佳能企業股份有限公司
ABILITY ENTERPRISE CO.,LTD.

AI Power, Infinite Future

2025 ESG report

Ability 3.0

Content

About this Report

Report overview

The Report is ESG Report published by Ability Enterprise Co., Ltd (the "Ability") that focuses on [Sustainable Operation], [Operational Governance], [Sustainable Supply], [Green Environment], and [Friendly Workplace and Social Co-prosperity] as the main chapters of the Report. The Report covers the management policy for sustainability topics in terms of economy, governance, environment, society responsibility, and supply chain for the year 2025 and relevant performances in the hope of exhibiting the achievement of our sustainable development by publishing the Report. We will continue to listen to the expectations, opinions, and feedback of stakeholders to serve as a reference for improvements on the path of sustainability.

Report writing guidelines and information restatements

The Report is prepared referring to the GRI Standards (2021) issued by the Global Reporting Initiative (GRI) and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and discloses relevant content with reference to Task Force on Climate-related Financial Disclosures (TCFD). Apart from the annual financial data being quoted from the financial statements certified by CPAs (in NTD thousand), the remaining data and statistics disclosed in the Report are based on the surveys and statistics made by Ability. Relevant statistics are expressed by adopting international common indicators, requirements of local requirements, industry standards, or industry practices as the calculation basis. If the quantitative indicators disclosed have any special meaning, we will describe them by making remarks.

Report boundary and scope of data

The information disclosing boundary of the Report is the main operating locations of Ability, includes Ability Enterprise Co., Ltd in Taiwan (with Xinzhuang headquarter and Wugu Plant, referred to as Taiwan Operating Location), Ability Technology (Dongguan) Co., Ltd. in China (referred to as China Dongguan Plant), and Ability Electronics Technology (Vietnam) Co., Ltd. in Vietnam (referred to as Vietnam Plant), and ABILITY Investment Co., Ltd. that is the subsidiary of Ability Enterprise, has its sites, workforce, and management consolidated under the headquarters of Ability Enterprise, excluding other investees in the consolidated financial statements. If the disclosing scope of each chapter is different from the abovementioned, descriptions will be provided in each respective chapter.

Reporting period

The disclosure period of the Report is 2025 (from January 1 to December 31). To seek the completeness and comparability of information, partial information will be traced retrospectively to 2024 to exhibit relevant trends and changes.

This is the publication of the Report by Ability. To implement environmental protection, the Report will be announced in the form of an e-book on Ability's official website.

Publication time of the Report: August 2026

Estimated publication time of the next Report: August 2027

Internal Review, External Verification and Statement

After the draft of this Report was compiled and edited by the Working Group of the Sustainability and Risk Implementation Committee, it was reviewed by each group member according to their responsibilities, then submitted to the Implementation Committee for examination. Upon completion of revisions and update, this report had been entrusted to SGS Taiwan Inspection Technology Co., Ltd., a third-party independent verification organization, in accordance with the GRI Standards Reference GRI (2021) and AA1000 Type I moderate assurance level to ensure that the information disclosed in the report complies with the principles of Inclusivity, Materiality, Responsiveness and Impact. For the GRI standard indicator, please refer to Appendix I. For the detail verification information and statement, please refer to Appendix V.

Contact Information

If you have any comments or recommendations regarding this Report, please feel free to contact us.
Taiwan Site: Ability Enterprise Co., Ltd / Address: No. 200, Sec. 3, Zhonghuan Rd., Xinzhuang Dist., New Taipei City
China Site: Ability Technology (Dongguan) Co., Ltd. / No. 305, Songbai Road, Liaobu Town, Dongguan City, Guangdong Province, P. R. China
Vietnam Site: Ability Electronics Technology (Vietnam) Co., Ltd. / Factory R4, Ba Thien Industrial Zone – Subzone I, Binh Xuyen Commune, Phu Tho Province, Vietnam
Tel: +886-2-8522-9788
Contact person: Assistant Vice President Jackie Lee of Operating Center, Senior Manager Jimmy Lin of ISO System Department of the President's Office
E-mail:ESG@abilitytw.com
Corporate Website:https://www.abilitytw.com/

Message from the Management

Dear Stakeholders,

Ability Enterprise has always aspired to "connect the world through imaging". In recent years, we have given new meaning to our operations. For Ability Enterprise, growth is no longer just about revenue expansion. We aim not only to balance sustainability, innovation, and responsibility, but also to create long-term corporate value.

In 2025, Ability Enterprise celebrates its 60th anniversary. In this special year, in addition to significant growth in revenue and profit, the company has also taken new steps in sustainable governance. Beyond its efforts in energy conservation and carbon reduction, several additional ESG governance measures have been introduced.

1. Establishment of the Sustainability Development and Risk Management Committee: to integrate risk management into its permanent organizational framework
2. Adoption of the RBA Code of Conduct: to demonstrate our commitment to labor rights, environmental responsibility, and business ethics, ensure our supply chain aligns with international sustainability and responsibility standards, and thereby enhance competitiveness.
3. Implement the Green Supply Chain ESG Co-Learning Program: to open our internal ESG training to suppliers for shared learning.
4. Evaluation on ESG Report: To prove the transparency of the report and strengthen its trust among investors, customers, and the public through external reviews.

To align with international standards, prevent greenwashing, and promote sustainable transformation, the Taiwan government has released the Blueprint of IFRS Sustainability Disclosure Standards (S1, S2). Ability Enterprise will comply with these regulations and integrate ESG into financial reporting to build a more comprehensive governance system and ensure steady progress under both international and legal requirements.

Facing limited resources, environmental pressures, and market uncertainties, Ability Enterprise will balance "business growth" with "continuous sustainability governance." We will drive the development and manufacture of machine vision imaging technologies and other technological modules, and embed ESG deeply into our corporate DNA. In this era of growth limits, we shall seek breakthroughs to bring the power of imaging and technology to the world continuously.

Finally, we extend our gratitude to all investors, partners, and colleagues for your support. Every step of Ability Enterprise's growth is the result of our collective efforts. Let us join hands—anchored in sustainability, driven by innovation, and committed to responsibility—to embrace a future full of challenges and hope.

Ability Enterprise Co., Ltd

Chairman

Frank Chang

Highlight in 2025

Environment (E)

The carbon emission reduction quantity of the energy-saving plan was approximately 10.456 tCO_2e.

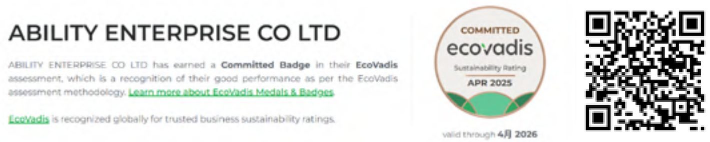
Greenhouse gas emissions intensity (category 1 and 2) was approximately 1.1256 tCO_2e per Million NTD revenue in 2025, decreasing 35.47% compared to the 2023 base year.

There was no major violation of environmental regulations or environmental protection regulations.

All products we produce comply with the requirements for health and safety of laws and regulations and customers.

In 2025, all new suppliers executed "supplier's letter of guarantee to not use hazardous substances."

Obtain the EcoVadis badge.



Society (S)

There was no major violation of human rights or discrimination.

There was no employee complaint or material event.

All full-time employees participated in the performance evaluation.

Tuition subsidies for family members totaled NT$25,000.

In 2025, the total public welfare expenditure was NT$2,286,120.

Sponsored children in disadvantaged families for ten consecutive years. In 2025, it sponsored 49 children in disadvantaged families (the total donation amount was NT$810,200).

The training hours of employees reached 236,136 hours. (Including Taiwan Location, China Dongguan Plant and Vietnam Plant)

In 2025, all new suppliers executed "supplier's corporate social responsibility commitment".

Taiwan Operation Site obtained the Ministry of Health and Welfare's "Occupational Health Promotion Self-Assessment Qualification" certificate in 2025 (Republic of China year 114).

Awarded outstanding enterprise in 2025 (Republic of China Year 114) "Enterprise Sustainability Report: Proactive Evaluation of Occupational Health and Safety Performance" conducted by the Occupational Safety and Health Administration of the Ministry of Labor.

Governance (G)

There was no major negative information.

There are no illegal incidents related to ethical management or corruption.

In 2025, the consolidated R&D expenses accounted for 7.76% of the consolidated operating income.

In 2025, 18 patent applications were approved.

Awarded 2025 (Republic of China Year 114) Excellent Enterprise Award by the New Taipei City Industrial Association

Awarded the Silver Award in the 2025 Taiwan Corporate Sustainability Report, continuing to move towards sustainable operation.

About Ability

Ability was established on May 21, 1965. In the beginning, it primarily engaged in distributing office machines of Japanese brands. In 2003, it merged with Viewquest Technology Co., Ltd. and engaged a professional management team to invest in the optical image industry, focus on the professional designs and manufacturing of optical, mechanical, and power-integrated products, and occupy a seat within the global optical image field. In 2010, it became the largest digital camera foundry plant worldwide. The Company continues to expand its product line, covering security, home applications, machine vision, cloud solutions and automotive imaging, and actively invests in emerging markets such as edge AI, robot vision and drones, demonstrating its continuous innovation capabilities and global competitiveness.

In terms of global presence, Ability Enterprise is headquartered in Xinzhuang, New Taipei City, Taiwan, and has manufacturing sites in Taiwan Wugu, China Dongguan, and North Vietnam. In recent years, the Company has invested heavily in upgrading equipment, improving automation and efficiency, and continuing to deepen its presence in the Japanese market while actively developing projects in the United States and Europe. Through strengthening its financial structure and new technology research and development, we are committed to consolidating our leading position in the global consumer imaging product design and manufacturing services sector, pursuing sustainable growth and outstanding performance.

Taiwan **Headquarter**

Ability Enterprise Co., Ltd.

TEL: +886-2-8522-9788

FAX: +886-2-8522-9789

No. 200, Sec. 3, Zhonghuan Rd., Xinzhuang Dist., New Taipei City, 242030, Taiwan, ROC

Taiwan **Wugu plant**

Ability Enterprise Co., Ltd.

TEL: +886-2-8522-9788

FAX: +886-2-8522-9789

3F., No. 10, Ln. 7, Wuquan Rd., Wugu Dist., New Taipei City, 248016, Taiwan, ROC

Vietnam **Vietnam plant**

Ability Electronics Technology (Vietnam) Co., Ltd.

CONG TY TNHH ABILITY ELELECTRONICS TECHNOLOGY VIETNAM

TEL: +84-02113555097

FAX: +84-02113555098

Factory R4, Ba Thien Industrial Zone – Subzone I, Binh Xuyen Commune, Phu Tho Province, Vietnam

China **Dongguan plant**

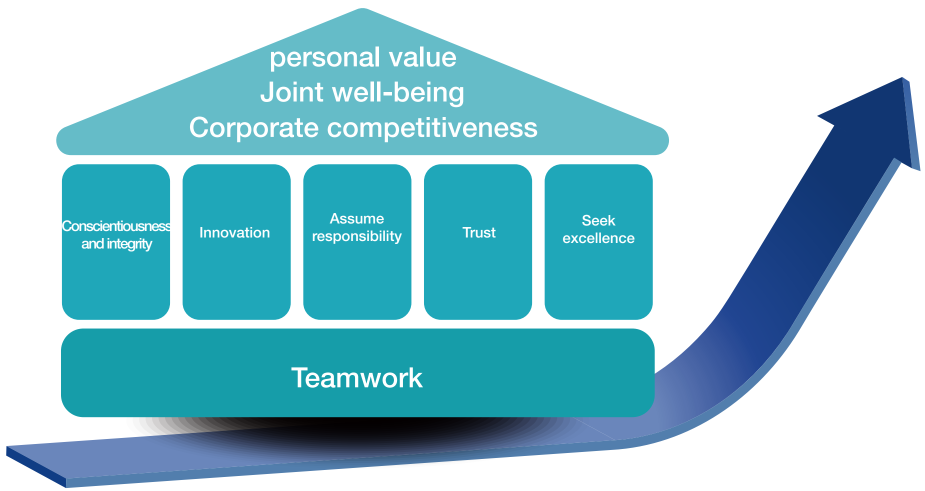
Ability Technology (Dongguan) Co., Ltd.

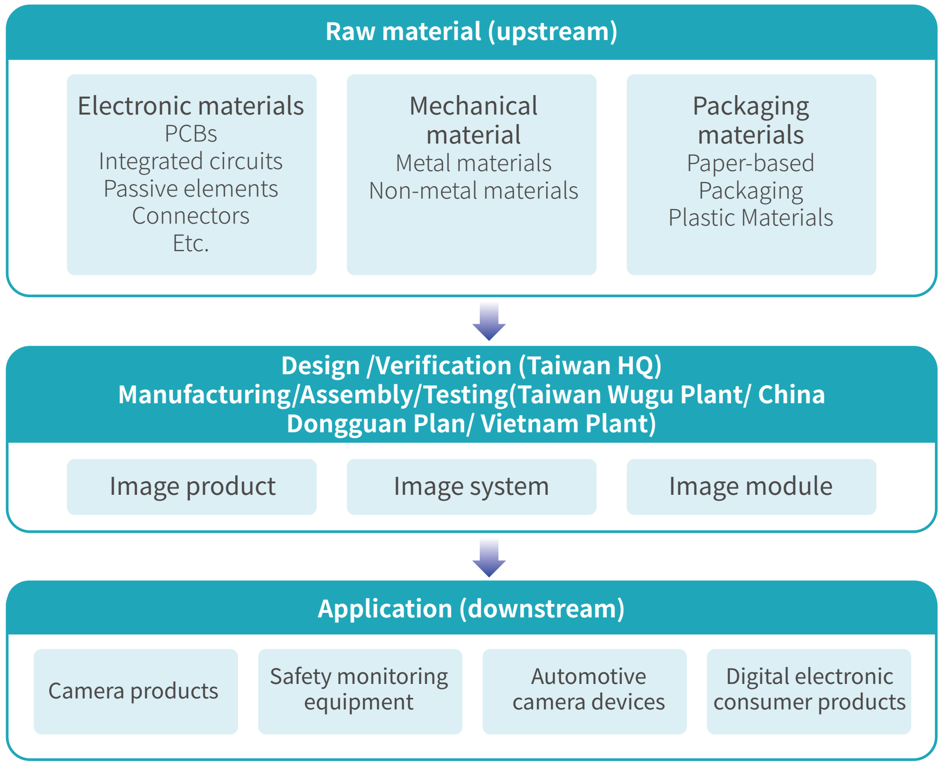
TEL: +86-769-83527668

FAX: +86-769-83527665

No. 305, Songbai Road, Liaobu Town, Dongguan City, Guangdong Province, P.R. China

Corporate core value





Products and services

Our company has developed its core ability that is segregated in the optical smart application field to create product value by utilizing optical-mechanical-electro integration and made arrangements for three major fields of image applications, automotive, and Edge AI. We aspire to leverage edge AI technology to create a safe, convenient, and comfortable future environment, driving the development of Smart Cities and Smart Retail. Based on optical-mechanical-electrical-acoustic integration and core image processing technologies, the company combines AI and cloud applications to develop and manufacture optical and audio-visual products that meet the needs of modern lifestyles.

Main products and services:

1. Sport/Action Cam
2. Security & Smart Surveillance
3. Automotive Imaging & Smart Driving
4. AI Hybrid System
5. Machine Vision Module
6. EMS/ODM

Production volume of products in 2025

Product name	Production volume (thousand pieces)
Optical products	5,799
Optical parts	39,178

Note: Consolidated data of Ability and subsidiaries.

Participation in association/organization

Ability participates in associations related to the industry to understand the industrial environment and improve skills by exchanging and sharing knowledge, information, and experience in the hope of accelerating the industry's improvement and development. Ability Enterprise participated in organizations in 2024 and 2025 as follows:

Location	Association	Description	2024	2025
Taiwan	New Taipei City Industrial Association	Allowing exchanges of industrial plants in New Taipei City and serving as the bridge between plants and the government	●	●
	USB Implementers Forum	Relevant USB protocols	●	●
	HDMI Licensing Administrator, Inc.	HDMI development	●	●
	Apple IOS	Apple IOS development	●	●
	SD Association	SD protocols, regulations, and other agreements	●	●
	Taiwan External Trade Development Council	International trade resource services	●	●
	ONVIF	Common integration standards for safety protection products	●	●
	EATD	Research and development, verification services, talent cultivation and industry-academia exchange in the electroacoustic industry.	●	●
	Taiwan Investor Relations Institute (TIRI)	Committing to promoting the implementation of investor relations in Taiwan and reinforcing the connection to the international capital market	●	●
	CIO Social Group	Promote exchanges, advice, matchmaking and promotion services among industrial information security executives	●	●
China	Dongguan Taiwanese Investment Business Association	Serve Taiwanese businessmen, contact the government, and promote government-enterprise economic and trade cooperation and exchanges	●	●
	Association Connecting Electronics Industries(IPC)	Electronics industry manufacturing electronic product design, assembly, acceptance and other industry specifications and standards	●	●
Vietnam	The Council Of Taiwanese Chambers Of Commerce In Bac Ninh(CTCVN BN)	Dedicate to promoting the development and cooperation of Taiwanese enterprises in northern Vietnam, providing business exchanges, policy information, and regulatory sharing.		●

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Sustainable Operation

1.1 Sustainable development commitment and promotion

1.2 Stakeholder and material topics

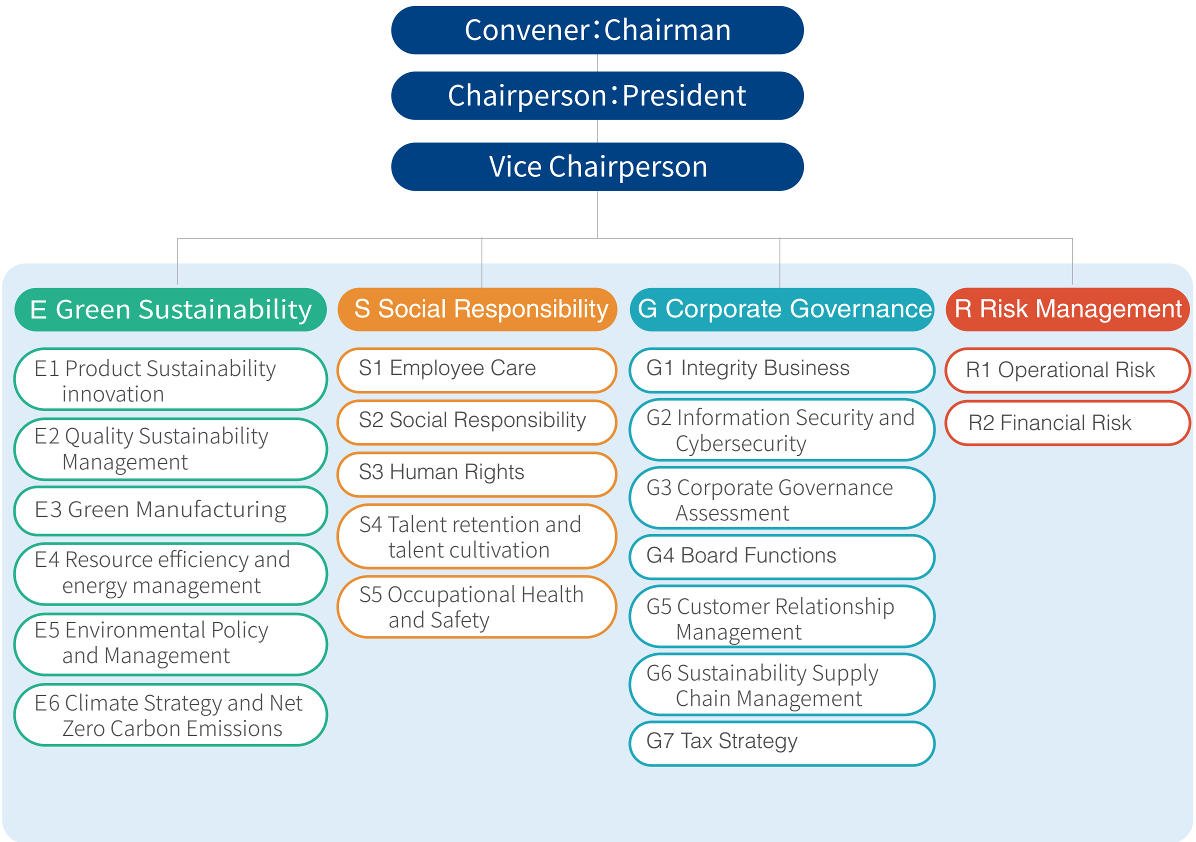
1.1Sustainable development commitment and promotion

1.1.1 Sustainable Governance Organization

In 2022, Ability established the "ESG Sustainability Promotion Committee" as the highest guiding organization for the company's sustainable governance operations. After years of sustainability efforts, in 2025, the Board of Directors established the "Sustainability and Risk Committee," a functional committee under the Board, as the dedicated oversight unit for Ability overall sustainability and risk management. This aims to realize the company's sustainability goals, improve risk management mechanisms, and strengthen corporate governance. At the same time, the original "ESG Sustainability Promotion Committee" was renamed the "Sustainability and Risk Implementation Committee". Its purpose is to accurately fulfill Ability's various commitments to society, including aspects such as corporate governance, environmental protection and energy conservation, employee care, social participation, and risk management, while paying attention to compliance with government regulations, improving workplace health and safety, developing green products, reducing environmental impact, and fulfilling environmental and social responsibilities.

The Sustainability and Risk Implementation Committee serves as a cross-departmental communication platform that integrates vertical and horizontal coordination. Through quarterly meetings and the establishment of Risk Management, Green Sustainability, Social Responsibility and Corporate Governance groups—each focusing on one of the four aspects of corporate sustainability: "Risk Management," "Developing Green Sustainability," "Upholding Social Responsibility," and "Implementing Corporate Governance"—the committee identifies sustainability and risk topics relevant to company operations and stakeholders. It formulates corresponding strategies and work guidelines, plans and implements annual programs, and tracks implementation effectiveness to ensure that sustainability and risk management strategies are fully integrated into the company's daily operations. Furthermore, the Sustainability and Risk Implementation Committee regularly reports to the Sustainability and Risk Committee on the progress and results of ESG initiatives.

Sustainability and Risk Implementation Committee



Oversight of ESG sustainability issues by the Board of Directors and Sustainability and Risk Implementation Committee

Governing Unit	Meeting Date	Meeting Topic
Sustainability and Risk Implementation Committee	2025/4/1	Report on 2024 Greenhouse Gas Inventory Verification Results 2024 Sustainability Activities Results Report 2025 Stakeholder, Material Topics, and Risk Identification Results Report
	2025/7/16	Report on 2024 Sustainability Report Verification Results Change of name of the "Sustainable Development Promotion Committee"
Board	2025/3/7	Report on Greenhouse Gas Inventory Progress
	2025/5/9	Report on Greenhouse Gas Inventory Progress
	2025/8/12	Report on Greenhouse Gas Inventory Progress Appointment of Members of the First Sustainable Development and Risk Committee Approved 2024 Sustainability Report
	2025/11/7	Report on Greenhouse Gas Inventory Progress Report on the Implementation of Integrity Management

Corporate Sustainability Policy

Ability adopts its ESG policies that cover environment (E), social (S), and governance (g) aspects. To seek sustainable corporate operation and development, fulfill corporate social responsibility and sustainable development, satisfy social requirements, specifications, and value, and return to society, Ability has formulated its Corporate Sustainability Policy and follow it.

1.1.2 Blueprint for sustainable development strategies

Ability Sustainability and Risk Implementation Committee is responsible for integrating the operating strategies and focusing on ESG. We adopted 17 Sustainable Development Goals (SDGs) published by the UN in 2015 as the guiding principles for the short-term, mid-term, and long-term sustainable development directions to set sustainable strategic development goals and established three sustainable development strategic directions of "environmental protection and energy-saving (E), society and well-being (S), and innovative governance (G)" to regularly track implementation progress.

ESG main targets

Create safe, convenient, and comfortable future environments that can be felt by consumers
< Make Your Everyday Life Easier and Safer>

Strategic direction	SDGs	Development prospect	Strategic practice	2030 Target	2025 Work Plan and Target	2025 Progress Status	Report Chapter
"Environmental protection and energy-saving" (environmental aspect)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	In response to the global warming and climate change topics, Ability implements low-carbon sustainability to reduce the environmental impacts of operations and products so as to achieve net zero emissions.	Adopting ISO14001, 50001, 14064, and other environmental-related certification standards to serve as the foundation for the green operation of Ability and the development of sustainable materials, together with carbon dioxide reduction, innovations, and services of the supply chain, are the critical strategy to realize the target of net zero emissions by 2050.	Reduce carbon emissions per million NTD of revenue by 25% in 2030 (Category 1 and 2 combined) with 2023 as the base year) , achieve net zero emissions by 2050	Reduce carbon emissions per million NTD of revenue by 4% in 2025 (Category 1 and 2 combined) with 2023 as the base year)	In 2025, the carbon emissions is reduced by 35.47% per million NTD of revenue, achieving its target.	4.3 Greenhouse Gas Management
				Reduce the total volume of waste by 10% with 2023 as the base year	Reduce the total volume of waste by 5% in 2025 with 2023 as the base year	In 2025, the waste density at Taiwan's sites decreased by 39.68% compared to 2023; however, at the China Dongguan Plant, the total amount of waste increased due to increased operating capacity, with the density increasing by 42.86%. The factory has conducted an analysis and requested the supply chain to improve its incoming packaging model and recycle packaging materials.	4.4 Waste Management
				Reduce testing hours by 3% annually	Reduce testing hours by 3% annually; reduce testing manpower by 5% annually.	In 2025, testing hours in the later stages of R&D has been reduced by 29.03%, and manpower reduced by 13.64%; in the production assembly line, the number of setup sites have been reduced, and manpower hours is decrease by 3.88%.	4.6 Sustainable Innovative Products

Strategic direction	SDGs	Development prospect	Strategic practice	2030 Target	2025 Work Plan and Target	2025 Progress Status	Report Chapter
"Society and well-being" (social aspect)	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	Adopting "Lohas Ability" as the purpose, we create happy workplaces and cultivates employees' functional and career development to allow employees to take delight in work and create social well-being.	Continue to initiate talent recruitment plans, recruit outstanding talents in the technical field, adhere to the "people-oriented" business philosophy, and commence various innovative plans and products while motivating the cohesion of employees to take pride in Ability.	Talent rotation and international talent development	Key Talent Development Program	1. The average training hours per employee at the Taiwan site are 8.49 hours; at the China Dongguan plant, it's 69.08 hours; and at the Vietnam plant, it's 17.1 hours. 2. Four ESG-related professional seminars are conducted to cultivate colleagues' respect for compliance and sustainable transparency.	5.4 Talent development and cultivation
				Employee retention rate over 88%	Employee retention rate over 86%	Employee retention rate is 85.22% in 2025 (Taiwan location)	5.3 Talent Attraction and Retention
Innovative governance (governance aspect)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Adopting "conscientiousness and integrity" as the principle, Ability implements its operating performance, innovative product designs, production, and services to jointly create the sustainability value chain.	Ability has developed its core ability that is segregated in the optical smart application field to create product value by utilizing optical-mechanical-electro integration and made arrangements for three major fields of image applications, automotive, and Edge AI.	Strengthen board operations and legal compliance, and increase the number of annual corporate briefings to two.	1. Establish a dedicated committee for sustainability. 2. Hold two corporate briefings.	1. The Board of Directors established a Sustainable and Risk Committee. 2. Two corporate briefings were held (online).	1.1 Sustainable development commitment and promotion 2.1 Corporate Governance Structure
				Strengthen Information risk management	Implementing ISO 27001 at major global operating locations	Taiwan site and Chiba Dongguan Plant have obtained ISO27001 third-party certification, and Vietnam Plant has implemented Information management, with third-party certification expected in 2026.	2.6 Information Security

Ability promises to create a pragmatic environment where employees can develop, discover, and exhibit their individual potential to positively influence others and internalize them as their value and capacity for the benefit of the entire life, and assist the Company in strengthening its competitive advantages at work so as to surpass customer expectations, jointly create value and share achievements, and build partnerships of co-prosperity and well-being.

1.2 Stakeholders and Material Topics

1.2.1 Stakeholder identification and engagement

As ESG concepts spread globally, the corporate world is placing increasing emphasis on sustainable operations. Companies must not only focus on their own economic interests but also consider the social and environmental impact of their operations, actively responding to public needs and fulfilling their corporate social responsibility. Ability values the interests and opinions of stakeholders. Based on the discussions made by the Sustainability and Risk Implementation Committee and with reference to the experience of companies within the industry and AA1000SES Stakeholder Engagement Standard 2015's five aspects: Dependency, Responsibility, Tension, Influence and Diverse perspectives for scoring. Ability identified 7 major stakeholder groups, including employees, customers, suppliers/subcontractors, investors, governmental agencies, media unit and society (communities/ NGOs). Apart from regularly performing questionnaire surveys for the level of attention of stakeholders, we also adopted different engagement forms to continue to carry out communications and engagement with stakeholders.

Stakeholder	Significance of stakeholders to Ability	Issue of concern	Engagement Channel	Ability Response	Engagement result	Report Chapter
Employees	Ability promises to adopt the value growth and satisfaction of employees as the core philosophy of its sustainable operation. Employees are the core assets of Ability, and Ability's growth is closely related to the development of employees.	Talent development and cultivation Talents attraction and retention Occupational health and safety Human right and complaint system Employee retirement protection Ethics and Integrity	Internal educational training (from time to time) Performance audit (half-year) Employee Welfare Committee meetings (from time to time) Internal/external course learning (from time to time) Labor-management meeting (quarterly) (Taiwan) Employee Union meeting(monthly)(China Dongguan, Vietnam) Complaint mailbox (timely)	• Regularly or irregularly organize general, management and professional courses, as well as occupational health and safety training, fire drills.. • Convey corporate policies and development directions of the Company to employees via various communication channels.	• The average training hours per person in Taiwan was 8.49 hours, while the average training hours per person at China Dongguan was 69.08 hours and Vietnam was 17.1 hours. • Convened 4 labor-management meetings to smoothly communicate the both opinions of labor and management. • There are no major employee complaints. • Taiwan Operation Site obtained the Ministry of Health and Welfare's "Occupational Health Promotion Self-Assessment Qualification" certificate in 2025 (Republic of China year 114).	5. Friendly Workplace and Social Co-prosperity
Customer	Customers are the source of profitability of Ability. We listen to customers' requirements, keep abreast of industrial trends, provide professional services, create long-term stable operations for Ability leveraging our diverse and stable customer bases, and grow concurrently with customers.	Customer relationship management Sustainable innovative products and service Information security and privacy protection Product quality and safety Business continuity	Project meeting (regular/ from time to time) Customer assessment (from time to time) Customer satisfaction survey (annually) External complaint channels (timely)	• Arrange senior management of both parties to visit each other to reinforce partnerships and create a win-win layout. • Understand customers' requirements via the customer satisfaction survey each year and provide fast, efficient, and premium products and services. • Protect customers' privacy and accept customers' reviews at all times.	• A total of 19 companies were surveyed on customer satisfaction, with an average satisfaction rate of 98.6% (CIBU), 100% (CSBU), 100% (IIBU), and 88.4% (BDBU)	2.5 Customer Relationship Management

Stakeholder	Significance of stakeholders to Ability	Issue of concern	Engagement Channel	Ability Response	Engagement result	Report Chapter
Suppliers/ Subcontractors	Ability deems suppliers as important partners for sustainable growth, cooperates in promoting and implementing sustainable supply chain management and provides stable, outstanding, trust-worthy services to customers to build partnerships of co-prosperity and well-being.	Sustainability supply chain management Stable quality and delivery terms of supplies Compliance with requirements under regulations and code of conduct	Supplier management platform (from time to time) Supplier comprehensive evaluation (monthly) Supplier audits (regularly) Phone call/Mail/Meeting (from time to time) External complaint channels (timely) Supplier Collaborative Learning Forum (from time to time)	• Carry out raw material management via the supplier management platform, promote green sustainability requirements from time to time, and encourage the participation of suppliers. • Regularly execute supplier's comprehensive evaluation each month to ensure the quality of materials provided by suppliers. • Regularly carry out supplier audits and communicate with suppliers about operating performance and annual operating and development targets to actively respond to topics that are concerned by suppliers. • Through the collaborative learning forum, we promote building a net-zero, low-carbon future and demonstrate Ability's senior management's commitment to sustainable development.	• 40 new suppliers have been added, 100% compliant with Ability's supplier review process. • New raw material suppliers 100% signed back the "S supplier's corporate social responsibility commitment" and "the Commitment Letter for Business Continuous Management" • A total of 68 suppliers participated in the supplier collaborative learning forum.	3. Sustainable Supply
Investors	Investors rely on the management team of Ability for operation. Investors (major shareholders) may elect Directors or Independent Directors to supervise and assist in corporate operations; other corporate or individual shareholders may supervise and provide recommendations on the operation of Ability. The management team made efforts to create operating performance. Regarding decision-making, we shall consider investors' interests. Investors and the management team are a community that shares operating performance.	Economic performance Corporate governance Risk Management Sustainable innovative products and services Talent Recruitment	Social media (from time to time) Corporate website (updated from time to time) Phone call/Mail/Meeting (from time to time) Investor conference/ shareholders' meeting (one to two times a year/ once a year)	• Communicate with shareholders regarding the current operating status of the Company and future development through phone calls, interviews, and meetings regularly and from time to time. • Ability exhibits its economic benefits arising from operation to shareholders through financial statements and reports operating achievements and prospects to shareholders via investor conferences and shareholders' meetings. Annual reports and financial statements are concurrently published on the website of TWSE and the corporate website.	• Convened a regular shareholders' meeting • Convened two legal person briefing meeting (online) • Announce financial revenue status on the official website every month • Respond to investors' operational issues and outlook from time to time	2.1 Corporate Governance Structure
Government agencies	Fully cooperate with relevant policies of the government and comprehensively comply with governmental specifications to maintain a favorable relationship with the government.	Climate Action Occupational Health and Safety Ethics and Legal compliance Corporate governance and operation Labor-Employer Relationship and friendly workplaces	Cooperate with relevant policies and specifications of governmental agencies and learn and assist in promoting regulatory matters. (regular/from time to time) Official correspondence (from time to time) MOPE (from time to time)	• Cooperate with governmental agencies to handle and communicate on relevant matters and learn and assist in promoting regulatory matters regularly and from time to time.	• There are no major incidents that violate laws and regulations in the social, environmental and economic fields. • In accordance with the requirements of the Financial Supervisory Committee, disclose the greenhouse gas emissions and sustainability reports of Taiwan location, China Dongguan Plant and Vietnam Plant.	2.3 Integrity Management 4.3 Greenhouse Gas Management

Stakeholder	Significance of stakeholders to Ability	Issue of concern	Engagement Channel	Ability Response	Engagement result	Report Chapter
Media Unit	The media is one of the important channels for a company to convey information. Media coverage can influence public perception of a company's brand image. Through the media, corporate governance transparency can be enhanced, increasing stakeholder trust.	Economic performance	Communicate via phone, email, face-to-face meetings, online legal person briefing meetings, etc. (from time to time)	• In addition to press releases, online legal advice is also a channel for communicating with the media.	• Company-related news will be published in various media from time to time. Stakeholders can use news reports to better understand Ability.	About Ability
Society (communities and NGOs)	Continue to care for and participate in public topics, develop social return, improve corporate social responsibility as an improvement in the promotion of sustainability work, and improve the positive influence on society.	Community care Charitable donations Social participation Corporate image	Corporate website (updated from time to time) Community management committee meetings (quarterly) Participation in public welfare activities (from time to time)	• Communicate with communities via e-mails, phone calls, and meetings regularly/from time to time. • Promote community participation activities regularly or from time to time via social media or the corporate website.	• Cooperated with The Mustard Seed Mission to adopt Taiwanese children project, with a total of NT$810,200. • Held the "Ability Charity Sale" and donated a total of NT$39,565 (including company donations)	5.6 Participation in Public Welfare

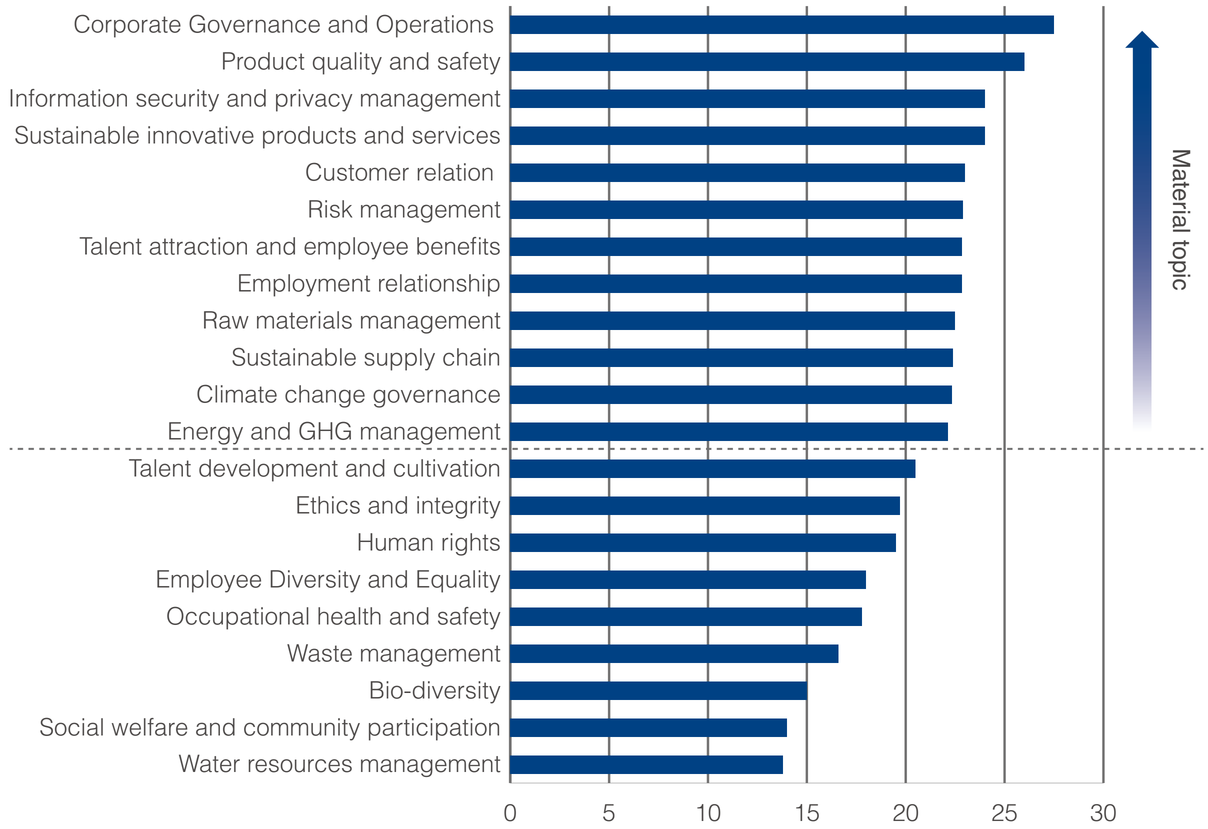
Ability has an external stakeholder section on our website. If there are any questions, recommendations, or even complaints about topics related to us, please communicate with us via the opinion mailbox and telephone. Dedicated personnel will notify relevant internal departments of emails and messages received for evaluation and responses to keep smooth and favorable interactions.

1.2.2 Material topic identification

Our company gathers international standards, industry trends, global benchmarks, and domestic industry information, while incorporating emerging sustainability themes such as information security, privacy management, and labor relations. We also consolidate past experience and reorganize certain topics, for example, merging corporate governance and economic performance into corporate governance and operations. Using an intersection approach, we identify common themes across the industry and adopt these shared subjects to develop a list of material topics for Ability's reference.

Based on the selected list of material topics identified for Ability's reference, members of the Sustainability and Risk Implementation Committee assessed their impact on environmental, governance, and social dimensions using the principle of impact significance. This evaluation considered both actual and potential effects, positive and negative outcomes, as well as the likelihood of occurrence. At the same time, a stakeholder survey was conducted to capture their concerns, yielding 135 responses. The results of the impact assessment, together with the stakeholder survey findings, were consolidated into a prioritized ranking of the material topics.

Material topic rating



The Sustainability and Risk Implementation Committee reviewed the results of the major topics identification and confirmed the material topics for the Company in 2025 as a reference basis for promoting sustainability activities and disclosing the sustainability report in 2025. Among them, information security and privacy management, talent attraction and employee welfare, labor relations, raw materials management, and net-zero carbon emissions are newly added material topics for 2025. The original material topics of 2024, namely integrity and legal compliance and occupational health and safety, have been removed from the material topics for 2025.

Material Topic Overview and Scope of Impact

● Direct impact ○ Indirect impact

Category	Material Topics	Importance for Ability	Scope of impact							Corresponding chapter
			Employees	Customer	Suppliers	Investors	Government agencies	Media unit	Social	
Environmental	Climate change governance、net-zero carbon emissions	Ability takes emission reduction/net zero actions, considers future climate projections, incorporates climate change adaptation into decision-making processes, seizes opportunities for adjustment, manages climate change risks, and thus contributes to the social environment.	●	●	●	○	●	○	●	4.1 Climate Change Management
	Product quality and safety	Provide safe products with premium quality that will not harm consumers' health and handle quality issues on a timely basis to satisfy customers' requirements.	●	●	●		○			4.6 Sustainable Innovative Products
	Raw materials management	Consider and reduce raw materials used and procured during the course of the operation and the impacts on the environment.	●	○	●					3.2 Raw Material Management
	Sustainable and innovative products and services	Continue to strengthen R&D and technical competitive advantages, invest in the development and design of new products and technologies, and include principles of environmental impact reduction, energy consumption efficiency improvement, and recycling to develop the green designs of products.	●	●	●			○		4.6 Sustainable Innovative Products
Social	Employment relationship	Fair treatment, employee participation, and talent development ensure policy implementation, enhance trust, and strengthen corporate resilience.	●	○	○	○	●	○	○	5.1 Human Rights Management
	Talent attraction and employee benefits	Provide diverse employee relations activities to help employees enjoy their work and boost their energy.	●	○	○	○	○		○	5.3 Talent Attraction and Retention
Governance	Corporate Governance and Operations	Establish a corporate governance organization, engage in business operating activities, and maintain the interests of stakeholders in the hope of achieving sustainable corporate development of Ability.	●	○	○	●	○	○		2.1 Corporate Governance Structure
	Risk Management	Protect the interests of employees, customers, and investors/shareholders via identification, measurement, effective monitoring, and a risk management system that is strictly controlled to improve corporate value.	●	●	●	●	○	○		2.4 Risk Management
	Sustainable supply chain	Implement supply chain management to prevent, mitigate, and avoid risks directly or indirectly arising from corporate operations.	●	○	●					3. Sustainable Supply
	Customer relations	Provide professional services based on our clients' needs, ensuring stable company operations and growing in tandem with our clients.	●	●	○					2.5 Customer Relationship Management
	Information security and privacy management	Protect customer and employee privacy, maintain compliance with confidential information control and data protection, and reduce customer trust and risk.	●	●	○		●		○	2.6 Information Security

2

Operational Governance

Material topic:Corporate Governance and Operations

Materiality, Policies, and Commitments

Our Company actively promotes and implements sustainable governance by establishing relevant policies, management guidelines, and specific action plans to enhance corporate sustainability value. To cultivate a strong corporate governance culture, the Company complies with laws and regulations and has developed codes of conduct such as the 'Corporate Governance Best Practice Principles' and the 'Sustainable Development Best Practice Principles.'

Positive/Negative Impact

1. Positive impact:Demonstrates a high level of sustainable governance by strengthening the governance structure and promoting diversified decision-making. Provides an effective oversight mechanism that supports business operations management, mitigates negative impacts on the company, and enhances overall competitiveness. Sustained profitability enables expanded production capacity, improved customer service quality, and increased orders, ultimately driving higher revenue.
2. Negative impact:If the governance system is not effectively implemented, or if the Board of Directors lacks a comprehensive understanding of the company's development, decision-making may be incomplete. This could lead to market distrust, reduced investor interest, and damage to the company's image and reputation. Inefficient operations and diminished production capacity may further lower customer service quality, resulting in fewer orders.

Action Plan

1. Report stakeholder communication status to the Board of Directors.
2. Evaluate green financial products and related risks, continuously monitor external market changes, and develop new products to meet customer needs.

Evaluate and the Performance of 2025

1. Held monthly management and business meetings to review strategies for strengthening performance and reducing production costs.
2. Achieved a net profit of NT$787,836 thousand in 2025 and maintain positive growth.
3. The Sustainability Committee was elevated to the Board of Directors level.
4. Directors of different genders were appointed.

Remedy Mechanism

Responsible Unit: Chairman's Office / Corporate Governance Officer

1. Stakeholders may express opinions and exchange information through the responsible unit, which classifies and follows up based on the materiality of the issue and reports to the board as required.
2. The Company regularly reviews and improves governance quality based on the 'Corporate Governance Evaluation' criteria.

Goals

Short-term

1. Enhance the Board of Directors' understanding of stakeholder-related issues.
2. Achieve continued growth in business performance and profitability.

Mid-term

1. Assess the feasibility of incorporating sustainability performance into the compensation system for senior executives.
2. Maintain a sound financial structure to support diverse R&D needs.

Long-term

1. Ensure compliance with relevant laws and regulations to avoid penalties.
2. Promote integrity in business operations and eliminate violations.
3. Enhance the company's long-term investment value and safeguard shareholder interests.

For relevant requirements, please refer to Ability Enterprise website.

Material topic:Risk Management

Materiality, Policies, and Commitments

Ability provides appropriate risk management to stakeholders via its "Risk Management Operating Procedures" to prevent various unpredictable potential risks, minimize the potential risks and ensure the continual operation of the Company.

Positive/Negative Impact

1. Positive impact:Plan the company's major risks and take precautions in advance to reduce corporate operational risks and increase company profits.
2. Negative impact:If the company fails to identify risks and plan risk management in advance, it may increase the company's operational risks.

Evaluate and the Performance of 2025

1. The risk assessment was completed in 2025, and response measures for major risks were proposed and monitored.

Action Plan

1. Major risks identified in 2025 include supply chain management, currency fluctuations, and information security. Ability discusses the risks with relevant departments and formulates the measures.

Remedy Mechanism

Responsible department: Sustainability and Risk Implementation Committee

1. The promotion teams of the Sustainability and Risk Implementation Committee regularly collect market, industry, and corporate operating trends, keep abreast of items that may affect the operations of the Company, and call upon relevant departments to carry out analysis and discussions in detail, when necessary, for timely responses.

Goals

Short-term

1. Evaluate and continue to control of material risks each year to minimize the operating impacts on enterprises.

Mid-term

1. Carry out risk identification, assessment, and response for climate-related topics to minimize corporate risks.
2. Publish TCFD reports.

Long-term

1. Regarding climate change, evaluate relevant risks and formulate strategies of five years or above to minimize corporate risks.

Material topic:Customer Relation Management

Materiality, Policies, and Commitments

Ability's commitment to quality includes in-house manufacturing systems and after-sales service. Through customer satisfaction surveys, we implement and track quality management to ensure our delivery of services that meet customer expectations.

Positive/Negative Impact

1. Positive impact:Strengthening customer care and after-sales service can help the company improve customer satisfaction, expand its customer market, increase production efficiency, and reduce costs, thereby enhancing its competitiveness.
2. Negative impact:Poor customer relationship management may lead to customer churn, declining revenue, damaged customer trust, low employee morale, increased pressure on customer service and sales, ultimately resulting in a loss of competitiveness and impacting long-term sustainable development.

Evaluate and the Performance of 2025

1. Customer satisfaction in 2025: CIBU 98.6%, CSBU 100%, IIBU 100%, BDBU 88.4%

Action Plan

1. Conduct proactive customer satisfaction surveys annually to understand customers' satisfaction with the company's products/delivery/services, and develop improvement plans based on the results

Remedy Mechanism

Responsible Department: Sales Division

1. When customer raises an issue, sales team coordinates with relevant departments to understand the problem and provide timely feedback and resolution to customer
2. Collect customer rights and service requirements, translate them into internal process planning, and integrate across relative departments to meet customer expectations. Proactively conduct annual customer satisfaction surveys to assess customer satisfaction with Ability.

Goals

Short-term

1. Customer satisfaction score reaches 90%

Mid-term

1. Customer responses to satisfaction surveys cover cumulative sales of 90%
2. Customer satisfaction score reaches 90%
3. No more than one major customer complaint (note) per single customer within one year

Long-term

1. Customer satisfaction score reaches 95%
2. No more than five major customer complaints within the entire company in a single year

Note: A major customer complaint refers to:

A. Repeated or widespread defects (same issue occurring in different regions with more than 5 complaints within a 3-month period), or

B. Incidents involving device burnout, smoke emission, significant functional failure, or user injury

Material topic:Information Security and Privacy Management

Materiality, Policies, and Commitments

Ability values customer rights and privacy. We have implemented the ISO 27001 information security management system and exchange information security data with information security vendors through the Information Security Alliance. We also discuss and share information security issues to implement information security management policies from both management and technical perspectives, thereby protecting customer rights.

Positive/Negative Impact

1. Positive impact:Enhances information security protection to prevent customer privacy or information leaks, improving customer satisfaction.
2. Negative impact:Poor information security and customer data protection may lead to risks such as: leakage of confidential information, customer loss, legal disputes, or customer order revisions. Losing customer trust as a result may lead to significant risks such as customers diversifying their supply chains or directly switching orders.

Evaluate and the Performance of 2025

1. Taiwan site and China Dongguan plant successfully passed the ISO 27001 certification in 2025
2. No information security incidents or customer data breaches occurred this year
3. Achieved a 100% completion rate for information security training for new employees

Action Plan

1. Provide employees with information security training to strengthen overall awareness of information security
2. Implement information security control devices to promptly detect security vulnerabilities, preventing hacker intrusions and virus damage. Establish a real-time reporting system to enable immediate response when security incidents occur

Remedy Mechanism

Responsible Department: Information Technology Division

1. The Information Security Executive Committee holds regular annual management meetings to review and determine information security and data protection policies, ensuring the effectiveness of the security management measures

Goals

Short-term

1. No information security incidents
2. 100% completion rate of information security training for new employees

Mid-term

1. No information security incidents.
2. All production sites have passed ISO27001 third-party certification.

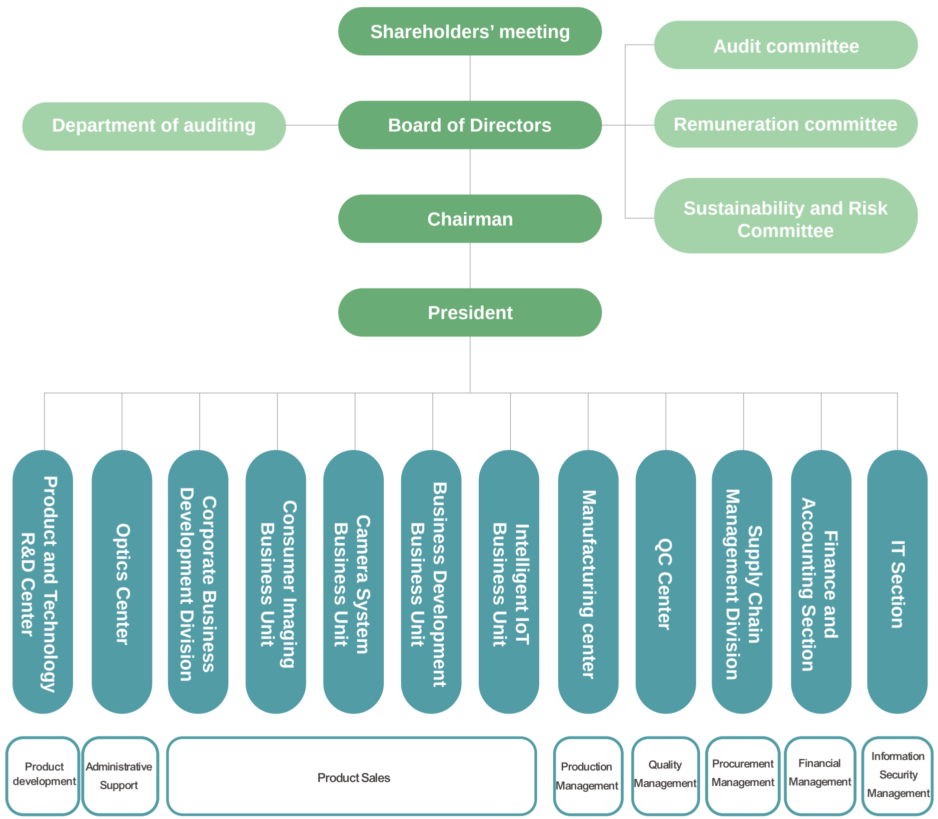
Long-term

1. No information security incidents

2.1 Corporate Governance Structure

2.1.1 Board of Directors

Ability's Board of Directors consists of nine directors, including four independent directors. In consideration of the rapidly changing industry environment, the positions of Chairman and President are concurrently held by the same individual to facilitate timely oversight of business operations and enhance management decision-making efficiency. Meanwhile, the professionalism and independence of the independent directors serve to strengthen the Board's supervisory function and enhance overall corporate governance effectiveness.



According to the Board Meeting Rules, Ability convenes board meetings at least once per quarter. The main responsibilities include supervising business performance, reviewing major decisions, and overseeing risk management related to economic, environmental, and social impacts. In 2025, the Board held a total of seven meetings with an attendance rate of 98%.

To manage conflicts of interest, the Company has established the "Rules of Procedure for Board Meetings," "Corporate Governance Best Practice Principles," and "Ethical Corporate Management Best Practice Principles." Directors must uphold high standards of self-discipline and independence. If a board proposal involves a conflict of interest that may harm the company, the director involved may express opinions and respond to inquiries but must refrain from discussion and voting on the matter. The director must also abstain from acting as a proxy for other directors in such voting.

The Corporate Governance Officer is responsible for implementing and promoting corporate governance affairs in accordance with the law, including arranging board meetings, planning training for directors, and providing necessary information for directors to perform their duties.

➔For introductions to Board members, please refer to the Ability Enterprise website.

Board Diversity

In forming its Board of Directors, Ability Enterprise considers diversity to ensure effective organizational operations and long-term development. Standards are defined in two primary areas and directors (including independent directors) are elected through a candidate nomination system in accordance with the Company's Articles of Incorporation and the Director Election Procedures. The Company values a diverse composition in professional expertise, skills, and gender equality, which helps enhance the Board's decision-making and strengthens internal oversight mechanisms.

- Basic Composition: Nationality, gender, age, etc.
- Professional Capabilities: Specialized skills, industry background, etc.

Item	Goals	Achievements
Number of Seats	Independent directors comprise one-third of the total number of directors. 9 directors in total, 5 general directors and 4 independent directors.	V
Term	Independent directors serve no more than 3 terms.	V
Expertise	Directors possess knowledge and skills in finance, accounting, law, business judgment, management, crisis response, industry insight, global markets, and leadership.	V
Gender	Appointing directors of different genders	V

Item / Name		Basic Composition									Core Competencies & Skills							
		Nationality	Gender	concurrently employed by the company	Age			Length of Service as Independent Director										
					41~50	51~60	61~70	Less than 3 years	Less than 6 years	Less than 9 years	Law	Finance	Business Management	Operational Judgment	Risk Management	Industrial Knowledge	Global Market View	Leadership& Decision -making
Chairman	CHANG,HSIAO-CHI	ROC	Male	●			●						●	●	●	●	●	●
Director	TONG, CHUN-JEN	ROC	Male				●						●	●	●	●	●	●
Director	TONG,CHUN-YI	ROC	Male			●							●	●	●	●	●	●
Director	HU, SHIANG-CHI	ROC	Male				●						●	●	●	●	●	●
Director	CHIANG,SHU-CHEN	ROC	Female			●							●	●	●	●	●	●
Independent Director	HUANG,CHIH-CHEN	ROC	Male				●			●		●	●	●	●	●	●	●
Independent Director	CHEN,CHIEN-HUNG	ROC	Male			●				●	●		●	●	●	●	●	●
Independent Director	HUANG, KUO-LUN	ROC	Male			●			●				●	●	●	●	●	●
Independent Director	CHAO,HSIAO-WEI	ROC	Male			●		●				●	●	●	●	●	●	●

Note1: For details on directors holding concurrent positions in other companies, please refer to the Ability Enterprise annual report.
Note2: The current board of directors was re-elected in June 2025. The above is the list of directors and independent directors after the re-election.

Board Training

Ability arranges training programs for directors on economic, environmental, social, and other topics relevant to the Company's operations to support directors in enhancing their competencies and professional expertise. The training programs cover areas including financial management, risk management, sustainable development, corporate governance, and ethical management. In 2025, the directors completed a total of 99 training hours.

Board Training Status in 2025

Category	Name of the Class	Duration
Sustainable Development	Green Supply Chain Management	24
Sustainable Development	Business Operations and Sustainable Financial Impacts – An Analysis of the IFRS Sustainability Disclosure Standards	15
Sustainable Development	Climate Change and Net-Zero Carbon Emission Policies	3
Sustainable Development	How AI Supports Corporate Decision-Making	3
Corporate Governance	Say OUT to Workplace Misconduct, Say IN to DEI – Legal, Theoretical, and Practical Approaches to Preventing Illegal Workplace Harassment (Sexual Harassment & Workplace Bullying)	21
Corporate Governance	Protection of Trade Secrets and Corporate Governance	24
Corporate Governance	Corporate Governance and Securities Regulations	6
Corporate Governance	Analysis of Fraud Schemes and Case Studies on Anti-Money Laundering Regulations (Including Insider Trading Awareness)	3

For details on board training, please refer to the Ability Enterprise website.

2.1.2 Functional Committees

The functional committees established under Ability's Board of Directors include the Audit Committee, Remuneration Committee, and Sustainability and Risk Committee.

Audit Committee	Remuneration Committee	Sustainability and Risk Committee
Chairperson: HUANG, CHIH-CHEN Independent Director Member: HUANG, KUO-LUN Independent Director CHEN, CHIEN-HUNG Independent Director CHAO, HSIAO-WEI Independent Director	Chairperson: HUANG, CHIH-CHEN Independent Director Member: HUANG, KUO-LUN Independent Director CHEN, CHIEN-HUNG Independent Director	Chairperson: CHANG, HSIAO-CHI Director Member: TONG, CHUN-JEN Director HUANG, CHIH-CHEN Independent Director CHEN, CHIEN-HUNG Independent Director

Audit Committee

To establish sound corporate governance, Ability has set up an Audit Committee and established its organizational charter. All committee members are independent directors, and the committee holds meetings at least once per quarter. Its responsibilities include strengthening the internal control system, assisting the Board in decision-making, implementing risk management, and ensuring compliance with relevant regulations. Review matters include:

- Financial reports
- Internal control effectiveness
- Material financial/business matters
- Issues involving director conflicts of interest
- Appointment/removal/compensation of external auditors
- Appointment/removal of audit or internal control officers

Audit Committee Attendance

Year	2024	2025
Number of meetings	4	5
Attendance	100%	100%

For details on the 2025 Audit Committee operations, please refer to the Ability Enterprise website.

Remuneration Committee

To strengthen governance and establish a sound compensation system for directors and managers, Ability has set up a Remuneration Committee and formulated its organizational charter. Committee members are appointed by the Board and are responsible for:

- Reviewing compensation policies, systems, standards, and structures
- Approving performance targets
- Evaluating performance outcomes

The Company has adopted the "Director Compensation Management Measures," covering director fees, remuneration, and business-related expenses. If there is profit, up to 1.5% may be allocated to directors as per the Articles of Incorporation, based on operating results, performance contributions, and board evaluation results.

Manager compensation is determined by industry benchmarks, market conditions, and company operations, based on the "Performance Management Measures" and "Compensation Management Measures." These include performance evaluation, bonus schemes, and other related proposals.

Compensation Policy

Employee compensation is determined by considering fixed and variable items.

- Fixed Compensation: Based on responsibilities and job content.
- Variable Compensation: Based on company performance, financial condition, personal and departmental achievements. If there is profit, 8%–15% may be allocated to employee bonuses per Article 28-1 of the Articles of Incorporation.

Director and manager compensation is reviewed by the Remuneration Committee and approved by the Board of Directors based on the following indicators:

- Financial and operational performance
- Future risks and development trends
- Individual, departmental performance, and special contributions

In addition, long-term incentives such as restricted employee shares or other substantial reward mechanisms may be implemented to encourage alignment with corporate sustainability goals.

Remuneration Committee Attendance

Year	2024	2025
Number of meetings	3	3
Attendance	100%	100%

For details on the 2025 Remuneration Committee operations, please refer to the Ability Enterprise website.

Sustainability and Risk Committee

To strengthen the governance framework for sustainable development and risk management, Ability Board of Directors resolved to establish the "Sustainability and Risk Committee" on August 12, 2025. The Committee consists of four members, including two directors and two independent directors. In accordance with its charter, the Committee, shall meet at least once a year, is responsible for reviewing the Company's sustainable development and risk management policies, annual plans, and implementation performance; overseeing sustainability-related information disclosure and reviewing the sustainability report; supervising the Company's sustainable development and risk management initiatives; and handling other related matters requiring resolution by the Board of Directors.

2.1.3 Board Performance Evaluation

To improve corporate governance, oversight, and strengthen internal management mechanisms, our company conducts a comprehensive board performance review and board member self-assessment at least once a year. The board performance review includes assessments of six key areas: participation in company operations, improvement of board decision-making quality, board composition and structure, selection and continuing education of directors, internal control, and participation in sustainable development (ESG). Results are reported to the Board in the first quarter and disclosed in the annual report and on the company website.

In 2025, the Board, individual directors, Audit Committee, and Remuneration Committee all received top performance ratings. Results were reported to the Board on March 13, 2026, and were used as a reference for evaluating directors and committee members. For more details on the performance evaluations, please refer to the Ability Enterprise website.

2.2 Economic performance

The company is transforming its focus into three key areas: imaging applications, automotive electronics, and edge AI. It has shifted from its previous focus on digital cameras to the research and development and manufacturing of intelligent optical modules. The company has made progress in developing these new imaging applications, and thanks to the advancement of its product portfolio, its operating performance continues to improve.

Looking into 2025, the operating profit in 2025 was NT$879,874 thousand, representing a growth of 143.27% compared to the operating profit of NT$361,693 thousand in 2024.

Unit: NTD thousand

	2024	2025
Generation of direct economic value		
Income: Net sales/interest/dividend/rent/royalty income/income from disposal of assets (tangible/intangible)		
Revenue	6,182,894	9,908,160
Other	256,935	52,251
Distribution of direct economic value		
Operating cost: Cost generated from operating activities (Note 2)	3,505,608	6,064,748
Employee salary and benefits: Employee salaries, bonuses, incentives, and employee welfare (pension and insurance)	1,814,144	2,356,758
Payment to shareholders: Interest expenses, dividend payments, and dividends for preferred shares	258,781	173,618
Payments to the government	135,266	236,844
Community Investment	492	1,104
Retention of economic value (generation of direct economic value - distribution of direct economic value)	725,538	1,127,339

Note 1: The information in the table is from the parent company only financial statements of the year audited and certified by CPAs.

Note 2: Operating costs stated in the parent company only financial statements audited and certified by CPAs less employee salaries and welfare that are costs.

Note 3: In 2024, the amount paid by the Taiwan region to the government was NT$18,704 thousand and the amount paid by the China Dongguan Plant to the government was NT$116,562 thousand.; In 2025, the amount paid by the Taiwan region to the government was NT$37,934 thousand and the amount paid by the China Dongguan Plant to the government was NT$198,910 thousand.

2.3 Ethical Management

2.3.1 Ethical management and Anti-corruption

Our Company upholds honesty and integrity engages in business activities and complies with the laws and ethical standards of the countries in which we conduct business. In order to effectively promote the ethical management related policy, our Company has established the "Ethical Corporate Management Best Practice Principles", "Code of Ethics and Conduct" that have been approved by the Board of Directors to regulate our company's personnel, including directors, managers, employees and others with actual controls NOT to directly or indirectly provide, promise, demand or accept any illegitimate benefits, or engage in other acts that violate integrity or conflict of interest when engage in business activities. In our Company, every employee is provided trainings on work rules, management systems, integrity and work ethics when they join the company; every supplier is required to sign the " Commitment of Supplier for Corporate Social Responsibility", which expressly stipulates that suppliers must abide by the Corporate Social Responsibility and engage in ethical business practices with no fraud, money laundering, corruption, or violations of fair trade. Our Company also actively cooperates with customers' requirements for social responsibility, and makes a commitment to anti-corruption.

Reporting Handling Procedures

Ability has established the "Grievance, Reporting handling, and Confidentiality Procedures ". The Audit Office is the designated unit responsible for handling complaints/reports. Complainants/reporters may submit complaints and reports anonymously or with their names stated, providing specific evidence of the illegal activities. Complaints/ reports with insufficient information will not be accepted. Upon receiving complaint/report cases, the Company will form a special task force to investigate the case. Complaint/report cases involving ordinary employees should be reported to their department heads; cases involving directors or senior executives should be reported to independent directors. Ability will keep the identity of complainants/reporters and the content of their reports confidential and will complete the investigation as quickly as possible to ensure the safety of employees or external third parties. Complainants/reporters may report any illegal activities.

Reporting Channel:

- Chief Internal Auditor: Mr. Michael Hu
- TEL: Tel: +886-2-85229788 Ext. 2284
- E-mail:Michael.Hu@abilitytw.com
- Address: No. 200, Sec. 3, Zhonghuan Rd., Xinzhuang Dist., New Taipei City 24242 (Audit Office, Ability Enterprise)

After receiving complaints/reports, the task force leaded by Audit Office will submit the report to relevant departments for a case review according to the complaints/reports handling system. Once the task force found that the report is based on facts after an investigation, an inter-departmental working group shall establish a project committee to review and judge the report. If it indeed violates ethical corporate management requirements, Ability will impose administrative punishments based on the severity of the circumstances, and will claim for restitution of unjust enrichment and take legal actions. In addition, relevant departments shall examine the internal control system and procedures, propose improvement measures to prevent the recurrence of such violations. Audit Office shall keep the written documents for the complaints/reports, including the acceptance of the report, the investigation process, and the results of the investigation, for a retention period of five years. The documents may be kept in electronic form. If any litigation related to the complaints/reports occurs before the expiry of the retention period, related materials shall be kept until the litigation is concluded.

Situation of Reports

Event	2024	2025
Number of reports	0	0

Implementation Status

In order to implement Ethical Corporate Management and Anti-Corruption Policy, Ability has established internal control system correspondingly, set up electronic and physical grievance procedure, managed by dedicated personnel. Ability has established "Corporate Governance Promotion Team" under "Sustainability and Risk Implementation Committee". The "Corporate Governance Promotion Team" is responsible for promoting and practicing ethical corporate management and anti-corruption actions. The team reports the annual implement status to the Board of Directors at least once a year. And, every year, the team disseminates information about ethical corporate management/anti-corruption, and encourages directors and employees to participate in relevant training, including courses related to trade secrets, information security, insider trading, and anti-competitive practices. In 2025, our Company conducted comprehensive training and awareness programs on Ethical Management and Anti-Corruption, reaching a total of 798 participants with a cumulative training time of 10,630 minutes. There were no violations related to anti-competitive, anti-trust, monopoly conduct, ethical corporate management, or corruption occurred in 2025. The implementation status for 2025 is as follows, and has been reported to the Board of Directors on November 7, 2025.

Integrity Promotion
[Integrity Management and Anti-Corruption Promotion] 1. Announce matters that employees should pay attention to when performing business through the company's public address system. 2. Promote integrity management and anti-corruption standards to directors and managers.
[Promotion on Preventing Insider Trading] 1. Promotion of insider trading prevention guidelines for directors and managers. 2. Promotion of integrity and anti-corruption guidelines for directors and managers.

Substantial measures	2024	2025
Occurrence of violations of ethical corporate management and corruption	0	0
Completion rate of ethical corporate management courses under new employee educational training (Note 1)	100%	100%
Completion rate of employee integrity and anti-corruption training (Note 2)	100%	100%

Note 1: New employees refer to employees who join our Company during the current year.
Note 2: Training on employee integrity and anti-corruption is conducted for employees once a year, the completion rate refers to the proportion of employees at the end of the year who have completed the training.

Location	2024			2025		
	Taiwan	China	Vietnam	Taiwan	China	Vietnam
Number of new-added raw material suppliers who have executed the Commitment of Supplier for Corporate Social Responsibility	11	37		10	21	9
Completion rate of raw material suppliers' commitment to the Commitment of Supplier for Corporate Social Responsibility(Note1)	100%	100%		100%	100%	100%

Note 1: Completion rate = the number of new raw material suppliers added in that year who have executed the Commitment of Supplier for Corporate Social Responsibility / the number of new raw material suppliers added in that year

2.3.2 Legal Compliance

To ensure our Company comply with the laws and regulations, the Legal Department, Audit Office, and Finance Department regularly monitor laws and regulations that may have a significant effect on our Company's operations. Our Company's internal control management system prevents the occurrence of potential inappropriate conduct and violation of law, and minimizes the potential risks. According to the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, a major event refers to a single event with fine amount reaching NT$1 million or above. We comply with relevant laws and regulations as follows and continue to strengthen the implementation and execution of relevant legal compliance in accordance with the health management system, planning of the regulatory review, implementation of promotion and education training, and other approaches.

Aspect	Laws and regulations to comply with
Financial and organizational planning	The Company Act, Securities and Exchange Act, Money Laundering Control Act, and other relevant laws and regulations
Internal and customer information protection	Trade Secrets Act, Personal Data Protection Act, and other relevant laws and regulations
Personnel policy and management	Labor Standards Act and other relevant laws and regulations
Environment management	Basic Environment Act, Occupational Safety and Health Act, and other relevant laws and regulations

Event	2024	2025
Occurrence of violation of anti-competition, anti-trust, and monopoly conduct	0	0
Major events that violate social, environmental, and economic regulations (with the fine amount reaching NT$1 million or above)	0	0

Note: Ability Enterprise did not incur any fines or penalties in 2025.

2.4 Risk Management

Ability "Risk Management Group" is responsible for implementing risk management and taking appropriate measures within an acceptable range to prevent or reduce potential losses to Ability, thereby protecting the interests of stakeholders such as the employees, customers, shareholders, and partners. The Group continuously improves, reduces operational risks and regularly reports risk management results to the Sustainability and Risk Implementation Committee.

2.4.1 Risk management process

Ability through the risk management process, each department clearly understands its associated risks, assesses potential risk issues, and mitigates or avoids their impact. In 2025, in accordance with the materiality principle and ISO 31000 risk management standards, the company will extensively collect and update various risks it may face. These risks will be summarized into four key risk dimensions: economic (governance) risks, environmental risks, social risks, and other emerging risks. In accordance with the "Risk Management Operating Procedure," the Company standardizes the responsibilities, methods, and processes of risk management to effectively identify potential process risks, assess the likelihood of risk occurrence, and the impact on operations, ensuring that appropriate risk management operations are effectively implemented to meet risk management needs.

Sources of risk

Economic (governance)	Environmental	Social	Other
Finance, operations, business, supply chain, regulatory compliance, and information security	Climate change, greenhouse gases, green products, waste, energy	Human rights, human resources, talent development, occupational safety and health	Emerging markets, major external hazards, or sources not included in the economic, environmental, or social aspects

The first step in the risk management process is risk identification. Next, identified risks are analyzed to assess their impact and likelihood of occurrence, and weighted scores are assigned. Based on the assessment results, major risk projects and projects requiring risk management are selected. Relevant units then propose response measures and submit them to the Risk Management Group for risk response and strategy compilation. These are then submitted to the Sustainability and Risk Committee, which oversees implementation and adjusts management strategies and control priorities as appropriate to achieve risk management objectives.

2.4.2 Risk management topics

In 2025, Ability compiles the main risk management issues in various aspects and explained their response measures.

Aspect	Effects of Ability	Response measures
Economic (Governance) risks	**Expand production base** Increase overseas production joints in response to customers' demand and disperse the risk of production in Mainland China. Ability has invested in setting up a factory in Vietnam, but the language and culture in Vietnam are very different from those in Taiwan, which brings corresponding risks to the establishment of the factory.	1. Increase operations at the Vietnam Plant while maintaining operations at the mainland China Plant; 2. Transfer employees with international work experience to the Vietnam Plant. 3. Encourage employees to learn Vietnamese to mitigate cultural differences.
	Risk of raw material interruption The source of crucial supplies is relatively centralized. If suppliers delay the delivery or there is missing material, it will affect Ability's production.	1. Introduce the second supplier to separate the material deficiency risk. 2. Plan and control the safety inventory of crucial supplies.
	Risk of concentration sales Customers with long-term stable cooperation can ensure the stable growth of Ability; however, there are risks of sales concentration.	1. Separate customers and seek new customers. 2. Product diversification arrangements.
	Information security Due to the frequent occurrence of cyber hackers and virus phishing emails, as well as the large amount of electronic processes and network communications, information security control has a significant impact on Ability.	1. Strengthen information security awareness and regularly issue information security alerts; 2. Conduct annual information security audits.
	Interest risk Interest risks are generated from bank borrowings, which are primarily for operations; such debts to support operating requirements with cash outflows do not generate high borrowing costs.	1. For the interest rate of bank borrowings, the Company makes its best efforts to secure the most preferred borrowing interest rate.
	Currency risk Due to cross-country operations, there are corresponding currency risks generated from the use of currencies of multiple countries, primarily the USD, RMB and VND. Such risks mostly arise from future commercial trading, recognized assets and liabilities, and net investments in foreign operating institutions.	1. Adjust foreign exchange positions according to interest rate and exchange rate differences, and may use spot, forward foreign exchange, exchange and derivative or non-derivative financial product contracts to reduce exchange rate risks; 2. Plan and evaluate the storage of foreign currencies. 3. Reinforce loan recovery.
	Credit risk Credit risks are risks arising from potential financial losses due to the inability of customers or transaction counterparties of financial instruments that cannot fulfill contract obligations, which primarily arise from accounts receivable for which transaction counterparties are not able to settle the payment based on the collection conditions.	1. Based on the credit loan policy of Ability, we perform management and credit risk analysis based on payment and shipping conditions. 2. 2. Execute internal credit risk control, including the evaluation of the financial position of customers, prior experiences, and other factors. 3. 3.Use to regularly monitor credit limits.
Environmental risks	**Climate change risk** Regarding the effects of the industry chain on climate change and impacts on Ability under the existing trends, please refer to "climate change management" in chapter 4.1 of the Report for details.	1. Ability executes climate change-related risk identification and management procedures; for details, please refer to "climate change management" in chapter 4.1 of the Report.
Social risk	**Human Rights Management & Employment Relations & Human Resources Risks** Ineffective management of employee human rights may violate regulations; poor human resources management may lead to poor labor-management communication, staff shortages, and disruptions to the Company's operations.	1. Ability manages human rights, labor relations, and human resources in accordance with legal requirements. Please refer to Chapter 5, " Friendly Workplace and Social Co-prosperity" of this report for details.

2.5 Customer relationship management

Ability is committed to achieving customer satisfaction and creating maximum profits, ensuring technologies and procedure capacity, and providing high-quality products and services to satisfy customers' requirements. As such, all employees participate and exhibit their abilities, actions, unity, and prosperous teamwork awareness. We pay close attention to source management for each operation, adhere to the philosophy of doing it right at the beginning, and continue to improve internal procedures.

Ability has established contract and order review procedures, customer satisfaction evaluation operation, and customer complaint procedures to judge the issue point and responsibility attribution for customer complaints, carry out corrective measures and subsequent improvement activities and carry out customer satisfaction surveys based on the following nine major aspects at the end of each year. The business department distributes questionnaires to customers and commences improvement examinations based on opinions provided by customers.

Customer satisfaction evaluation procedures

In 2025, the overall customer satisfaction survey reached 96.8%, demonstrating that the company's products and services successfully met customer expectations. To continuously strengthen customer relationships, the company implemented automated first-article inspection within its manufacturing processes. Through the AOI (Automated Optical Inspection) system, production lines are automatically locked if data does not meet the threshold of Cpk > 1.33. Real-time monitoring of key parameters ensures immediate alerts in the event of anomalies. Historical customer complaints have been integrated into a failure database, with digital tracking established during the development of new models. Suppliers are required to provide analysis schedules and progress updates, while an instant email response system enables customers to remain informed about the status of their cases. Ability remains committed to ongoing improvement and will continue striving to meet and exceed customer expectations.

2024		2025 (note1)	
CIBU customers	88.0%	CIBU customers	98.6%
ISBU customers	100%	CSBU customers	100%
IMBU customers	100%	IIBU customers	100%
		BDBU customers	88.4% (note2)

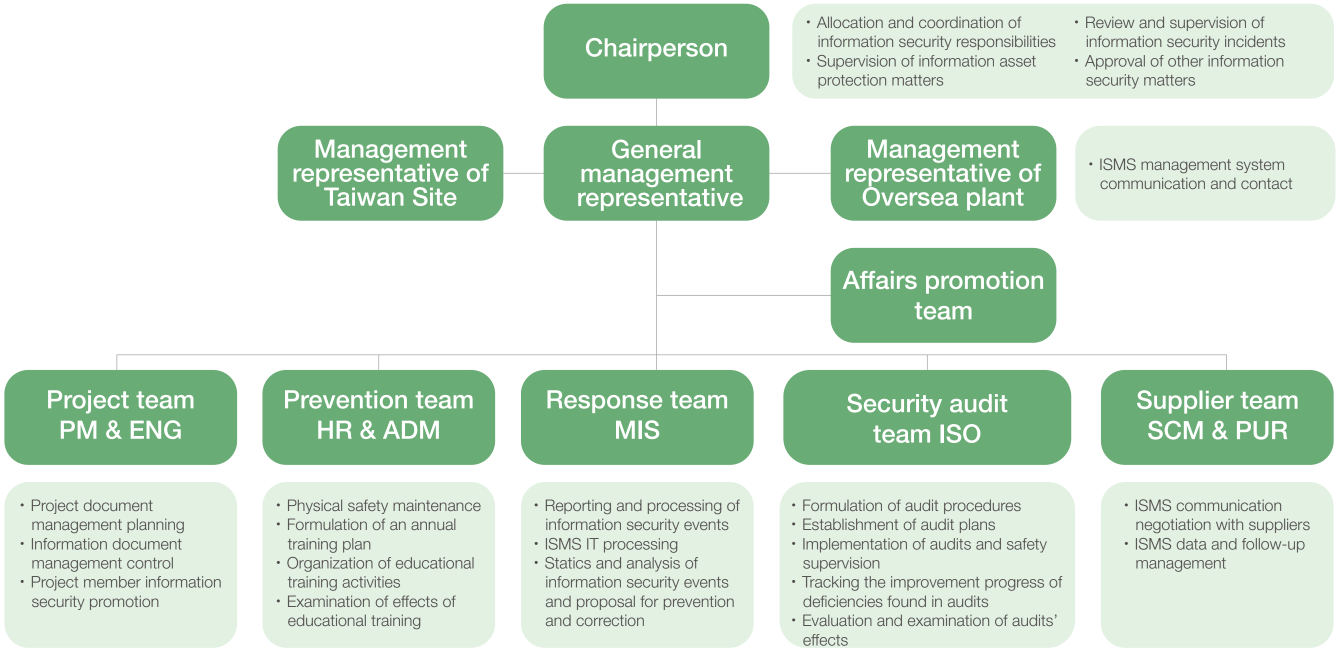
Note 1: In 2025, the Company underwent internal organizational restructuring, reorganizing product lines and customer groups across its business units.

Note 2: Customers in BDBU were generally satisfied with Ability's service attitude and responsiveness. However, satisfaction was lower in areas such as inquiry handling and the speed of problem analysis, resulting in a rate below the 90% target. Relevant departments discussed and proposed improvement measures, including mandatory checklist-based inspections and the establishment of digital tracking systems.

2.6 Information security

To reinforce information security protection, the Company comprehensively promoted the introduction of the information security management system in 2012 and obtained the ISO 27001 information security management system (ISMS) certificate in August 2013. Ability continues to advance its cybersecurity system structure, requires employees to implement information security management specifications, and build a comprehensive information security protection force via information assets and risk assessments, monitoring operating impact analysis, business continuity drills, and other systems to include information security awareness and concepts in the corporate culture and take steps forward to building the zero-trust network architecture.

Information Security Management System	scope	Acquisition date	Effective Date
ISO 27001:2013	Taiwan Locations, China Dongguan Plant.	2022/8/16	2025/8/16
ISO 27001: 2022	Taiwan Locations, China Dongguan Plant.	2025/8/16	2028/8/16



Information security policy

To maintain information confidentiality, completeness, availability, and legitimacy, and protect information assets against internal or external man-made, intentional, or accidental damages that affect corporate operations or harm corporate interests, Ability has established its information security policy to serve as the standard to implement various information security measures; the descriptions are as follows:

1. Protect information and avoid unauthorized use.
2. Avoid information from being disclosed to unauthorized personnel and maintain information confidentiality.
3. Avoid unauthorized personnel from altering information and protect information completeness.
4. Legal users and acquisition of information required in time.
5. Implement compliance with laws and requirements related to information security and avoid the use of illegal software.
6. Establish a system back-up system and maintain the sustainable operations of corporate businesses.
7. Provide information security training to employees and reinforce overall security awareness.
8. Install information security control equipment and detect security loopholes on a timely basis to prevent computer hacker invasion and virus destruction.
9. Establish a real-time reporting system in the hope of adopting countermeasures in time when any security event occurs.

We particularly established an Information Security Handling Team for corporate information security, regularly convened management review meetings, and established and examined information security management targets and policies. To effectively promote information management policies, the project team, security prevention team, crisis management team, information security audit team, and supplier promotion team are established under the information security organization, comprising senior management personnel of different functional departments to ensure the continued stable operation of the information security management system.

Information risk control

We have implemented an ISO 27001 information security management system, adhere to information security policy requirements, conduct regular information security awareness campaigns, and provide employee information security training. Annual audits of the information security management system are conducted by internal and external professional auditors and organizations. These audits assess information security operations, risk control, and incident remediation, and are reported to the Information Security Handling Team to control and mitigate information security risks.

Ability also provides basic information security training upon new employees' onboarding. For current employees, annual information security training and public announcements strengthen employee information security awareness. Furthermore, information security personnel participate in the annual Taiwan Cybersecurity Conference (CYBERSEC Taiwan) to enhance their security knowledge and learn from various security vendors and experts about potential security issues and solutions.

To implement information risk control, Ability carries out relevant information protection measures. It not only focuses on reinforcing relevant network boundary control but also focuses on the target of zero trust network structure. From 2022, Ability introduces EDR information protection (end detection and response) and MDR information security protection (managed detection and response services) solutions to avoid network or blackmail software attacks so as to block abnormal activities and the operation of suspicious programs via the detection of computers or connected equipment that are connected to the intranet.

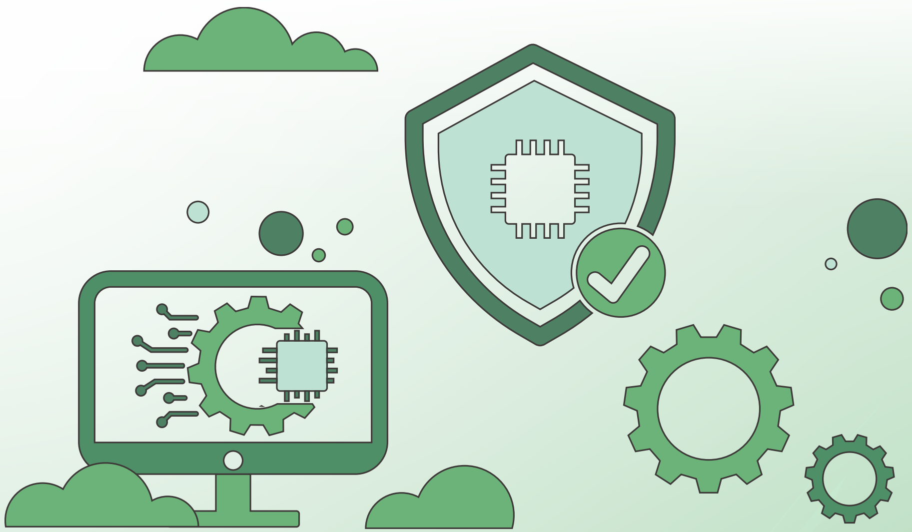
Risk control measures related to the information security of Ability

Information security protection	Protection solutions
EDR security protection	EDR
	MDR
	Avoid network or ransomware attack
Firewall	Stop hackers from attacking and paralyzing the network
	Control reasonable network use
Anti-virus software	Stop viruses from damaging corporate data
	Avoid viruses from affecting work efficiency
	Avoid external attacks of viruses from affecting goodwill
Anti-spam	Avoid excessive spam from affecting work efficiency
	Avoid viruses from being delivered to the Company via e-mail
E-mail sending/receiving record	Record e-mails sent/received and avoid deletion of mails by mistake, virus, and loss
	For subsequent audits and proof
PC end protection	Peripheral data access control of USB Disk/Bluetooth/ Network/Memory card
	Instant communication and file transfer control and webmail/ cloud drive control
	Mobile communication network control

Information security protection	Protection solutions
External personnel connection control	Control for the remote access of personnel to corporate resources
	Control for the WFH to corporate resources
	Control for mobile communication equipment
Control for external computers	Internet connection control for partners/suppliers/customers when visiting the plant
	Control for private computers of employees when visiting the plant
Online behavior screening and control	Avoid employees from mistakenly accessing websites with malware
	Authorize online connection categories based on level and work requirements
	Statistics of employees' online behaviors/time/ranking
	Record online behaviors and perform anomaly analysis
Anti-virus wall	Block internal viruses from external attack
	Block new variants of malware from attacking
	Block external viruses and reduce the chance of internal infection
Centralized control of material figures and text	Centralized control of important files
	Knowledge base management and sharing

Ability implements information security management policies from both a management and technical perspective. We collect and exchange information security intelligence through relevant security alliances and join the Taiwan Information Software Association - Chief Information Security Officers Association to learn about the latest security vulnerabilities and stay abreast of the latest threat information (TWCERT, NVD, and CVE). Starting in 2022, we will continue to strengthen our protection through managed detection and response services (MDR) from the security vendor Trend Micro:

1. Irregular early warning notifications allow for early action. For example, if we receive a phishing email notification from a nation-state-level hacker organization, we can immediately add it to our email control system for filtering; if we receive a notification of a critical Windows system vulnerability, we can promptly patch the system.
2. Monthly security incident and statistical reports provide records of security detection activities, alerts, and incidents, allowing for the implementation of response measures.
3. Information security supplier discusses and shares recent important security issues identified by the Taiwan Threat Intelligence Center to achieve joint security defense and enhance overall security protection capabilities.



Executive Summary of Achievements

Information security has become a strategic imperative for business continuity. Below is a summary of key information security management practices and outcomes that support this priority.

- Dedicated Personnel: A designated Information Security Supervisor and dedicated security Engineer. The Information security Engineer has obtained iPAS Information Security Engineer - Initial and Intermediate Capability Assessments and is responsible for the company's information security planning, technology implementation, and related auditing matters to maintain and continuously strengthen information security.
- Customer Satisfaction: We received no complaints of privacy violations or loss of customer data, or any major security breaches, in 2024 and 2025.
- Education & Training: All new employees are required to complete information security education and training before assuming their roles. Annually, all staff participate in an online information security awareness campaign and self-assessment. Additionally, the organization conducts quarterly vulnerability scanning (4 times per year).
- Security Announcements: Over 10 information security bulletins are issued each year to disseminate key protection policies, regulations, and precautionary guidelines.
- Threat Monitoring & Analysis: A monthly security threat analysis report is produced to evaluate endpoint antivirus activity, network intrusion attempts, and suspicious or malicious behaviors, enabling timely risk detection and mitigation.

3

Sustainable Supply

Material topic:Sustainable Supply Chain

Materiality, Policies, and Commitments

Ability Enterprise is committed to building a resilient, low-carbon, and sustainable supply chain. Environmental compliance, occupational safety, and human rights protection are explicitly integrated into supplier admission criteria.
1. Proactive Certification Requirements: The Company prioritizes purchasing from suppliers with international certifications, including ISO 14001 (Environment), ISO 50001 (Energy), ISO 14064 (Greenhouse Gas Inventory), ISO 45001 (Occupational Health and Safety), and ISO 27001 (Information Security).
2. Code of Conduct and Contractual Obligations: All suppliers must comply with the amfori BSCI or RBA Code of Conduct, and sign the "Supplier Social Responsibility Commitment Statement" and the "Information Security Management (ISM) Contract, " which explicitly define responsibilities regarding the prohibition of child labor, protection of human rights, and information privacy.

Positive/Negative Impact

1. Positive impact: Through proper management of suppliers regarding quality, environmental, occupational health and safety, and information security issues, operational risks are reduced, a stable supply of excellent products and services to customers is ensured, and mutually prosperous partnerships are established.
2. Negative impact:Poor supply chain management (such as delays in supplier component delivery, poor quality, occupational safety incidents, or violations of environmental regulations) may lead to production disruptions, increased costs, decreased quality, or damage to corporate reputation.

Action Plan

1. New Supplier Assessment: In addition to QSA/QPA/GPA self-assessments, new suppliers are actively required to obtain third-party certifications, such as ISO 9001, before they can be admitted.
2. Professional Empowerment: Launched the "Green Supply Chain ESG Co-Learning Lecture Series," where employees who have obtained internal/external ESG iPAS certifications serve as "Green Supply Chain Ambassadors" to guide suppliers across five core issues, including carbon footprint management, circular economy, and human rights protection.

Evaluate and the Performance of 2025

1. Substantive Audit Performance: In 2025, a total of 62 suppliers across manufacturing sites in Taiwan, China Dongguan Plant, and Vietnam plant completed on-site audits. The scope covered quality, environment, occupational health and safety, and human rights assessments, ensuring that all deficiencies were corrected and closed.
2. Resource Allocation Linked to Performance Rewards based on Grades A–D: In 2025, 8 Grade-A excellent suppliers were selected and awarded incentives such as 'discretionary order increases' and 'priority for manufacturing new products.' For 3 suppliers rated as Grade C, 'Green Supply Chain Ambassadors' with ESG iPAS certifications or quality engineers were arranged to conduct on-site guidance. All have completed quality improvements, with follow-up tracking continuously ongoing.
3. Professional Empowerment and Education Training: In 2025, the "Green Supply Chain ESG Co-Learning Lecture Series" was launched. Internal experts provided guidance to 68 core suppliers on five core issues—including carbon footprint management, circular economy, and human rights protection—to enhance the sustainable competitiveness of the supply chain.
4. Conflict Minerals Due Diligence Completion Rate reached 88%.

Remedy Mechanism

Responsible Units: Supply Chain Management Division / Quality Center

1. Supply Chain Management Division: Regularly or irregularly monitor and understand suppliers' cooperation and compliance in component quality, R&D, lead time, service, and green design. In the event of an emergency, issues can be handled immediately via email, face-to-face meetings, or phone calls.
2. Quality Center: For component issues identified from production lines or market feedback, suppliers are required to perform anomaly analysis and implement corrective actions. The Quality Center then verifies the effectiveness of the improvement and communicates with customers to close the case.

Goals

Short-term

1. Establish ESG evaluation criteria for suppliers.

Mid-term

1. Set up incentive plans to increase order volumes for suppliers that meet ESG rating criteria.
2. Achieve a 100% completion rate for conflict minerals surveys.

Long-term

1. Conduct substantive ESG audits and evaluations for all suppliers, and dynamically link the results with the Approved Vendor List (AVL).

3.1 Supply Chain Management

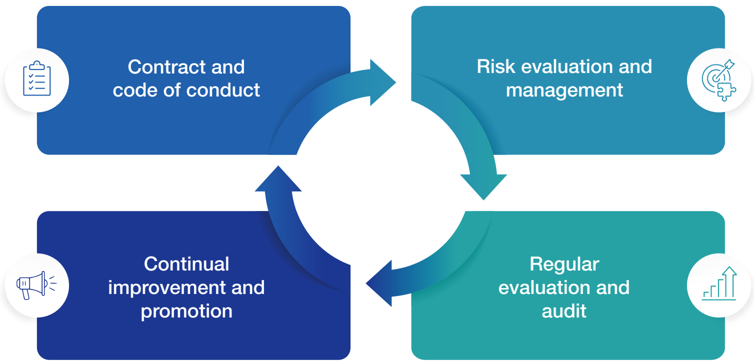
The Company's raw materials consist primarily of electronic and mechanical materials. By category, our suppliers are mainly classified into three types: material manufacturers, authorized regional distributors, and outsourcing partners. In 2024, a total of 766 suppliers were included in our Approved Vendor List (AVL). The geographical distribution of our suppliers spans Taiwan, China, Southeast Asia, Japan, South Korea, Europe, and the Americas, with 90% of our major suppliers located in the Asian region.

We continuously promote supply chain localization and encourage suppliers to adopt our e-procurement system platform and Green Supplier Management (GSM) green electronic information platform to reduce transportation costs and advance paperless operations. Prior to establishing partnerships with suppliers, in addition to considering quality, price, lead time, production, and technical factors, the Company prioritizes purchasing from suppliers with international certifications, such as ISO 14001 (Environmental Management), ISO 50001 (Energy Management), ISO 14064 (Greenhouse Gas Inventory), ISO 45001 (Occupational Health and Safety), or ISO 27001 (Information Security). All suppliers must comply with the amfori BSCI or RBA Code of Conduct, and sign the "Supplier Social Responsibility Commitment Statement" and the "Information Security Management (ISM) Contract," which explicitly define responsibilities regarding the prohibition of child labor, protection of human rights, and information privacy.

Local Procurement Proportion at Each Operating Site (Note 1 / Note 2)	Year 2023	Year 2024	Year 2025
Taiwan Site	72.73%	73.14%	69.26%
China Dongguan Plant	57.66%	47.91%	32.5%
Vietnam Plant (Note 3)			7.22%

Notes: 1.Based on the criterion of "the supplier's registered address" defining "local," local procurement for the Taiwan headquarters refers tosuppliers located in Taiwan; for China Dongguan Plant, it refers to suppliers in Mainland China and Hong Kong; and for the Vietnam plant, it refers to local suppliers in Vietnam plant.
2. Local Procurement Proportion = Annual transaction amount with local suppliers / Total procurement amount of the current year.
3. Procurement operations at the Vietnam plant commenced in 2025.

Sustainable supply chain management



New Supplier Evaluation and Assessment

Prior to joining Ability's supply chain, new suppliers must first complete the self-assessment forms for the Quality System Audit (QSA), Quality Process Audit (QPA), Green Process Audit (GPA), and a comprehensive operation management evaluation.

Furthermore, they are required to sign a procurement contract, non-disclosure agreement (NDA), letter of guarantee for non-use of banned and restricted substances, supplier social responsibility commitment statement, supplier quality agreement, and a supplier trade security and legal compliance checklist. Based on the material risk and manufacturing process risk of the new supplier, a final decision will be made on whether to conduct an on-site audit.

Evaluations of quality assurance systems, green product management systems, technical process capabilities, and procurement materials management capabilities are conducted on new suppliers to ensure their compliance with relevant requirements. Furthermore, if a new supplier possesses third-party quality system certification, such as ISO 9001, IATF 16949, or TL 9000, priority consideration will be given to admitting them. Upon approval through the Company's assessment, they will be listed on the Approved Vendor List (AVL).

Regarding supplier human rights management and policies, the "Supplier Social Responsibility Commitment Statement" signed with suppliers explicitly mandates that they must comply with the RBA Code of Conduct to protect human rights and prohibit child labor. In the event of any violation by a supplier, the Company may terminate the partnership. Each year, the procurement unit collaborates with internal audits on corporate social responsibility to conduct human rights-related investigations and evaluations.

In the contracts signed with suppliers, it is clearly regulated that suppliers must comply with relevant laws and regulations—such as business continuity management, corporate social responsibility, and information security management—as well as the Responsible Business Alliance (RBA) Code of Conduct. If there is a violation of regulations and the circumstances are severe, the Company may terminate the cooperative relationship with the supplier. In 2025, Ability added a total of 40 new suppliers, all of whom complied with the supplier assessment process.

Regular Supplier Rating

The Company conducts regular monthly ratings of existing suppliers in accordance with internal procedural documents. The evaluation criteria include quality, lead time, supply coordination/cooperation, and cost competitiveness. This process ensures that AVL (Approved Vendor List) suppliers meet Ability's standard requirements and screens for potential supplier risks.

Suppliers with deficiencies are required to submit a Corrective and Preventive Action (CAPA) report within a specified period. Those who fail to do so will be classified as unqualified suppliers. The rating reports are aggregated and provided to the procurement unit as a critical basis for supplier management. The rating grades are divided into the following four categories:

- Grade A (90 points and above): Excellent Supplier. Suppliers rated as Grade A for three consecutive months may receive a discretionary increase in order volume and priority for manufacturing newly developed products.
- Grade B (89 to 80 points): Quality-Stable Supplier.
- Grade C (79 to 70 points): Quality-Unstable Supplier. The Company will consider a discretionary reduction in order volume, arrange for quality engineers to hold meetings with the supplier for review and guidance, and simultaneously notify the procurement unit. A new supplier audit will be conducted two months after the guidance and improvement are completed. If no improvement is observed within the specified period, the supplier will be removed from the Approved Vendor List. If there is a need for future cooperation, transactions can only resume after a re-evaluation and review.
- Grade D (Below 70 points): Unqualified Supplier. Immediate reduction in order volume will be considered, and quality engineers will be arranged immediately to hold meetings with the supplier for review and guidance, with simultaneous notification sent to the procurement unit. The improvement must be completed within a limited period of three to six months. If no improvement is observed within the deadline, the supplier will be removed from the Approved Vendor List. If there is a need for future cooperation, transactions can only resume after a re-evaluation and review, except for suppliers designated by customers.

2025 Regular Supplier Rating Results (Number of Suppliers)

Ability Supplier Regular Rating (No. of Companies) Note	Year 2025
A	8
B	302
C	3
D	0

Note: Refers to the rating records for December of the current year.

In 2025, 8 Grade-A excellent suppliers were selected and awarded incentives such as 'discretionary order increases' and 'priority for manufacturing new products.' For 3 suppliers rated as Grade C, by the Green Supply Chain Ambassadors with ESG iPAS certifications or quality engineers to conduct on-site guidance. All have completed quality improvements, and follow-up tracking will be continuously ongoing.

Supplier Audits

At the end of each year, the Company plans the annual supplier audit program for the following year based on factors such as delivery quality, cooperation level, and material risks of the suppliers. In the event of emergency incidents, targeted audits are conducted based on the specific issues identified. We form audit teams according to the audit plan to perform on-site Quality System Audits (QSA), Quality Process Audits (QPA), and Green Process Audits (GPA) at supplier locations. Suppliers are required to implement corrective and improvement measures for any discovered findings. If audit issues consistently fail to be closed or if a supplier lacks the willingness to make improvements, the Company will consider reducing transaction volumes or removing the supplier from the Approved Vendor List (AVL), depending on the severity of the situation.

The annual on-site supplier audit plan, in addition to evaluating the suppliers' manufacturing processes and quality management systems, also requires suppliers to conduct self-assessments on items such as environmental protection, occupational health and safety, and labor rights (e.g., non-employment of child labor and no forced labor). This allows the Company to understand suppliers' risk management and response measures regarding environmental and social sustainability dimensions, encouraging suppliers to jointly contribute to corporate social responsibility.

2024 and 2025 Supplier Audit Results

		Year 2024	Year 2025
Supplier On-site Audits (No. of Companies)	Taiwan Site	15	6
	China Dongguan Plant	38	42
	Vietnam Plant (Note)		14

Note: Procurement operations at the Vietnam plant commenced in 2025.

3.2 Raw Material Management

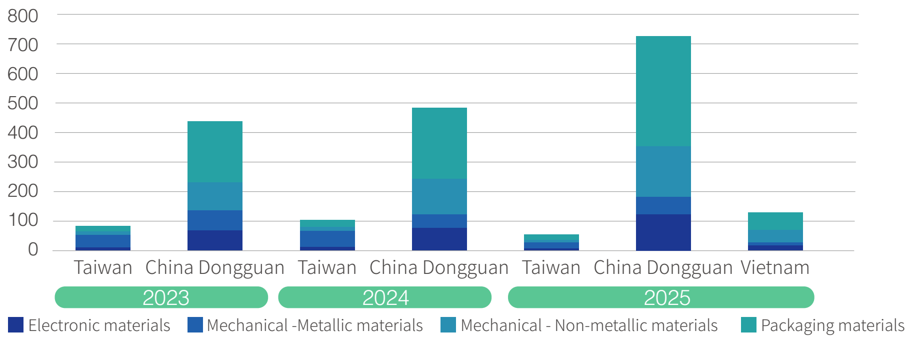
Our company's primary products are digital imaging equipment, using key materials such as printed circuit boards (PCBs), integrated circuits (ICs), passive components, connectors, plastics, metals, and packaging materials. In 2025, Ability (including Wugu plant) consumes a total of 54.65 tons of raw materials for production, a decrease from 2024, the main reason is that the Company is adjusting its production locations, and some production can be moved to the Vietnam Plant, resulting in a decrease in shipments from the Taiwan location. The China Dongguan plant consumes a total of 724.85 tons of raw materials, this is because the company's production and performance have increased, and the raw materials used have also increased accordingly; the Vietnam plant starts mass production and shipment in 2025, and the total amount of raw materials consume in production is 127.76 tons. If extreme weather, natural disasters, or man-made geopolitical events cause an imbalance in the material market supply and demand, procurement, R&D, and quality assurance will propose an alternative material supply plan. After trial production at the factory and reliability testing by the quality assurance department, the product will be reported to the customer and approved before production can begin. This ensures that even in the event of supply chain disruptions, we can still meet customer shipment needs.

Unit：Ton

Raw material (note)		2024		2025		
Location		Taiwan	China Dongguan	Taiwan	China Dongguan	Vietnam
Electronic materials		11.38	75.06	6.21	122.00	15.80
Mechanical materials	Metallic materials	54.87	46.36	21.71	59.15	11.75
	Non-metallic materials	12.79	120.56	6.98	169.65	41.92
Packaging materials		24.83	239.23	19.75	374.05	58.29
Total		103.877	481.21	54.65	724.85	127.76

Note: Data is derived from the quantity of finished products shipped from the materials department at each operating location. This is calculated by multiplying the raw material usage in the SAP system by the raw material weight in the Green Supply Chain Management (GSM) platform, and then summing the data by category.

2023-2025 Annual Raw Material Usage Statistics

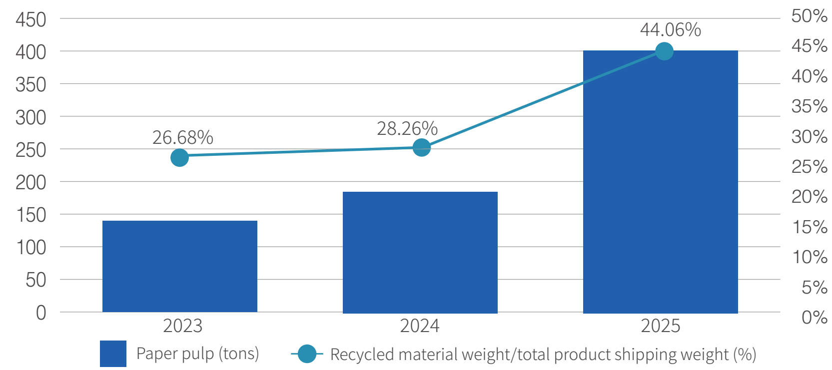


To promote Ability's commitment to energy conservation, carbon reduction, and sustainable use of global resources, all paper packaging materials (including cartons, paper pallets, and related packaging materials) are manufactured from recycled pulp. Combined Taiwan locations, China Dongguan plant and Vietnam plant that use a total of 399.78 tons of recycled materials in 2025. This is primarily due to increased shipments in 2025, an increase in the amount of recycled pulp used in paper products, and an increase in the proportion of recycled materials used.

Material	2023	2024	2025
Paper pulp (tons)	138.54	175.63	399.78
Recycled material weight/total product shipping weight (%)	26.68%	28.26%	44.06%

Note: 2023-2024 figures represent the combined figures from the Taiwan site and China Dongguan. 2025 figures include recycled and reused materials from Vietnam plant.

2023-2025 Annual usage and ratio trends of recycled materials



Conflict mineral management

Minerals Policy

Ability continues to pay attention to the issue of conflict minerals and is committed to conducting a thorough investigation of the supply chain, fulfilling its corporate citizenship responsibilities, not using or purchasing metal minerals from conflict areas and human rights violations in the Democratic Republic of the Congo ("conflict minerals"), and taking relevant measures to avoid the use of such conflict minerals in products, including requiring suppliers to conduct a thorough investigation of whether the sources of gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co) and mica (Mica) in their products come from conflict areas in the Democratic Republic of the Congo and neighboring countries, and requiring suppliers to provide information obtained from the investigation when necessary, requiring suppliers to commit to using responsible sources of minerals and strive to ensure that the minerals used in the products will not bring profits to armed conflicts and infringe on human rights.

Ability Enterprise adheres to the OECD's "Due Diligence Guidelines for Mineral Supply Chains in Conflict-Affected and High-Risk Areas," incorporating conflict mineral management into the mandatory entry requirements of the "Approved Supplier List (AVL)." We not only require suppliers to sign commitment letters but also actively promote the following management actions:

Qualified Mineral Source Requirements: Suppliers must prove that the gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica contained in their products are sourced from smelters verified by RMAP.

Substantive Guidance and Audits: The survey completion rate reached 88% by 2025. For each returned survey form, an "ESG iPAS-certified Green Supply Chain Ambassador" or Quality Engineer (SQM) conducts on-site interviews and technical guidance to verify smelter identities and conduct risk assessments, ensuring supply chain transparency.

Performance-Based Incentives and Penalties: Conflict mineral management performance is included in the annual supplier evaluation. In 2025, suppliers who actively cooperate with the investigation and have clean mineral sources will be listed as Grade A excellent suppliers and given priority contracting rights as a reward; for suppliers who have not yet met the investigation targets, SQM personnel will include them in the annual guidance plan, and those who fail to improve within the time limit will have their transactions reduced or be removed from the AVL list, depending on the circumstances.

3.3 Sustainable Supply Chain

Our Company is committed to building a resilient and sustainable supply chain. Adhering to the RBA Code of Conduct and internal management mechanisms, the company completed sustainability risk assessments of 54 key suppliers in 2025, identifying three suppliers with potential risks. The main environmental impact was the lagging progress of greenhouse gas inventory checks, while the social impact revealed an incomplete occupational health and safety management system. The company has required suppliers to submit corrective actions and prevention plans, with management teams continuously monitoring and providing guidance to assist in implementing occupational safety and health protection measures, and encouraging suppliers to accelerate greenhouse gas inventory checks.

Meanwhile, Ability has listed forced labor, child labor, and significant environmental pollution as zero-tolerance items for sustainability. In 2025, no key suppliers had any major violations, demonstrating the company's commitment to balancing environmental and social responsibility in supply chain management and its continued commitment to sustainable development.

Launched the "Green Supply Chain ESG Co-Learning Lecture Series" in 2025 to Jointly Build a Net-Zero, Low-Carbon Future

Facing the severe challenges of global climate change, ESG (Environmental, Social, and Governance) is no longer an optional extra for companies, but rather the core pillar of sustainable competitiveness and the key to transformation. Deeply aware of the critical role that the supply chain plays in achieving net-zero carbon emissions targets, Ability grandly hosted its first "Green Supply Chain ESG Co-Learning Lecture Series" in 2025. This event gathered over a hundred industry elites from our supplier partners, aiming to deepen cooperation and jointly create a resilient, low-carbon green supply chain, thereby helping the entire industrial ecosystem advance toward a future of net-zero carbon emissions by 2050.

The "Green Supply Chain ESG Co-Learning Lecture Series" attracted 68 core suppliers to participate. The curriculum covered five core topics, including carbon footprint management, circular economy, and human rights protection, effectively transforming sustainability concepts into concrete actions.

Industry-Leading ESG Talent Cultivation and Strategic Transformation of the Supply Chain Management Division

Ability Enterprise has invested a large amount of resources in internal talent training. To date, a cumulative total of 22 colleagues have successfully obtained the primary-level ESG iPAS Net-Zero Carbon Reduction Certificate issued by the Ministry of Economic Affairs. Among the certified colleagues, up to 70% come from the Supply Chain Management Division. This highlights Ability Enterprise's strategic vision, allowing these personnel to transform into "Green Supply Chain Ambassadors" equipped with ESG knowledge. They provide direct technical guidance and communicate ESG requirements to suppliers.

At Ability, it is not just the procurement colleagues who act as cost controllers; the Supplier Quality Management Department under the Quality Center also serves as the quality gatekeeper. They have also become 'Green Supply Chain Ambassadors' equipped with ESG knowledge. This represents a major milestone in our ESG education and training, and it serves as the cornerstone for ensuring that we can move forward with our supplier partners on the same wavelength and in lockstep.

The Supply Chain Management Division is on the frontline and serves as the key link to connecting suppliers and driving green transformation. Through the professionalization of procurement personnel, Ability Enterprise can communicate ESG requirements with suppliers more efficiently, while jointly advancing green procurement and carbon emissions management.

Co-Learning Lecture Series: Themed around "Net-Zero Trends, Co-Learning & Co-Creation, Green Future"

The core objective of the "Green Supply Chain ESG Co-Learning Lecture Series" is to work alongside all of Ability Enterprise's suppliers to become familiar with the latest ESG regulations, international laws, and industry trends through systematic learning. Through the popularization of knowledge and the exchange of experience, "Sustainable Supply Chain" is transformed from a concept into concrete practice.

The event was themed around "Net-Zero Trends, Co-Learning & Co-Creation, Green Future," and specially invited well-known industry experts to share the most cutting-edge practical ESG experience, as well as deeply explore strategies for environmental sustainability and supply chain optimization.

The lectures covered the five core issues that corporations are currently most concerned about:

1. Carbon Footprint Management: How to accurately inventory and calculate the carbon emissions of products and services.
2. Green Supply Chain Management: Establishing environmentally friendly procurement and manufacturing processes.
3. People-Centric & Inclusive Future: Ensuring social responsibility and human rights protection within the supply chain.
4. Circular Economy: Resource efficiency and waste reduction strategies.
5. Supplier Evaluation Tools: Establishing a transparent and quantifiable ESG performance evaluation system.

Joining Hands to Address the Climate Crisis, Transforming Responsibility into Opportunity

Through the co-learning lecture series, Ability Enterprise not only provides knowledge but also sends a clear signal of cooperation: ESG is not just a corporate social responsibility, but also a massive opportunity for industrial transformation. Through interactive sessions and case sharing, attendees can translate the knowledge they have acquired into practical actions, effectively enhancing their own sustainability management capabilities.

Ability Enterprise looks forward to joining hands with all supplier partners to jointly address the climate crisis and safeguard the global environment. The ultimate goal is to create a more resilient and sustainable future for the industry, society, and the planet through the green transformation of the entire supply chain. The successful hosting of this "Green Supply Chain ESG Co-Learning Lecture Series" marks another significant milestone for Ability Enterprise in driving the industrial transition toward net-zero carbon emissions. Co-learning and co-creating a green future will remain the firm direction for Ability Enterprise and its supply chain partners as they move forward together.

4

Green Environment

Material topic:Climate change management, net-zero carbon emissions

Materiality, Policies, and Commitments

Ability is responsible for its greenhouse gas emissions (direct and indirect) and is committed to taking preferred measures to gradually reduce greenhouse gas emissions within its control and encourage emission reduction/net zero actions within its influence area; consider future climate forecasts to identify risks and incorporate climate change adaptation into the company's decision-making process; seek opportunities to avoid or minimize damage related to climate change and, where possible, take advantage of opportunities to adjust to changes; manage climate change and adapt to climate change, which will have an impact on health, prosperity and human rights, and thus contribute to society.

Positive/Negative Impact

1. Positive impact:Taking management actions for climate change can help adapt to changes early and reduce asset losses when responding to immediate risks; disclosing climate information in compliance with regulatory requirements can also enhance a company's reputation.
2. Negative impact:Failure to implement climate change management measures will result in an inability to comply with regulations or customer requirements in a timely manner. There will be no time to prepare for sudden climate changes in advance, resulting in increased expenditure on company assets, lost market opportunities, and reduced revenue.

Action Plan

1. The company is developing process optimization and improving plant operations. We are continuously reducing energy consumption through the implementation of diverse energy-saving measures. These include installing inverters, adjusting and improving process equipment management, and enhancing energy management systems. These measures are aimed at improving energy conservation and operational equipment efficiency in both the factory and offices.
2. We collaborate with suppliers in product development and production, striving to provide low-carbon, low-power solutions. Product design is based on principles of easy disassembly, recyclability, and green design to enhance energy and usage efficiency.

Evaluate and the Performance of 2025

1. Based on Y2023, the energy intensity of the Taiwan location was reduced by 53.75% in 2025, and the energy intensity of China Dongguan plant was reduced by 19.17%.
2. Based on Y2023, carbon emissions per million NTD of revenue was reduced by 35.47% in 2025 (Category 1 and Category 2 combined).
3. The Vietnam plant conducted its first greenhouse gas inventory and set 2025 as its base year.

Remedy Mechanism

Responsible Unit: Administration Department/ISO Systems Department

1. Ability regularly/irregularly collects information on climate change management requirements from governments, international organizations, and clients, reflects these information internally, and conducts feedback and information exchange. These issues are categorized by significance and subsequently implemented and tracked.

Goals

Short-term

1. Based on Y2023, reduce energy intensity by 1% annually in 2025.
2. Based on Y2023, reduce carbon emissions per million yuan of revenue by 2% annually in 2025 (Category 1 and 2 combined).

Mid-term

1. Based on Y2023, reduce energy intensity by 2% annually from 2026 to 2030.
2. Based on Y2023, reduce carbon emissions per million yuan of revenue by 25% by 2030 (Category 1 and 2 combined).

Long-term

1. Achieve net zero emissions by 2050, reviewing carbon intensity reduction performance annually.

Material topic:Product Quality and Safety, Raw Material Management

Materiality, Policies, and Commitments

Customer requirements and differences in regulatory requirements by country/region (for example, EU Battery Directive, US Conflict Minerals Regulation, etc.) are addressed by adopting ISO 9001 quality management system and IATF 16949 automotive product quality management system. QC 080000 is employed to control hazardous substances, with systematic visualization and carbon reduction pooling tools to strengthen product environmental traceability. Through comprehensive education and training, all employees are instilled with the importance of product quality, safety, environmental friendliness, and regulatory compliance.

Positive/Negative Impact

1. Positive impact:In the face of global climate change and the rising severity of environmental issues, the company actively develops eco-friendly product designs, eliminates non-compliant environmental impacts, particularly for substances prohibited or restricted by international conventions, and incorporates green concepts into product development and production. The company also promotes energy-saving, carbon reduction, and waste reduction practices to lower environmental impact throughout the life cycle of R&D, procurement, manufacturing, usage, and recycling.
2. Negative impact:Continually monitors changes in regulations, assesses the impact of undetected hazardous substances, and enhances response efficiency to major hazardous events, ensuring that business is conducted safely, in compliance with relevant guidelines, and free of operational risk and loss.

Action Plan

1. Adopt ISO9001 quality management system, with IECQ QC080000 hazardous substance process management as the standard practice.
2. Use Product Lifecycle Management (PLM) and Global Specification Management (GSM) platforms, as well as SAP for enterprise resource integration.
3. All incoming supplier raw materials and products are required to provide inspection reports to ensure material quality and safety.
4. Implement supplier incoming material XRF (fluorescence) inspections as a control basis.
5. If non-compliant shipments are found at incoming inspection, corrective and preventive actions are taken, with supplier process audits for improvement or supplier replacement if necessary.
6. Require paper products to be certified by FSC (Forest Stewardship Council); source sustainable wood materials.
7. Based on customer requirements, soybean and mineral oil-free inks are used for printing on paper products such as color boxes and instructions.

Evaluate and the Performance of 2025

1. Provide customers with eco-friendly design solutions: the average content of reused/recycled materials for products was 81.80%, and recovery/reuse rate was 92.42%.
2. The rate of hazardous substance-free detection (None) reached 95.50%.
3. The procurement of key components required 100% of them to meet RoHS standards.

Remedy Mechanism

Responsible Department: Quality Center

1. If hazardous substance use exceeds regulations, suppliers must be notified to investigate the cause and take corrective action.
2. Purchased components or materials involved in non-compliant events are isolated, halted from entering the process, marked, and replaced with qualified items.
3. Completed corrective and preventive actions are verified by quality management, and continuous improvements are made to avoid recurrence.

Goals

Short-term

1. Product compliance with green material requirements:
   reuse & recycling ≥ 80%, recovery ≥ 85%.
2. All product materials must be 70% halogen-free.

Mid-term

1. Products meet the following green product requirements:During development, prioritize the use of reuse/recycling/recovery materials.
2. All product materials must be 80% halogen-free.

Long-term

1. Products meet the following green product requirements:During development, prioritize the use of reuse/recycling/recovery materials.
2. 2. All product materials are 85% halogen-free.

Material topic:Sustainable and innovative products and services

Materiality, Policies, and Commitments

Our company is committed to providing low-carbon and low-power solutions in product development and production. Our product design is based on the principles of easy disassembly, recyclability and green design, and environmental sustainability is listed as the most important and important goal. We are committed to supporting the research and development and production of sustainable and innovative products, avoiding the use of harmful materials and chemicals in product design to ensure the production and use of sustainable products, reduce carbon emissions and other negative impacts on the environment, and encourage employees to actively participate in and promote the company's sustainable innovation policy, emphasizing environmental and social responsibilities in the company's culture and values.

Positive/Negative Impact

1. Positive impact:R&D and design, respond to environmental issues corresponding to the product life cycle, reduce environmental impact, improve energy and usage efficiency, introduce green product design to reduce materials that damage the earth, strive to design products that are friendly to the environment and have sustainable value, and create products that consider energy saving and green environmental protection in design.

Action Plan

1. Use more environmentally friendly materials and technologies in design: optimize the design of existing products, strengthen communication and cooperation with suppliers, improve product recycling and reuse rates, jointly create a green supply chain, reduce environmental pollution and resource consumption of products, and improve product sustainability.
2. Reduce the impact of the production process on the environment: reduce the production process and testing time, increase factory efficiency and reduce energy use.
3. Confirm halogen-free materials for imaging products at the early stage of design, increase the percentage of halogen-free products in line with green energy product design, use environmentally friendly materials to optimize products, set power reduction/increase usage time goals in the design review stage, propose design improvement projects based on the goals, and review the achievement of goals at each R&D judgment stage.

Evaluate and the Performance of 2025

1. 49% of patent applications filed from 2021 to 2025 have been commercialized.
2. Circuit optimization design and component replacement have led to a smaller circuit board layout area, and the assembly design of the vehicle camera housing mechanism components has been changed, achieving a 40% reduction in overall size.

Remedy Mechanism

Responsible unit: Design and development unit

1. When customers have demands for innovative products and services, we will respond to their needs with a professional team, take sustainable innovation as the concept, and create more comprehensive sustainable value.

Goals

Short-term

1. Starting from 2025, R&D design will increase the design benchmarks corresponding to environmental issues and the selection of halogen-free materials to optimize green energy products.

Mid-term

1. New models of imaging products will be introduced into the new design benchmark checklist (RD Design review check list) and material confirmation items will be added.
2. Reduce the back-end testing hours by 5% each year.
3. Importing recycled plastics

Long-term

1. The product meets the energy efficiency regulations of the Canadian Energy Efficiency Label (NRCAN), the European Energy Efficiency (ErP) and the California Appliance Energy Efficiency Regulations in the United States.
2. Take energy efficiency as the strategic axis of product sustainable design, and continue to develop green design and carbon reduction design.

Environmental Management

Compliance with environmental laws and regulations and relevant government requirements is crucial to Ability environmental management system. Beyond complying with environmental laws and regulations, we must continuously strive toward the goal of "zero pollution, zero disasters." Ability establishes and maintains environmental management requirements in accordance with the ISO 14001 environmental management system, complying with environmental laws and regulations and relevant environmental requirements at our locations. Furthermore, we continue to strive toward our "zero pollution, zero disasters" goal.

Environmental management system	Location	Acquisition date	Effective Date
ISO 14001:2015	Taiwan	April 30, 2023	April 30, 2026
	China Dongguan	August 3, 2022	August 3, 2025
		August 3, 2025	August 3, 2028
	Vietnam	July 30, 2025	April 30, 2026

4.1 Climate change management

In response to global climate change, Ability engagement actively establishes countermeasures to mitigate the effects of industry chains on climate. In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) formally issued by the Financial Stability Board (FSB) in 2017, we made disclosures of climate-related financial risks and opportunities through the four major frameworks, including climate topic governance, climate-related risks and opportunity identification and countermeasures, risk management, and indicators and targets. We evaluate possible effects of operating activities and formulated countermeasures and management policies to minimize the risks of global climate change on corporate operations.

Climate change management Policy

Ability is responsible for greenhouse gas emissions (directly or indirectly) and are affected by climate change in one way or another. Ability commits to taking preferred measures to gradually reduce and minimize direct and indirect greenhouse gas emissions within its control and to encourage similar actions within its sphere of influence; to consider future climate projections to identify risks and integrate climate change adaptation into its own decision-making process; to identify opportunities to avoid or minimize damage related to climate change and, where possible, to take advantage of opportunities to adjust to changes; and to plan for climate change (adaptation) where it makes sense for the organization. Adapting to climate change will contribute to society through impacts on health, prosperity and human rights.

4.1.1 Climate governance

In August 2025, Ability established the "Sustainability and Risk Committee" under its Board of Directors. This committee is the dedicated unit for Ability overall sustainability and risk management, responsible for the strategy and direction of sustainability development and overseeing the implementation of sustainability management strategies. The Green Sustainability Promotion Team of the Sustainability and Risk Implementation Committee is responsible for environmental management performance monitoring, low-carbon product development, resource efficiency and energy management, coordinating and communicating with internal and external stakeholders on climate issues, identifying response measures for climate issues and formulating climate issue implementation strategies, classifying and assessing the significance of climate-related risk issues, and regularly reporting relevant work progress to the Sustainability and Risk Committee and the Board of Directors. In addition, it regularly reports relevant work progress on greenhouse gas emissions to the Sustainability and Risk Committee and the Board of Directors, and discloses the content of targets and indicators and the achievement status of targets to the public.

4.1.2 Climate change-related risks and opportunities assessment

The Green Sustainability Promotion team is responsible for collecting domestic and foreign climate change trends and regulatory changes, performing climate-related risks and opportunities within the industry, compiling a list of climate-related risk and opportunity topics and submitting it to the Sustainability and Risk Implementation Committee, and subsequently formulating management strategies and the climate risk management report based on items of high risk/opportunity as identified; the chairperson shall report to the Board. According to the climate risk management report, the Green Sustainability Promotion team shall commence the execution plan and give regular reports to the execution achievements to the Sustainability and Risk Implementation Committee.

Process responsible person	Input	Process description	Output
Sustainability and Risk Implementation Committee Green Sustainability Promotion team	Industry trends and analysis	**Risk identification:** Assess risk sources and risk items	Climate risk/ opportunity topic
Sustainability and Risk Implementation Committee Green Sustainability Promotion team	Current status investigation for organizational operations	**Risk assessment:** Assess the level of risk of risk items	Results of climate risk/opportunity
Sustainability and Risk Implementation Committee Promoting member	Risk identification and level	**Check the risk report:** Formulate strategic reports for items of high risk as identified	Risk management report
Sustainability and Risk Implementation Committee Committee Chairperson		**Risk management report submission and disclosure:** Submit to Sustainability and Risk Committee and the Board	Minutes of Board meetings
Sustainability and Risk Implementation Committee Green Sustainability Promotion team		**Risk response:** High-risk item relief project implementation and follow-up	Implementation records of plans

Climate change-related financial risks and opportunities identification

The company collects international research reports, industry trends, and internal and external surveys. The company identifies climate-related risks and opportunities that are reasonably expected to affect the company's outlook. The risks are further classified into transformation risks and entity risks, and the company assesses the short, medium and long-term impacts that may be caused to the company's business model and the upstream and downstream of the value chain.

- Transition risks: In response to the market complexities and secondary impacts of climate change, it is essential to mitigate these effects by restructuring supply and demand. Such adjustments may involve changes in policy, legislation, technology, and market conditions.
- Physical risks: Long-term climate change and immediate extreme weather events pose tangible risks that may directly impact the company, including potential disruptions to operations and interruptions across the supply chain.

The company screened out risk/opportunity issues related to Ability and identified their impact timeline, impact possibility and impact severity. Four climate change risks and four climate change opportunities were identified.

Risk category	Climate related risk	Current impact of climate risks on business models and value chains	Expected impact	Impact location (own operations and value chain)	Impact timeline	Impact possibility	Impact severity
Physical risk	Extreme weather events such as typhoons and torrential rains can cause asset or operational losses.	There is no record of any operating sites or value chains being forced to cease operations due to extreme weather events in 2025.	Interrupted operation caused by the damages of plant equipment due to forced work suspension from water shortage or flood resulting from extreme climate events (typhoons, floods, and intense rainfall; inability to produce resulting from the suspension of raw material supply; inability to ship in time and other disasters due to road suspension.	Taiwan headquarter, Taiwan Wugu plant, China Dongguan plant, and Vietnam plant as well as suppliers located in the three locations.	Short-term(within 2 years)	High	High
Transition risk	Mandatory disclosure and reporting of climate information	By 2025, locations including Taiwan (headquarters and Wugu plant), China Dongguan plant, and Vietnam plant had been disclosed, but some investment companies in the financial statements were not included.	As required by regulations, the company must complete the greenhouse gas inventory and verification of its consolidated financial statements subsidiaries by 2028. Failure to do so will result in a violation of regulations and create operational pressure.	Ability	Short-term(within 2 years) Mid-term(within 3~8 years)	High	High
Transition risk	GHG emission controls and carbon fees	Taiwan will begin levying carbon fees on specific industries and gradually expand the scope of the fee collection. This may increase production costs in the upstream of the value chain, which in turn will affect the selling price of products in the downstream of the value chain.	As governments impose carbon credits, carbon taxes or carbon fees to limit the total amount of greenhouse gas emissions, companies need to purchase carbon credits through carbon market transactions to offset emissions, or pay excess fees, resulting in increased costs.	Taiwan headquarter, Taiwan Wugu plant as well as suppliers located in Taiwan.	Mid-term(within 3~8 years)	High	High
Transition risk	Changes in market customer behavior	The company's main customers are global consumer electronics brands. Increased awareness of climate change is leading to shifts in client preferences for products and services, potentially altering procurement policies. This necessitates additional investment in promotion and management to ensure client requirements are met, resulting in increased operating costs.	To meet customer requirements, the company needs to research products that save energy, improve energy efficiency, or require the use of renewable energy, environmentally friendly raw materials, and recycled packaging materials. This may require investment in related equipment and other expenditures, increasing operating costs. Failure to meet customer standards may also affect stakeholders' willingness to invest or lead to order cancellations.	Ability and its downstream customers	Mid-term(within 3~8 years) Long-term(over 9 years)	High	High

Climate related opportunity	Current impact of climate risks on business models and value chains	Expected impact	Impact location (own operations and value chain)	Impact timeline	Impact possibility	Impact severity
Resource consumption efficiency: Use more efficient production and distribution	Various improvements and upgrades had been made to existing plant equipment, such as the optimization and upgrading of on-site machinery. This improved energy efficiency in operations, but increased capital expenditure for equipment replacement.	New technology applications (i.e., IoT, Big Data analysis, automation, and intellectualization) improved the yield, reduced our operating costs and improved the production capacity.	Taiwan headquarter, Taiwan Wugu plant, China Dongguan plant, and Vietnam plant.	Short-term(within 2 years)	High	High
Innovative products and services: Develop or increase low-carbon products	In response to the growing trend of carbon reduction, the company introduces low-carbon components or recycled and reused raw materials to meet market and customer demands and increase revenue.	The acquisition of carbon footprint certification, low carbon labels, or energy-saving labels of products may improve products' competitiveness, satisfy the requirements of high-end customers, and respond to the market's demand so as to improve operating income. (Increase in the requirements for low carbon products or services/increase in cooperating opportunities between the upstream and downstream value chain).	Ability and its customers	Short-term(within 2 years) Mid-term(within 3~8 years)	High	High
Innovative products and services: Develop and innovate new products	Collected customer sustainability requirements and expanded imaging capabilities across multiple dimensions, combining AI and machine vision to develop new products.	Launch new products in response to market trends, differentiating themselves from existing markets, meeting the needs of new markets and customers, expanding product categories, and increasing revenue.	Ability and its customers	Mid-term(within 3~8 years) Long-term(over 9 years)	High	High
Market: Exploring new markets	As customers become more aware of climate change, they are raising their design requirements for products in terms of energy efficiency and environmental protection.	The company offers differentiated products and services to meet consumers' expectations for low-carbon sustainability, or collaborates with new partners to develop new markets and technologies.	Ability and its customers	Mid-term(within 3~8 years) Long-term(over 9 years)	High	High

4.1.3 Climate strategy and financial impact

Following the TCFD/IFRS S2 framework, our company plans to gradually expand the scope of climate scenario analysis in the future. In the short term, we will prioritize implementing IEA NZE 2050 and IPCC SSP5-8.5 scenarios at our Taiwan headquarter and production sites in Taiwan Wugu, China Dongguan, and Vietnam to assess the potential financial impact of extreme weather events (such as drought and flooding) and policy transitions (such as carbon fees and green electricity requirements) on our operations. In the future, we will further extend climate risk assessment to key supply chain partners to establish a resilient green supply chain management mechanism.

Risk/ Opportunity	Description	Area of effect	financial impact assessment			
			Revenue	Costs/ Expenses	Capital Expenditures	Profit
Risk	Severity of extreme weather events increases	Taiwan Location, China Dongguan plant, and Vietnam plant	Decrease	Increase	Increase	Decrease
	Mandatory disclosure and reporting of climate information	Ability	-	Increase	-	Decrease
	GHG emission controls and carbon fees	Ability	-	Increase	Increase	Decrease
	Changes in market customer behavior	Ability	Decrease	Increase	-	Decrease

Risk/ Opportunity	Description	Area of effect	financial impact assessment			
			Revenue	Costs/ Expenses	Capital Expenditures	Profit
Opportunity	Use more efficient production and distribution	Taiwan Location, China Dongguan plant, and Vietnam plant	-	Increase	Increase	-
	Develop or increase low-carbon products	Ability	Increase	Increase	Increase	Increase
	Develop and innovate new products	Ability	Increase	Increase	Increase	Increase
	Exploring new markets	Ability	Increase	Increase	Increase	Increase

4.1.4 Climate Risk-Opportunity Strategy

In response to high-risk/opportunity projects related to climate change, the company has proposed response strategies, focusing on climate change mitigation and adaptation. Mitigation strategies include energy conservation and conversion, implemented through measures such as energy management, process optimization, and plant operations improvements (with the planned introduction of ISO50001). Simultaneously, the company has developed a climate change adaptation strategy. By identifying climate risks and opportunities, it strategically plans low-carbon products and automated energy-saving technologies to mitigate the impact of climate change, with the goal of reducing greenhouse gas emissions and achieving net zero emissions. In 2023, the company declared net zero emissions by 2050, using a greenhouse gas inventory as a base year for verification and setting carbon reduction targets, which will be updated as appropriate. The Sustainability and Risk Implementation Committee is formulating current response strategies and action plans for identified climate-related risks and opportunities.

Risk/ Opportunity	Category	Description	Response strategies and action plans
Risk	Physical risk	Severity of extreme weather events increases	1. Before the typhoon season arrives, pre-arrange dredging operations. When a land typhoon warning is issued, building property management personnel are required to submit a typhoon prevention plan and make typhoon preparations (such as stacking sandbags, securing trees, and checking that doors and windows are closed). Patrols are also conducted, and any unusual situations are addressed immediately to minimize the impact of the disaster. 2. In the event of a power outage, power outage, windstorm, or flood, an emergency response team will be immediately established to monitor the latest developments and relevant precautions, monitor for injuries, and inspect buildings and equipment for damage. 3. If supplier material deliveries are impacted, resulting in potential delays in client shipment schedules, we will immediately negotiate with the client to address shipment scheduling and determine the short-term impact. We will conduct secondary source assessments and procurement plans for significantly impacted materials, and continuously update material assessments and surveys of affected suppliers until the shortage is resolved.
	Transition risks	GHG emission controls and carbon fees	1. Improving Energy Efficiency and Reducing Emissions: Replacing outdated air conditioning equipment to improve energy efficiency; consolidating test stations to optimize production processes; and expanding the use of renewable energy to reduce emissions. 2. Promoting a Green Supply Chain: Through promotional initiatives, requirements, audits, and assessments, we aim to guide suppliers to adopt green design, clean production, and energy conservation and carbon reduction practices to reduce carbon emissions within the supply chain.
		Mandatory disclosure and reporting of climate information	1. Comply with relevant regulations on carbon reduction and product energy efficiency, stay abreast of regulatory changes and updates, and promptly adjust the company's net zero planning timeline to ensure its operations comply with legal and regulatory requirements. 2. Implement various management systems to strengthen ESG management performance across all aspects, conduct annual greenhouse gas inventories and other climate information verification, and disclose climate information through annual sustainability reports, websites, and other platforms, proactively responding to stakeholder expectations.
		Changes in market customer behavior	1. Research the annual sustainability reports or ESG data reports of major customers to understand their requirements and environmental preferences to inform future product design planning. 2. For key sales customers, we will incorporate product design trends tailored to climate change into product features, such as compliance with local energy efficiency regulations or meeting customers' green procurement policies, to enhance customer awareness of Ability's energy-saving and low-carbon products.

Risk/ Opportunity	Category	Description	Response strategies and action plans
Opportunity	Resource consumption efficiency	Use more efficient production and distribution	1. Optimization and improvement efforts are planned to improve production efficiency, including the implementation of error-proofing. 2. In-house process test platforms are planned to be developed to integrate test items and increase the variability of test combinations. This will increase the proportion of automated/semi-automated testing and reduce manual labor hours.
	Innovative products and services	Develop or increase low-carbon products	1. Develop low-carbon, energy-saving imaging and automotive product prototypes, identify clients with related low-carbon or energy-saving needs, and discuss subsequent product collaborations. 2. Use components and materials that meet carbon reduction and energy-saving requirements to achieve the requirements of various low-carbon or energy-saving certifications.
	Innovative products and services	Develop and innovate new products	1. Review the design and verification process during product development. Integrate components with lower power consumption, eco-friendly materials, and recyclable materials, while reducing the number of different parts used. Improve component power consumption during operation and optimize heat dissipation efficiency to reduce heat loss. 2. Establish product development processes and standards, document the development process, and subsequently review and streamline the process.
	Market	Exploring new markets	1. By 2025, focused on existing customers, smart imaging applications, intelligent analytics, 360-degree imaging products, machine vision, and automotive modules will be targeted as product areas. Low-carbon, energy-saving, and performance-enhancing technologies will be incorporated to expand market share.

4.1.5 Climate Indicators and Objectives

Our company has established a carbon reduction pathway, committed to reducing greenhouse gas emissions from our production and products. Using 2023 as the base year, we have set short-, medium-, and long-term energy consumption and carbon reduction targets. By 2025, carbon emissions per million NTD of revenue had been reduced by 35.47% (Category I and Category II emissions combined). Implementation results and target achievement progress are regularly reported to the Sustainability and Risk Implementation Committee through the Green Sustainability Team to ensure the implementation of the sustainability plan.

In response to government regulations regarding IFRS S2 "Climate-Related Disclosures", the Green Sustainability team discussed the IFRS S2 implementation plan at the end of 2025. In accordance with the disclosure timeline requirements of the regulations, the company plans to launch the implementation activities in the second half of 2026, which will be divided into four phases: analysis and planning, design and implementation, implementation, and adjustment and improvement, in sequence.

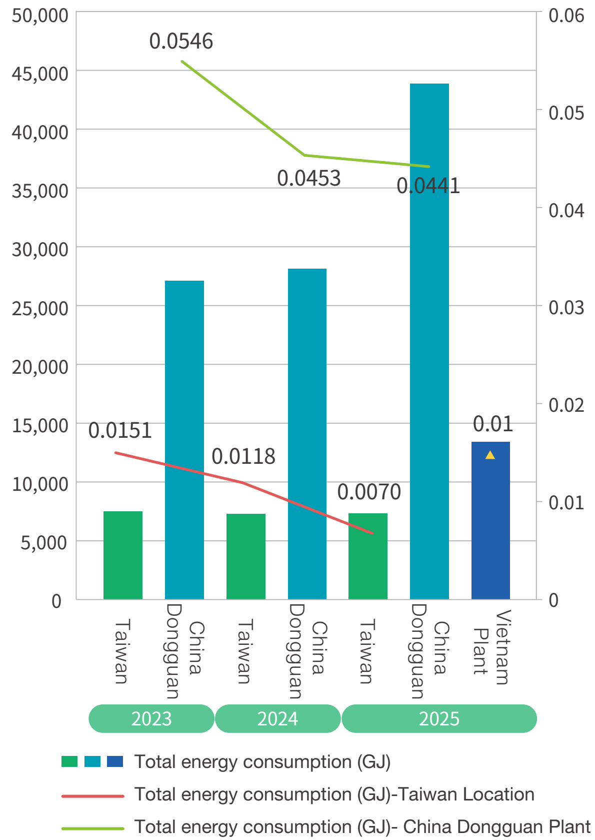
4.2 Energy management

In response to the energy-saving, carbon dioxide reduction, and sustainable development policies of the government, the Company continues to implement energy-saving measures and improve energy efficiency to minimize the environmental impacts caused by GHG emissions and improve its tenacity in facing climate change risks. Energy consumed by the Company is non-renewable energy purchased from power companies, and it is used in production procedures, office buildings and China Dongguan dormitory electricity. In 2025, a total of 1,912,304 kWh of purchased power of Taiwan was consumed, accounting for 99.5% of the total energy consumption. Followed by petroleum used by corporate cars used by power generators, the Company consumed 483.13L, and the diesel consumption for generators was 446.88L, and accounting for 0.44% of the total energy consumption. The use of renewable energy is from the power generated from the solar power panels of Taiwan Headquarter, and the power is used in lighting in elevators of the office building, accounting for 0.06% of the total energy consumption. A total of 12,120,523 kWh of purchased power of China Dongguan Plant was consumed, accounting for 99.78 % of the total energy consumption in 2025, and a total of 3,634 kWh of purchased power of Vietnam Plant was consumed in 2025. In the future, we'll continue to enhance the energy management and improve energy efficiency which make contribution to continuing development.

Annual energy consumption

Energy consumption		2023		2024		2025		
		Taiwan	China Dongguan	Taiwan	China Dongguan	Taiwan	China Dongguan	Vietnam Plant
Non-renewable energy	Gasoline (L)	1,877	17,790.69	2,597	2,306.49	483.13	3,033.11	3846.4
	Diesel (L)	306	0	0	0	446.88	0	2023.5
	Power consumption (kWh)	2,048,496	7,316,332	1,993,886	7,752,920	1,912,304	12,120,523	3,634,186
	Non-renewable energy consumption (GJ)	7,447.25	26,925.89	7,263.69	27,986.63	6,915.36	43,727.91	13,275.15
renewables	Solar power (kWh)	1,278	0	1,131	0	1,109	0	0
	Renewable energy consumption (GJ)	4.60	0	4.07	0	3.99	0	0
Total energy consumption (GJ)		7,451.85	26,925.89	7,267.76	27,986.63	6,919.35	43,727.91	13,275.15
Total energy intensity (0.02GJ/operating income (NT$10,000))		0.0151	0.0546	0.0118	0.0453	0.0070	0.0441	0.0134

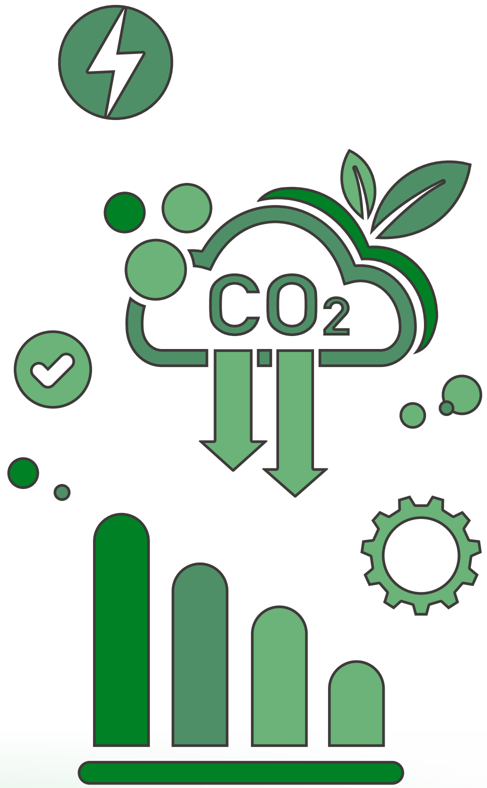
Note 1: The Company calculated the heating value conversion in 2023 to 2024 with reference to the value announced in the energy product units' heating value table in the Statistics Handbook 2020 by the Bureau of Energy. The heating value of petroleum, diesel, and power is 0.031GJ/L, 0.036GJ/L, and 0.0036GJ/kWh.
Note 2: The revenue data comes from the operating income of Ability Enterprise consolidated financial statements for the fiscal year。.



China Dongguan plant has been established for 20 years. In response to energy conservation and carbon reduction initiatives, an energy efficiency improvement plan is being evaluated for the workshops in Buildings A and B, the administrative office building, and the employee dormitory. This includes the replacement of outdated, high-energy-consuming equipment. For example, by interconnecting the chiller pipelines on the first floor of Buildings A and B, usage can be switched based on actual demand, thereby reducing electricity consumption and achieving the goals of energy saving and carbon reduction.

Location	Improvement Results in 2025	Annual Electricity Savings (kwh)	Annual Energy Savings (GJ)(note1)	Annual Carbon Reduction (kg CO_2e)(note2)
China Dongguan Plant	Replacement of outdated, high-energy-consuming air conditioning units	9,958Note3	35.85	5,679.05
	Replacement of old air source heat pumps in dormitories	6,703Note4	24.13	3,822.72
	Replacement of the old elevator in Building A workshop.	1,674Note4	6.03	954.68
Total Annual Carbon Reduction				10,456.45

Note 1: One kilowatt-hour (kWh) is approximately equal to 0.0036 GJ.
Note 2: In Taiwan, calculations are based on the electricity emission factor published by the Bureau of Energy, Ministry of Economic Affairs. In China, calculations follow the national electricity emission factor announced by the Ministry of Ecology and Environment.
Note 3: Calculation formula = Annual power consumption of old equipment — Annual power consumption of new equipment.Annual power consumption is calculated as: (Rated total cooling capacity (kW) / Energy Efficiency Ratio (W/W)) × 1,200 (hours/year),with values rounded to the nearest whole number.
Note 4: Calculation formula = Difference in power between new and old equipment × Number of units replaced × Operating hours × Number of working days per year.

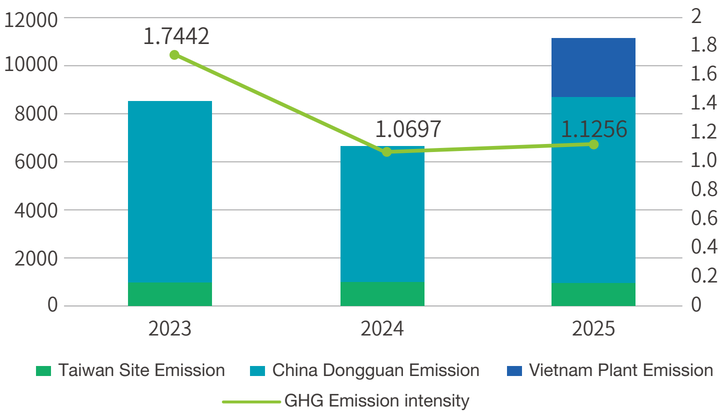


4.3 GHG management

To actively search for key factors in mitigating climate change, Ability conducts 2025 greenhouse gas emissions inventory in accordance with ISO 14064: 2018 standards and completes third-party verification. In addition to greenhouse gas emissions (Category 1 and Category 2) from its own operations, In terms of other indirect greenhouse gas emissions(Category 3 to Category 6)，Consider the occurrence rate, improvement potential, activity data source, emission coefficient and other materiality assessment factors, Identify major sources of indirect greenhouse gas emissions such as upstream raw material emissions from purchased products, upstream and downstream transportation and cargo distribution, business travel and product use, total of 7 indirect emissions were disclosed.

Ability Category 1 and Category 2 greenhouse gas emissions in 2025 are 11,152.2196 tons of CO_2e, an increase of 4,538.5259 tons of CO_2e from 2024. This is mainly due to the increase in production capacity and the inclusion of the gas emission from Vietnam plant.

Greenhouse gas emissions (category 1 + category 2) intensity trend from 2023 to 2025



Note1: Greenhouse gas emissions from Vietnam plant will be included starting in 2025.
Note2: Emission intensity = combined emissions (tCO_2e) of Category 1 and Category 2/ Revenue (million NT) and revenue information comes from Ability consolidated financial statements.

Unit：tCO_2e/year

	CO2	CH4	N2O	HFCs	PFCs	SF6	NF3	總計
Category 1 and Category 2	9760.3730	392.0760	0.5187	999.2519	0.0000	0.0000	0.0000	11152.2196

Note： 1. Category 1 direct greenhouse gas emissions, including diesel, gasoline, natural gas, refrigerant, septic tanks, etc., refer to the GWP value of the IPCC AR6.
2. Category 2 Indirect emissions from purchased energy (electricity)，Taiwan electricity emission coefficient = 0.474kg CO_2e/ kWh (Announcement information from the Energy Administration of the Ministry of Economic Affairs of Taiwan)；China emission coefficient = 0.5306 kgCO_2e/ kWh (Announcement information from the Ministry of Ecology and Environment of China); Vietnam emission coefficient = 0.6592 kgCO_2e/ kWh (Announcement information from Ministry of Natural Resources and Environment of Vietnam)。
3. The statistical scope of greenhouse gas emissions includes Taiwan location, China Dongguan plant and Vietnam plant.

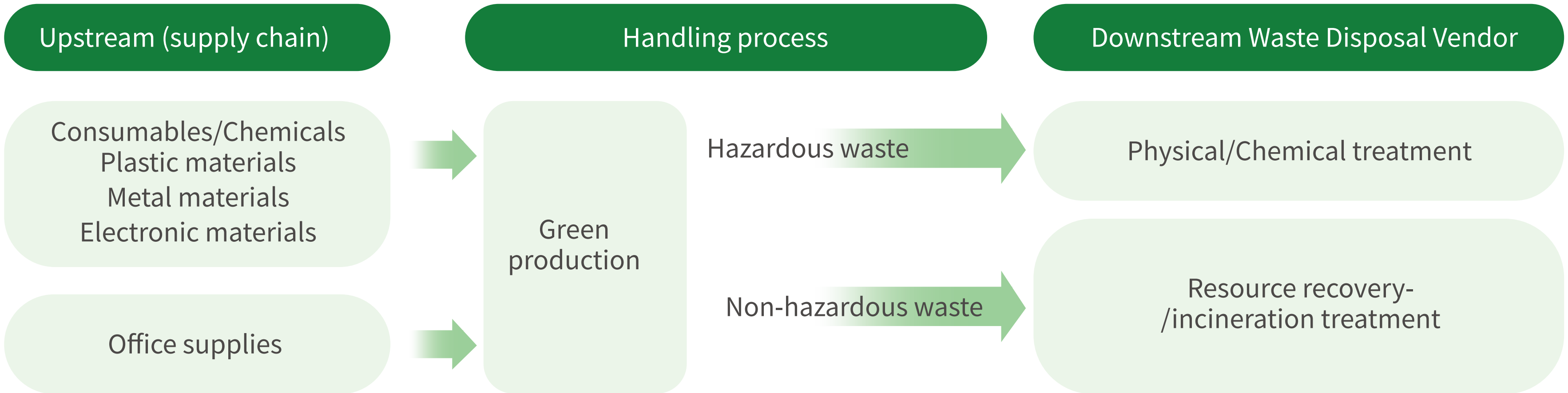
Statistics on other indirect greenhouse gas emissions

Category	category items	Scope of coverage	2025 GHG emissions (tCO2e/year)
Category 3	Upstream transportation and distribution	Taiwan, China Dongguan, Vietnam	197.3137
Category 3	Downstream transportation and distribution	Taiwan, China Dongguan, Vietnam	72.1224
Category 3	employee commuting	Taiwan, Vietnam	536.4540
Category 3	business trip	Taiwan, China Dongguan, Vietnam	188.0202
Category 4	Purchase goods (raw material emissions)	Taiwan, China Dongguan, Vietnam	32,411.4315
Category 4	Purchased fuel and energy resources (upstream emissions)	Taiwan, China Dongguan, Vietnam	1,286.0683
Category 5	Product use	Taiwan, China Dongguan	3,245.3978
total			37,936.8079

Note: Category 6 is a non-significant indirect emission and has not been quantified.

4.4 Waste management

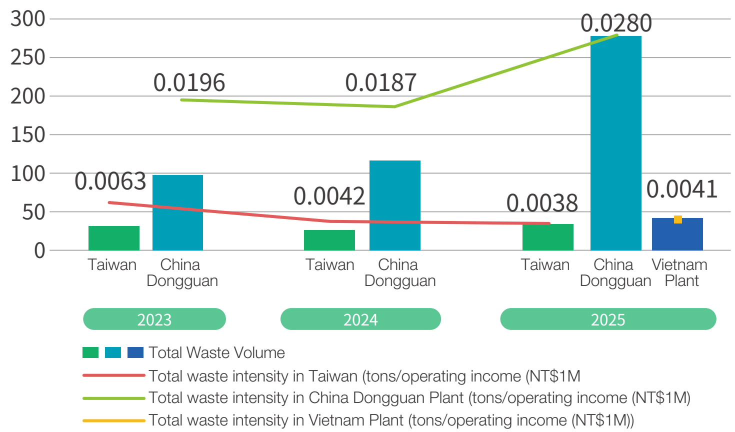
Wastes of the Company may be classified as non-hazardous wastes (household garbage, recyclable waste, and general business waste) and hazardous waste (mixed hardware waste (i.e., electronic waste)). To reduce the generation of waste, the Company reduces the use of disposable items as much as practicable in its daily operations and implements garbage classification and recycling to allow resources to be reused for circular economic benefits. Regarding product designs, the Company avoids excessive packaging, adopts green materials and green production, and continues to reduce, recycles and de-harms waste for the purpose of minimizing harm to the environment. The Company has promised to promote product green designs and waste management measures to minimize the generation of waste and improve the circulation and reuse of sustainable resources so as to achieve the target of effective management and waste reduction.



In 2025, the total weight of non-hazardous and hazardous waste of Taiwan Xinzhuang HQ and Wugu Plant was 37.23 tons; China Dongguan Plant was 277.287 tons and Vietnam Plant was 40.677 tons. All waste is handled by vendors licensed by the relevant authorities. Waste is first temporarily stored on-site before being transferred to the licensed vendors for disposal. During the transportation of hazardous waste, irregular inspections are conducted to ensure that the hazardous waste is not discarded indiscriminately, thereby preventing environmental contamination. Since its inception, there was no waste leakage or pollution, and the processing method of all wastes complied with laws and regulations.

The Company has established a waste reduction target, using 2023 as the base year, with the goal of reducing total waste intensity by more than 10% by 2030. In 2025, waste intensity in Taiwan was 0.0038 metric tons per million NT Dollars of revenue, representing a reduction of more than 10% compared to the 2023 baseline year. At the China Dongguan plant, due to business growth driven by increased order volume and shipments, the total amount of non-hazardous waste, including packaging materials (cardboard and plastics) and employee-generated waste, increased significantly compared to 2024. The Company will continue to enhance its waste management practices through waste reduction and resource recycling, ultimately achieving its environmental sustainability strategy of preventing resources from entering landfills or incinerators.

2023-2025 Waste Trend



Taiwan location

2025Waste categories	Waste details	Annual generation amount (tons)	Outsourced third-party treatment			Total amount divided by hazardous/non-hazardous (tons)	Percentage %
			Annual treatment volume (tons)	Treatment methods	Remarks		
Non-hazardous waste	Employee waste and general business waste (Wugu)	22.34	22.34	Incineration (energy recovery)	Incineration (energy recovery)	27.97	75.13%
	Employee waste and general business waste (Xinzhuang)	5.63	5.63	Incineration (energy recovery)	Incineration (energy recovery)		
Hazardous waste	Waste optoelectronic components, scraps, and defective products (Wugu)	5.77	1.31	Physical and chemical treatment	Physical and chemical treatment	9.26	24.87%
	Printed circuit boards with attached components (Wugu)	3.49	0.8	Physical and chemical treatment	Physical and chemical treatment		

Total waste volume	Total volume of off-site treatment	Percentage %
37.23	30.08	81%

Data source: Non-hazardous waste is based on contracted processing volume or outbound weighing records, while hazardous waste is based on online reporting triplicate form records.

China Dongguan

Waste categories	Waste details	Annual generation amount (tons)	Outsourced third-party treatment			Total amount divided by hazardous/non-hazardous (tons)	Percentage %
			Annual treatment volume (tons)	Treatment methods	Note		
Non-hazardous waste	Employee waste	129	129	Incineration (energy recovery)	Daily waste collection	266.63	96%
	General industrial waste (Cardboard)	109.2	109.2	Recycle			
	General industrial waste (Plastic materials)	28.43	28.43	Recycle			
Hazardous waste	Waste organic solvent	1.997	1.997	Recycle	Recycle	10.657	4%
	Waste rags / gloves	1.251	1.251	Incineration (non-energy recovery)	Landfill		
	Waste coolant	0.362	0.362	recycle	recycle		
	Waste hoses	5.401	5.401	Incineration (non-energy recovery)	Landfill		
	Waste fluorescent tubes	0.14	0.14	On-site storage	Physical treatment		
	Waste containers	0.611	0.611	Incineration (non-energy recovery)	Landfill		
	Waste circuit boards	0.195	0.195	On-site storage	Chemical treatment		
	Waste activated carbon	0.7	0.7	Incineration (non-energy recovery)	Landfill		

Total waste volume	Total volume of off-site treatment	Percentage %
277.287	277.287	100%

Note1. Non-hazardous waste, hazardous waste data source: Guangdong Province Solid Waste Environmental Supervision Information Platform.

2. The waste in the employee dormitory area is collected 3 times daily, calculated as follows: Calculation (tons) = (5 drums × 10 kg/drum × 3 times/day) × 30 days × 12 months ÷ 1000 kg/ton

Vietnam Plant

Waste categories	Waste details	Annual generation amount (tons)	Outsourced third-party treatment			Total amount divided by hazardous/non-hazardous (tons)	Percentage %
			Annual treatment volume (tons)	Treatment methods	Note		
Non-hazardous waste	General industrial waste	39.968	39.968	Landfill		39.968	98.26%
Hazardous waste	Waste fluorescent tubes	0.015	0.015	Recycle	Discarded light bulbs	0.709	1.74%
	Waste engine oil, waste gear oil, and waste synthetic lubricating oil	0.06	0.06	Incineration (energy recovery)			
	Waste chemical packaging (soft packaging)	0.01	0.01	Incineration (energy recovery)			
	Waste metal rigid packaging containing hazardous substances	0.015	0.015	Others	Cleaning		
	Waste plastic rigid packaging containing hazardous substances	0.03	0.03	Incineration (energy recovery)			
	Filter media from welding fume purifiers; rags and gloves containing hazardous substances	0.35	0.35	Incineration (energy recovery)			
	Waste printer ink cartridges containing hazardous substances	0.015	0.015	Incineration (energy recovery)			
	Discarded electronic equipment and electronic components, or electrical equipment containing electronic components	0.214	0.214	Recycle			

Total waste volume	Total volume of off-site treatment	Percentage %
40.677	40.677	100%

4.5 Water resources management

Water resource management not only enhances economic benefits but also reduces environmental impact and fulfills social responsibility. By effectively managing and minimizing water consumption and pollution, companies demonstrate their commitment to sustainable development and improve their social image. The Company performs an annual inventory of the water consumption of all business locations. The major scope of Taiwan operating activities and the water consumption areas are concentrated within the Taipei Metro Area. The water withdrawal source is the Taipei Water Department and Taiwan Water Corporation, and the source of water is the Xindian River and Dahan River, which are not located in areas with water pressure. The water withdrawal source in China Dongguan Plant is the municipal water supply company, and the source of water is the Dongjiang. After measurement by the municipal water meter, the tap water is pumped through the underground pump room via the pipeline network to various water usage points. The main source of the water for the Vietnam plant is the Dai Lai Lake(Hồ đại lải). The procedures of the Wugu Plant, China Dongguan Plant and Vietnam plant are primarily assembly operations. Water is not required for the procedures. The primary source of wastewater comes from domestic sewage, discharged into the local municipal sewage pipeline system, complying with the wastewater discharge standards in the area and having minor effects on the environment.

To effectively conserve water resources, the Company has established water resource management targets, using 2023 as the baseline year, with the goal of reducing water intensity by more than 5% by 2028.

At the Taiwan Location, water consumption increased in 2024 due to leakage caused by aging pipelines within the plant. However, water intensity showed a significant decline in 2025, achieving a 6.2% reduction compared with the 2023 base year. At the China Dongguan plant, water consumption in 2025 was 124,488 m³, an increase of 39,657 m³ compared with 2024. Although water usage increased in line with the growth in production workforce, water intensity decreased by 46.73% compared with the 2023 baseline year, demonstrating significant water-saving results. The Vietnam plant officially commenced operations in 2025. The Company will continue to monitor its water usage and together with other sites, promote ongoing actions for water conservation and water resource protection

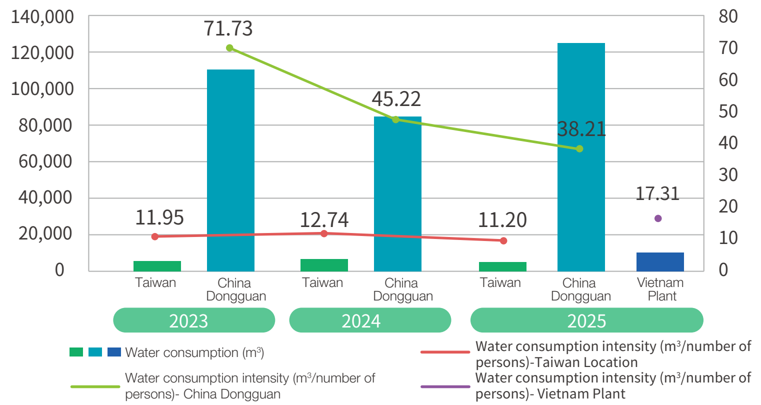
2023-2025 Total of the water consumption

Water consumption statics	2023		2024		2025		
Water consumption (m^3)	Taiwan	China Dongguan	Taiwan	China Dongguan	Taiwan	China Dongguan	Vietnam Plant
Location	6,355	109,955	7,504	84,831	7,086	124,488	10,665
Water consumption intensity (m^3/number of persons)	11.95	71.73	12.74	45.22	11.20	38.21	17.31

Note 1: The data source of water consumption are our water bills.

Note 2: The number of persons who consumed water in 2023, 2024 and 2025 was 532 people, 589 people and 632.5 people in Taiwan respectively, which is 1533 people, 1876 people and 3258 people in China Dongguan Plant, respectively, which is 616 people in Vietnam Plant in 2025.

2023-2025 Water Use Trends



Ability Enterprise promotes treasuring water resources , promoting water conservation, scientific water use, and the protection of water resources. Under the current water resource conditions, water conservation shall be the fundamental principle. Adopting the following measures to avoid unnecessary water resource waste so as to duly fulfill social responsibility, protect the environment on Earth, improve corporate value, and continue to make efforts to protect the environment and resources.

Taiwan Location	China Dongguan Plant	Vietnam Plant
• Establish a rainwater harvesting system for irrigating surrounding plants. • Adjust the water flow of faucets and urinals to prevent excessive water output. • Use water-saving bathroom fixtures with water conservation labels.	• Adjust the water replenishment schedule in real time based on water usage, implementing timed water replenishment. • Replacement of all indoor and outdoor underground fire-fighting pipes throughout the plant to address aging and leakage issues. • Use water-saving faucets. • Post water conservation signs.	• Promote water conservation awareness among employees and post water-saving reminders. • Arrange regular recording and monitoring of water consumption. • Use water-saving faucets. • Install sensor devices on men's urinals to control water usage.

4.6 Sustainable Innovative Products

4.6.1 Product Quality and Safety

Ability believes that outstanding quality is the cornerstone of a company's survival and sustainable development, as well as a hallmark of its brand reputation. Therefore, we have established a clear quality policy and actively practice it, leading our team with systematic management to ensure product and service quality, earning customer trust.

Quality, Environment, Health and Safety Policy

Meet customers' expectation and HSE'S regulations
Implement accident prevention and procedure initiation management
Pursue excellent production and HSE'S performance

Ability is committed to providing excellent products and services. From raw material sourcing, development and design, to manufacturing, we incorporate the concepts of quality and environmental protection into our products to comply with laws, regulations and customer requirements, and to ensure the safety and health of our users. We continuously improve the development, design and manufacturing of our products, constantly pursuing excellence to create better, safer and more sustainable products for our customers, employees and the environment, and to contribute to the sustainable development of society.

Quality Management System Certifications	Location	Acquisition Date	Effective Date
ISO 9001: 2015	Taiwan, China Dongguan	August 23, 2022	August 23, 2025
		August 23, 2025	August 23, 2028
	Vietnam	August 14, 2024	August 23, 2025
		August 23, 2025	August 23, 2028
IATF16949: 2016	Taiwan Headquarter, China Dongguan	December 26, 2022	December 25, 2025
		December 7, 2025	December 6, 2028

Green Products

With rising international awareness of Net-Zero, many major brands are committed to promoting energy conservation, carbon reduction, and environmental pollution reduction. Ability develops green products that not only meet customer standards and international regulatory trends, but also reduce environmental impact. Our green product design concept focuses on four design aspects:

- Product recycling design
- Use of green materials
- Energy saving and carbon reduction solutions
- Adoption of green packaging materials

• Product recycling design: Ability referred to the EU regulations and customers' requirements to establish the minimum value to be achieved for the "recovery rate" and "reuse and recycling rate." We calculate the recovery rate and reuse and recycling rate of products based on the weight of materials provided by the suppliers upon the recognition of materials to achieve the requirements of the recovery rate and reuse and recycling rate. In the future, we will continue to improve the reuse, recycling and recovery ratio.

	Reuse & Recycling Rate(%)	Recovery rates(%)
Overall Green Product Indicator	80%	85%

Note: If customers have particular recycling ratio requirements, such requirements shall prevail; for other customers with no requirements, comply with the abovementioned ratio.

• Use green materials: Regarding materials used in our products, they shall comply with the RoHS requirements of the EU upon the recognition of materials. Apart from otherwise stated by the EU, products sold to different countries shall comply with the substance control regulations of the importing country. If customers otherwise set substance prohibition requirements, we shall satisfy customers' requirements; please refer too "hazardous substance management" below for details.

• Energy-saving and carbon dioxide reduction policy: We set reduce 5% of power consumption or increase the using time of products by 5% as the target; please refer to "4.6.2 sustainable and innovative products and services" for details.

• Introduce green packaging materials: The procurement adopts recyclable or recycled and reproduced packaging materials step by step.

Hazardous Substance Management

Regarding hazardous substance management, we primarily adopt raw material source management, procedure management, and product testing for management:

- Raw material source management: Ability compiles information from domestic and international regulations such as RoHS, Prop 65, JAMP, and China RoHS, as well as customer requirements and limits for hazardous substances (also known as environmentally controlled substances), to develop and regularly review and revise its environmentally controlled substance management standards. Based on these standards, Ability manages the source of hazardous substances in raw materials. During the raw material approval process, Ability uses supplier-provided material testing reports from a third-party certified chemical laboratory. Dedicated personnel then review and confirm that the raw materials contain no hazardous substances or that their content meets Ability's standard limits. As a result, Ability's raw materials are 100% compliant with hazardous substance management. For some environmentally controlled substances (such as polychlorinated biphenyls (PCBs), hexabromocyclododecane (HBCDD), and bisphenol-A), Ability implements hazardous substance control at the source by signing a non-use guarantee. If the customer specifies otherwise, Ability will conduct testing or sign a non-use guarantee in accordance with the customer's requirements.
- Procedure management: Ability Enterprise carries out effective internal procedure management activities to reduce the negative impacts on product quality and safety. Material recognition shall be completed for each raw material before its intake. Data required to be provided by suppliers for material recognition, including material ingredient lists and testing reports of chemical laboratories recognized by a third-party certification institution, shall be uploaded to the green product management platform for the green product personnel of Ability Enterprise to review. Upon material intake, raw materials are classified as high/middle/low risks by materials and the XRF test is performed based on the test frequency (three months/six months/twelve months) based on the different levels of risk to carry out sampling tests which ensure hazardous substance content in raw materials is within the limit.
- Product test: Green products produced by Ability Enterprise are delivered to chemical laboratories recognized by a third-party certification institution for FATP to ensure that products comply with customers' requirements or the regulations of the country of sales.

Management flow chart:

1. Collect international regulations and customer standards (responsible department: QC Center/ISO System Department)
2. Establish environmental management substance standards (responsible department: QC Center)
3. Announce on the green product management system (the system will automatically dispatch e-mails to notify suppliers) (responsible department: QC Center)
4. Suppliers upload data on materials recognized (responsible department: Supplier)
5. Green product management personnel review the correctness and completeness of data (after the review is completed, the green product management system will automatically dispatch e-mails to notify suppliers of whether they pass or not) (responsible department: QC Center)
6. Intake personnel will perform sampling tests based on the XRF conversion rules (responsible department: QC Center)
7. Auxiliary resources, materials, jigs and tools used during the procedures are also included in control (responsible department: QC Center)
8. Ensure products shipped are free of substances under control through all procedure control (responsible department: QC Center)

4.6.2 Innovation and R&D

Our company leverages its technological advantages to continue its development, integrating R&D team resources to continuously refine product technology and enhance the added value of product development. To further strengthen our market leadership, we utilize our core software and firmware capabilities to expand our advantages in developing audio-visual products to future fields such as intelligent vision robots, in-vehicle smart products, network video equipment, smartphone cameras, and vehicles, providing comprehensive functions and services from the fundamental development of key hardware and software systems and devices. To maintain our leading position in the industry and address the risks and threats posed by various changes, we primarily consider environmental and social aspects in our innovation and R&D strategies. From an environmental perspective, the optimization of hardware design and software control during the R&D process focuses on energy and efficiency. Minimizing energy consumption and maximizing product lifespan reduces environmental harm. Simultaneously, software design considers downstream production efficiency to reduce man-hours and incorporates automated testing to minimize energy consumption. From a social perspective, we emphasize product quality and safety to meet customer quality requirements and relevant laws and regulations, obtaining necessary certifications to ensure product safety and meet societal demands for product quality and safety.

R&D and design sustainable strategy

The product development process begins with research and design. Under existing policies, corresponding plans are made in the early stages of product design. From the selection of key components, product specifications and related materials, to the production planning of subsequent production lines, customer maintenance and subsequent overall warranty, maintenance and disposal, the concept of sustainability is introduced. Requirements such as reducing testing time, selecting halogen-free materials, environmentally friendly materials, and selecting recyclable materials are all incorporated into the design guidelines from the early stages of product design. In addition to conforming to the company's overall strategy, this can also reduce the risk of project delays caused by subsequent changes in materials.

Execution Planning	Target	2025 Implementation Notes
Design professionals plan to reduce the environmental impact of the production process: Incorporate subsequent assembly and testing details into the design review at the early stage of design to reduce production time and testing time, thereby reducing overall energy waste. In the early stage of product design, improve testing efficiency by designing and integrating firmware and consolidating test stations to reduce overall testing time.	Reduce testing hours by 3% annually.	1. Testing time in the later stages of R&D was reduced by 29.03%, and manpower was reduced by 13.64%; 2. On the assembly line, the number of sites was reduced, and manpower hours decreased by 3.88%.
By introducing and applying automated equipment, relevant specifications and limitations are considered from the initial product design stage, resulting in products designed to meet automated production requirements. Furthermore, software integration allows for more precise and efficient downstream calibration processes, realizing the advantages of automation.	Reduce testing manpower by 5% annually	1. Consider relevant specifications and limitations to confirm the logic of automation applications during the initial product design phase; 2. Design products that meet the requirements of automated production. Furthermore, software integration allows for more accurate and efficient downstream calibration processes, realizing the advantages of automation.
Products with built-in lithium batteries meet EU environmental regulations.	Products with built-in lithium batteries that will be mass-produced after 2027 can be easily removed or replaced.	In accordance with the principles of sustainability and environmental friendliness, the design of the mechanism is planned to be updated with lithium batteries. It is expected that the built-in lithium batteries in mass-produced models after 2027 will be easily removable or replaceable.
n terms of product design and surface treatment of exterior components (coating/printing, etc.), more environmentally friendly materials and technologies are used to reduce the possibility of generating waste and pollutants. The overall materials used are free of harmful substances and meet green material standards.	1. The implementation of halogen-free products will reach over 95% for each product model by 2026. 2. By 2030, over 70% of coatings will meet volatile organic compound (VOC) control standards.	1. Halogen-free components reach 97.98%; 2. Halogen-free packaging materials reach 98.63%; 3. Imaging system products have fully adopted halogen-free packaging materials.
In terms of hardware circuit design, we improve the overall power supply circuit to reduce power consumption, and work with the software to optimize and create better power-saving products. We use the fewest parts to achieve the best usage time, and review the power consumption and overall usage/standby time of the products every year to ensure that they meet energy-saving standards.	1. By 2030, all products will meet energy efficiency specifications (BC/NRCAN/ErP).	Product energy efficiency standards: 1. 100% compliance with California Battery Charging System Energy Efficiency Requirements (BC); 2. 100% compliance with the National Energy Registration and Design (NRCAN) Energy Labelling Standard (NEDC); 3. 100% compliance with the European Union Energy Related Products Directive (ErP).
We are incorporating plastic reduction into the design of our structures and packaging, prioritizing environmentally friendly materials. We have already begun implementing plastic-free packaging designs for select customer model	1. Begin implementing a plastic reduction initiative in 2023, aiming to reduce the use of plastic bags. 2. Introduce laser engraving processes to reduce the use of specification labels. Begin rolling this out to products and customers in 2023, with a goal of adding one new model each year. In 2025, a review will be conducted to redesign and manage the carbon reduction initiative.	1. By 2025, only 14 models will still use plastic packaging, while the remaining mass-produced models will have achieved the goal of eliminating the use of plastic bags in packaging; 2. By 2025, 6 new models will adopt laser engraving processes to reduce the use of specification labels.

Our company values product sustainability and innovation. The relevant percentages of R&D expenses to annual revenue over the past three years are as follows.

Year	R&D human resources (number of persons)	R&D expenses (NT$1 million)	Ratio of R&D expenses to turnover of the current year
2023	227	625.07	12.67%
2024	254	719.23	11.63%
2025	277	768.70	7.76%

Note: R&D personnel figures for 2023 are taken from page 77 of the 2023 Annual Report, and expenses are taken from page 70. R&D personnel figures for 2024 are taken from page 72 of the 2024 Annual Report, and R&D expenses are taken from page 66. R&D personnel figures for 2025 are taken from page 77 of the 2025 Annual Report, and R&D expenses are taken from page 71.

Breakthroughs in Industry through R&D Innovation in 2025

1. Video Conferencing Products: Building upon the history of imaging development, Ability offers a series of innovative video conferencing products designed for remote work. Featuring high-definition 4K lenses and AI applications, these products deliver crystal-clear images. Equipped with DOA (Direction of Arrival) sound positioning and voice recognition capabilities, they accurately identify the direction of speech, making communication smoother and more fluid in meetings. Combined with low-frequency acoustic speakers, they provide rich sound effects, making meetings feel like being in person. Entering the AI era, Ability provides intelligent and AI-powered video conferencing products with superior image and sound quality, continuously developing the imaging industry chain and improving the efficiency of work meetings. Planning for the next generation with future-oriented smart security.
2. Smart Products: Providing products with standard interfaces such as network/USB for security, automotive, and robotics, Ability offers customized artificial intelligence (AI) functions. The required AI product functions are implemented on the product itself, allowing users to enjoy ultra-realistic image presentations without relying on cloud services. Ability leverages its professional hardware and software design, along with its proprietary AI architecture, to establish standardized hardware and software interfaces (providing complete software development kits, interface documentation, and image preprocessing). This allows AI developers to quickly develop their own unique AI functions using the company's hardware and software, accelerating product mass production without having to develop hardware and software from scratch.
3. Automotive Camera Products: With the booming development of smart cars, self-driving cars, and electric cars globally, automotive cameras play a crucial role. Driven by the innovative trend of Advanced Driver Assistance Systems (ADAS) in the automotive industry, vehicles will be equipped with various types and more functional onboard cameras (5 to 17 per vehicle) to collect images of objects in various complex scenes from different distances, including surrounding vehicles, traffic flow, distances between vehicles, traffic signs, signs, pedestrians, cyclists, and various obstacles, from a 360-degree perspective around the vehicle. These images will provide clear, high-definition, and identifiable images to the connected Advanced Driver Assistance Systems (ADAS) to achieve rapid and agile intelligent driving control, safe driving, and even autonomous driving functions. Ability has developed a series of dedicated automotive cameras to meet customer needs, with total pixel counts ranging from 2.4 million, 5.5 million to 8 million pixels. These cameras feature a variety of horizontal viewing angles, from small angles (30°) to ultra-wide angles (120°) and even fisheye angles (180°). They offer high definition, high contrast, high dynamic range (HDR), and flicker suppression (LFM) comparable to LED headlights of nearby vehicles. They also possess special features such as waterproofing, high-temperature resistance, and cold-weather resistance. Furthermore, their design prioritizes energy efficiency and the use of environmentally friendly and recyclable materials. Ability has partnered with Japanese autonomous vehicle software open platform system companies to integrate these camera modules into their autonomous driving open system devices, resulting in numerous commercial applications. In 2025, imaging products will break through the past focus on security monitoring. New innovations will connect with intelligent operations and management. Cameras can trigger actions from other devices based on image analysis, leading to a future of intelligent security management.
4. There is a resurgence in demand for mid-to-high-end camera products. The company has completed the development of related sensor and MFT sensor technologies and has achieved mass production of mid-range products. More mid-to-high-end products will be available to the market starting in 2026.

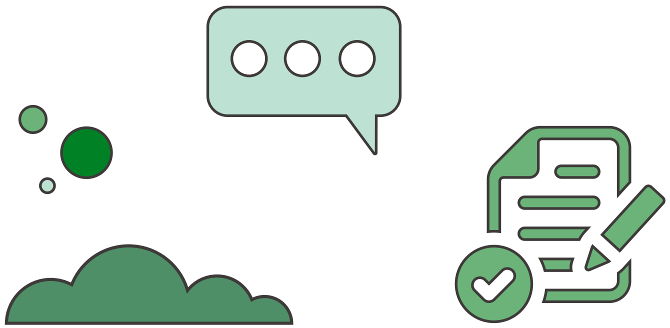
The company continues to strengthen the commercialization of its patents, transforming technological innovation into market value, designing and implementing operational innovations, and working with the industry to bring unprecedented development opportunities to the imaging industry through various emerging applications brought about by digital transformation and continuous updates and iterations of innovative technologies.

4.6.3 Intellectual Property Management

Intellectual property rights are intangible assets for enterprises. To enhance competitiveness, we encourage our employees to be innovative and to produce high-quality patents. While protecting our trade secrets and research and development results, we aim to align intellectual property strategy with our Company's operational goals. Through internal patent management regulations and an e-patent platform, we effectively manage patents, protect our product designs and monetize our patents. The Legal Department under the President Office is responsible for assisting the R&D Department with patent application and maintenance process.

In the R&D process, to mitigate infringement risk and protect intellectual property, we conduct or commission patent searches, and engage patent firms for patent review and global filings. In addition, our Company provides patent bonuses in accordance with internal patent management regulations to encourage employees to propose proposals and create high-quality patents.

To protect and manage our Company's trade secrets, new employees shall sign the "Employment Contract" which includes provisions on the protection of intellectual property and trade secrets, and attend new employee orientation/training to understand the importance of protection of intellectual property and trade secrets. Our employees also receive dissemination of information security from time to time, and participate in our trade secrets related training as needed. Our Company classifies the confidential information into different levels of confidentiality according to its nature and importance, and applies different access and storage period. In order to protect our Company's intellectual property and trade secrets, every resigned or retired employee shall sign the "Resignation Letter", and still need to abide by the confidentiality obligation after resignation or retirement.



Our Company has achieved the following goals in 2025, and will continue improving and optimizing our intellectual property management:

1. Conducted trade secrets training courses: 53 people completed the courses with a total of 159 training hours;
2. Add content related to our trade secrets to new recruits training course.

Innovative R&D achievements and output in 2024 and 2025

Year	Granted patents (number)
2024	20
2025	18

5

Friendly Workplace and Social Co-prosperity

Material topic:Employment Relationship

Materiality, Policies, and Commitments

We regard our employees as the core cornerstone of the company's continuous sustainable growth. Stable employment relations enhance productivity, reduce turnover costs, and build a strong employer brand. We are committed to constructing an equal, transparent, competitive, and caring workplace environment to achieve mutual prosperity for both the enterprise and our employees.

Positive/Negative Impact

1. Positive impact:Through internal policies and communication mechanisms that exceed legal requirements, we enhance employees' sense of belonging and innovative momentum, thereby strengthening the company's business resilience and risk resistance.
2. Negative impact:If communication is ineffective or labor conditions are poor, it may lead to labor disputes/strikes, talent attrition, legal litigation, or reputational damage.

Action Plan

1. Compensation Optimization: Conduct regular salary adjustment evaluations, provide performance-based bonuses, and offer premium group insurance packages.
2. Flexible Workplace: Implement and promote flexible working hours.
3. Career Development: Establish transparent career progression and promotion pathways.
4. Employee Well-being: Provide professional psychological counseling services and family-friendly parenting support measures.

Evaluate and the Performance of 2025

1. Achieved a 100% labor regulation compliance rate, with zero records of major labor dispute grievances or regulatory fines during the year.
2. Completed the annual compensation market survey, successfully maintaining the salary competitiveness of key talents above the industry median.

Remedy Mechanism

Responsible Department: Human Resources Department

1. Constructing Diversified Communication Channels: We have established physical employee suggestion boxes integrated with the company's internal communication platforms. This provides real-time, strictly confidential reporting pathways, ensuring that colleagues' demands receive substantive responses and effective attention.
2. Deepening Labor-Management Dialogue: We regularly convene Labor-Management Committee meetings. Through transparent, equal, and institutionalized consultations, we forge a strong consensus for a friendly workplace and foster positive, healthy interactions.

Goals

Short-term

1. Achieve 100% compliance with labor laws and regulations, ensuring zero records of major fines or penalties.

Mid-term

1. Regularly monitor salary market surveys to ensure that the compensation levels for key talents remain above the industry median.

Long-term

1. Maintain zero major labor dispute grievances or complaints.

Material topic:Talent Attraction and Employee Benefits

Materiality, Policies, and Commitments

elying on our sound business philosophy, solid corporate image, and competitive compensation and benefits system, the company effectively attracts and retains top-tier talent. Ability Enterprise aims to build a "Happy Enterprise." To achieve this, we provide diverse employee relations activities, including a premium work environment, Welfare Committee subsidies, comprehensive benefit programs, holistic physical and mental growth activities, and festive seasonal events, enabling employees to enjoy their work and boost their vitality.

Positive/Negative Impact

1. Positive impact: strong retention rate reduces recruitment costs, enhances employee morale, and attracts more qualified talent to unleash their potential and grow alongside the company.
2. Negative impact:Talent drain increases recruitment costs and unfavorably impacts employee morale and their sense of belonging.

Action Plan

1. Manpower Planning: Formulate human resource plans based on annual strategic directions, and continuously update our official website and dedicated recruitment web pages to provide job seekers with a user-friendly interface, thereby enhancing recruitment efficiency and convenience.
2. Talent Sourcing & Development: Recruit exceptional talent from various fields through online job banks, campus recruitment events, and internal employee referral programs. Vertically, we continuously expand our sourcing channels; horizontally, we design structured internal employee training programs to attract more talent and cultivate an outstanding team.

Evaluate and the Performance of 2025

1. The employee retention rate at our Taiwan operating sites reached 85.22%. To systematically improve the retention rate and reduce the turnover rate moving forward, we will rigorously implement structured exit interviews for departing employees to identify root causes and execute concrete improvement initiatives.

Remedy Mechanism

Responsible Department: Human Resources Department and Related Units

1. Continuous Employee Engagement: Maintain continuous communication with employees through internal email channels, periodic satisfaction surveys, and regular labor-management meetings.
2. Mitigating Negative Impacts: Recognizing that talent is the cornerstone of corporate competitiveness, we will dynamically adjust and reinforce our recruitment and talent retention action plans to mitigate any potential negative impacts.

Goals

Annual recruitment plans are formulated in alignment with our yearly business strategies, with the expectation of welcoming more outstanding talent to the Ability team in the future.

Short-term

1. Maintain an employee retention rate of 86% or above at Taiwan operating sites.

Mid-term

1. Maintain an employee retention rate of 88% or above at Taiwan operating sites.

Long-term

1. Maintain an employee retention rate of 90% or above at Taiwan operating sites.

Note: The disclosure boundary for this material topic is primarily focused on Ability Enterprise Co., Ltd.

5.1 Human Rights Management

5.1.1 Human Rights Policy

We align with and support the core values and fundamental principles of international human rights conventions, including the Universal Declaration of Human Rights, the United Nations Global Compact, the International Labour Conventions, and the Responsible Business Alliance (RBA) Code of Conduct. Furthermore, we strictly comply with the labor laws and regulations of the countries where our production sites operate.

In 2016, we established the "Corporate Social Responsibility (CSR) Management Manual." Within its human rights policy, we not only commit to respecting and upholding internationally recognized fundamental human rights but also firmly oppose any form of discrimination and human rights violations, such as sexual harassment or workplace bullying. We remain dedicated to complying with relevant labor laws to safeguard the legal rights and interests of our employees.

Labor and Human Rights Policy

1. Protection of Workplace Human Rights
   The Company strictly prohibits human rights violations such as the employment of child labor, discrimination, sexual harassment, and forced labor. All working hours comply with applicable laws and industry standards. We promote diversity and equality by hiring individuals with disabilities and, in accordance with legal requirements, granting leave for Indigenous employees to participate in traditional festivals specific to their tribes. Through these practices, we aim to foster a diverse, inclusive, and respectful workplace—free from discrimination and harassment.
2. Implementation of Equal Pay for Equal Work
   The Company ensures that compensation practices do not discriminate based on gender or sexual orientation. In addition, we remain committed to addressing issues related to the gender pay gap as part of our ongoing efforts to fulfill corporate social responsibility.
3. Promoting Harmonious Labor Relations
   The Company provides diverse and open channels for labor-management communication and holds regular labor-management meetings to discuss matters related to employee rights and welfare. These efforts aim to protect employee interests, foster harmonious labor relations, strengthen mutual trust, and build a friendly and supportive workplace environment.
4. Protection of Personal Data
   The Company strictly complies with all applicable personal data protection laws and regulations. We ensure that the collection, processing, and use of personal data are conducted in accordance with legal requirements to safeguard the rights and interests of

   individuals.
5. Human Rights and Social Responsibility
   Human rights are fundamental entitlements to which all individuals are inherently entitled. Respect for human rights is essential to upholding the rule of law, as well as social justice and fairness. The Company acknowledges its responsibility to respect human rights and is committed to doing so within the scope of its influence.

The Company adopts its Human Rights Policy as the highest guiding principle for the protection of human rights. In alignment with this policy and relevant legal requirements, we have established a range of human resource regulations and procedures. These include the Work Rules, which safeguard employee rights, and the Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Guidelines, as well as the Prevention Plan for Unlawful Acts Against Employees in the Performance of Duties.To ensure a workplace free from discrimination and harassment, the Company has also set up a dedicated email address for employee complaints. All related policies and procedures are published on the Company's website.

5.1.2 Labor Relations and Communication

To establish harmonious employee relations, the Company provides diverse communication channels to maintain smooth, two-way dialogue, actively listening and responding to employee feedback. In addition to daily communication channels, we have built a comprehensive communication platform through regular management-employee meetings and formal grievance mechanisms. This ensures that communication between the Company and our employees remains barrier-free, transparent, and immediate. We utilize employee suggestions and opinions as a vital basis for driving progress and improvement at Ability Enterprise, thereby safeguarding the legal rights and interests of every employee.

While no labor unions have been established and no collective bargaining agreements have been signed at our Taiwan, we hold quarterly labor-management meetings to provide a formal mechanism for labor-management consultation and to protect employee rights. The minutes of these meetings are uploaded to the dedicated "Labor-Management Section" on our internal corporate network for all colleagues to review. In contrast, our sites in China Dongguan Plant, and Vietnam have established labor unions.

The China Dongguan Plant officially signed the Collective Bargaining Agreement (CBA) with the Labor Union Committee on August 26, 2025. Its legal validity fully covers all active, regular employees at this site, achieving a 100% coverage rate of employees under the collective bargaining agreement. According to the terms of the Collective Bargaining Agreement (CBA) for the China Dongguan plant, in the event of major operational changes—such as the necessary reduction of personnel due to severe operational difficulties—it is explicitly mandated that a 30-day advance notice must be given to the labor union or all employees to explain the situation and gather feedback. Regarding negotiations and amendments, neither party has the right to unilaterally modify or terminate the contract during its execution without mutual consent. Furthermore, three months prior to the expiration of the contract's 3-year term, both parties shall conduct collective consultations and renegotiate to sign a new collective contract in accordance with the law, thereby establishing a highly transparent and institutionalized labor-management dialogue mechanism.

In 2025, the Vietnam plant completed the collective labor agreement negotiation procedures in accordance with the Vietnam Labor Code, and officially signed the Collective Labor Agreement (CLA) on May 26, 2026. The agreement is valid for a term of three years and applies to all regular employees, achieving a 100% employee coverage rate. The scope of the agreement encompasses remuneration and benefits, working conditions, occupational health and safety, and employee care. Furthermore, labor-management relations are continuously communicated through regularly scheduled monthly meetings. According to the stipulations of the agreement, within 90 days prior to its expiration, both the employer and employees may negotiate to extend the term of the agreement or sign a new one, thereby continuously safeguarding employee rights and maintaining stable and harmonious labor-management relations.

In 2025, there were no significant changes in operations that impacted employee rights.

The Company deeply values employee benefits, care, and well-being, fostering highly harmonious labor-management relations. Employees can fully express their views, report issues, and maintain positive interactions with management through the Employee Suggestion Box, physical meetings, and email. Our comprehensive feedback and support systems include the "Employee Suggestion" mailbox, labor representative meetings, the Employee Assistance Program (EAP), and a dedicated sexual harassment prevention hotline.

To ensure accessibility, the "Employee Suggestion" mailbox is officially announced and linked on our internal intranet, allowing all colleagues to submit their feedback at any time. Furthermore, our Employee Assistance Program (EAP) features a professional psychological counseling hotline. We partner with specialized, senior counseling psychologists and clinical psychologists to provide timely mental and physical healthcare resources, offering immediate support to employees in need. We also host occasional mental well-being and mindfulness lectures.

Safeguarding Employee Rights and Interests

To ensure the protection of employee rights, Ability Enterprise establishes all internal policies and systems based on the fundamental principle of regulatory compliance. We have developed a performance management system designed to enhance both individual and organizational outcomes. This system fosters two-way communication and career development planning through a fair, transparent, and reasonable evaluation process applied to all employees. The results of these performance appraisals serve as the institutional basis for promotions, salary adjustments, bonuses, and employee training and development initiatives.

In cases where an employee experiences performance difficulties or is deemed unfit for their current role, the Company provides a structured performance improvement plan (PIP) or assists in transferring them to a more suitable department. If the employment relationship still cannot be sustained despite these interventions, the Company will terminate the contract in strict compliance with relevant labor laws and regulations. Under such circumstances, we provide the appropriate advance notice period, severance pay, and all legally required documentation to assist the individual in applying for unemployment benefits or vocational training subsidies, ensuring that the worker's rights and transitional welfare are legally safeguarded.

In accordance with the provisions of the Labor Standards Act, the advance notice periods implemented by Ability Enterprise are as follows:

1. For employees who have worked continuously for more than three months but less than one year: 10 days' advance notice.
2. For employees who have worked continuously for more than one year but less than three years: 20 days' advance notice.
3. For employees who have worked continuously for more than three years: 30 days' advance notice.

5.2 Employee Diversity, Inclusion

In practicing Diversity & Inclusion (D&I), Ability not only enforces equal treatment at the institutional level but also deeply integrates D&I principles into our corporate culture and daily management. We are dedicated to creating a friendly workplace environment that respects differences, promotes active participation, and ensures equitable career development. In 2025, there were no incidents of discrimination, child labor, or any other human rights violations at Ability.

1. Fostering a Diverse and Inclusive Workplace Culture

Through our multinational operations across Taiwan Xinzhuang Headquarter, China Dongguan Plant, and Vietnam Plant, we have shaped a multicultural and inclusive work environment. Employees from various nationalities, cultural backgrounds, and generations share perspectives and experiences in their daily work, thereby enhancing team innovation and global competitiveness. The Company also fosters cross-cultural understanding and respect through festive events, team-building activities, and cross-departmental collaborations, establishing an inclusive and diverse organizational atmosphere.

2. Promoting Equal Opportunities and Fair Development

Ability is strictly competency- and performance-driven across all stages of recruitment, employment, training, and promotion, ensuring that all employees enjoy equal opportunities for career advancement. Concurrently, through transparent performance appraisals and promotion systems, we eliminate any form of discriminatory treatment. We also continuously focus on gender equality initiatives, including pay equity and increasing the proportion of women in management, to realize true workplace equality.

3. Supporting Employment for Vulnerable and Diverse Groups

The Company consistently provides employment opportunities for individuals with disabilities. Since 2008, Ability's Taiwan Xinzhuang Headquarter have hired visually impaired masseurs to provide on-site services. In 2025, we employed 3 individuals with severe disabilities and 2 with moderate disabilities, tailoring job responsibilities to their capabilities to assist them in achieving stable employment and integrating into the workplace.

Furthermore, we actively recruit foreign employees and provide the necessary living and working support to help them adapt to the local environment, creating a welcoming and supportive work atmosphere. In 2025, the percentage of local residents hired as senior management was 100% at both the Taiwan locations and China Dongguan Plant, and 0% at the Vietnam plant. The Vietnam plant is currently led by managers dispatched from the parent company to ensure accurate technology transfer and cultural grounding during the initial phase of the new plant's operations. Once the management system matures, local talents will be progressively promoted.

4. Constructing Friendly and Inclusive Employee Care Measures

To respond to the needs of diverse employee demographics, the Company offers a wide range of benefits and care measures, including parental leave, family care leave, childcare subsidies, and psychological counseling services, helping employees achieve work-life balance. In addition, multiple communication channels and grievance mechanisms have been established. Employees can voice their concerns through Human Resources via phone or email, ensuring that everyone can express their opinions in a respectful and safe environment.

5. Enhancing Employee Engagement and Belonging

Through employee clubs, health promotion initiatives, and corporate culture events (such as Family Days, festive celebrations, and public welfare participation), we encourage employees from all backgrounds to participate together. This strengthens organizational cohesion and employee belonging, putting our "people-oriented" sustainable development philosophy into practice.

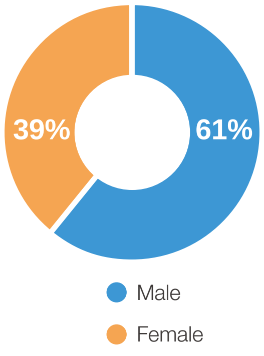
Employee Structure

The employee categories based on employment contracts are calculated using the actual headcount active at the end of each respective year. The breakdown of employee categories under employment contracts for the year 2025 is as follows:

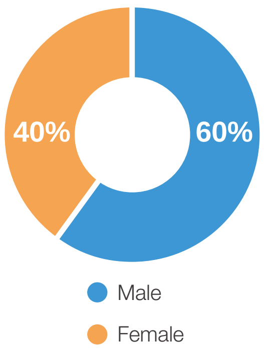
2025	Taiwan Locations			China Dongguan Plant			Vietnam Plant		
Gender / Category	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Employees on indefinite-term contracts	377	240	617	682	453	1135	0	0	0
Employees on fixed-term contracts	0	1	1	0	0	0	223	353	576
Non-Guaranteed Hours Employees	0	1	1	0	0	0	0	0	0
Total	377	242	619	682	453	1135	223	353	576

Notes:1. Both permanent and temporary employees are full-time personnel.
2. Non-guaranteed hours employees are part-time personnel.

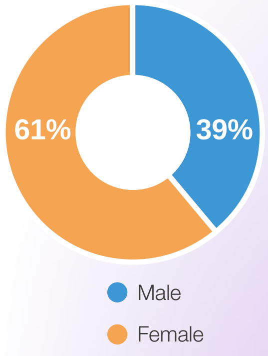
Workforce Distribution by Gender (Taiwan)



Workforce Distribution by Gender (China Dongguan Plant)



Workforce Distribution by Gender (Vietnam Plant)



The numbers are calculated based on the actual headcount active at the end of each respective year. Ability's Taiwan locations have fully met the statutory employment quotas for individuals with disabilities in accordance with local regulations, requiring no deficiency levy payments, while actively providing stable job opportunities for persons with disabilities. In 2025, neither the China Dongguan Plant nor the Vietnam plant employed individuals with disabilities or foreign personnel.

Year	2025		
Gender / Category	Individuals with Disabilities	Foreign Personnel	Subtotal
Male	12	2	14
Female	2	49	51
Total	14	51	65

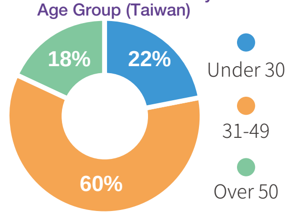
Notes:
1.The headcount of individuals with disabilities is calculated based on the methodology prescribed by the Ministry of Labor.
2.Breakdown of personnel under the statutory quota for Taiwan locations: 32 Filipino technicians, 17 Vietnamese operators, and 2 Vietnamese technicians.

Workforce Distribution by Employee Category, Gender, and Age: The numbers are calculated based on the actual headcount active at the end of each respective year. In 2025, the percentage of female management out of the total management positions at the Taiwan locations, the China Dongguan Plant, and the Vietnam plant was 19%, 35%, and 67%, respectively

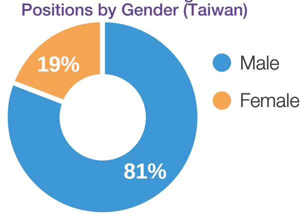
Taiwan Locations

2025	Age Groups				Employee Category		
	Under 30	31-49	Over 50	Subtotal	Management	Non-Management	Subtotal
Male	78	223	76	377	85	292	377
Female	58	145	39	242	20	222	242
Total	136	368	115	619	105	514	619

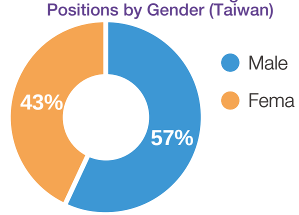
Workforce Distribution by Age Group (Taiwan)



Distribution of Management Positions by Gender (Taiwan)



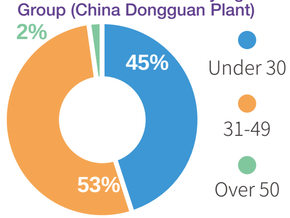
Distribution of Non-Management Positions by Gender (Taiwan)



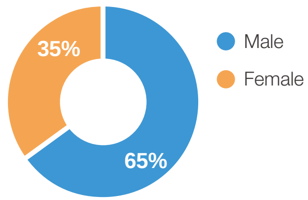
China Dongguan Plant

2025	Age Groups				Employee Category		
	Under 30	31-49	Over 50	Subtotal	Management	Non-Management	Subtotal
Male	340	327	15	682	144	538	682
Female	176	275	2	453	78	375	453
Total	516	602	17	1135	222	913	1135

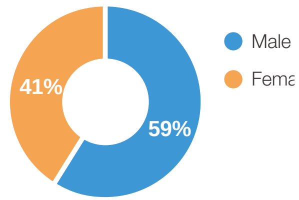
Workforce Distribution by Age Group (China Dongguan Plant)



Distribution of Management Positions by Gender (China Dongguan Plant)



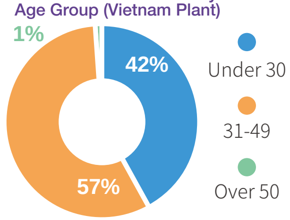
Distribution of Non-Management Posi by Gender (China Dongguan Plant



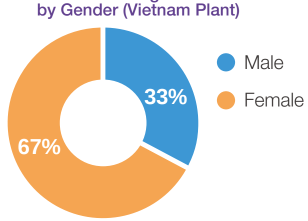
Vietnam Plant

2025	Age Groups				Employee Category		
	Under 30	31-49	Over 50	Subtotal	Management	Non-Management	Subtotal
Male	138	85	1	224	14	210	224
Female	192	156	4	352	29	323	352
Total	330	241	5	576	43	533	576

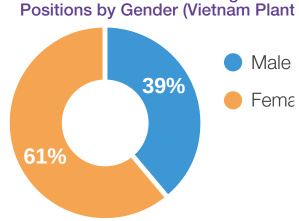
Workforce Distribution by Age Group (Vietnam Plant)



Distribution of Management Positions by Gender (Vietnam Plant)



Distribution of Non-Management Positions by Gender (Vietnam Plant



Note：Taiwan: "Management" is defined as Senior Management (Job Grade G9, Deputy Division Director and above) and Middle Management (Job Grades G6–G8, Managerial Levels; Job Grade G5, Section Chiefs). "Non-management" is defined as general staff.
China Dongguan Plant: "Management" is defined as personnel from Job Grade G00 (Deputy Foremen) and above up to Job Grade G14 (Division Director). "Non-management" is defined as general staff.
Vietnam Plant: "Management" is defined as personnel from Job Grade G04 (Deputy Team Leaders) and above up to Job Grade G12 (Senior Manager). "Non-management" is defined as general staff.

Percentage of Senior Management Hired from the Local Community at Significant Locations of Operation

Location	Number of Senior Management Hired from the Local Communit	Total Number of Senior Management at the Location	Percentage of Senior Management Hired from the Local Community
Taiwan	24	24	100%
China Dongguan Plan	14	14	100%
Vietnam Plant	0	0	0%

Note:Definition of "Senior Management": For Taiwan locations, it refers to positions at the rank of Deputy Director and above; for the Dongguan plant in China and the Northern Vietnam plant, it refers to positions at the rank of Deputy Manager and above.

Workers Who Are Not Employees

2025	Taiwan	China Dongguan Plan	Vietnam Plant
Security Personnel	3	43	11
Janitorial Staff	8.5	13	0
Interns	0	2	0
Dispatched Workers	1	2065	29
Total	13.5	2123	40

Notes:1.The numbers are calculated based on the actual headcount at the end of each respective year.
2.One janitorial staff member at the Wugu Plant works half-day (4 hours) daily, and is therefore recorded as 0.5 headcount (FTE).

5.3 Talent Attraction and Retention

Talent Recruitment: To attract a diverse pool of talent, our job vacancies are posted across various mainstream recruitment platforms—including 104 Job Bank, Boss Zhipin, Zhizuo, WeChat Official Accounts, Facebook, and Zalo—where we detail our business directions, career opportunities, and employee benefits. Concurrently, we actively recruit outstanding talent from multiple avenues, such as participating in campus recruitment events, encouraging internal job applications, and leveraging employee referral programs.





Our company fosters continuous self-improvement and supports individual career development by offering diversified training programs, comprehensive welfare systems, and competitive compensation. Upon onboarding, department managers and HR specialists conduct irregular check-ins with new hires to understand their adjustment status and mitigate any early-stage discomfort. Concurrently, we utilize educational training and orientation sessions to help new employees seamlessly adapt to the overall corporate environment.

Should an employee tender their resignation, HR specialists conduct care interviews to analyze the key factors underlying retention and turnover, thereby driving efforts to enhance the retention rate. In 2025, the employee retention rates at our Taiwan locations, the Dongguan plant in China, and the Northern Vietnam plant were 85.22%, 78.42%, and 64.6%, respectively. To further increase retention and reduce turnover, we will strictly implement exit interviews moving forward to develop concrete improvement plans targeting the root causes of resignation.

In 2025, the recruitment statistics across our primary operating locations were as follows:

- Taiwan Locations: Totaled 117 new hires (75 male, 42 female), representing an overall hiring rate of 18.8%.
- Dongguan Plant, China: Totaled 1,623 new hires (1,176 male, 447 female), representing an overall hiring rate of 100.0%.
- Northern Vietnam Plant: Totaled 659 new hires (311 male, 348 female), representing an overall hiring rate of 114.4%.

Regarding employee termination procedures, Ability strictly complies with all local labor laws and regulations. Any modifications to labor conditions follow statutory notice procedures in accordance with regulatory requirements.

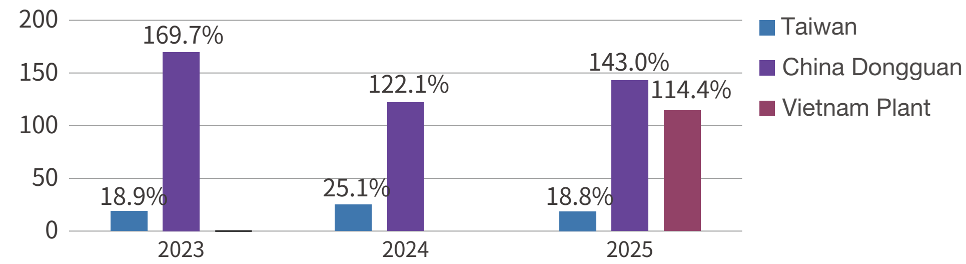
In 2025, the turnover statistics across our primary operating locations were as follows:

- Taiwan Locations: Totaled 82 departures (44 male, 38 female), representing an overall turnover rate of 13.2%.
- Dongguan Plant, China: Totaled 1,347 departures (998 male, 349 female), representing an overall turnover rate of 118.7%.
- Northern Vietnam Plant: Totaled 455 departures (237 male, 218 female), representing an overall turnover rate of 79.0%.

2025 New Hires – Broken Down by Age Group, Gender, and Region

Locations	Age Groups	Male Headcount (No.)	Male Percentage (%)	Female Headcount (No.)	Female Percentage (%)	Subtotal Headcount (No.)	Subtotal Total Percentage
Taiwan	Under 30	25	58.1%	18	41.9%	43	36.8%
	31-49	39	63.9%	22	36.1%	61	52.1%
	Over 50	11	84.6%	2	15.4%	13	11.1%
	The total number of employees at the end of 2025 was 619.	75	64.1%	42	35.9%	117	18.9%
China Dongguan Plant	Under 30	715	72.4%	273	27.6%	988	60.9%
	31-49	461	72.6%	174	27.4%	635	39.1%
	Over 50	0	0.0%	0	0.0%	0	0.0%
	The total number of employees at the end of 2025 was 1135.	1176	72.5%	447	27.5%	1623	143.0%
Vietnam Plant	Under 30	190	49.4%	195	50.6%	385	58.4%
	31-49	121	44.3%	152	55.7%	273	41.4%
	Over 50	0	0%	1	100.0%	1	0.2%
	The total number of employees at the end of 2025 was 576.	311	47.2%	348	52.8%	659	114.4%

Note: All metrics are calculated based on full-time employees only.

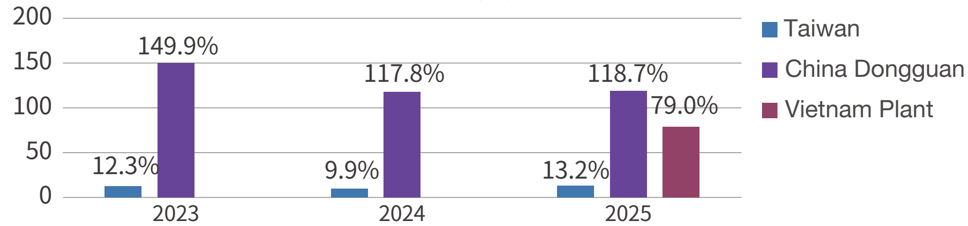


Note: The Northern Vietnam Plant was newly included in the scope of the Sustainability Report starting from 2025.

2025 Employee Turnover (Including Voluntary and Involuntary Resignations) – Broken Down by Age Group, Gender, and Location of Operation

Locations	Age Groups	Male Headcount (No.)	Male Percentage (%)	Female Headcount (No.)	Female Percentage (%)	Subtotal Headcount (No.)	Subtotal Total Percentage
Taiwan	Under 30	10	45.5%	12	54.5%	22	26.8%
	31-49	22	48.9%	23	51.1%	45	54.9%
	Over 50	12	80.0%	3	20.0%	15	18.3%
	The total number of employees at the end of 2025 was 619.	44	53.7%	38	46.3%	82	13.2%
China Dongguan Plant	Under 30	534	73.9%	189	26.1%	724	53.7%
	31-49	462	74.4%	159	25.6%	621	46.1%
	Over 50	2	66.7%	1	33.3%	3	0.2%
	The total number of employees at the end of 2025 was 1135.	998	74.1%	349	25.9%	1347	118.7%
Vietnam Plant	Under 30	146	54.7%	121	45.3%	267	58.7%
	31-49	91	48.4%	97	51.6%	188	41.3%
	Over 50	0	0%	0	0%	0	0.0%
	The total number of employees at the end of 2025 was 576.	237	52.1%	218	47.9%	455	79.0%

Note: All metrics are calculated based on full-time employees only.



Note: The Northern Vietnam Plant was newly included in the scope of the Sustainability Report starting from 2025.

5.3.1 Compensation Policy

The Company conducts annual market compensation surveys and adjusts salaries based on market pay levels, economic trends, and individual performance to maintain overall compensation competitiveness and retain top talent. To attract and retain high-performing employees while sharing the Company's operational success, our compensation system is based on job responsibilities and is linked to both corporate and individual performance. Employees are rewarded through profit-sharing, performance bonuses, and various benefits. In line with relevant regulations issued by Taiwan's Ministry of Finance, the Company also flexibly implements long-term incentive programs such as stock options, treasury stock plans, restricted employee shares, and employee stock ownership trusts. These mechanisms promote shared value creation and contribute to sustainable business operations.

Gender-based statistics are used to calculate the average annual salary ratio between male and female employees across different job levels. Variations in gender pay ratios are influenced by differing gender distributions across job categories, job functions, and operating sites.

Operational Location(s)	Classified by Position Level	2023				2024				2025			
		Annual Total Compensation		Monthly Basic Salary		Annual Total Compensation		Monthly Basic Salary		Annual Total Compensation		Monthly Basic Salary	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	Senior Management	0.66	1	0.66	1	0.82	1	0.95	1	0.79	1	0.93	1
	Middle Management	1.04	1	1.04	1	1.15	1	1.11	1	1.21	1	1.15	1
	General Indirect Employees	1.32	1	1.32	1	1.37	1	1.31	1	1.23	1	1.18	1
	Direct Labor	1.11	1	1.11	1	0.94	1	0.97	1	1.02	1	1	1

Note:The data is based on full-time employees only.
Job Level Classification:
Senior Management: Grade 9 (Assistant Division Manager) and above, excluding executive officers (including 1 General Manager, 2 Deputy General Managers, 1 Associate Director, and 3 others).
Middle Management: Grade 6 to Grade 8 managerial positions and Grade 5 Section Chiefs.
General Indirect Staff: Non-managerial positions at Grade 5 and below.

Operational Location(s)	Classified by Position Level	2023				2024				2024			
		Annual Total Compensation		Monthly Basic Salary		Annual Total Compensation		Monthly Basic Salary		Annual Total Compensation		Monthly Basic Salary	
		Male	Female	Male	Male	Male	Male	Male	Female	Male	Male	Male	Female
Dongguan, China	Middle Managemen	1.20	1	1.20	1	1.30	1	1.16	1	1.24	1	1.15	1
	General	1.14	1	1.03	1	1.06	1	1.05	1	1.11	1	1.08	1
	Indirect Labor (Production)	1.04	1	1.05	1	1.01	1	1.06	1	1.06	1	1.05	1
	Direct Labor	1.01	1	1	1	1	1	1	1	1	1	1	1

Note:The data is based on full-time employees only.
Job Level Classification:
Senior Management: Grade 9 (1 Deputy Director)
Middle Management: Grade 7 to Grade 8 managerial positions and Section Chiefs.
General Staff: Non-managerial positions at Grade 1 to Grade 6.

Operational Location(s)	Classified by Position Level	2025			
		Annual Total Compensation		Monthly Basic Salary	
		Male	Female	Male	Female
Vietnam Plant	General Indirect Staff	0.96	1	1.01	1
	Indirect Labor (Production)	1.15	1	1.08	1
	Direct Labor	1	1	1	1

Note:The data is based on full-time employees only.
Job Level Classification:
General Indirect Staff: Non-managerial positions at Grade 5 and below.

Minimum Salary Ratio by Gender Across Operating Sites

Taiwan	Local Entry-Level Wage for Male Employees (NTD)	Local Entry-Level Wage for Female Employees (NTD)	Local Statutory Minimum Wage	Ratio of Male Entry-Level Wage to Local Minimum Wage	Ratio of Female Entry-Level Wage to Local Minimum Wage
2023	26,400	26,400	26,400	1	1
2024	27,470	27,470	27,470	1	1
2025	28,590	28,590	28,590	1	1

Dongguan, China	Local Entry-Level Wage for Male Employees (RMB)	Local Entry-Level Wage for Female Employees (RMB)	Local Statutory Minimum Wage	Ratio of Male Entry-Level Wage to Local Minimum Wage	Ratio of Female Entry-Level Wage to Local Minimum Wage
2023	2,200	2,200	1,900	1.16	1.16
2024	2,200	2,200	1,900	1.16	1.16
2025	2,200	2,200	2,080	1.06	1.06

Vietnam Plant	Local Entry-Level Wage for Male Employees (VND)	Local Entry-Level Wage for Female Employees (VND)	Local Statutory Minimum Wage	Ratio of Male Entry-Level Wage to Local Minimum Wage	Ratio of Female Entry-Level Wage to Local Minimum Wage
2025	5,600,000	5,600,000	4,410,000	1.27	1.27

Disclosure of Full-Time Non-Managerial Employee Compensation – Taiwan Site

Disclosure Item	2023	2024	2025
Headcount	446	468	491
Total Compensation (in thousands of NTD)	512,034	564,060	652,942
Average (in thousands of NTD)	1,148	1,133	1,173
Median (in thousands of NTD)	1,090	1,063	1,063

Annual Total Compensation Ratio (Taiwan Site)

Ratio of Highest Annual Compensation to Median Annual Salary (%)	Ratio of Increase in Highest Compensation to Median Salary Adjustment (%)
22.35	51.89

Note: The annual total compensation ratio appears relatively high due to a larger proportion of entry-level employees at the operating site, which lowers the overall median salary.

5.3.2 Employee Benefits

Employees are Ability's closest partners in sustainable development. The Company continuously enhances its employee benefits system and implements comprehensive physical and mental care, ensuring every employee can lead a happy and fulfilling professional life at Ability. Starting in 2023, the Taiwan locations introduced a thoughtful new benefit—"Birthday Leave"—allowing employees to temporarily step away from work and take a day off to relax.

The Taiwan locations feature an Employee Welfare Committee, the China Dongguan Plant houses both a Labor Union and an Employee Welfare Committee, and the Vietnam Plant has also established an Employee Labor Union. These organizations host various recreational activities and administer a wide range of welfare subsidies. We strive to expand the scope of our benefits system to provide multifaceted care, enabling employees to maintain their personal life and space outside of work. Information regarding various benefits is communicated through announcements, internal employee app groups, the corporate website, emails, or public broadcasts, ensuring that all employees are well-informed and able to apply. Complete benefits systems are planned across all operating locations; although some benefits may vary due to local conditions, they all meet or exceed local statutory requirements.

Comprehensive Insurance Benefits

- Taiwan Locations: Group insurance coverage comprehensive packages include life insurance, accidental injury insurance, group hospitalization medical insurance, and cancer medical insurance.
- China Dongguan Plant and Vietnam Plant: Social insurance is fully provided in strict accordance with local statutory regulations, covering unemployment insurance, work injury insurance, endowment (pension) insurance, and medical insurance.
- Business Travel Protections: Both Taiwan locations and the China Dongguan Plant provide comprehensive business travel emergency insurance (with Taiwan locations further including overseas emergency assistance services).

Work-Life Balance through Rejuvenating Vacations

- Taiwan Locations: Flexible working hours are available, and newly onboarded employees are eligible to advance their paid annual leave.
- China Dongguan Plant: Team-building activities were organized across departments to foster employee engagement.
- Travel Subsidies: Both Taiwan locations and China Dongguan Plant provide employee travel subsidies to support recreation.

Attentive and Holistic Care

- Taiwan Locations: Professional counseling services, visually impaired massage therapy, and regular health examinations are provided on-site to promote employee well-being.
- China Dongguan Plant and Vietnam Plant: First-aid medical kits are fully equipped across all departments for employees to access in emergency situations.

Diversified Employee Benefits

- Taiwan Locations and Vietnam Plant: Marriage bonuses and childbirth subsidies are provided to support employees at key life milestones.
- China Dongguan Plant and Vietnam Plant: To enhance operational attendance and daily workplace well-being, comprehensive allowances are offered, including perfect attendance bonuses, meal subsidies, festive gifts, supplementary fruit portions, and year-end souvenirs.
- Across All Operations (Taiwan, China Dongguan Plant, and Vietnam Plant): To ensure a competitive total compensation structure and compassionate support, year-end bonuses, performance-based bonuses, and funeral condolence allowances are fully institutionalized.
- Taiwan Locations Exclusive Perks: Tailored social and lifestyle benefits include welcoming social luncheons for new hires, birthday meals, cultural event admissions, vouchers for major traditional festivals and birthdays, and promotional discounts with corporate partner merchants.
- China Dongguan Plant: Birthday gifts are distributed to celebrate employee milestones.

Thoughtful and Employee-Centric Facilities

- Taiwan Locations: To promote physical and mental well-being, the workplace is equipped with comprehensive leisure and wellness amenities, including a relaxation café, a fitness center, a yoga and aerobics studio, a reading room, and on-site vending machines.
- China Dongguan Plant and Vietnam Plant: Complimentary employee cafeterias are provided at both manufacturing sites to ensure well-balanced and convenient daily dining for the workforce.
- Across All Operations (Taiwan, China Dongguan Plant, and Vietnam Plant): To support convenient daily commutes, dedicated car and motorcycle parking spaces are fully provided for all employees.
- China Dongguan Plant: Complimentary on-site staff dormitories/housing are provided to fulfill the residential needs of employees.

Dignified and Respectful Retirement Support

- China Dongguan Plant: Farewell celebrations are thoughtfully organized for retiring executives to honor their long-term leadership and lifetime contributions.

Employee Benefits Provided by China Dongguan plant

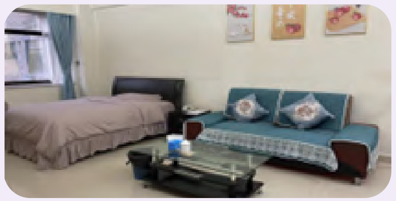
Free Accommodation

Employee Dormitory

Managerial Staff Dormitory

Senior Management Dormitory

Executive Dormitory



Birthday Gifts and Celebrations

Welfare Measures Provided by the Labor Union and Employee Welfare Committee at the China Dongguan Plant

Corporate Travel & Subsidies

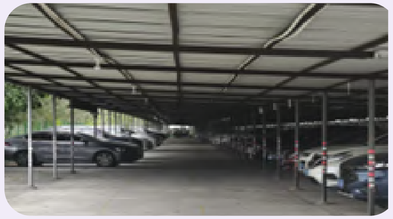
Compassionate Employee Care

Departmental Team-Building

Honorable Retirement Farewells

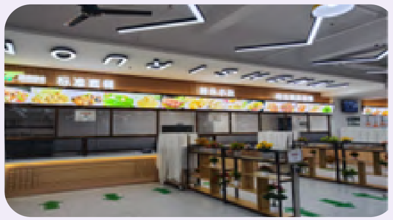
Festive Greetings & Gifts

Complimentary Employee Parking



Supplementary Fruit Portions

On-site Employee Cafeteria



Welfare Measures Provided by the Company and Labor Union at the Vietnam Plant

Festive Greetings & Care

Complimentary Employee Cafeteria

Festive Celebrations & Activities

Complimentary Employee Parking

Lunar New Year Gifts

Year-End Party

Benefits

Parking spaces for employees' cars and motorcycles
Employee fitness center
Festive gift vouchers
Birthday vouchers
Employee health checkups
Employee travel subsidies
Flexible work hours
Advance paid leave for new employees
Discount offers from partnered vendors
Counseling services
Massage therapy for the visually impaired
Birthday leave

Compensation

Guaranteed annual salary
Employee bonuses and performance incentives
Labor, health, group insurance, and pension contributions

Activities

Cultural and artistic events
Year-end parties or spring banquets
Sports competitions
Outdoor hiking events
Club activities
New employee welcome dinners

Taiwan locations provide dedicated education subsidies for dependents from low-income or mid-low-income households. This compassionate program covers the children, brothers, or sisters of employees—including those of deceased colleagues who passed away during their tenure—provided the employee has completed at least six months of service. Eligible dependents must be explicitly enrolled in government-registered public or private educational institutions (including kindergartens; excluding cram schools or preparatory centers).

In 2025, a total of 2 individuals applied for and received this subsidy, with the aggregate disbursed amount reaching NT$25,000.

Education Level / Category	Subsidy Amount
Kindergarten	10,000
Elementary School	10,000
Junior High School	10,000

Education Level / Category	Subsidy Amount
Senior High School	10,000
Junior College (Including Open Junior Colleges)	15,000
University / College (Including Open Universities)	15,000

Parental Leave Benefits and Support

Ability provides substantive care and support for employees with childcare needs. This includes unpaid parental leave arrangements, relevant welfare subsidies, and the establishment of an access-controlled lactation room, ensuring a private and secure space for breastfeeding employees. At the same time, in addition to strictly complying with the Labor Standards Act, our Taiwan locations design maternity and childcare benefits that exceed statutory requirements. These include providing female employees with an extra day of prenatal check-up leave beyond the legal mandate, providing male employees with an extra day of paternity and companion check-up leave, and granting employees with preschool children aged 0–6 three days of paid family care leave annually. This multi-faceted care enables employees to balance both work and family. Furthermore, an annual childcare allowance of NT$6,000 is provided for children aged 0–6 enrolled in legal childcare centers or kindergartens, creating a family-friendly workplace. Our China Dongguan Plant fully implements the latest regional Population and Family Planning Regulations, offering 10 days of fully paid parental leave annually to both primary and secondary caregivers (both parents) until the child reaches the age of three. Beyond statutory requirements, the plant also designs superior maternity benefits for female employees: pregnant employees are exempt from passing through security gates, are prioritized for lower bunks if residing in company dormitories, and are exempt from wearing factory uniforms due to physical changes. In addition to complying with local labor laws, our Vietnam Plant designs maternity benefits for female employees that exceed regulatory standards. These include exempting pregnant employees from security gates and factory uniforms due to physical changes, allowing them to bypass dining queues, and granting them elevator access. Through these measures, we provide substantive support and care for employees with childcare needs, ensuring an inclusive and stable workplace environment.

Parental Leave Benefits and Support

Disclosure Item	Male	Female	Total
(A) Number of employees entitled to parental leave in 2025	12	11	23
(B) Number of employees who took parental leave in 2025	2	4	6
(C) Number of employees expected to return to work in 2025	1	4	5
(D) Number of employees who did return to work in 2025	1	4	5
(E) Total number of employees who returned to work in 2024	0	4	4
(F) Number of employees who returned to work in 2024 and remained employed for 12 months	0	4	4
Parental Leave Retention Rate (F / E)	0%	100%	100%
Parental Leave Return to Work Rate (D / C)	0%	100%	100%

Note: The "Number of employees entitled to parental leave in 2025 (A)" is defined as the total number of employees who applied for maternity leave or paternity leave between January 1, 2023, and December 31, 2025.

In 2025, a total of 6 employees applied for and took parental leave at our Taiwan locations.

Parental Leave Return-to-Work Rate at our Taiwan locations reached 100% in 2025.

Retirement Benefit Plans and Schemes

In accordance with statutory retirement regulations, Ability contributes to retirement funds for every employee, achieving a 100% employee participation rate in our retirement plans to ensure long-term financial security for our workforce post-retirement. Furthermore, the Human Resources Department regularly reviews the roster of employees approaching retirement age, proactively understanding their retirement intentions and providing guidance to support their career and life transition planning.

In accordance with the Taiwan Labor Standards Act and the Labor Pension Act, employees at our Taiwan locations who were hired on or before June 30, 2005, are eligible for the Defined Benefit Plan (the old pension system). Under this system, Ability contributes 2% of each eligible employee's monthly salary into the pension reserve fund account at the Bank of Taiwan on a monthly basis. As of 2025, the balance of this retirement reserve fund stood at NT$766 thousand, which has been fully funded to completely satisfy the retirement requirements of all currently eligible employees.

For the Defined Contribution Plan (the new pension system), the company contributes 6% of each eligible employee's monthly insurable salary into their individual pension accounts managed by the Bureau of Labor Insurance. In addition to the mandatory 6% monthly employer contribution, employees may voluntarily choose to contribute an additional 0% to 6% of their monthly salary into their personal pension accounts based on their individual preferences.

In accordance with the current Labor Law and Social Insurance Law of the People's Republic of China, the China Dongguan Plant enrolls every employee in the mandatory statutory social insurance system to safeguard their fundamental standard of living post-retirement.

Based on the current statutory contribution rates for the retirement (old-age) pension component, the employer is responsible for 16%, while employees contribute 8%. These premiums are calculated based on the employees' insurable monthly salaries and remitted on a monthly basis. Furthermore, the Human Resources Department systematically reviews the roster of employees approaching retirement age, proactively understanding their retirement intentions, and providing relevant counseling and career transition assistance to ensure a smooth transition into their retirement life.

In accordance with Vietnamese legal regulations, the Vietnam Plant and its employees contribute to mandatory social insurance premiums on a monthly basis based on statutory ratios. This comprehensive coverage includes retirement (pension) insurance, health insurance, unemployment insurance, and work-related injury and occupational disease insurance.

Specifically, for the retirement (pension) insurance component, the cost is jointly shared, with the employer responsible for 14% and employees contributing 8%; all other insurance categories are strictly managed and remitted in compliance with the current statutory proportions under Vietnamese regulations. Upon retirement, employees are entitled to receive retirement pension benefits and relevant treatments in accordance with the provisions of the national social insurance system.

Employee Clubs and Recreational Activities

The Company highly values the physical and mental health of our employees, as well as their work-life balance. We actively foster a diverse and welcoming workplace environment, encouraging employees to establish and participate in various club activities based on their personal interests. Through institutionalized support and funding subsidy mechanisms, we strive to build a corporate culture characterized by health, vitality, and strong cohesion.

Employee clubs serve as a vital platform for colleagues to unwind and cultivate hobbies outside of work. Furthermore, through regularly organized activities and competitions, these clubs facilitate cross-departmental communication and teamwork, thereby reinforcing organizational cohesion and corporate identity. Club operations adhere to the principle of self-management, while the Company provides the necessary resources and support to ensure their sustainable development.

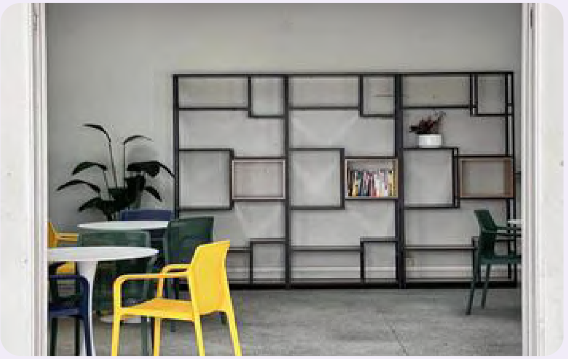
As of 2025, Ability's Taiwan locations featured a total of 11 employee clubs, covering diverse dimensions such as parent-child interaction, sports and health, artistic creation, and intellectual exchange. These include Parent-Child Club, Badminton Club, Bowling Club, Coffee Art Club, LOHAS (Lifestyles of Health and Sustainability) Club, Yoga and Aerobics Club, Extreme Rock Climbing Club, Volleyball Club, The Brain Teaser & Puzzle Club, Film Studies Club , and "Lou-Tou" (Camping & Outdoor) Club.

Through the promotion of these diverse club activities, the Company not only enhances employee well-being and quality of life but also strengthens internal synergy and team spirit, putting our "people-oriented" sustainable development philosophy into practice.

Recreational Facilities (China Dongguan Plant) Concurrently, to support the leisure needs of our workforce, the Dongguan plant in China has designed a fitness equipment zone, a reading room, and an Employee Activity Center. The center is fully equipped with badminton, table tennis, and billiards facilities, providing employees with premium spaces for relaxation and recreational activities.

Fitness Equipment

Reading Room



Employee Activity Center

60th Anniversary Event Series and Employee Engagement Initiatives

The year 2025 marks the landmark 60th anniversary of Ability Enterprise, symbolizing six decades of deep cultivation and progressive development in the fields of imaging and technology. In commemoration of this significant milestone, the company launched a comprehensive series of 60th-anniversary campaigns revolving around the core strategic theme of "ABILITY 3.0." These initiatives seamlessly integrate corporate cultural heritage, employee engagement, community investment, and health promotion, powerful demonstrating Ability's steadfast commitment to charting a new era of intelligent technology and sustainable operations.

The 60th-anniversary event series transcends a mere celebration of corporate history; it serves as a driving force to deepen employee alignment, reinforce the "One Team" spirit, and actively contribute back to society through tangible actions, thereby fully operationalizing the core philosophy of corporate sustainable development.

1. ABILITY 3.0 Charity Bazaar: "Giving New Life to Pre-loved Items, Walking Together in Love"
   organized the "Giving New Life to Pre-loved Items, Walking Together in Love" charity bazaar, rallying employees to actively participate in fundraising and donation drives. Through the combination of charity sales and monetary donations, these efforts successfully transformed collective goodwill into the warmest, most tangible support for vulnerable groups in our society.

2. "Time for Cherry Blossoms" — Visionary Future Launch Ceremony
   Against a backdrop of symbolic cherry blossoms, Ability hosted its 60th-anniversary vision launch ceremony, where the Chairman and senior executives collectively inscribed the corporate vision, symbolizing the inheritance of past achievements and the co-creation of the future. This event successfully reinforced the heritage of corporate culture and the spirit of intergenerational continuity, while deepening a unified consensus among employees regarding our future strategic direction.

3. "Lohas Club" Spearheaded the "All-Ability Mobilization, Running with All Our Might" Running Event
   Embodying the "ABILITY 3.0 ONE TEAM" spirit, the company formed collective teams to participate in the "2025 Taipei Technology Cup Run for the Earth" charity road run, advocating the core principles of healthy living and environmental sustainability. By putting health and sustainability into practice through sports, this initiative successfully enhanced teamwork and fostered cross-departmental collaboration.

4. "Our Ability Family" — 60th Anniversary Family Day
   Hosted at the Taipei Hakka Cultural Park, the "Ability Enterprise Family Day" welcomed employees and their families to celebrate together. Featuring a variety of hands-on DIY workshops, a lawn picnic, interactive fun competitions, and live stage performances, this signature event successfully strengthened the bond between the company and employees' families, creating a profoundly supportive and family-friendly workplace culture.

5. "Lutou Club" Hosted the "ALOHA BBQ Night" Mid-Autumn Festival Barbecue
   The company organized an autumn "BBQ Night," providing an excellent platform for employees to socialize and unwind. Integrating live music, gourmet food, and interactive team games, this festive event successfully enhanced employee well-being and reinforced a profound sense of belonging across the workforce.

6. The Bowling Club Hosted the Annual Bowling Tournament
   To promote regular exercise habits and revitalize club participation, the Bowling Club staged its annual tournament during the 60th-anniversary celebration period, attracting enthusiastic participation from various departments. Through friendly competition, this event successfully strengthened cross-departmental interaction and team spirit, while enhancing employee physical and mental wellness alongside work-life balance. This initiative underscores the company's steadfast commitment to supporting diverse employee interests and health promotion.

7. The Brain Teaser & Puzzle Club Hosted "The Trials of the Gods" Mystery-Solving Event
   Planned and executed by the Brain Teaser & Puzzle Club, "The Trials of the Gods" was a large-scale team-based mystery-solving event. Designed to stimulate strategic thinking and intensive teamwork, this initiative successfully catalyzed cross-departmental communication and cultivated creative thinking among our workforce. This campaign vividly demonstrates the company's continuous support for diverse employee clubs and the nurturing of an internal culture of innovation.

8. Ability Christmas Concert
   Staged at the year-end, the Christmas gala provided a festive platform for musical performances and warm interactions. This celebratory event served as a heartfelt expression of gratitude for our employees' dedicated hard work throughout the year, while effectively enhancing the warmth of our corporate culture and reinforcing overall team solidarity.

Employee Cafeteria and Healthy Plant-Based Dining Initiatives

At our Taiwan Xinzhuang Headquarter, an employee café, a 7-Eleven Smart Fun Vending Machine ("Zhi-Fun-Ji"), and an intelligent lunch vending machine have been established on the first floor, providing our workforce with highly convenient and diverse dining options during lunch breaks. Concurrently, this area has been designed as a comfortable and secure relaxation space, enabling colleagues to unwind, recharge, and transition their mindsets during breaks, thereby effectively enhancing overall work quality and workplace happiness.

Carbon Reduction Activities

Since 2022, the company has actively responded to a low-carbon lifestyle, showing care for the environment and employee health. A vegetablegrowing area was set up in the café, allowing employees to experience planting greens and enjoy healthy vegetarian meals. This initiative also contributes to office greening and environmental protection. Employees are encouraged to bring their own reusable cups or mugs to promote sustainable consumption and demonstrate their love for the Earth through everyday actions.






Carbon Reduction Volume	2025 Monthly Average	Full Year 2025
Carbon Reduction from Low-Carbon "LOHAS Dining" Lunches	87 kg	1,049 kg

Notes:
Statistical Period & Performance: Statistically compiled from January 2025 to December 2025, a total of 1,380 portions were served. A meat-free meal reduces carbon emissions by approximately 760g; therefore, 1,380 portions *760g = approximately 1,049 kg of carbon reduction.
Data Sources & Methodology: Driven by Ability Enterprise's dedication to advocating low-carbon living, earth preservation, and environmentally friendly plant-based dining, we jointly contribute to global sustainability. The carbon reduction coefficient is calculated based on the 2011 research report published by the Environmental Working Group (EWG) in the United States. According to EWG's 2011 carbon emission matrix, skipping meat for one meal per person can mitigate approximately 760 grams of carbon dioxide equivalent (CO_2e) emissions.

5.4 Talent Development and Cultivation

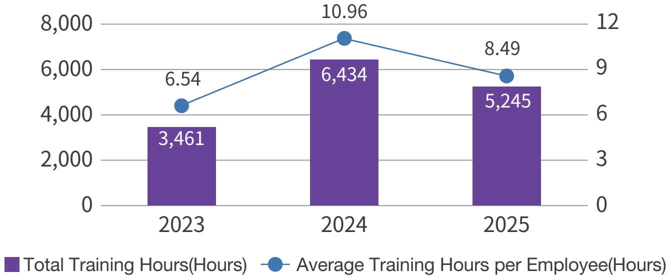
The company is committed to enhancing employees' professional knowledge and job skills to improve work quality and motivation. In alignment with future workforce development needs, we aim to strengthen employees' knowledge, attitudes, skills, and potential, thereby enhancing operational capabilities and organizational effectiveness. To support this, the company provides diverse and flexible learning opportunities and resources, encouraging well-rounded development to build a solid foundation for sustainable business operations.

5.4.1Diverse Learning Channels

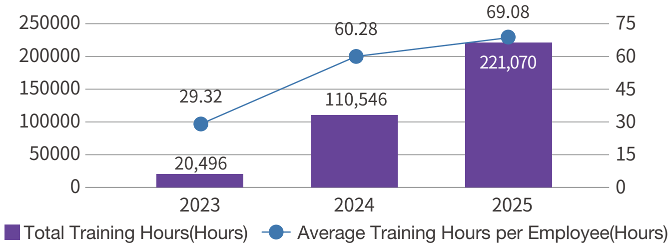
The company offers employees diverse and flexible learning channels and resources, including classroom training, online learning, external training programs, digital books and magazines, and access to reading rooms. These initiatives enable employees to achieve meaningful development in both management and technical/professional areas. In addition, the company strengthens the management capabilities of leaders at all levels and actively encourages employee participation and shared growth with the organization.

Ability places strong emphasis on employees' career development, ensuring that all employees have access to training opportunities. In 2025, the total number of training hours for the Taiwan operations site was 5,245 hours, with an average of 8.49 training hours per employee. At China Dongguan plant, total employee training hours reached 221,070, with an average of 69.08 hours per employee. At Vietnam Plant, total employee training hours reached 9,821, with an average of 17.1 hours per employee. The company continuously plans its learning and development strategies with the goals of enhancing employee managerial and professional competencies, improving team performance and synergy, strengthening organizational efficiency and momentum, and achieving sustainable corporate growth and development.

Taiwan Location



China Dongguan Plant



Overview of Employee Education and Training in 2025

2025	Taiwan				China Dongguan				Vietnam Plant			
Duty	Management position		Non-management position		Management position		Non-management position		Management position		Non-management position	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees	304	60	609	539	190	85	1682	1243	14	29	210	323
Training Total hours	963	178	2332	1,772	2308	539	158 ,986	59,238	243	504	3,346	5,728
Average training hours	3.17	2.96	3.83	3.29	12.14	6.34	94.52	47.66	17	17	16	17

Note: Total training hours completed between January 1 and December 31 of the year.

Ability's Learning and Development Framework through Diverse Learning Channel

"Continuous Learning" and "Pursuit of Excellence"

Professional Skills
- On-the-Job Training
- Internal Training
- External Training
- E-Learning

Management/ General Skills
- Management Training
- Internal Trainer Development
- Consensus Building Workshops

Self-Development
- Language Training
- TOEIC Rewards
- Various Lectures
- ABILITY Reading Room
- Industry Newsletters

On-Job Training
- Job Rotation Project
- Participation
- Job Acting

Ability Academy

Management Development

Professional Development
R&D/Quality Control / Marketing / Sales/Manufacturing

General Development
New Employee Training / Oocupational Safety / Legal / Language / Self-Development

Core Competencies

Core Value

- Accountability
- Brilliance
- Integrity
- Learning continuously
- Initiating action
- Team work
- Yes! You are "ABer"

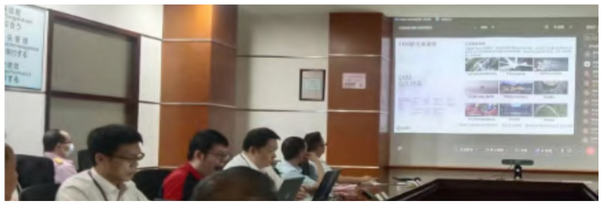
Learning and Development Resources

Learning and Development Resources	Description
New Employee Training	• This training aims to familiarize new hires with the company's history, management systems, products, workplace safety, information security, and quality management. It helps new employees understand the company and adapt to the environment effectively. • This plan provides assistance from senior colleagues within the department, covering both daily life and professional aspects. The goal is to help new employees quickly adapt to the company's culture and job responsibilities.
Management Training	Management training courses are planned according to the management skills required for each supervisory level. They are divided into foundational supervisor/first-time supervisor training, middle management training, and senior management training, with the aim of continuously improving management capabilities.
Professional training	A team of instructors composed of senior executives, external experts, and professional vendors conducts the training, which includes seminars organized by various professional departments or training courses provided by industry consulting companies. This ensures that professional learning in each department continuously progresses. In addition to internal training, employees can apply to participate in external professional courses based on job requirements, with the company providing appropriate financial support.
Occupational Safety and Health Training	Providing a safe and secure work environment for employees is crucial. This includes regularly conducting fire drills, first aid training courses, and other related activities.
Language Training	To enhance and strengthen the international language skills of all employees, the company offers partial subsidies for English and Japanese courses, as well as TOEIC achievement rewards and registration fee subsidies. Employees can continuously improve their language skills through both in-person and online courses.
Self-Development	• Various lectures are provided to help employees rejuvenate their mind, body, and spirit outside of work. These include topics such as health, psychology, interpersonal communication, financial management, exercise, travel, and crafts, enabling employees to grow personally. • Employees can also join industry newsletters to stay informed about market and industry trends, economic changes, product and technology developments, and major companies' operational strategies. • At China Dongguan Plant, the "Dream Fulfillment Program" offers educational advancement discounts, with 2 participants enrolled in 2025. • At China Dongguan Plant, the "Enterprise Professional Skill Level Certification" evaluations. In 2025, 137 employees skipped/registered for the assessment, and 132 successfully passed, achieving a high certification rate to enhance localized technical talent.

2025 Ability Training

1. ESG Training

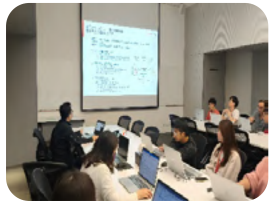
To drive continuous corporate sustainable development, we organized four specialized ESG training courses. These educational initiatives aim to cultivate professional talent in corporate sustainability and seamlessly embed ESG principles into our corporate culture and employee DNA. A total of 275 employees participated in the training sessions.



2. Internal QA Knowledge Sharing

The Quality Assurance (QA) team participated in external professional training programs and utilized a structured mechanism to transform this external expertise into internal knowledge sharing. This practice tangible demonstrates our commitment to continuous talent growth and leverages cross-functional experience transfer to significantly strengthen the company's long-term business resilience. A total of 102 employees participated in these sessions.



3. English/Japanese Language Training

To continuously enhance our employees' English and Japanese proficiency and align our workforce with global standards, we provide flexible learning channels through an online language learning platform and dedicated orientation sessions. A total of 46 employees participated in this program.


2025 China Dongguan Plant Training

1. Firefighting Equipment - Fire Extinguisher Drill

Through hands-on, practical field drills, participants acquired vital knowledge on operating firefighting equipment and fundamental fire safety protocols. This training empowers employees to proficiently utilize fire extinguishers, thereby strengthening our organizational readiness and emergency response capabilities in critical fire-suppression scenarios. By reinforcing fire safety awareness, we continuously foster a safe and secure working environment. In 2025, the total number of training participants reached 157 person-times.


2. Fire Evacuation and Drill Training

Through routine evacuation exercises, participants familiarize themselves with emergency escape routes, designated assembly points, and essential self-rescue techniques, such as the low-posture crawl. These drills significantly reinforce evacuation awareness among our workforce. By embedding these safety practices into daily operations, we proactively mitigate disaster risks. In 2025, the total volume of training reached 6,491 person-times.


3. Elevator Operation and Safety Training

Through routine training initiatives, participants familiarize themselves with operational precautions and fundamental safety protocols regarding elevator and cargo lift usage. This program reinforces safety awareness, standardizes safe operating procedures, and mitigates equipment-related risks, thereby fostering a secure working environment. In 2025, the total volume of training reached 204 person-times.


4. First-Aid Responder Training and Drills

Through specialized first-aid competency training and practical simulation drills, participants mastered correct emergency care methodologies and lifesaving techniques. This initiative ensures that qualified first aiders are strategically deployed within the workplace to enhance our critical response capabilities, thereby safeguarding health and fostering a secure work environment. In 2025, the total volume of training reached 26 person-times.

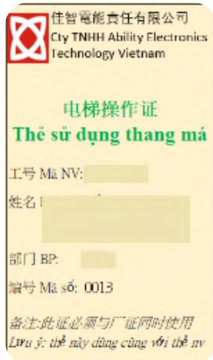

2025 Vietnam Plant Training

1. Firefighting Equipment - Fire Extinguisher Drill

Through hands-on practical simulations and operational training, we ensure that participating colleagues possess initial fire-suppression capabilities and correct fire-response knowledge. This initiative significantly reinforces employee safety awareness regarding electricity and fire sources, while enhancing organizational command and emergency response capabilities when facing sudden incidents, thereby fostering a secure working environment. In 2025, the total volume of training reached 40 person-times.


2. Elevator Operation Training

Through routine safe elevator operation training and the promotion of Standard Operating Procedures (SOPs), we enhance our employees' safety awareness regarding special equipment. This initiative ensures that mechanical risks are minimized to the absolute lowest level, actively constructing a zero-accident workplace environment. In 2025, the total volume of training reached 42 person-times.


佳智電能責任有限公司
Cty TNHH Ability Electronics Technology Vietnam

电梯操作证
Thẻ sử dụng thang má

工号 Mã NV:
姓名
部门 BP:
编号 Mã số: 0013

备注:此证必须与厂证同时使用
Lưu ý: thẻ này dùng cùng với thẻ nv

3. First-Aid Responder Training and Drills

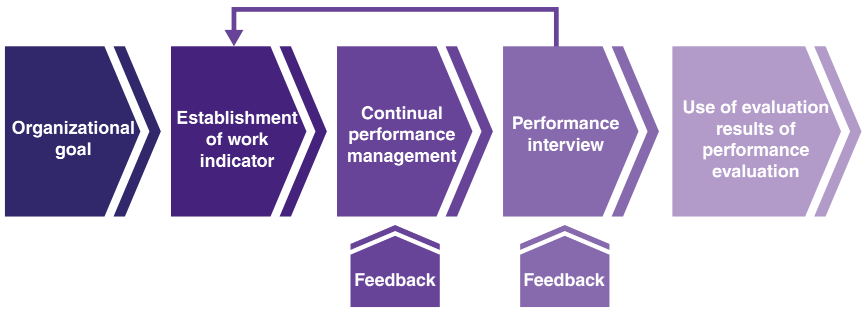
Through specialized first-aid competency training and practical simulation drills, we ensure that qualified first aiders can initiate swift and precise rescue actions in the event of a sudden accident. This program effectively minimizes the severity of injuries and mitigates health risks, thereby safeguarding our workforce. In 2025, the total volume of training reached 20 person-times.

5.4.2 Performance Appraisal and Evaluation System

Ability ensures alignment between individual and organizational goals through a continuous semi-annual performance management process. All employees are required to formulate their personal Key Performance Indicators (KPIs), execution methodologies, and evaluation criteria based on their strategic objectives and daily responsibilities. To ensure the effective attainment of these goals, the company dynamically reviews KPI progress to determine if target adjustments are necessary.

Concurrently, pursuant to the "Performance Appraisal Management Regulations," formal performance evaluations are conducted twice a year—at mid-year and year-end. The evaluation begins with employees conducting a self-assessment of their KPI achievements, work attitudes, and behavioral performance. This is followed by a one-on-one performance interview with their direct supervisor. During the interview, supervisors provide direct feedback and coaching regarding the self-assessment review outcomes, while actively listening to employees' feedback and suggestions for Ability Enterprise. This collaborative approach ensures mutual consensus on goal achievement.

At our China Dongguan Plant and Vietnam plant, the company ensures alignment between individual and organizational goals for Indirect Labor (IDL) foremen through a continuous quarterly performance management process. Supervisors evaluate these personnel based on their daily task execution intensity, level of cross-functional cooperation, and technical proficiency. In accordance with the "Performance Appraisal Management Regulations," formal performance evaluations are conducted four times a year on a quarterly basis. Throughout this process, supervisors provide targeted guidance to foster a strong mutual consensus on goal achievement.



Through the evaluation interview framework, the company more effectively enhances employee work proficiency while ensuring that the workforce comprehensively understands Ability's strategic objectives and remains properly aligned without deviation. Ultimately, performance appraisal outcomes are structurally linked as a foundational reference for key corporate measures, including human resource planning, salary adjustments, promotions, profit-sharing bonuses, year-end bonuses, and talent training initiatives, thereby aligning performance with rewards to boost employee morale. Employees undergo various appraisals designated for the annual period based on their respective tenure; excluding dispatched personnel and new hires with less than three months of service, 100% of all eligible employees successfully completed their performance evaluations.

Location	Appraisal Method	Applicable Employee Ranks	Evaluation Frequency
Taiwan	Online and Paper-Based Appraisals	All Employees	Semi-Annually (Twice a Year)
China Dongguan Plant	Online Appraisal	STAFF	Semi-Annually (Twice a Year)
	Paper-Based Appraisal	DL Foremen / Supervisors	Quarterly (Every Three Months)
Vietnam Plant	Online Appraisal	STAFF	Semi-Annually (Twice a Year)
	Paper-Based Appraisal	DL Foremen / Supervisors	Semi-Annually (Twice a Year)

2025	Taiwan		China Dongguan Plant		Vietnam Plant	
	First Half	Second Half	First Half	Second Half	First Half	Second Half
STAFF Headcount	521	549	250	286	86	100
Appraisal Rate (%)	100%	100%	100%	100%	100%	100%

China Dongguan Plant				
2025	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
IDL Foremen Headcount	101	108	126	153
Appraisal Rate (%)	100%	100%	100%	100%

Vietnam Plant		
2025	First Half	Second Half
IDL Foremen Headcount	84	116
Appraisal Rate (%)	100%	100%

5.5 Occupational Health and Safety

5.5.1 Occupational health and safety management

The Company introduced the OHSAS18001 occupational safety and health management system in 2008. China Dongguan Plant formally introduced the relevent management procedure in 2012. Taiwan Wugu Plant introduced the ISO45001 occupational safety and health management system in 2020. Vietnam Plant introduced the ISO45001 occupational safety and health management system in 2025.The Company engages a third-party certification institution, to carry out the external certification and obtains the certificate each year. The scope of application covers all employees and workers of locations of Taiwan Wugu Plant, China Dongguan and Vietnam Plant to exhibit that we value and support occupational safety and health management by adopting actual actions. We carry out accident prevention, employee safety and health improvement, emergency management, emerging pandemic prevention, solutions, and disaster risk management through continuously improving the safety and health management system.

Occupational Safety and Health Management System Certification	Location	Obtaining Date	Effective Date
ISO 45001:2018	Taiwan	2023/5/12	2026/5/12
	China Dongguan	2023/8/7	2026/8/6
	Vietnam	2025/8/11	2026/5/12

Occupational health and safety management department

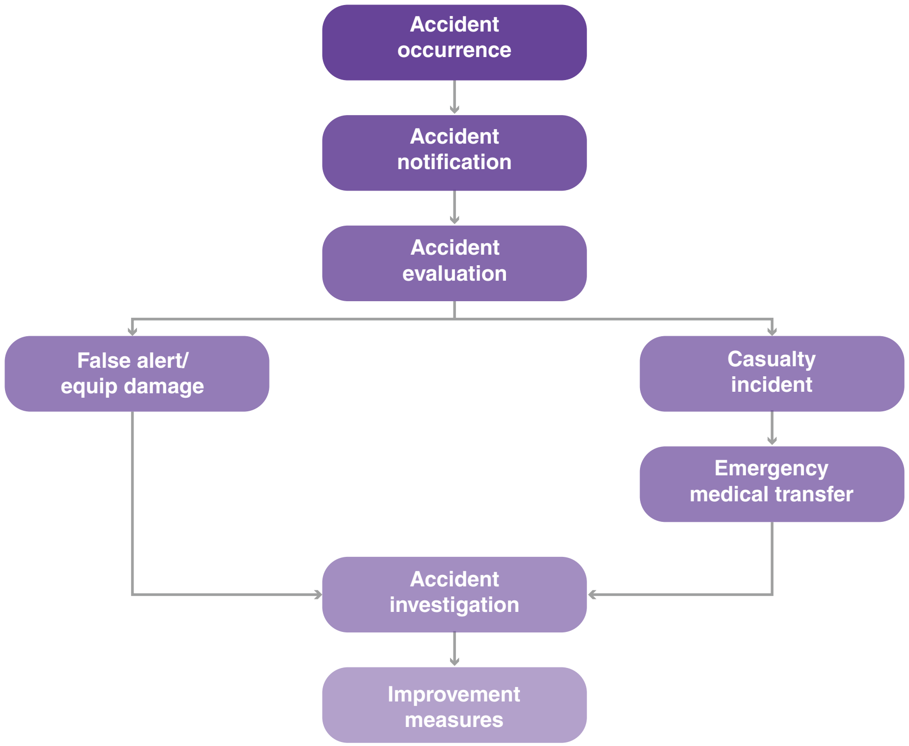
The "Environmental, Health and Safety Committee" was established by merging the ISO 45001 Occupational Health and Safety Management System and the ISO 14001 Environmental Management System; members include supervisors and employee representatives of Taiwan locations, a total of 14 persons, in which there are 5 employee representatives, accounting for approximately one-third of the total number of persons. The OSH Committee is responsible for the external environmental and internal occupational safety and health issues. The members of the "EHS Committee" in China Dongguan Plant include supervisors and employee representatives, a total of 11 persons, in which there are 4 employee representatives, accounting for approximately one-third of the total number of persons. The members of safety management team in Vietnam Plant include supervisors and employee representatives, a total of 9 persons, in which there are 6 employee representatives. It is responsible for the external environment and internal occupationanal safety and health issuses in China Dongguan Plant and Vietnam Plant respectively. All of them holds regular meetings to have discussions on safety and health management, educational training implementation plan, health management, occupational disease prevention and health improvement matters, auto-inspection and safety and health audits, machinery, equipment, or raw material, preventive measures of material hazards, occupational disaster survey reports, and various safety and health topics to have comprehensive control for environmental safety. Meanwhile, opinions and recommendations proposed by workers are included in discussions by the Committee.

Occupational hazard identification and risk evaluation procedures

The Company regularly organizes hazard identification and risk evaluation operation each year. Items with a risk level of high or above after screening from the hazard identification and risk assessment list are listed as items to be improved first. The Company adopts effective control measures to minimize risks with reference to existing technical resources, ability, and available resources based on the priority of elimination, replacement, engineering control, management control, and personal protection. However items with a risk level of medium or above are included in the management plan and annual target for regular follow-up and effect improvement. The Company regularly follows up and confirms the effectiveness of risk control measures and countermeasures for control measures adopted to mitigate risks.

Incident reporting and investigation procedures

The Company has established the "Procedures for Emergency Management" and "Regulations for Incident and Anomaly Investigation." Its scope of application includes all workers of Taiwan and China Dongguan Plant. All workers are entitled to suspend the operation or evacuate from the operating site after adopting possible response measures when discovering emergencies that directly harm personal safety during the implementation of relevant operations. The Company shall not offer unfavorable wages, welfare, and other packages, lay off, or cancel the contract entered into with the worker due to the abovementioned behavior. When an injury case occurs, dial the emergency reporting line and assist the injured persons in hospitalization. When an occupational disaster occurs, occupational safety and health personnel shall meet up with employee representatives to perform incident investigation and follow-up based on the Regulations for Incident and Anomaly Investigation and make judgments based on the content of the incident on the damage status and work injuries. After the completion of the incident investigation, submit for approval and implement improvement countermeasures, and the dedicated department shall continue to supervise and track to reduce losses and prevent the recurrence of similar circumstances.



Safety and health education and training

To improve the accurate awareness of employees knowledge related to safety and health, we organize relevant training courses, training frequency, and course content, and we comply with the regulatory requirements for the course hours. Internal training courses include new employee safety and health educational training, hazard general knowledge educational training, self-defense fire safety grouping training, General occupational safety and health training, Chemical management knowledge training, Environmental, safety, and health regulations and fire safety knowledge, Fire emergency evacuation drill, Firefighting equipment and fire extinguisher hands-on training and external training courses include ISO14001/ISO45001 training, fire manager educational training, first-aid personnel educational training, occupational safety and health relevant management personnel educational training, and radiation protection educational training. We regularly organize self-defense fire safety grouping training every half year to rapidly mobilize members of the organization upon the occurrence of emergencies and adopt accurate actions to effectively control disasters and minimize losses. For other workers who are not employed laborers, we provide hazard notice safety and health educational training and work safety analysis and safety notice before entering the plant, exert safety monitoring during the operating period, and provide safety and health concepts and knowledge from time to time for them to pay more attention to occupational safety and health.

Taiwan locations

	2025 educational training course	Number of trainees (Persons)	Training hours (hrs)	Total hours (hrs)
Internal training	New employee safety and health educational training	84	3	252
	Occupational safety and health educational training	565	1	565
	Emergency evacuation drill	109	1	109
	Self-defense fire safety grouping training	56	4	224
External training	First-aid personnel educational training	1	3	3
	First-aid personnel educational training(Initial training)	2	16	32
	On-the-job Training for Occupational Health Service Nurses	1	3	3
	Radiation protection educational training	2	3	6

China Dongguan Plant

	2025 educational training course	Number of trainees (Persons)	Training hours (hrs)	Total hours (hrs)
Internal training	General occupational safety and health training	32,619	8	260,952
	Chemical management knowledge training	18	1	18
	Environmental,safety,and health regulations and fire safety knowledge	22	1	22
	Fire evacuation drill	6,058	0.08	485
	Firefighting equipment and fire extinguisher hands-on training	157	0.25	39
External training	First aid training	26	2	52
	Training for the responsible persons of production and business units	1	12	12
	Training for safety management personnel in production and business units	10	12	120
	Radiation protection educational training	3	1	3
	Electrician	5	8	40

Vietnam Plant

2025 educational training course	Number of trainees(Persons)	Training hours(hrs)	Total hours(hrs)
Occupational safety and health training	197	18	3,546
First aid team training	10	16	160
Chemical safety training	61	40	2,440
Fire safety training	25	24	600
Food poisoning emergency drill	10	0.5	5
Work-related accident emergency drill	11	0.5	5.5
Air compressor accident emergency drill	6	0.5	3
Radiation accident emergency drill	7	0.5	3.5
Electric shock accident emergency drill	7	0.5	3.5
Infectious disease emergency drill	10	0.5	5
Typhoon emergency drill	11	0.5	5.5
Chemical warehouse fire and explosion emergency drill	25	0.5	12.5

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

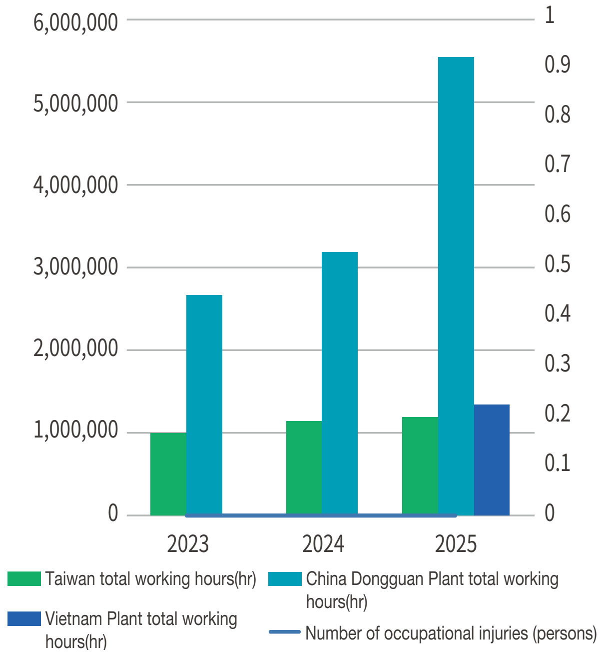
The Company has established its Procedures for Contractor Management. When entering into a contract with a contractor, we deliver the "Contractor Safety Notice Handbook" and execute the "construction safety and health environmental protection commitment." In 2025, the execution rate achieved 100% in Taiwan, China Dongguan and Vietnam locations. The Company provides a contracting work hazard notice before the construction and completes the "construction application and pre/post-confirmation form," and the commencement of the construction is subject to approval. During the construction period, reinforce the daily on-site patrol inspection. If there is any non-compliance with safety and health requirements, the construction managing department will fill out a deficiency improvement notice and require the contractor to make instant improvements. After the completion of the construction, the supervising department shall fill out the "completion safety confirmation form" to effectively prevent accidents of contractors and personal injuries.

Occupational injuries and occupational diseases

The Company created a healthy and safe workplace for employees and established various SOPs to prevent the occurrence of occupational injuries and occupational diseases, and operational environment monitoring is performed every year. Since its establishment, there has been no occupational injury or occupational disease. We promise to continue to provide working environments free of safety concerns for all workers to achieve the target of zero occupational disaster and zero occupational disease.

Location	Worker category	2025								
		Death caused by occupational injury		Severe occupational injuries (excluding the number of persons who passed away)		False alert		Work-Related Illnesses		Actual total working hours
		Quantity	Ratio	Quantity	Ratio	Quantity	Ratio	Quantity	Ratio	
Taiwan	Full-time employees (Note 1)	0	0	0	0	0	0	0	0	1,166,380
	Part-time employees (Note 2)	0	0	0	0	0	0	0	0	244
	Contractor (security+cleaner)	0	0	0	0	0	0	0	0	23,520
China Dongguan	Full-time employees (Note 1)	0	0	0	0	0	0	0	0	1,935,864
	Part-time employees (Note 2)	0	0	0	0	0	0	0	0	3,512,376
	Contractor security+cleaner+ restaurant	0	0	0	0	0	0	0	0	91,696
Vietnam Plant	Full-time employees (Note 1)	0	0	0	0	0	0	0	0	1,272,616
	Contractor(security)	0	0	0	0	0	0	0	0	62,872

Note 1: Full-time staff includes both indefinite-term and fixed-term contract employees.
Note 2: Part-time employees are those without guaranteed working hours. The Taiwan location has 1 part-time employee in 2025, while China Dongguan plant has an average of 1750 part-time employees in 2025.



5.5.2 Occupational health services

Employees are the material assets of Ability Enterprise, and the health of employees is the foundation for sustainable corporate development; favorable production capacity requires healthy employees. Through diverse "health management" and "health improvement" activities, the Company wishes employees to have a life of physical and mental harmony in addition to work and commits to improving employees' personal health, lifestyle, and behaviors.

Employees Health Management

(I) Health inspection

Comprehensive health inspections may discover diseases as early as possible. Ability Enterprise arranges in-service employees to accept health inspections more favorable than the regulations each year and arrange health inspections with special items for employees of special operating positions (i.e., Ionizing radiation, n-Hexane, Methanol, toluene, tin compounds, dust, noise, etc. and are regulated based on the specific work items of each factory area). Meanwhile, it provides premium health inspection plans for employees to allow employees to understand their own health status and exert self-health management through comprehensive inspection items.

After completing health inspections, professional medical personnel will provide hospitalization assistance and inspection notice based on the material anomalies found in the results of health inspections to realize care services. It provides professional consultation for groups with abnormal health and regularly arranges for doctors to visit for on-site services to provide professional consultation channels to employees. The Company has established a management plan for personal health anomaly health education and consultation, preventive risk monitoring, and medical assistance. The Company only uses the personal health service records and information of employees as the basis for evaluation of a safe occupational environment and it will not be used for any other purposes. The data is duly preserved by the dedicated health management department to prevent leakage.

- Health inspection in Taiwan Location

Annual general health inspection are provided for all employees. Regarding the in-service employee patrol health inspection in 2025, 369 persons were to be inspected, 363 persons participated in the inspection, and the inspection rate was 98.4%.

In addition, the biennial advanced health check-up program is provided once every two years, with 179 eligible participants and 176 completing the check-up, resulting in a completion rate of 98.3%. By collaborating with government agencies and external medical institutions, we provide cancer screening services such as cervical and breast cancer screenings to prevent the onset of diseases.

Taiwan Xinzhuang Headquarter



Taiwan Wugu Plant



- Health inspection in China Dongguan Plant

Health inspection: the Supervisors and Staff (Note 1): 457 persons were to be inspected , 376 persons participated in the inspection, and the inspection rate was 82.0%.

Employee occupational health inspection (Note2): 427 persons were to be inspected , 418 persons participated in the inspection, and the inspection rate was 97.9%.




Note1：The number of employees undergoing general health inspection includes those who have been employed for over one year.

Note2：The number of employees undergoing occupational health inspection includes those in positions exposed to occupational disease hazard factors.

- Health inspection in Vietnam Plant

111 persons completed the general health inspection.

Special health examinations for employees in designated positions were conducted twice, with a total of 150 employees completing the inspection.

(II) Occupational medicine doctors visiting service

The Company values employees' physical and mental health and has established "four major plans for labor health protection" to arrange for doctors to carry out on-site services and the schedule is set independently by each operational location. We also meet occupational safety and health personnel, department supervisors, occupational nursing personnel, and relevant personnel to have patrol inspections of the on-site work environments and evaluate risks so as to avoid WMSDs. According to the health status questionnaires of employees, we provide health education and consultation for employees with high risks to avoid cerebrovascular diseases or cardiovascular diseases due to overwork. Work protection is provided for female employees during pregnancy preparation, pregnancy, and one year after delivery to avoid any harm to employees' bodies or their children during pregnancy or the nursery period after delivery. In addition, the Company carries out reinstatement evaluations for reinstated employees due to personal injuries and sickness to maintain employees' workplace and operational safety.

In 2025, Occupational medicine doctors, safety and health personnel, and supervisors of each department examine job patterns and environmental risk factors on-site.

Taiwan Wugu Plant

China Dongguan Plant

Vietnam Plant

Employee health improvement

Health promotion activities are implemented based on the employee health condition at each location.

Taiwan locations

(I) Establish a gym and yoga classroom

To maintain employees' hobbies in exercising, Ability Enterprise has set up an internal gym and yoga classroom to encourage employees to make use of their spare time to exercise.

(II) Provide massage by persons with visual disabilities to relieve muscle pain and pressure on employees

The company understood the heavy work pressure of employees and the demand to relax their bodies and minds. To duly fulfill corporate social responsibilities and expand the employment opportunities of persons with visual disabilities, the Company recruits massagers with physical and mental disabilities to provide professional services at the special massage room through reservation, allowing employees to relax their bodies and minds and relieve pressure.

(III) Maternity care and care resources

To care for female employees, the Company regularly organizes health lectures exclusively for females and arranges exclusive inspection items for female employees in the health inspection each year. The Company encourages female employees to continue to feed their babies after delivery. It has established a "nursery room" and offers 60 minutes for breast milk each day at work. For the convenience of taking care of preschool children, it has entered into a contract with a kindergarten.

Established a nursery room

(IV) Health promotion activities

Since the fourth quarter of 2022, through a diverse range of health promotion activities, the company encourage employees to develop a habit of regular activity and healthy diet . The activities include various types of classes, a point collection system, daily walking step challenges, and monthly stair-climbing events, all centered around healthy fat reduction as the core goal. These initiatives aim to help employees achieve weight loss and body fat management. In order to further advocate for plant-based and environmentally friendly eating habits, rewards such as salads and green smoothies from the coffee bar at the Taiwan HQ were provided to encourage employees to consume more fruits and vegetables, thereby achieving goals of environmental sustainability and carbon reduction.

In 2025, we received Workplace Health Promotion Certification and was recognized as one of the top 10% performing enterprises in the voluntary evaluation of occupational health and safety performance disclosure in corporate sustainability reports, demonstrating the company's commitment to promoting employee health and preventing work-related injuries. We will continue to implement various health promotion activities to enhance workforce safety and health, thereby increasing workforce competitiveness and improving corporate image.

Number of Registrants and Participation Rate for Health Promotion Activities in 2025

Item / Achievement Rate	Number of registrants	May	June	July	August	Average
Walkii APP Total headcount	177people	—	—	—	—	
Slow jogging	132	101 76.5%	82 62.1 %	73 55.3%	73 55.3%	62.3 %
Brisk walking – individual	147	112 76.2%	97 66.0%	90 61.2%	88 59.9%	65.8 %
Brisk walking – group	90	83 92.2%	78 86.7%	75 83.3%	72 80%	85.6 %
Location check-in	135	114 84.4%	107 79.3%	104 77.0%	105 77.7%	79.6 %
Health promotion seminars/courses	--	Dance fitness trial class 7 people	Healthy sleep practices 15people Pilates experience class 16 people Sports massage and kinesiology taping 15 people	Slow jogging aerobic exercise 9 people	Sports nutrition health seminar 15 people	--

Accumulated daily walking steps from 2022 to 2025

Walking activity	2022/ November to December	2023/ April to December	2024/ April to September	2025 / May to August	Total
Cumulative number of participants	186 participants	303 participants	240 participants	387 participants	1116 participants
Cumulative step count	45,104,097	95,283,309	115,216,563	152,947,564	408,551,533 steps
Approximate total distance(m)	31,572,868	66,698,316	80,651,594	107,063,294	285,986,072 m
Estimated cumulative calories burned(Kcal)	1,209,241	2,554,545	3,088,956	4,100,524	10,953,266 Kcal
Total carbon reduction based on distance(kg)	6,405	13,530	16,361	21,718	58,014 kg

*Exercise Data – Calculation Method:
Daily Walking Distance: Daily steps × 70 cm
Daily Calories Burned: Walking distance (in kilometers) × 38.3 kcal
Carbon Reduction Estimate: (Total steps ÷ 10,000) × 1.42 (Assuming 10,000 steps ≈ 1 round trip walking distance, which reduces approximately 1.42 kg of CO_2 emissions)

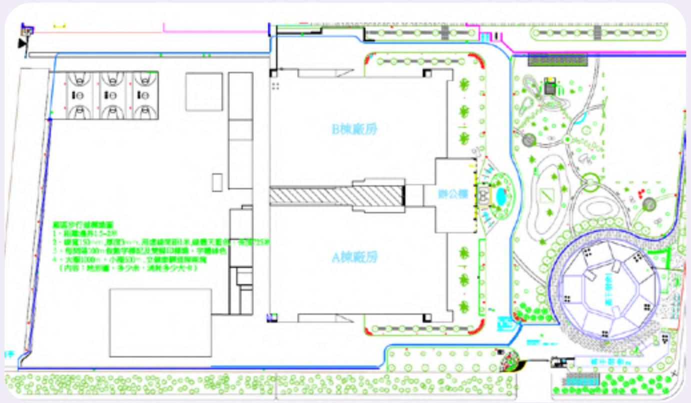
Summary of Body Fat Reduction Activities (2025)

Group	Number of participants	Number of post-test participants	Total Body fat reduction	Total Body fat weight	Number of participants achieving target (≥ 2% fat loss)
Male	69 people	39 people	62.40%	91.7 kg	15 people
Female	59 people	44 people	87.30%	97.8 kg	24 people

China Dongguan Plant

(I)Establish fitness trails

To maintain employees a regular exercise habit, walking paths have been established around the green spaces of the factory, encouraging staff to utilize their spare time for physical activity.



▲ Plant Walking Map

5.6 Participation in Public Welfare

Upholding our sustainability vision of "Making Society Better," the Company actively responds to local community needs by leveraging core corporate resources to drive diverse philanthropic initiatives, thereby fulfilling our corporate social responsibility. By combining the collective strength of the Company and our employees, we maintain a long-term commitment to underprivileged care, educational support, and disaster relief. Beyond financial contributions and material donations, we also encourage our employees to participate in volunteer services, fostering a virtuous cycle that creates shared prosperity for both the enterprise and society.

In the initial stages, the Company focused primarily on community services and underprivileged care. Over time, we have progressively expanded our reach into educational assistance and major disaster relief, continuously planning both regular and ad-hoc philanthropic projects. Driven by voluntary employee participation and institutionalized corporate promotion, these initiatives not only foster internal cohesion but also amplify our external corporate social impact.

Alignment with the United Nations Sustainable Development Goals (SDGs)

The Company's philanthropic initiatives support the United Nations Sustainable Development Goals (SDGs), with a dedicated focus on:

- SDG 1: No Poverty (SDG logo)
- SDG 4: Quality Education
- SDG 11: Sustainable Cities and Communities

The Company believes that children are the foundational cornerstone of our nation's future. Consequently, we have long focused on the growth and educational opportunities of children from disadvantaged families. Through living allowances, scholarships, and grants, we assist them in maintaining stable schooling and unlocking their potential, thereby creating more possibilities for their future.

In 2025, the Company's total social philanthropic donations amounted to NT$ 2,286,120. This total encompasses both the Company's corporate charitable engagements and the philanthropic initiatives actively championed by our employees.

Care for the Underprivileged and Educational Support

Since 2013, the Company has maintained a long-term partnership with "The Mustard Seed Mission," consistently investing in child living assistance and educational support, now entering its 12th consecutive year. In addition to providing a stable source of funding, the Company encourages active employee participation through internal awareness campaigns and fundraising activities, fostering a corporate culture where the enterprise and its employees join hands to give back to society.

1. Taiwan Child Foster Care Program

The Company and its employees jointly participate in the child foster care program. Each sponsored child receives a monthly living allowance of NT$1,000, along with additional subsidies for the Lunar New Year, the three major traditional holidays, Christmas, and their birthdays. Furthermore, a "Back-to-School Grant" was introduced in 2019 to help children purchase school supplies and pursue their education with peace of mind. In 2025, the Company and its employees collectively sponsored 49 children from underprivileged families, with annual donations totaling NT$810,200. Through long-term companionship and support, this program not only helps children grow steadily but also enables employees to understand philanthropic values, align with corporate philosophies, and translate these insights into concrete actions, thereby deepening our corporate culture.

2. "Ability Christmas Angels" Recruitment Initiative

Every Christmas, the Company rallies employees to voluntarily sponsor and donate Christmas gifts, which are then delivered directly to underprivileged children across Taiwan. This initiative goes beyond providing material assistance; it delivers warmth and hope. In 2025, a total of 143 Christmas gifts were prepared, with a total value of NT$76,355. Additionally, a donation of NT$60,000 was contributed to fund Lunar New Year reunion dinners (Red Envelopes) for these families.

3. "Yu-Cheng" Charity Bazaar and Exhibition

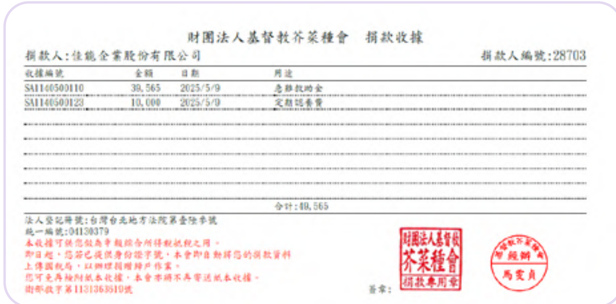
The Company partnered with the Jixian Sheltered Workshop to organize a charity bazaar aimed at supporting the vocational development of trainees with disabilities. Through concrete purchasing actions and promotional efforts, we assist the sheltered workshop in securing a stable source of income, actively demonstrating the Company’s commitment to diversity and inclusion (D&I).

Disaster Relief and Social Care

In addition to our long-term child assistance initiatives, the Company provides swift and responsive aid in the wake of major disaster events, offering critical resource support and reconstruction assistance.

In 2025, through the "Ability Charity Bazaar," we mobilized supplies and corporate donations totaling NT$39,565. These funds and resources were donated to The Mustard Seed Mission to support the "July 7 Myanmar Major Earthquake Relief Operation," helping the affected population navigate through the aftermath of the crisis.

For the "September 23 Hualien Guangfu Township Flood Recovery Project," a total of NT$1,300,000 was successfully raised through the enthusiastic response of 111 employee participants alongside the Company's matching contributions. The funds were fully dedicated to post-disaster home repairs and community reconstruction.



China Dongguan Plant participated in the 2025 Dongguan "630" Rural Revitalization and Dongguan Charity Day initiative, contributing a financial donation of RMB 3,000.

Future Outlook

Looking ahead, the Company will continuously deepen its strategic philanthropy planning, strengthen connections with our partners, and establish a more institutionalized and transparent management mechanism for our charitable investments. By combining employee engagement with the integration of corporate resources, we will persistently amplify our positive social impact, fulfilling our long-term commitment to corporate sustainable development and shared social prosperity.

佳能企業股份有限公司
ABILITY ENTERPRISE CO.,LTD.

Appendix

Appendix I GRI Standards Index

Statement of Use	Ability Enterprise Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 Used	GRI 1：Foundation 2021
Applicable GRI industry guidelines	None

GRI		GRI Disclosure Item	Corresponding section	Page
GRI2 General Disclosures 2021				
The organization and its reporting practices	2-1	Communication of critical concerns	About Ability	7
	2-2	Collective knowledge of the highest governance body	About this Report	3
	2-3	Evaluation of the performance of the highest governance body	About this Report	3
	2-4	Remuneration policies	About this Report(No restatement of information this time)	3
	2-5	Process to determine the remuneration	About this Report	3
Activities and workers	2-6	Annual total compensation ratio	About Ability	7
	2-7	Statement on sustainable development strategy	5.2 Employee Diversity, Inclusion	72
	2-8	Policy commitments	5.2 Employee Diversity, Inclusion	72
Governance	2-9	Embedding policy commitments	2.1 Corporate Governance Structure	25
	2-10	Processes to remediate negative impacts	2.1 Corporate Governance Structure	25
	2-11	Mechanisms for seeking advice and raising concerns	2.1 Corporate Governance Structure	25
	2-12	Compliance with laws and regulations	2.1 Corporate Governance Structure	25
	2-13	Membership of associations	2.1 Corporate Governance Structure	25
	2-14	Approach to stakeholder engagement	1.1 Sustainable Development Commitment and Promotion	11
	2-15	Collective bargaining agreements	2.1 Corporate Governance Structure	25

GRI		GRI Disclosure Item	Corresponding section	Page
Governance	2-16	Communication of critical concerns	1.1 Sustainable Development Commitment and Promotion 1.2 Stakeholders and Material Topics	11 15
	2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance Structure	25
	2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance Structure	25
	2-19	Remuneration policies	2.1 Corporate Governance Structure 5.2 Employee Diversity, Inclusion	25 75
	2-20	Process to determine the remuneration	2.1 Corporate Governance Structure	25
	2-21	Annual total compensation ratio	5.2 Employee Diversity, Inclusion	75
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	Message from the Management 1.1 Sustainable Development Commitment and Promotion	4 11
	2-23	Policy commitments	2.3 Integrity Management	11 15
	2-24	Embedding policy commitments	2.3 Integrity Management	11 15
	2-25	Processes to remediate negative impacts	1.2 Stakeholders and Material Topics	15
	2-26	Mechanisms for seeking advice and raising concerns	2.3 Integrity Management 2.5 Customer Relationship Management 5.2 Employee Diversity, Inclusion	30 34 70
	2-27	Compliance with laws and regulations	2.3 Integrity Management	30
	2-28	Membership of associations	About Ability	7
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.2 Stakeholders and Material Topics	15
	2-30	Collective bargaining agreements	About Ability	70

GRI		GRI Disclosure Item	Corresponding section	Page
GRI 3 Material Topics Disclosures 2021				
GRI 3: Material Topics	3-1	Process to determine material topics	1.2 Stakeholder and material topics	15
	3-2	List of material topics	1.2 Stakeholder and material topics	15
Material topic: Corporate Governance and Operations				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Corporate Governance and Operations	21
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	2.2 Economic Performance	29
Material topic: Risk Management				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Risk Management	22
Material topic: Customer Relation Management				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Customer Relation Management	23
Material topic: Information security and privacy management				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Information security and privacy management	24
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security	35
Material topic: Sustainable Supply Chain				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Sustainable Supply Chain	39
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.1 Supply Chain Management	40

GRI		GRI Disclosure Item	Corresponding section	Page
Material topic: Climate change management, net-zero carbon emissions				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Climate change management, net-zero carbon emissions	46
Material topic: Product quality and safety & Raw material management				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Product quality and safety & Raw material management	47
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.2 Raw Material Management	42
	301-2	Recycled input materials used	3.2 Raw Material Management	42
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety effects of product and service categories	4.6 Sustainable Innovative Products	62
Material topic: Sustainable and innovative products and services				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Sustainable and innovative products and services	48
Material topic: Talent Attraction and Employee Benefits				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Talent Attraction and Employee Benefits	69
GRI 201 Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	5.3 Talent Attraction and Retention	75
Material topic: Employment Relationship				
GRI 3: Material Topics	3-3	Management of material topics	Material topic: Employment Relationship	68
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.2 Employee Diversity, Inclusion	72
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Talent Attraction and Retention	75
	401-3	Parental leave	5.3 Talent Attraction and Retention	75
GRI 402: Employment 2016	402-1	Minimum notice periods regarding operational changes	5.1 Human Rights Management	70

GRI general topic disclosure

Subject	Disclosures of GRI Standards		Corresponding chapter	Page
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	5.3 Talent Attraction and Retention	75
GRI 302: Energy 2016	202-2	Proportion of senior management hired from the local community	5.2 Employee Diversity, Inclusion	72
	302-1	Energy consumption within the organization	4.2 Energy Management	55
	302-3	Energy intensity	4.2 Energy Management	55
	302-4	Reduction of energy consumption	4.2 Energy Management	55
GRI 303: Water and effluents 2018	303-2	Management of water discharge-related impacts	4.5 Water Resources Management	61
	303-3	Water withdrawal	4.5 Water Resources Management	61
GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions.	4.3 Greenhouse Gas Management	57
	305-2	Indirect greenhouse gas emissions (Scope 2)	4.3 Greenhouse Gas Management	57
	305-4	Greenhouse Gas Emission Intensity	4.3 Greenhouse Gas Management	57
	305-5	Reduction of GHG emissions	4.3 Greenhouse Gas Management	57
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impact	4.4 Waste Management	58
	306-2	Management of significant waste-related impact	4.4 Waste Management	58
	306-3	Waste generated	4.4 Waste Management	58
	306-4	Waste diverted from disposal	4.4 Waste Management	58
	306-5	Waste directed to disposal	4.4 Waste Management	58
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	43

Subject	Disclosures of GRI Standards		Corresponding chapter	Page
GRI 403：Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.5 Occupational Health and Safety	91
	403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	91
	403-3	Occupational health services	5.5 Occupational Health and Safety	91
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	91
	403-5	Worker training on occupational health and safety	5.5 Occupational Health and Safety	91
	403-6	Promotion of worker health	5.5 Occupational Health and Safety	91
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational Health and Safety	91
	403-8	Workers covered by an occupational health and safety management system	5.5 Occupational Health and Safety	91
	403-9	Work-related injuries	5.5 Occupational Health and Safety	91
	403-10	Work-related ill health	5.5 Occupational Health and Safety	91
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	5.4 Talent development and cultivation	86
	404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent development and cultivation	86
	404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent development and cultivation	86
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.2 Employee Diversity, Inclusion	72
	405-2	Ratio of basic salary and remuneration of women to men	5.2 Employee Diversity, Inclusion	72
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.1 Human Rights Management	70
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Human Rights Management	70
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Human Rights Management	70
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.6 Participation in Public Welfare	98
	413-2	Operations with significant actual and potential negative impacts on local communities	5.6 Participation in Public Welfare	98
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	43

Appendix II SASB Standards Index-TC-HW

Product Category：TECHNOLOGY & COMMUNICATIONS/Hardware › Release version: August 2025

The disclosure scope of this table is the same as that of this report

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Product safety	Description of approach to identifying and addressing data security risks	TC-HW-230a.1	Qualitative	NA	2.6 Information Security
Employee diversity and inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	Quantitative	%	5.2 Employee Diversity, Inclusion
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-HW-410a.1	Quantitative	%	The product sold contains 0% IEC 62474 declarable substances. The company uses PLM, GSM, and SAP information management systems to manage all component components, including 100% compliance statements, hazardous substance test reports, material safety data sheets, and safety/EMC compliance reports. Please refer to 4.6 Sustainable Innovative Products.
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	Quantitative	%	Our products are manufactured by OEM, and EPEAT registration is performed by the customer. If the customer has application requirements, we will provide the customer with the required registration information.
	Products Conforming to Energy Efficiency Certifications as a Percentage of Operating Revenue	TC-HW-410a.3	Quantitative	%	Our products are manufactured by OEM, and energy efficiency certification is performed by the customer. If the customer has application requirements, we will provide the customer with the required registration information. Please refer to 4.6 Sustainable Innovative Products.
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	Quantitative	T; %	Not applicable. Our products are manufactured as OEM products, not final consumer products. Therefore, the end-of-life scrapping, recycling services, and recycling weight of the products are planned by the client.
Supply chain management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all suppliers and (b) high-risk suppliers (conflict minerals)	TC-HW-430a.1	Quantitative	%	(a) 14.67 % (b) 100 % VAP Equivalent Audit: Supplier audits conducted by a qualified audit team appointed by Ability Enterprise. The audit tools reference local laws and regulations, the RBA Code of Conduct, customer requirements, the company's corporate social responsibility management regulations, and other relevant applicable social responsibility requirements as audit standards.
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances, and (b) other non-conformances	TC-HW-430a.2	Quantitative	rate	(1) Non-conformance rate (a) 0 % (b) 5.56 % (2) Associated corrective action rate (a) There are no priority non-conformance, therefore there is no corrective action rate. (b) 100%

Topic	Disclosure indicator	Indicator No.	Nature	Unit	Corresponding chapter or description
Material procurement	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1	Qualitative	NA	Ability implements local procurement based on the location of the manufacturing plant and evaluates whether to authorize safety stock based on the characteristics of key product components and the lead time. See 3. Sustainable Supply for details.
	Number of units produced by product category	TC-HW-000.A	Quantitative	piece	About Ability
	Area of manufacturing facilities	TC-HW-000.B	Quantitative	m^2	Taiwan Wugu plant: 1,700m^2 China Dongguan plant: 118,000m^2 Vietnam plant: 15,015m^2
	Percentage of production from owned facilities	TC-HW-000.C	Quantitative	%	100% of the production is carried out in the disclosed areas

Appendix III Climate-Related Information of TWSE/TPEx Listed Company

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To strengthen the company's corporate governance functions regarding sustainable operation and climate-related risk management, a functional committee, the "Sustainability and Risk Committee," was established under the Board of Directors in 2025. This committee serves as the oversight unit for the company's overall sustainability and climate management. The original "ESG Sustainability Promotion Committee" was renamed the "Sustainability and Risk Implementation Committee," which acts as the highest guiding body for the company's sustainable governance and climate change operations. This committee is responsible for formulating the company's overall climate action direction and strategies, holding at least two meetings annually, and reporting on the implementation status to the Sustainability and Risk Committee. The Board of Directors is responsible for overseeing all plans. The Sustainability and Risk Implementation Committee has established an (E) Green Sustainability Promotion Team, responsible for improving environmental management performance, developing low-carbon products, and controlling environmental risks. This team also conducts regular surveys and analyses of climate-related risks and opportunities.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The climate risk and opportunity survey is divided into short-term, medium-term, and long-term. Short-term is defined as less than 2 years, medium-term as 3 to 8 years, and long-term as 9 years or more. The company identified a total of 4 risks (represented by R) and 4 opportunities (represented by O). The risk-related items are as follows: Potential entity risk (R1) "Increased severity of extreme weather events such as typhoons and floods" (short-term impact); Potential transitional risk (R2) "Mandatory climate information disclosure and verification" (short/medium-term impact); Potential transitional risk (R3) "Greenhouse gas emission regulations and carbon fees" (medium-term impact); and Potential transitional risk (R4) "Changes in market customer behavior" (medium/long-term impact). Opportunity-related items are: (O1) "Resource utilization efficiency" (short-term impact); (O2) "Innovative products and services: development or increase of low-carbon products" (short/medium-term impact); (O3) "Innovative products and services: research and development of new products" and (O4) "Developing new markets" (both medium/long-term impacts). After identifying the risks and opportunities, the company implements corresponding strategies to reduce climate risks and increase business opportunities, the company is implementing corresponding strategies to reduce climate risks and increase business opportunities.
3. Describe the financial impact of extreme weather events and transformative actions.	Extreme weather events (typhoons, floods, heavy rainfall, etc.) may cause water shortages or flooding, forcing factory shutdowns, resulting in equipment damage and operational disruptions; raw material supply disruptions may prevent production; road closures may prevent timely deliveries, and other disasters may increase operating costs, increase expenses, reduce revenue, and in the worst case, lead to operational interruption. Therefore, our company has formulated emergency response measures to mitigate disaster risks in response to extreme weather events. Transformation actions include reducing greenhouse gas emissions, product and service requirements and regulations, low-carbon product management, product research and development, and financial impacts such as increased raw material costs. For details, please refer to Chapter 4.1, "Climate Change Management," of our 2025 Sustainability Report.

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The process of identifying, assessing and managing climate risks is as follows: **Process responsible person** / **Input** / **Process description** / **Output** • Sustainability and Risk Implementation Committee, Green Sustainability Promotion team / Industry trends and analysis / Risk identification: Assess risk sources and risk items / Climate risk/opportunity topic • Sustainability and Risk Implementation Committee, Green Sustainability Promotion team / Current status investigation for organizational operations / Risk assessment: Assess the level of risk of risk items / Results of climate risk/ opportunity • Sustainability and Risk Implementation Committee, Promoting member / Risk identification and level / Check the risk report: Formulate strategic reports for items of high risk as identified / Risk management report • Sustainability and Risk Implementation Committee, Committee Chairperson / — / Risk management report submission and disclosure: Submit to Sustainability and Risk Committee and the Board / Minutes of Board meetings • Sustainability and Risk Implementation Committee, Green Sustainability Promotion team / — / Risk response: High-risk item relief project implementation and follow-up / Implementation records of plans
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Climate Risk Identification, Assessment, and Management. In accordance with the TCFD guidelines, the company has conducted a risk and opportunity survey and analysis to identify and assess climate-related risks and opportunities. The company has identified risks and opportunities related to: Regulations, Supervision, Technology Compliance, Market, Reputation, Short-term/long-term risks. After communicating with relevant departments to ensure the accuracy of the climate risk and opportunity survey, the company then identified 4 high-risk item and 4 opportunity items and will conduct scenario analysis and financial analysis in the future.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Climate Risk Identification, Assessment, and Management Process. The company's climate risk identification, assessment, and management process involves: • Reviewing the development of climate-related initiatives within the company • Identifying physical and transition risks and opportunities, as well as potential future issues • Considering past performance in climate adaptation To strengthen risk management, the company's ESG Sustainability subcommittee assesses the potential financial impact of climate-related issues. The subcommittee also discusses the transition risks and opportunities associated with legal, technological, market, and reputational factors, as well as short, medium, and long-term opportunities. The subcommittee has identified the following transition risks and opportunities: • Develop and/or increase low-carbon goods and services • Research and development and innovation of new products and services • Develop new markets • Use more efficient production and distribution processes To strengthen the company's greenhouse gas reduction goals, the subcommittee has set product goals to reduce greenhouse gas emissions from its own production and products.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing is an issue that serves as a supplementary tool for climate risk management. In setting prices, the company uses carbon reduction initiatives as the basis for calculations, including investments in renewable energy/certificates and greenhouse gas emission reduction. To respond to the changes in the energy market following the introduction of new carbon reduction and carbon trading regulations and to reduce business risks, the internal carbon pricing policy is one of our long-term strategies to achieve our net-zero emissions target.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Our company conducts greenhouse gas inventory in accordance with ISO 14064-1. We have completed the verification work for our Taiwan site, China Dongguan plant and Vietnam plant for 2025, to accurately grasp the company's overall greenhouse gas emission sources and emissions. We are also planning and setting carbon reduction targets using the Scientific Basis for Carbon Reduction (SBTi) approach, aiming to achieve net-zero emissions by 2050. • Using 2023 as the base year, the short-term goal is to reduce energy intensity by 1% annually from 2024 to 2025, and to reduce carbon emissions per million RMB of revenue by 2% annually from 2024 to 2025 (Category I and Category II calculated together). Actual results show that in 2024, energy intensity at the Taiwan site decreased by 21.85%, energy intensity at the Dongguan site decreased by 17.03%; In 2025, energy intensity at the Taiwan site decreased by 53.75%, energy intensity at the Dongguan site decreased by 19.17%; Carbon emissions per million NTD of revenue decreased by 38.67% in 2024, decreased by 35.47% in 2025 (Category I and Category II calculated together). • Medium- and long-term carbon reduction goals 1. Using 2023 as the base year, reduce energy intensity by 2% annually from 2026 to 2030. 2. Using 2023 as the base year, reduce carbon emissions per million NTD of revenue by 25% by 2030 (Category I and Category II calculated together). 3. 2050 Achieve net-zero emissions annually, and review carbon intensity reduction performance annually.

Item	Implementation status
9. Greenhouse gas inventory and assurance status	• Greenhouse Gas Inventory status 1. The Company (parent company) has already begun disclosing its greenhouse gas inventory data in accordance with the ISO 14064-1 since 2023. 2. Consolidated financial statement subsidiaries are required to disclose their greenhouse gas inventory data starting in 2027. The Company has already begun disclosing greenhouse gas inventory data for its Dongguan, China plant in 2025, and for its Vietnam plant in 2026. The remaining consolidated financial statement subsidiaries are expected to begin disclosing their data in 2027. The execution status of the company's greenhouse gas inventory in the past two years is as follows:

Year	2024		2025	
Ability Enterprise Co., Ltd.	Emissions (metric tons CO_2 e)	Greenhouse gas intensity (metric tons of CO_2 e /turnover in NT$ million)	Emissions (metric tons CO_2 e)	Greenhouse gas intensity (metric tons of CO_2 e /turnover in NT$ million)
Direct emissions (Scope 1)	32.9412	0.0053	43.8426	0.0044
Energy indirect emissions (scope 2)	984.9798	0.1593	906.4321	0.0915

• Greenhouse Gas Confirmation Information
1. The Company (parent company) should begin implementing third-party assurances from 2023.
2. Consolidated financial statement subsidiaries should begin implementing third-party assurances from 2029. Third-party verification of 2023 greenhouse gas inventories at the China Dongguan plant began in 2024, and third-party verification of 2025 greenhouse gas inventories at the Vietnam plant began in 2026. The remaining consolidated financial statement subsidiaries are expected to complete this process by 2029.

The Company's implementation of greenhouse gas assurances (Category 1 and Category 2) for the two most recent years is described below:

Year	2024	2025
Scope of Assurance	Ability Enterprise(parent company), China Dongguan plant	Ability Enterprise(parent company), China Dongguan plant, Vietnam plant
Assurance Authority	SGS	SGS
Assurance Criteria	ISO14064-3: 2019	ISO14064-3: 2019
Explanation of Assurance Circumstances	Reasonable Warranty	Reasonable Warranty: Ability Enterprise (Parent Company), China Dongguan Plant Limited Warranty: Vietnam Plant

For complete greenhouse gas inventory and assurance information, please refer to our website and this ESG report.

Appendix IV Taiwan Sustainability Disclosure Index Indicators for Optoelectronics industry

Enhanced disclosure items and assurance items according to Article 4, Paragraph 1 of Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies - Opto-electronics industry

Governing Rules		Disclosure Item	Corresponding Chapter	Page
Subparagraph 1	Item 1	Total energy consumed, ratio of purchased power, and ratio of the use of renewable energy	4.2 Energy Management	55
	Item 2	Total water withdrawal and total water consumption	4.5 Water Resources Management	61
	Item 3	Weight of hazardous waste generated and recycled ratio	4.4 Waste Management	58
	Item 4	Describe the category of occupational disaster, number of persons, and ratio	5.5 Occupational Health and Safety	91
	Item 5	Disclosures related to product life cycle management: Include the weight of scrapped products and electronic wastes and the recycled ratio (Note)	4.4 Waste Management 3.2 Raw Material Management	58 42
	Item 6	Describe risk management related to the use of key materials	3.2 Raw Material Management	42
	Item 7	Total money loss caused by litigation related to Non-competition Act	2.3 Integrity Management	30
	Item 8	Production volume of major products by product category	About Ability	7

Note: Include the sales of scraps or other recycling disposals, and relevant descriptions shall be provided.

Appendix V Ability Enterprise ESG Report Verification Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ABILITY ENTERPRISE CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ABILITY ENTERPRISE CO., LTD. (hereinafter referred to as Ability Enterprise) to conduct an independent assurance of the Sustainability Report for 2025 (hereinafter referred to as the Sustainability Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2026/05/19 to 2026/06/25. The boundary of this report includes Ability Enterprise Taiwan and overseas operational and production sites as disclosed in Ability Enterprise's Sustainability Report of 2025. The boundary is not the same as Ability Enterprise's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing the stakeholders in Ability Enterprise's Sustainability Report of 2025.

RESPONSIBILITIES

The sustainability information in the Ability Enterprise's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Ability Enterprise. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (In Accordance with)

TWLPP 5008 Issue 2601

- AA1000 Assurance Standard v3 Type 1 evaluation of the Sustainability Report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the Sustainability Report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD), SASB and non-material-topic related information have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Ability Enterprise, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

Ability Enterprise has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Ability Enterprise may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

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MATERIALITY

Ability Enterprise has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the Sustainability Report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The Sustainability Report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

Ability Enterprise has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topics were in place at target setting with combination of qualitative and quantitative measurements.

ADHERENCE TO GRI

The report, Ability Enterprise's Sustainability Report of 2025, is reported in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed in accordance with the guidance defined in GRI 3: Material Topics 2021 and the relevant 200/300/400 series Topic Standards related to the material topics claimed in the GRI content index. The Sustainability Report has properly disclosed information related to Ability Enterprise's contributions to sustainability development. For future reporting, it is recommended Ability Enterprise to further elaborate on how its highest governance body exercises oversight of its ESG impact management.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-GKKO4

Stephen Pao
Business Assurance Director
Taipei, Taiwan
09 July, 2026
WWW.SGS.COM

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佳能企業股份有限公司
ABILITY ENTERPRISE CO.,LTD.

No. 200, Sec. 3, Zhonghuan Rd., Xinzhuang Dist., New Taipei City 24242, Taiwan (R.O.C.)
+886-2-8522-9788
https://tw.abilitytw.com/