizhou), Dongguan Tymphany, Tymphany (Thailand), and Tymphany (Czech Republic).	Emission factors are sourced from Ecoinvent v3.9.1, Green Technologies and Their Carbon Footprint Assessments, DEFRA 2023, and IPCC AR6 2021 GWP100.	Products that directly consume energy (fuel or electricity) during use: <ul style="list-style-type: none">Total expected product lifespanNumber of products soldNumber of batteries used over the product's lifetimePower consumption per use

Note: Primax's Group does not engage in asset management, commercial banking, or insurance businesses. In addition, the greenhouse gas emissions (financed emissions) of its invested affiliates are not material. Therefore, Category 15 'Investments' has not been identified as a significant source of emissions, and related information is not disclosed. [S2.29(a)(vi)(2)]

2. Climate-Related Transition Risk

Since 2019, Primax Group has been promoting a renewable energy usage plan, primarily by purchasing Energy Attribute Certificates (EACs), installing solar power generation facilities, and entering into Power Purchase Agreements (PPAs) to increase renewable energy consumption. In April 2022, Primax joined RE100 and set a renewable energy usage target, aiming to achieve 100% renewable energy usage by 2040.

In 2024, Primax Group continued to purchase renewable energy certificates (GEC and I-REC) and directly utilized solar power generation at Primax Dongguan, Primax Chongqing, and Tymphany Huizhou locations. In 2024, the Group used a total of 41,674,682 kWh of renewable energy, accounting for 55.19% of total electricity consumption and 53.57% of total energy consumption for the year. [S2.29(b)]

Strategic Goals	Metrics 【S2.33(a)】					Baseline Year (2023) 【S2.33(e)】	Targets					
	Indicator Definition 【S1.50(a)】	Measurement Unit	Indicator Type	Current Period Amount			Target Purpose 【S2.33(b)】	Target Scope 【S2.33(c)】	Target Type 【S2.33(g)】 【S1.50(b)】	Short-term Target 【S2.33(d)】 【S2.33(f)】	Mid-term Target 【S2.33(d)】 【S2.33(f)】	Long-term Target 【S2.33(d)】 【S2.33(f)】
Net Zero Emissions	Reduction Ratio of Scope 1 and 2 (Market Base) Emissions Compared to Baseline Year	TCO2e, Percentage (%)	Quantitative	24,254.8; reduced by 27.515%		33,462.0	Reduce GHG emissions to achieve net zero	Primax Group	Absolute Target	6% reduction by 2025	42% reduction by 2030	100% reduction by 2050
	Reduction percentage of Scope 3 emissions compared to the base year	TCO2e, Percentage (%)	Quantitative	2,120,583.2; increased by 7.99%		1,973,519.7	Reduce GHG emissions to achieve net zero	Primax Group	Absolute Target	3.6% reduction by 2025	25% reduction by 2030	90% reduction by 2050
Energy Efficiency	Reduction in energy intensity	GJ per million NTD revenue, percentage (%)	Quantitative	4.8098; reduced by 12.75%		5.5128	Reduce energy use intensity	Primax Group	Absolute Target	3% reduction compared to the previous year	3% reduction compared to the previous year	3% reduction compared to the previous year
RE100	Percentage of renewable energy usage	Percentage (%)	Quantitative	50.8%		42.34%	Raise percentage of renewable energy usage	Primax Group	Absolute Target	61% by 2025	75% by 2030	100% by 2040
Building Green Buildings	Percentage of Green Building Construction for Factory Buildings	Number of buildings, percentage (%)	Quantitative	1; 100%		1	New construction projects that pass green building certification	Primax Group	Absolute Target	100%	100%	100%

3. Climate-Related Physical Risks

Strategic Goals	Metrics 【S2.33(a)】					Baseline Year (2023) 【S2.33(e)】	Targets					
	Indicator Definition 【S1.50(a)】	Measurement Unit	Indicator Type	Current Period Amount			Target Purpose 【S2.33(b)】	Target Scope 【S2.33(c)】	Target Type 【S2.33(g)】 【S1.50(b)】	Short-term Target 【S2.33(d)】 【S2.33(f)】	Mid-term Target 【S2.33(d)】 【S2.33(f)】	Long-term Target 【S2.33(d)】 【S2.33(f)】
Water Conservation	Reducing water consumption	Million liters, percentage (%)	Quantitative	771.15, reduced by 10.45%		2020: 780.60	Reduce water usage	Primax Group	Absolute Target	2% reduction	2% reduction	2% reduction
	Reduce water usage intensity	Cubic meters per million NTD revenue (m³/million)	Quantitative	13.24, reduced by 4.19%		2020: 13.82	Reduce water intensity	Primax Group	Intensity Target	-	40% reduction by 2030	-

4. Climate-related Opportunities

In the reporting period, the climate-related opportunities for the Group include enhancing corporate reputation, meeting customer carbon reduction requirements to drive demand growth, and entering new markets. Primax actively integrates environmental protection principles into its green design and management while providing products and services. It seeks green and low-carbon opportunities at each stage of the product lifecycle. The raw materials used in products comply with international environmental standards and customer requirements. The Company plans to gradually increase the use of post-consumer recycled (PCR) materials to minimize the environmental impact during production. During the manufacturing phase, an energy management system is implemented, and regular assessments of water footprint and greenhouse gas emissions are conducted. Solar power generation facilities are installed at production sites, and the procurement of green electricity is prioritized, while continuously improving production efficiency and reducing production hours. In the waste recycling phase, the Company follows customer requirements compliant with WEEE recycling rates, minimizing waste generation after product disposal.

Between 2023 and 2024, the Group has completed the full digitalization of the "Greenhouse Gas Inventory System" and plans to further build a real-time "Product Carbon Footprint Management System" by 2025. This system will systematically track carbon emissions data from major production sites. The Group intends to develop and set internal management indicators to support the implementation of green product lifecycle management, optimize carbon asset management, and meet customer-related sustainability and climate requirements. 【S2.29(d)】

5.Capital Allocation

In the reporting period, Primax Group's capital expenditures allocated to climate-related risks and opportunities include the addition of solar photovoltaic equipment, fixed assets for automotive product research and development, and spending on development molds. However, the investment amounts are minimal, and the Company has abundant cash flow, so there is no significant impact on assets, liabilities, capital, or financing. 【S2.29(e)】



6. Internal Carbon Pricing Framework [S2.29(f)(i)]

In response to the introduction of global carbon taxes and carbon fee regulations, as well as the requirements for climate-related financial disclosures, corporate carbon management has evolved beyond just reduction actions to include financial management, reinforcing the carbon value management system. Primax actively promotes carbon value management and has established a comprehensive carbon inventory information system. Between 2023 and 2024, the Group has fully digitized the "Greenhouse Gas Inventory System" and plans to further build a real-time "Product Carbon Footprint Management System" by 2025 to ensure the accuracy of organizational and product carbon emissions data, which will serve as an essential foundation for subsequent carbon value and internal carbon pricing management.

With approval from the Board of Directors, Primax officially launched the Internal Carbon Pricing (ICP) management as one of the core strategies for climate adaptation measures. Primax will continue to deepen its carbon management strategy through digitization and data-driven methods, implementing internal carbon pricing to achieve its sustainability goals.

The introduction of ICP will bring the following benefits:

Promote Innovation and Efficiency Improvement

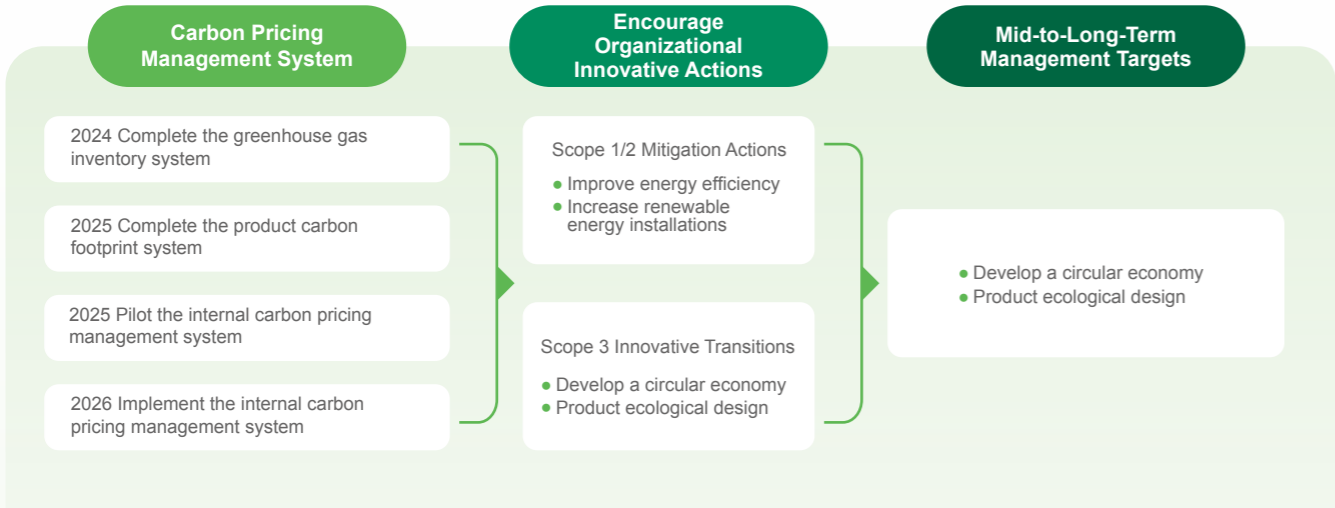


It will encourage employees and teams to seek more efficient technologies and processes to reduce carbon emissions.

Enhance Financial Management and Risk Response



By managing carbon value, it will help better identify and manage carbon emission costs, while proactively addressing future external carbon pricing policies, thus reducing the risks associated with regulatory changes.



7. Develop a Circular Economy Product Ecological Design [S2.28(c)]

Strategic Goals	Metrics [S2.33(a)]					Baseline Year (2023) [S2.33(e)]	Targets					
	Indicator Definition [S1.50(a)]	Measurement Unit	Indicator Type	Current Period Amount			Target Purpose [S2.33(b)]	Target Scope [S2.33(c)]	Target Type [S2.33(g)] [S1.50(b)]	Short-term Target [S2.33(d)] [S2.33(f)]	Mid-term Target [S2.33(d)] [S2.33(f)]	Long-term Target [S2.33(d)] [S2.33(f)]
Waste	Reduce waste generation	Tons, Percentage (%)	Quantitative	2,430.243, reduced by 3.37%		2,515.008	Reduce the environmental impact of waste	Primax Group	Absolute Target	2% reduction	2% reduction	2% reduction

4. Green Design and Products

Primax actively integrates environmental protection principles into its green design and management while providing products and services. The raw materials used in products meet international environmental standards and customer requirements, and the Company gradually increases the use of PCR to reduce environmental impact during production. An energy management system is implemented, and regular water footprint and greenhouse gas inventories are conducted, along with related improvement plans to enhance the efficiency of energy and environmental resource usage. In 2022, solar power generation facilities were set up at production sites, and green electricity was actively purchased. In 2024, the Company implemented product ecological design and introduced internal carbon pricing, achieving goals of energy conservation, waste reduction, toxicity elimination, and recycling.

3. Social Aspects

(1) Human Rights Policy

The Primax Group, adhering to a people-centric approach, has established its human rights policy based on international norms such as the Responsible Business Alliance Code of Conduct, United Nations Guiding Principles on Business and Human Rights, United Nations Universal Declaration of Human Rights, International Labour Organization Conventions, and the International Standard for Social Responsibility. Regular human rights risk assessments are conducted at all locations, with tracking and confirmation of measures against identified risks, aiming to create a diverse, inclusive, safe, and comfortable workplace environment.

Primax commits to complying with human rights protection laws in all global operational locations, diligently preventing and mitigating third-party human rights infringements. The Company follows the policies below to foster a corporate culture of equality, respect, care, and safety, while also overseeing value chain partners to jointly uphold human rights.

- Prohibit forced labor, eliminate human trafficking, and uphold employment freedom
- Prohibit child labor
- Establish a diverse, inclusive, non-discriminatory, harassment-free, and humane work environment
- Provide wages and benefits that comply with legal regulations and local living standards while ensuring equal pay without discrimination based on gender, age, or race
- Strengthen labor rights and human rights protection for minority groups through human rights policies and internal initiatives
- Actively protect employee health and ensure the safety and hygiene of workplaces and living facilities
- Guarantee employees' rights to freedom of association and collective bargaining
- Maintain positive labor relations and provide diverse communication platforms to foster an open communication culture

(2) Talent Retention

In addition to complying with local laws and regulations, the Company regularly reviews market standards, collects, and consults local remuneration survey reports, to plan and adjust its remuneration policies accordingly. In addition to general salary, performance bonuses are issued based on the Company's operating performance and individual performance, and no differences occur due to on gender, religion, race, and nationality. Furthermore, employee welfare measures comply with or exceed local legal requirements. The specific benefits are as follows. For more details, please refer to the 2024 Sustainability Report – Talent Recruitment and Retention section.

- Retirement plans
- Group insurance covering employees' family members
- Flexible leave policies exceeding local labor regulations, including Primax Holidays
- Employee recreational facilities such as cafés, staff canteens, dormitories, medical centers, and leisure buildings
- Various subsidies and bonuses
- Employee well-being programs, including EAP (Employee Assistance Program) and annual health promotion activities
- Large-scale celebrations, group trips, and leisure events
- A wide range of club activities

(3) Occupational Safety and Health

- Main operating bases of the Group are located in Taiwan, China, and Thailand.
- In 2024, Primax Group conducted a total of 31,509 occupational safety training sessions (including emergency response drills), with total training expenses amounting to NT\$1,495,411.
- In order to provide employees with a safe and healthy work environment, Primax's relevant management measures are as follows:

Regular educational training

01

includes first aid, mechanical safety, environmental safety risk identification, occupational health, emergency response, etc. At the same time, conduct health education lectures for health promotion.

Risk control

02

Fire alarm drills, chemical spill response exercises, and other operational drills.

Health examinations

03

In addition to regular general health examinations, the mainland factories provide specific examination items for high-risk positions, such as serum ALT, hearing tests, and electrocardiogram. Employees working with X-ray operations undergo additional comprehensive examinations, including skin, liver, kidney, and lymphatic system assessments.

Medical aid

04

Medical clinics/centers are set up in Primax factories and office areas, and medical care personnel are stationed regularly. All departments are also equipped with medical kits to provide employees with emergency medical assistance, disease prevention and treatment, medical consultation, and other services.

- Based on past health check-up reports, approximately 60% of our employees have metabolic syndrome. To promote better health, we placed weighing scales on every floor and introduced a new "Health Station" equipped with a tunnel-type blood pressure monitor, allowing employees to monitor their blood pressure at any time. We also organized a two-month muscle gain and fat loss competition. During this period, we offered healthy lunch boxes, a 10,000-steps-a-day challenge, jogging training camps, and nutritionist-led health and diet seminars to help employees develop regular exercise habits. The Healthy Weight Loss Season attracted a total of 3,226 participants, and collectively, the company lost 571.5 kilograms, effectively raising health awareness among employees.

- The Company holds ISO 45001 certification for its Occupational Health and Safety Management System, valid from December 19, 2022, to December 18, 2025. Regular meetings of the Occupational Safety Committee are conducted to pursue three key goals: zero occupational diseases, zero major workplace accidents, and a continued reduction in workplace injuries—ensuring a safe and healthy environment for all employees.

In 2024, there were 23 reported cases of work-related injuries—12 in Mainland China and 11 in Thailand. All cases were promptly managed, with the Company assisting affected employees in filing insurance claims and adjusting work duties in line with their recovery progress.

With increased production capacity at the Thailand facility, the Company placed greater emphasis on safety awareness among frontline staff. To reduce the risk of future incidents, root cause analyses were conducted, and corrective actions were implemented. These included targeted safety training and more frequent on-site inspections to strengthen awareness and prevent accidents caused by negligence.

In 2024, the Company reported zero fire incidents. To proactively manage fire risks, the following identification and mitigation measures were implemented:

New Employee Training

All new employees are required to complete training on fire prevention and emergency response protocols.

Comprehensive Drills

An internal fire response team conducts biannual full-scale drills, including reporting procedures, fire suppression, and evacuation exercises for all personnel.

Routine Inspections by Designated Teams

Fire safety management personnel lead designated teams in conducting daily and monthly inspections of fire prevention systems. Floor-level fire safety officers perform regular routine checks.

Certified Fire Equipment Inspections

By the end of May each year, a certified inspection agency is commissioned to inspect all fire safety equipment. The inspection results are submitted to the local fire department for compliance review.

(4) Employee Development

The learning and development in the Company is around the core framework of job functions and is closely integrated with the Company's future development strategies and goals. The training system is divided into three major categories: professional function training, leadership training, and general function training. For more information, refer to the "2024 Sustainability Report - Talent Development and Training."

(5) Customer Relations

When the Company provides products and services, it incorporates the concept of environmental protection in green design and green management in order to comply with laws and clients' requirements while fulfill the responsibilities as a global citizen. In addition to complying with laws and regulations related to green products (such as RoHS, REACH, and ErP.) and clients' requirements, the Company has cultivated employees' ability to cope within the organization and with suppliers and offered relevant training, while an information management system (PLM) is integrated to put into practice a green product policy. Customer satisfaction surveys are conducted every year, and customer feedback is implemented in the management process to reduce the occurrence of complaints. Internal procedures for protecting customer property and complaints are also formulated.

Our protection of client privacy and confidential information is the key to maintaining a long-term relationship with our customers. The Group is committed to protecting the security of customer information to maintain the customers' rights and interests. At Primax, information security is a top priority. We have introduced ISO 27001 Information Security Management System and obtained third-party assurance to ensure the confidentiality, integrity, and availability of the Company's information assets.

(6) Supplier Management

Primax implements a systematic audit process for suppliers of critical materials, managing their operational sustainability based on environmental and social risk factors. The Company also enforces comprehensive hazardous substance management procedures to ensure the safe use of critical materials. Additionally, Primax has established a robust inventory management mechanism to mitigate supply chain disruption risks.

Before formally onboarding a supplier, the Company conducts a rigorous evaluation process, which includes reviews, contract reassessments, bilateral communication, and grievance and complaint mechanisms. This process assesses the supplier's environmental and occupational health and safety management, including compliance with environmental monitoring requirements, local labor laws, and the Responsible Business Alliance (RBA) standards. We require all new suppliers to sign the "Supplier Declaration" to ensure their compliance with the Responsible Business Alliance (RBA) Code of Conduct. Additionally, we conduct both online and on-site audits annually to assess suppliers' ESG performance across various aspects. If a supplier fails to meet the required standards, we provide assistance for improvement within a specified timeframe. If compliance cannot be achieved, we seek alternative suppliers that align with our ESG expectations. In addition, we maintain regular communication with suppliers through annual audits, periodic surveys, and other assessments to ensure they consistently meet the required standards. Primax is also actively creating more learning and development opportunities for suppliers to achieve mutual progress. In collaboration with impartial third-party partners, we have gradually launched annual ESG training programs for suppliers, working together to implement the principles of sustainable business operations. In 2024, Primax Group's supplier management performance was as follows:

- 100% of new suppliers signed the supplier declaration.
- Conducted on-site audits for 86 key suppliers.
- A total of 677 suppliers participated in the annual supplier social responsibility training.

(7) Social Engagement

Primax has long been concerned with elder care and rural education issues. In addition to the Company's regular sponsorship of charitable partners, we have also established an internal employee salary donation platform. Through collaboration with charitable partners, we organize various activities to foster connections and a sense of belonging between employees and these organizations, further encouraging employee participation in volunteer services. Therefore, with the vision of social well-being in mind, we have set strategic goals for 2030, focusing on areas such as the number of beneficiaries, volunteer service hours, social assistance amounts, and charitable partners. In 2024, Primax Group's social engagement performance was as follows:

- Beneficiary count reaching 34,055 individuals
- A total of 11,225 volunteer service hours
- Social assistance total amount (including charitable event funds/Company and employee donations) was NT\$111,670 thousand
- Addition of 18 new charity partners



Chapter 7

Special Disclosure

1. Information on Affiliated Companies

- (1) Consolidated business report of affiliated companies: Please refer to the Market Observation Post System (MOPS).
- (2) Consolidated financial statements of affiliated companies:
Consolidated Financial Statements of Affiliated Enterprises and CPA's audit report on the consolidated financial statements of affiliated companies: Please refer to the Market Observation Post System (MOPS).
- (3) Affiliation report: Not applicable

2. Private Offering of Securities: None

3. Other Supplementary Information: None

4. Other Significant Events Affecting Shareholders' Equity or Stock Price

Matters that have a significant impact on shareholders' equity or the quotation of securities as stipulated in Subparagraph 2, Paragraph 3, Article 36 in the Securities and Exchange Act in the most recent year and as of the date of issue of the annual report: **None**.



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