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ABILITY

ABILITY ENTERPRISE CO., LTD.
2024 Annual Report

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**PLEASE READ FOLLOWING NOTICE
BEFORE USING THIS REPORT**

Readers are advised that the original version of the report is in Chinese. If there is any conflict between these financial statements and the Chinese version or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

In addition, certain of our financial information have been published in accordance with requirements of the Republic of China Securities and Futures Commission and are presented in conformity with accounting principles generally accepted in the Republic of China. Readers should be cautioned that these accounting principles differ in many material respects from accounting principles generally accepted in other countries.

Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

The materials and information provided on this report have been issued by Ability and are posted solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any securities issued by us or otherwise.

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Title: Chairman

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DEPUTY SPOKESPERSON

Name: CHENG, KO-JEN

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1. Letter to Shareholders

I. The business operation of 2024

a. The Business Operation

In 2024, the global economic landscape remained volatile. Ongoing geopolitical tensions and the escalating trade friction between the U.S. and China continued to weigh heavily on market confidence and hinder economic optimism.

In the face of this challenging environment, Ability Enterprise responded with agility and resilience, viewing change as an opportunity for transformation. To expand production capabilities and better serve the diverse needs of our clients, we established a new manufacturing facility in Northern Vietnam. This strategic move not only broadens our global footprint but also mitigates production risks. Operationally, we pursued a multi-faceted approach, placing strong emphasis on research and development. We continued to make solid progress across key areas including optical design, firmware development, industrial and hardware design, image processing, artificial intelligence, machine vision, and edge computing—driving innovation and integration across our product portfolio. On the business development front, while maintaining a firm foothold in the Japanese market, we accelerated efforts to penetrate the U.S. and European markets. By embedding energy-efficient and low-carbon design concepts into our solutions, we are aligning with the evolving expectations of global customers and advancing our commitment to sustainability.

b. Revenue and Profit of 2024:

In 2024, Ability Enterprise recorded consolidated revenue of NT\$6,182,894 thousand, with operating profit of NT\$361,693 thousand. Net profit after tax attributable to the parent company amounted to NT\$545,519 thousand, resulting in earnings per share of NT\$1.90.

II. The Business Operation and R&D of 2025:

According to data from the International Monetary Fund (IMF), the global economy grew by 3.2% in 2024. Key contributing factors included easing inflation, reduced labor market pressure, interest rate cuts by central banks, heightened geopolitical risks, and strong demand for AI-related products. Looking ahead to 2025, rising U.S. tariffs have heightened uncertainty in the global economic outlook. Markets are closely watching the Federal Reserve's pace of interest rate cuts, evolving policy direction, and inflation trends.

As a sustainable enterprise, Ability must develop competitiveness in any environment, the capability to innovate in research and development, and the drive for marketing challenges. Building on our core strengths in image processing, we have integrated cutting-edge sound technology, artificial intelligence, and edge computing to develop and manufacture optical and audio-visual products that align with modern lifestyles. To expand our global reach, we are actively collaborating with international partners

and responding to the rising demand for customized solutions. Our next-generation AI-powered optical and multimedia products are now being promoted across Asia, the Americas, and Europe.

In response to the global movement toward net-zero carbon emissions, Ability Enterprise upholds its corporate responsibility by proactively advancing its sustainability efforts. We continue to strengthen these efforts by planning advanced ESG training programs and implementing further internal energy-saving and carbon-reduction measures. Recognizing that ESG is a long-term commitment, we are methodically refining our operational strategies and execution guidelines. Our actions are aligned with evolving legal requirements and global ESG governance standards, positioning Ability Enterprise to grow as a truly sustainable business.

On the corporate governance front, our management team remains agile and adaptive, fine-tuning the organizational structure as needed. We actively recruit talented R&D professionals to broaden our technological capabilities and empower our business teams in driving revenue growth. We remain committed to strengthening our supply chain, reducing operational costs, and fostering long-term, trusting relationships with our suppliers. By delivering solid operational results, we aim to earn the continued support of our shareholders. Ultimately, fulfilling our corporate social responsibilities, safeguarding shareholder interests, and sharing the fruits of our success with shareholders, customers, and employees alike are the core goals that guide our management team.

We deeply appreciate every shareholder's support of Ability!

Wish you health and smooth in your daily life.

Chairman: TSENG, MING-JEN

President: CHANG, HSIAO-CHI

2. Corporate Governance Report

2.1.Board of Directors and Management Team

2.1.1 Introduction of Board of Directors

As of 04/27/2025																		
Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman VIEWQUEST Investment Co., Ltd. Rep. : Tseng, Ming-Jen	R.O.C.	9	06/21/2022	3	06/29/2016	1,650,000	0.57	2,100,000	0.73	0	0.00	0	0.00	None	None	-	-	-
		Male 61-70	06/21/2022	3	06/01/2004	1,209,093	0.42	1,019,093	0.35	114,524	0.04	0	0.00	CEO: VIEWQUEST TECH. INC. ABILITY ENT. CO., LTD. MBA -TamKang University .EE Dept.,National Taiwan University.	.Chairman : ABILITY INTERNATIONAL INVESTMENT CO., LTD. 、 E-Pin Optical INDUSTRY CO.Ltd. 、 ABILITY ENTERPRISE (BVI) CO.,LTD. 、 Ability Tech. (Dongguan) Co., Ltd 、 .Director : 、 ABILITY TECHNOLOGIES CO., LTD. .Independent Director : Howteh Technology Co., Ltd.	-	-	-

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director ABICO AVY CO.,LTD. Rep. :Chan, Wen-Hsiung	R.O.C.	31	06/21/2022	3	06/29/2016	24,378,000	8.48	32,470,000	11.22	0	0.00	0	0.00	None	None	-	-	-
		Male 51-60	06/21/2022	3	6/17/2010	0	0.00	0	0.00	0	0.00	0	0.00	.Chairman & CEO : ICATCH TECHNOLOGY, INC. .MBA - National Taiwan University, .Department of Aeronautics and Astronautics , National Cheng Kung University	.Chairman & CEO : Advanced Echem Materials Company Limited .Director :SUNPLUS TECHNOLOGY CO.,LTD Fine Ace Asset Management CO.,LTD. 、 HIYES INTERNATIONAL CO., LTD. 、SCIWIN Laboratories Co., Ltd. Echem Japan, TSS2 HOLDINGS LIMITED .Independent Director : BIOSTAR MICROTECH INTERNATIONAL CORP. 、 NIEN HSING TEXTILE CO., LTD. 、 CHAMPION MICROELECTRONIC CORP. ELITEGROUP COMPUTER SYSTEMS CO., LTD.	-	-	-

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director: ABICO AVY CO.,LTD. Rep. : Hu, Shiang-Chi	R.O.C.	31	06/21/2022	3	06/29/2016	24,378,000	8.48	32,470,000	11.22	0	0.00	0	0.00	None	None	-	-	-
		Male 61-70	06/21/2022	3	06/14/2019	0	0.00	0	0.00	0	0.00	0	0.00	.Engineer,Nationa Chung-Shan Institute of Science & Technology .Business representative/Consulta nt,IBM .President,KPT Chairman,EKEEN .Precision Co., Ltd .CHARIMAN & CEO- CHIPCERA TECHNOLOGY CO.,LTD- .Vice President of Capacitor Business Group/ General Manager of Global Product Business / General Manager of Global Business - YAGEO CORPORATION .MBA - National Taiwan University .EE Dept.,National Taiwan University	. Chairman : ABICO NetCom Co.,Ltd. √ JABON INTERNATIONAL CO., LTD. √ Empower Technology Corporation √ IKKA HOLDING(CAYMAN) LIMITED . Director & President : Ability I Venture Capital Corporation, ABICO Aisa Capital CO., LTD. ABICO AVY Co.,Ltd. . Independent Directors : ALLIS ELECTRIC CO., LTD. √ JSL CONSTRUCTION & DEVELOPMENT CO., LTD. SHINE TREND International Multimedia Technology CO., LTD. Renjie Oldsichuan Catering Management Consultant Co., Ltd.	-	-	-

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director: Chia-Mei Investment Co.,Ltd Rep. : TONG, CHUN-JEN	R.O.C.	26	06/21/2022	3	05/27/2002	2,254,974	0.78	2,254,974	0.78	0	0.00	0	0.00	None	None	-	-	-
		Male 61-70	06/21/2022	3	05/26/1998	548	0.00	548	0.00	32,841	0.01	0	0.00	. Chairman, ABILITY INT'L TENANCY CO., LTD. .1 PRODUCTION FILM CO. .CEO, Ability Enterprise Co., Ltd. . New Jersey Institute of Technology Master of Science in Computer Science	. Chairman: ABICO AVY CO., LTD. ∙ AVY Industrial Co., Ltd. ∙ ABICO Plus Entertainment Limited. ∙ ARES OFFICE CO., LTD. Jiawang Capital CO., LTD. .Vice Chairman: ABICO NetCom Co., Ltd. . Directors: ABILITY INT'L TENANCY CO., LTD. ∙ TAISHIBA INTERNATIONAL CO., LTD. ∙ Taiwan Sanyo Electric Co.,Ltd. ∙ JABON International Co., Ltd. ∙ SEINOH OPTICAL CO., LTD. ∙ Ability I Venture Capital Corporation ∙ HONLNN CO., LTD. ∙ SOL-PLUS ∙ IKKA HOLDING(CAYMAN) LIMITED ∙ DongGuan Chengguang Metal Products Co., Ltd. ∙ Dongguan Chengguang Precision Industry Co., Ltd. ∙ Dongguan Chengguang Trading Co., Ltd. E-Pin Optical INDUSTRY CO.Ltd. Jia Tech International Investment Co., Ltd. EKEEN PRECISION CO., LTD. Sol-Plus(HK)Co., Ltd. Hiraiseimitsu(Thailand)Co., Ltd.	Director	Tong, Chun-Yi	Brothers
																Director	CHANG, HSIAO-CHI	Brother-in-law

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director: Chia-Mei Investment Co., Ltd.Rep. : Tong, Chun-Yi	R.O.C.	26	06/21/2022	3	05/27/2002	2,254,974	0.78	2,254,974	0.78	-	-	-	-	-	-	-	-	-
		Male 51-60	06/21/2022	3	05/31/2001	24,232	0.01	24,232	0.01	455	0.00	0	0.00	.Director,GYEN Intl Bussiness Co., Ltd. .Director,ABICO(HK)International Co., LTD. .Vice Chairman Avy Precision Tech. Inc. .Bachelor of Economics, University of Southern California .Master of LSI, Waseda University, Japan	. Chairman:DongGuan Cheng Guang Metal Products 、 ABICO International co., Ltd. 、 ABICO CAPITAL CO., LTD. 、 NengDing Investment CO., LTD. 、 Dongguan Chengguang Trading Co., Ltd. 、 Dongguan Chengguang Precision Industry Co., Ltd. 、 Ability I Venture Capital Corporation . Vice Chairman: ABICO AVY CO.,LTD. .Directors: AVY Industrial Co., Ltd. 、 ABICO Plus Entertainment Limited. 、 JBON International 、 SEINOH OPTICAL CO., LTD. 、 ABICO INVESTMENT DEVELOPMENT CO., LTD. HONLYNN CO., LTD. 、 Jiawang Capital CO., LTD. Gold Market Investments Ltd. 、 SOL-PLUS (HK) CO., LIMITED 、 HIRASEIMITSU (THAILAND) CO.,LTD. 、 SOL-PLUS 、 IKKA HOLDINGS (CAYMAN) LIMITED 、 1 Production Film Co. Chairman,DAIICHI KASEI CO., LTD. 、 .Independent Director : SIRTEC INTERNATIONAL CO., LTD.	Director	TONG, CHUN-JEN	Brothers
																Director	CHANG, HSIAO-CHI	Brother-in-law

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director: Chia-Mei Investment Co., Ltd.Rep. : CHANG, HSIAO-CHI	R.O.C.	26	06/21/2022	3	05/27/2002	2,254,974	0.78	2,254,974	0.78	-	-	-	-		-	-	-	-
		Male 61-70	06/21/2022	3	06/21/2022	0	0.00	0	0.00	0	0.00	0	0.00	. Chairman: GrandTech C.G. Systems Inc. .Independent Director : DATA IMAGE CORPORATION .Directors: CC&C TECHNOLOGIES, INC. 、 TAIWAN-CA INC. .Master of Electric Engineering , Montana State University, USA .Bachelor of Applied Physics, .TamKang University	.Chairman,HONLYNN CO., LTD. 、 ABILITY INT'L TENANCY CO., LTD. 、 ABILITY BIOTECH CO., LTD. 、 Ability Anchor Recycle Technology Services, Inc. 、 ABICO LIVING ROBOT CO., LTD. 、 ABILITY INTERNATIONAL GREEN ENERGY 、 ABILITY TECHNOLOGIES CO., LTD. .Directors: Jing Nen Co., Ltd. 、 TAIWAN IMAGING SYSTEMS INC. 、 EMPTECH Co., LTD. 、 Abico (H.K.) International Holding Co., Ltd. 、 ABICO NETCOM CO., LTD. 、 TAISHIBA INTERNATIONAL CO., LTD. Honyu Information Technology Co., Ltd.	Director	TONG, CHUN-JEN	Sibling in a law
Independent Director Chen, Chien-Hung	R.O.C.	Male 51-60	06/21/2022	3	06/14/2019	0	0.00	0	0.00	0	0.00	0	0.00	Lawyer,Cheefa United Office Attorney Lawyer,Far East Law Office Attorney Arbitrator,Chinese Arbitration Association .Taipei. Bachelor of Law, National Chung Hsing University Soochow University Law Master PhD, China University of Political Science and Law/Doctor,s Degree	. Director -Chen, Chien-Hung , Attorneys-at-Law .Independent Director,AMPACS CORPORATION.	-	-	-

Title Name	Nationality	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Independent Director Huang, Chih-chen	R.O.C.	Male 51-60	06/21/2022	3	06/14/2019	0	0.00	0	0.00	0	0.00	0	0.00	.Audit Manger-KPMG,HK .Audit Manger-KPMG,Taiwan .Partnership accountant -DINKUM & CO., CPAS. .B.A. Department of Accounting- Feng Chia University	. Director -Guangyun CPAS & CO. . Chairman - Hundred matters Int'l Co., Ltd . Director -JE Techno Corp. . Independent Director - Auden Techno Corp. 、 STARLUX AIRLINES CO., LTD. FIRST HI-TEC ENTERPRISE CO., LTD.	-	-	-
Independent Director HUANG, KUO-LUN	R.O.C.	Male 51-60	06/21/2022	3	06/21/2022	0	0.00	0	0.00	0	0.00	0	0.00	President,CITA AIRCARGO SERVICE CO., LTD. Chairman/CEO,HOSHIN GIGAMEDIA CENTER INC. Chairman,APEX AVIATION INC. Director,BREEZA FINANCIAL SERVICES CO., LTD. Chairman,W & J FORWARDING CO., LTD. Master of The University of Sydney Department of University of New South Wales	.Chairman: DATADOT TECHNOLOGY TAIWAN CO., LTD. MARCO POLO TECHNOLOGY CO., LTD. DATADOT TECHNOLOGY (ASIA) PTE LIMITED 、 CITA TECHNOLOGY DEVELOPMENT CO., LTD.	-	-	-

- a. Major shareholders of the institutional shareholders (top 10 shareholders and its shareholding percentages)

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders	(%)
VIEWQUEST Investment Co. Ltd.	ABICO AVY CO., LTD.	100.00
ABICO AVY CO., LTD.	Ability International co., Ltd.	13.08
	ABILITY ENTERPRISE CO., LTD.	10.22
	HENG NENG INVESTMENT CO., LTD.	4.67
	TAISHIBA INTERNATIONAL CO., LTD.	1.00
	Chen, Shen-Gci	0.65
	Yinghua Industrial Co., Ltd.	0.58
	Citi Managed DFA Emerging Market Core Securities Investment Account	0.49
	Citi Trusted Berkeley Capital SBL/PB Investment Account	0.48
	Chen, Yu-Juan	0.39
	YE, YONG-XIONG	0.38
CHIA MEI INVESTMENT CO., LTD.	DONG,YI-JUN	20.00
	DONG,JUN-REN	20.00
	DONG,JUN-YI	20.00
	CHISHIEN INVESTMENT CO., LTD.	8.35
	TRUMP ELEGANT INVESTMENT LIMITED	8.33
	SKY CENTURY CORP	8.33
	CHEN,PEI-YU	5.00
	ZHANG,XIAO-QI	5.00
	ZHOU,XIN-YI	5.00

- b. Major shareholders of major corporate shareholders listed above

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders	(%)
Ability International co., Ltd.	CHIA MEI INVESTMENT CO., LTD	100.00

c. Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Name	Professional Qualification and Experience	Independent Directors' Independence Status (Note2)	Number of Other Taiwanese Public Companies Concurrently
Tseng, Ming-Jen	For Directors' professional qualification and experience, please refer to "2.1.1 Introduction of Board of Directors" of this Annual Report.	Not Applicable	1
Chan, Wen-Hsiung			0
Hu, Shiang-Chi			1
Tong, Chun-Jen			0
Tong, Chun-Yi			3
Chang, Hsiao-Chi			4
Chen, Chien-Hung	None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1).	Satisfy the requirements of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau	1
Huang, Chih-Chen			3
Huang, Kuo-Lun			0

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years

have not elapsed since completion of serving the sentence, expiration of probation, or pardon;

3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. if she/he does not have any or limited legal capacity; or
7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2:

1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
2. Not serving concurrently as an independent director on more than three other public companies in total.
3. During the two years before being elected and during the term of office, meet any of the following situations:
 - (1) Not an employee of the company or any of its affiliates;
 - (2) Not a director or supervisor of the company or any of its affiliates;
 - (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
 - (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the abovepersons in the preceding subparagraphs (2) and (3);
 - (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;

- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000".

d. Board Diversity and Independence

(1) Diversity of the board of directors: According to the company's "Corporate Governance Code of Practice", the board of directors has a diversity policy. In addition to considering basic conditions such as gender, age, nationality and culture, board members have different core competencies and the knowledge and literacy required to perform their duties. , providing a more diversified perspective for the company's sustainable operations. In the future, we will continue to promote gender equality policies in accordance with the development trend of gender equality, and it is expected to add one female director to achieve the goal.

The implementation of diversity among the current board of directors members is as follows:

Name	Nationality	Gender	Age	Diversification							
				Business Management	Finance	Law	Operational Judgment	Risk Management	Industrial Knowledge	Global Market View	Leadership & Decision - making
Tseng, Ming-Jen	R.O.C.	Male	61-70	V	—	—	V	V	V	V	V
Chan, Wen-Hsiung	R.O.C.	Male	51-60	V	—	—	V	V	V	V	V
Hu, Shiang-Chi	R.O.C.	Male	61-70	V	—	—	V	V	V	V	V
Tong, Chun-Jen	R.O.C.	Male	61-70	V	—	—	V	V	V	V	V
Tong, Chun-Yi	R.O.C.	Male	51-60	V	—	—	V	V	V	V	V
Chang, Hsiao-Chi	R.O.C.	Male	61-70	V	—	—	V	V	V	V	V
Chen, Chien-Hung	R.O.C.	Male	51-60	V	—	V	V	V	V	V	V
Huang, Chih-Chen	R.O.C.	Male	51-60	V	V	—	V	V	V	V	V
Huang, Kuo-Lun	R.O.C.	Male	51-60	V	—	—	V	V	V	V	V

(2) Independence of the board of directors: The company has 9 directors, including 3 independent directors.

The proportion of directors with employee status is 22%; the term of two independent directors is not more than six years, and the term of one independent director is less than three years. All independent directors are in compliance with the relevant provisions of Article 3 (Note 2) of the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.".

2.1.2 Introduction of the Management Team

As of 04/27/2025

Title Name	Nationality	Gende	Date First Elected	Current Shareholding		Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
				Shares	%	Shares	%	Shares	%		
Chairman Tseng, Ming-Jen	R.O.C.	Male	2003.01	1,019,093	0.35	114,524	0.04	0	0.00	.CEO:VIEWQUEST TECH. INC. 、 ABILITY ENT. CO., LTD. .MBA -TamKang University .EE Dept.,National Taiwan University	Refer to Introduction of Board of Directors
President Chang, Hsiao-Chi	R.O.C.	Male	2022.01	0	0	0	0.00	0	0	.Chairman GRANDTECH C.G. SYSTEMS INC. .Independent Director DATA IMAGE CORPORATION .Director CC&C TECHNOLOGIES, INC. .Director TAIWAN-CA INC. .Master of Electric Engineering , Montana State University, USA .Bachelor of Applied Physics, .TamKang University	Refer to Introduction of Board of Directors
Vice President Adams Chen	R.O.C.	Male	2015.06	101,354	0.04	0	0.00	0	0.00	.Assistant Vice President/MFG Center Ability Ent. Co., Ltd .Dept. of EC, TPCU .National Taipei University of Technology EMBA	Ability Tech. (Dongguan) Co., Ltd 、 VIEWQUEST TECHNOLOGIES (DONGGUAN) CO. ABILITY TECHNOLOGIES CO., LTD.
Vice President Vincent Lu	R.O.C.	Male	2019.04	98,303	0.03	0	0.00	0	0.00	Assistant Vice President/IP Div. Ability Ent. Co., Ltd Dept. of PME, National Tsinghua University	None
Assistant Vice President Jackie Lee	ROC	Male	2023.08	10,000	0.00	0	0.00	0	0.00	.COO, Ability Ent. Co., Ltd 、 .National Taiwan University of Technology EMBA / Taipei Polytechnic College: Electronic Engineering	None
Chief Financial Officer Lin, Hung-Tien	R.O.C.	Male	2008.10	54,987	0.02	0	0.00	0	0.00	.CFO, Ability Ent. Co., Ltd 、 .Assistant manager of Deloitte Audit Servcies Dept. of Accounting, CYUT	Supervisor : ABILITY INTERNATIONAL INVESTMENT CO., LTD. 、 Ability Tech. (Dongguan) Co., Ltd. 、 Altasec Technology Corporation 、 ABILITY TECHNOLOGIES CO., LTD.

Title Name	Nationality	Gende	Date First Elected	Current Shareholding		Spouse or Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
				Shares	%	Shares	%	Shares	%		
Accounting Supervisor Lin, Hsin-Chun	R.O.C.	Female	2021.03	10,000	0.00	0	0.00	0	0.00	. Accounting Supervisor, Ability Ent. Co., Ltd . Senior Auditor of Deloitte Audit Servcies .Dept. of Accounting, FCU	None
Corporate Governance officer Huang, Mei-Ling	R.O.C.	Female	2021.05	4,997	0.00	0	0.00	0	0.00	.Assistant manager / Chairman's Office, Ability Ent. Co., Ltd .Dept. of business administration, CLUT	None

Note1:Combined Chairman and general Manager Specification : None.

2.1.3 Remuneration and Compensation Paid to Directors, the President, and Vice President

2.1.3.1 Remuneration Paid to Directors

As of 12/31/2024; Unit: NT\$ thousands

	Remuneration of Directors								Total remuneration (A+B+C+D)and % of net income		Compensation Earned by a Director Who is an Employee of Ability or its Consolidated Entities								Total remuneration (A+B+C+D+E+F+G) and % of net income		Compensation paid to directors from non-consolidated affiliates																				
Title Name	Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C) (Note 1,3)		Allowances (D) (Note 4)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F) (Note 2)		Employee Compensation (G) (Note3)																										
	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	From all consolidated entities		From all consolidated entities		The Company	From all consolidated entities																							
													Cash	Stock	Cash	Stock			Cash	Stock																					
Chairman: VIEWQUEST Investment Co. Ltd. Rep.:Tseng, Ming-Jen																																									
Director: Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Jen																																									
Director: Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Yi																																									
Director: Chia-Mei Investment Co., Ltd. Rep. : Chang, Hsiao-Chi																					0	0	0	0	10,162	10,162	290	314	1.92%	1.92%	5,262	5,262	108	108	0	0	0	0	2.90%	2.90%	0
Director: ABICO AVY CO.,LTD. Rep. : Hu, Shiang-Chi																																									
Director: ABICO AVY CO.,LTD. Rep. : Chan,Wen-Hsiung																																									
Independent Director Huang, Chih-chen																																									
Independent Director Chen, Chien-Hung																					1,440	1,440	0	0	0	0	360	360	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	0
Independent Director Huang, Kuo-Lun																																									
Total	1,440	1,440	0	0	10,162	10,162	650	674	2.25%	2.25%	5,262	5,262	108	108	0	0	0	0	3.23%	3.23%	0																				

Range of Remuneration

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the financial report	The Company	Companies in the financial report
Below NT\$ 1,000,000	Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen	Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen	Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen	Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)	Tseng, Ming-Jen Tong, Chun-Yi, Hu, Shiang-Chi, Tong, Chun-Jen Chan,Wen-Hsiung, Chang, Hsiao-Chi	Tseng, Ming-Jen Tong, Chun-Yi, Hu, Shiang-Chi, Tong, Chun-Jen Chan,Wen-Hsiung, Chang, Hsiao-Chi	Tseng, Ming-Jen Tong, Chun-Yi, Hu, Shiang-Chi, Tong, Chun-Jen Chan,Wen-Hsiung,	Tseng, Ming-Jen Tong, Chun-Yi, Hu, Shiang-Chi, Tong, Chun-Jen Chan,Wen-Hsiung
NT\$2,000,000 (Included)~ NT\$3,500,000(Excluded)	—	—	—	—
NT\$3,500,000(Included) ~ NT\$5,000,000(Excluded)	—	—	—	—
NT\$5,000,000 (Included)~ NT\$10,000,000(Excluded)	—	—	Chang, Hsiao-Chi	Chang, Hsiao-Chi
NT\$10,000,000 (Included)~ NT\$15,00,000(Excluded)	—	—	—	—
NT\$15,000,000(Included) ~ NT\$30,000,000(Excluded)	—	—	—	—
NT\$30,000,000 (Included)~ NT\$50,000,000(Excluded)	—	—	—	—
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	9	9	9	9

Note 1. Remunerations paid on earnings distribution of directors are appropriated to unincorporated representatives of corporate juridical person.

Note 2. Actual payments of pensions for the most recent years: Nil; appropriated amounts of pensions expense for the most recent years: NT\$108 thousand.

Note 3. The amount of directors' remuneration and employee's remuneration of the Company in 2024 is confirmed by the board of directors, and the amount of employee's remuneration for concurrent employees to receive relevant remuneration is the proposed amount.

Note 4 The allowances is \$650 thousand for travelling expenses, and \$674 thousand for all consolidated entities.

2.1.3.2 Compensation Paid to President and Vice President

As of 12/31/2024; Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay and Pensions (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 2)				Total remuneration (A+B+C+D) as a % of net loss		Compensation paid to directors from nonconsolidated affiliates
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company		From all consolidated entities		The Company	From all consolidated entities	
								Cash	Stock	Cash	Stock			
President	Chang, Hsiao-Chi	8,016	8,016	324	324	4,865	4,865	1,930	—	1,930	—	2.79%	2.77%	None
Vice President	Adams Chen													
Vice President	Vincent Lu													

Range of Remuneration

Bracket	Name of President and Vice President	
	The company	Companies in the financial report
Below NT\$ 1,000,000	—	—
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)	—	—
NT\$2,000,000 (Included)~ NT\$3,500,000(Excluded)	—	—
NT\$3,500,000(Included) ~ NT\$5,000,000(Excluded)	Adams Chen	Adams Chen
NT\$5,000,000 (Included)~ NT\$10,000,000(Excluded)	Chang, Hsiao-Chi 、 Vincent Lu	Chang, Hsiao-Chi 、 Vincent Lu
NT\$10,000,000 (Included)~ NT\$15,00,000(Excluded)	—	—
NT\$15,000,000(Included) ~ NT\$30,000,000(Excluded)	—	—
NT\$30,000,000 (Included)~ NT\$50,000,000(Excluded)	—	—
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)	—	—
Over NT\$100,000,000	—	—
Total	3	3

Note 1: Actual payments of pensions for the most recent years: Nil; appropriated amounts of pensions expense for the most recent years: NT\$324 thousand.

Note 2. The amount of employee's remuneration of the Company in 2024 is confirmed by the board of directors, and the amount of employee remuneration for President and Vice President is the proposed amount.

2.1.3.3 Employee Profit Sharing Granted to Management Team

As of 12/31/2024; Unit: NT\$ thousands

Title	Name	Stock (Fair Market Value) (Note 1)	Cash (Note 1)	Total	Ratio of Total Amount to Net Profits After Tax (%)
President	Chang, Hsiao-Chi	0	4,800	4,800	0.88%
Vice President	Adams Chen				
Vice President	Vincent Lu				
Assistant Vice President	Jackie Lee				
Chief Financial Officer	Lin, Hung-Tien				
Accounting Supervisor	Lin, Hsin-Chun				
Corporate Governance officer	Huang, Mei-Ling				

Note 1: The amount of employee's remuneration of the Company in 2024 is confirmed by the board of directors, and the amount of employee remuneration for managers is the proposed amount.

2.1.4 Compare and state the ratio of total remuneration paid to the Company's Directors, President and Vice Presidents by the company and the companies in the consolidated financial statements to net income in the past two years. Please also describe the policy, criteria, packages and rules relating to the remuneration, as well as its relation to business performance and future risks.

a. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, presidents and vice presidents of the Company, to the net income :

Unit: NT\$ thousands

Item position	2024		2023	
	Amount	Ratio of Total Amount to Net Profits After Tax (%)	Amount	Ratio of Total Amount to Net Profits After Tax (%)
directors	10,162	1.86	4,708	1.71
presidents and vice presidents	15,135	2.77	13,514	4.92

b. Descriptions of remuneration policies, criteria, packages, rules relating to the remuneration, as well as its relation to business performance and future risks.

(1) Policy, standard and combination of remuneration payment:

The company's directors' remuneration: According to Article 28-1 of the company's articles of association, if there is a profit in the annual final accounts, the director's remuneration shall not exceed 1.5%. The aforementioned profit refers to the pre-tax profit before deducting the

distribution of employee remuneration and director's remuneration. Independent directors do not participate in the distribution of directors' remuneration. It also regularly evaluates directors' remuneration in accordance with the company's "Board of Directors Performance Evaluation Methods" and uses the performance evaluation results of individual directors as a reference for setting their individual salaries and remuneration.

The company's managers' remuneration: In addition to taking the company's financial and actual operating conditions, future risks and development trends as the main considerations, it is evaluated regularly in June and December every year in accordance with the "Performance Management Measures", and 70% of the assessment content is clearly specified. Remuneration is awarded based on comprehensive evaluation based on the assessment of work objectives, 30% on performance of functional behaviors, and taking into account individual, departmental performance, special contribution and other factors.

If the company makes a profit in its annual final accounts, in accordance with Article 28-1 of the company's articles of association, no less than 8% and no more than 15% of employee remuneration should be appropriated. The recipients of employee remuneration in cash or stocks may include employees of controlling or affiliated companies who meet certain conditions, and the certain conditions are authorized to be set by the board of directors.

Combination of remuneration: According to the organizational regulations of the Salary and Remuneration Committee, it includes cash remuneration, stock options, dividends, retirement benefits or severance benefits, various allowances and other measures with substantial incentives; its scope should be consistent with the matters that should be recorded in the annual report of a publicly listed company. The remuneration of directors and managers is consistent in the standards.

(2) Procedure for determining remuneration:

The remuneration of the company's directors and managers, in addition to referring to the normal payment situation of peers, is regularly submitted to the Salary and Remuneration Committee for review every year based on the evaluation results of the "Board of Directors Performance Evaluation Methods" and the "Performance Management Methods" applicable to managers. Discuss with the board of directors.

The self-evaluation results of the performance of the board of directors, directors and functional committee members in 2024 are excellent, and the managers' performance has also reached the predetermined goals. Individual performance and contribution to the company will be taken into consideration, as well as the company's future risks, development trends and overall operating performance. Provide reasonable remuneration.

2.2. Implementation of Corporate Governance

2.2.1 Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in 2024. The directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) 【 B / A 】	Remarks
Chairman	VIEWQUEST Investment Co. Ltd. Rep.:Tseng, Ming-Jen	5	0	100%	06/21/2022 Re-elected
Director	Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Jen	5	0	100%	06/21/2022 Newly elected
Director	Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Yi	5	0	100%	06/21/2022 Newly elected
Director	Chia-Mei Investment Co., Ltd. Rep. : Chang, Hsiao-Chi	5	0	100%	06/21/2022 Newly elected
Director	ABICO AVY CO., LTD. Rep. : Hu, Shiang-Chi	5	0	100%	06/21/2022 Re-elected
Director	ABICO AVY CO., LTD. Rep. : Chan,Wen-Hsiung	4	0	80%	06/21/2022 Newly elected
Independent Director	Huang, Chih-chen	5	0	100%	06/21/2022 Re-elected
Independent Director	Huang, Kuo-Lun	5	0	100%	06/21/2022 Newly elected
Independent Director	Chen, Chien-Hung	5	0	100%	06/21/2022 Re-elected

Other remarks:

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board meetings, opinions from all independent directors, and how the company has responded to such opinion shall be noted:

(1) Matters listed in the Securities and Exchange Act §14-3: The Securities and Exchange Act §14-3 is not be applicable because the Company has established the Audit Committee. For relevant information, please refer to the "Audit Committee Meeting Status" in this Annual Report.

(2) There were no recusals of directors due to conflict of interest in 2024.

2. Name of the directors, content of the meeting reasons for conflict of interests and situation of voting should be listed in regards to conflict of interest of the directors:

Period and Date	Contents of resolutions	Directors	Opinions from all independent directors and how the company has responded to such opinions
2024.8.9	1. The company's 2024 manager performance salary adjustment proposal. 2. The company's 2023 employee remuneration and 2024 performance-based annual salary proposal. 3. Prepare a list of managers and non-managerial employees with restricted rights to be allocated new shares and related matters.	Chang, Hsiao-Chi	Not participating in the discussion and avoiding voting
2024.11.8	The company's 2024 manager year-end bonus and year-end performance bonus distribution	Chang, Hsiao-Chi	Not participating in the discussion and avoiding voting

3. Execution Status of Board Evaluation

(1) According to the Company's "the Board of Directors Performance Evaluation Method".

(2) Evaluation Cycle: The internal evaluation results of the board of directors shall be completed before the end of the first quarter of the next year.

(3) Evaluation Period: 2024.01.01~2024.12.31

(4) The Company has completed the 2024 Board of Directors' performance self-evaluation, and the evaluation results were submitted to the Board of Directors' report on March 7, 2025 as a basis for review and improvement.

Evaluation Scale	Evaluation Content
Board of Directors	Including 6 Aspects: 1. Participation in the operation of the Company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control 6. Participation in sustainable management (ESG)

Individual Board Directors	Including 6 Aspects: 1. Familiarity with the goals and missions of the Company 2. Awareness of the duties of the director 3. Participation in the operation of the Company 4. Management and communication of internal relationship 5. The director's profession and continuing educations 6. Internal control
1. Audit committee 2. Compensation Committee	Including 5 Aspects: 1. Participation in the operation of the company 2. Awareness of the duties of the committee 3. Improvement of quality of decisions made by committee 4. Composition of the committee and election of its members 5. Internal control

(6) Evaluation level 1: Extremely poor (strongly disagree); 2: Poor (disagree); 3: Medium (average); 4: Excellent (agree); 5: Excellent (strongly agree).

2024 Annual Evaluation Results: The overall performance of the Board of Directors, the performance of individual directors, and the performance of functional committees were all rated as excellent, indicating that the directors gave positive comments on the efficiency and operation of the Board of Directors and will continue to enhance the functions of the Board of Directors and improve the company's sustainable governance.

4. Enhancements to the functions of the Board of Directors in the current and the most recent year (e.g., establishment of an audit committee, improvement of information transparency etc.), and the progress of such enhancements:

(1) In order to strengthen the functions of the board of directors, the ESG aspect is added to the performance evaluation method of the board of directors. Performance evaluation work is carried out regularly every year and reported to the board of directors in the first quarter of the following year.

(2) In order to enhance the company's sustainable governance, the Company established a Sustainable Development Promotion Committee and an Integrity Management Group in 2022 to formulate sustainable and integrity management development directions and strategies, and report to the Board of Directors regularly.

(3) To enhance the transparency of company information, two corporate briefing sessions will be held in 2024

2.2.2 Audit Committee

A total of 4 (A) meetings of the audit committee were held in 2024. The independent directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) 【 B / A 】	Remarks
Independent Director	Chen, Chien-Hung	4	0	100%	06/21/2022 Re-elected
Independent Director	Huang, Chih-chen	4	0	100%	06/21/2022 Re-elected
Independent Director	Huang, Kuo-Lun	4	0	100%	06/21/2022 Newly elected

Other remarks:

1. When the following situation occurred to the operation of the committee, state the date, period, proposal contents, resolutions, and the handing of the audit committee's opinion by the Company:

(1) Conditions described in Article 14-5 of the Securities and Exchange Act:

Period and Date	Contents of resolutions	Resolution	Opinions from audit committee's resolutions and how the company has responded to audit committee's opinions
2024.3.8 1st in 2024.	<ol style="list-style-type: none"> 1. The company's 2023 financial statements. 2. The company's 2023 annual business report. 3. The Company's "2023 Internal Control Statement". 4. Evaluate the independence of the company's accountants. 5. Proposed issuance of new shares to restrict employee rights. 6. The cash capital increase and new share issuance case of ABILITY Investment Co., Ltd., a subsidiary of the Company. 	Approved	Passed unanimously by members in attendance.

2024.5.10 2nd in 2024.	1. Appointment of certifying accountants. 2. Accountant appointment case. 3. The Company's consolidated financial statements for the first quarter of 2024. 4. Proposal on the Company's 2023 Profit Distribution 5. Proposed proposal to lift the non-competition restriction on the directors of the Company. 6. Amendment to the Company's "Procedures for Preparation and Verification of Sustainability Reports". 7. Amendments to the Company's "Audit Committee Organization Charter".	Approved	Passed unanimously by members in attendance.
202.8.9 3rd in 2024.	1. The Company's consolidated financial statements for the second quarter of 2024. 2. Amendment to the company's "Internal Audit Implementation Rules". 3. Amendment to the Company's "Regulations on Related Party Transaction Management". 4. Prepare a list of non-managerial employees with restricted rights to be allocated new shares and related matters. 5. Amendment to the Company's "Corporate Governance Practice Guidelines".	Approved	Passed unanimously by members in attendance.
2024.11.8 4th in 2024.	1. The Company's consolidated financial statements for the third quarter of 2024. 2. Newly formulated the "Sustainable Information Management Procedures" for the company's internal control system. 3. The company's "114 Annual Audit Plan" proposal.	Approved	Passed unanimously by members in attendance.

(2) Other than those described above, any resolutions unapproved by the audit committee but passed by more than two-thirds of directors: None.

2. Avoidance of involvements in interest-conflicting resolutions by independent directors:None.

1.Communication between independent directors, the chief audit executive and accountants:
The communication between independent directors and audit supervisors is mainly held in the form of emails and meetings. Emails are used once a month, and meetings are held quarterly, and the suggestions put forward by independent directors in meetings are included in the scope of subsequent inspections.

(1) Summary on communication between independent directors, supervisors and the chief audit executive:

Date	Attendees	Items	Results
2024.3.8 regular	independent Directors: Chen, Chien-Hung Huang, Chih-chen	1. Field implementation report on audit work in the fourth quarter of 2023.	No material issues that required

meeting	Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	2. Field implementation report on audit work in the first quarter of 2024. 3.2023 internal control statement.	rectification.
2024.3.8 Before Board meeting	Independent Directors: Chen, Chien-Hung Huang, Chih-chen Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	1. Discussion on on-site implementation of audit work. 2.ESG sustainability report.	Independent Director: Strengthen the management of dangerous and flammable items.
2024.5.10 regular meeting	Independent Directors: Chen, Chien-Hung Huang, Chih-chen Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	Field implementation report on audit work for the first quarter of 2024.	No material issues that required rectification.
2024.8.9 regular meeting	Independent Directors: Chen, Chien-Hung Huang, Chih-chen Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	1. Field implementation report on audit work in the second quarter of 2024. 2. Amendments to the internal audit implementation rules.	No material issues that required rectification.
2024.8.9 Before Board meeting	Independent Directors: Chen, Chien-Hung Huang, Chih-chen Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	1. Discussion on on-site implementation of audit work. 2. ESG discussion.	Independent Director: Conduct cybersecurity drills regularly.
2024.11.8 regular meeting	Independent Directors: Chen, Chien-Hung Huang, Chih-chen Huang, Kuo-Lun Audit Supervisor: Hu, Shen-Gqi	1. Field implementation report on audit work in the third quarter of 2024. 2. Discussion on the 2025 audit plan. 3. New internal control system - management of sustainable information	No material issues that required rectification.

(2) Communication between independent directors and accountants:

Independent directors and accountants hold a communication meeting at least once a year, and conduct communication meetings on topics such as the company's and subsidiaries' financial situation, materiality, scope of inspection, and recent regulatory amendments.

Summary of previous communications between independent directors and accountants:

Date	Attendees	Items	Results
2024.3.8 Before Board meeting	Independent Directors: Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen PWC CPA	Conclusion of the annual audit - Check scope and significance - Draft of the auditing reports and key audit matters - The independence of the CPA - Audit Quality Index (AQI) Information - Information sharing	No material issues that required rectification.
2024.8.9 Before Board meeting	Independent Directors: Huang, Kuo-Lun Chen, Chien-Hung Huang, Chih-chen PWC CPA	Annual audit plan - Check scope and significance - financial statements and the communication matters - The independence of the CPA - Information sharing	Accountants: Strengthen information security risk management, identification, processing and supervision.

2.2.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
1. If the Company established and disclosed Corporate Governance Principles in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company formulated the “Corporate Governance Principles” in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and disclosed on the Market Observation Post System and the company’s website.	No deviation
2. Shareholding Structure & Shareholders’ Rights				
(1) If the Company established internal procedures to handle shareholder suggestions, proposals, complaints and litigation and execute accordingly?	V		(1) The Company assigned spokesperson, investor relations contact, dedicated personnel for registrar and legal-related matters to address issues in relation to shareholders’ suggestions and disputes.	No deviation
(2) If the Company maintained of a list of major shareholders and a list of ultimate owners of these major shareholders?	V		(2) The company keeps in touch with major shareholders, and keeps abreast of the actual shareholding status of directors, managers and major shareholders holding more than 10% of the shares.	
(3) If risk management mechanism and “firewall” between the Company and its affiliates are in place?	V		(3) The Company formulated “Administrative Measures on the Operation of a Subsidiary”, “Administration Measures on the Related Party Transactions”, “Procedures for the Acquisition and Disposal of Assets” and other internal management measures to regulate the financial transactions between the company and related companies, so as to establish a good risk control mechanism and firewall.	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(4) If the Company established internal policies that forbid insiders from trading based on non-disclosed information?	V		(4) The Company formulated control measures of “Insider Trading Prevention management operations” to regulate the company's directors, managers and employees, and regularly conduct publicity and education and training on relevant laws and regulations to establish codes of conduct and risk control.	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
<p>3. Structure of Board of Directors and its responsibility</p> <p>(1) If the Board develop diversified policies, concrete management goal, and execute?</p>	V		<p>(1)</p> <p>1. According to the third chapter of the company's "Corporate Governance Code of Practice", strengthening the functions of the board of directors is to formulate a policy of diversification. The company attaches great importance to the professional knowledge and skills of the members of the board of directors and the diversity of composition, and pays attention to gender equality. The professional knowledge and skills of directors, including financial accounting, legal expertise, operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership decision-making ability, etc., help to improve the decision-making of the board of directors and strengthen the internal supervision mechanism .</p> <p>2. The diversity policy of the board of directors is disclosed on the company website and the public information observation station.</p> <p>3. The company's directors with employee status account for 22%; the term of two independent directors does not exceed six years, and the term of one independent director does not exceed three years.</p>	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			<p>4.The company's directors have implemented a diversified policy regarding their academic experience, professional knowledge and related fields. In the future, we will promote gender equality in accordance with the development trend of international gender equality. It is expected to increase the number of female directors to achieve the goal and provide the company with more diverse perspectives..</p> <p>(Ref. to Note 1)</p>	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(2) If the Company established any other functional committee in addition to Compensation Committee, Audit Committee as required by law?		√	(2) The company has set up a Compensation Committee and an audit committee in accordance with the law.	No deviation
(3) If the company formulate board performance evaluation Rules and evaluation methods, conduct annual and regular performance evaluations, and report the results of performance evaluations to the board of directors, and use them as a reference for the remuneration of individual directors and the nomination for renewal?	√		(3)The company's board of directors approved the "Board Performance Evaluation Regulations" on May 6, 2020. The Chairman's Office is the execution unit for performance evaluation, which is conducted in the form of a questionnaire. The scope of the evaluation includes the entire board of directors, individual director members, the remuneration committee and the audit committee; the evaluation methods are internal self-evaluation of the board of directors, self-evaluation of director members, self-evaluation of the remuneration committee and the audit committee. Self-evaluation, the above performance evaluation results will be used as a reference when selecting or nominating directors; the performance evaluation results of individual directors will be used as a reference for setting their individual salaries and remuneration. (Ref. to Note 2)	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(4)If the Company assess the independence of CPA periodically?	√		(4) According to the Article 29 of the Company's "Corporate Governance Principles", it is required to assess CPA's independence and capacity regularly (at least once per year). In addition, with reference to Article 47 of the Accountants Law and the No. 10 Professional Ethics Bulletin, the independent assessment item table was formulated and the audit quality indicators (AQIs) were referred to. After evaluation, Lin Yahui and Wu Hanqi of Zicheng United Accounting Firm were in compliance with the requirements of the company. Evaluation criteria for independence and competence; the resolution was considered and passed by the audit committee and the Board of Directors of the company on March 7, 2025. (Ref. to Note 3)	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
4. If the Company established a unit or assigned a personnel to handle corporate governance related issues (including but not limited to providing assistance to board members and handling all tasks ass	√		<p>The chairman's office of the company coordinates and promotes matters related to corporate governance. Huang Meiling serves as the director of corporate governance, responsible for executing and assisting the board of directors in fulfilling its duties and strengthening the board of directors' operating mechanism.</p> <p>The business execution situation is as follows:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings according to laws 2. Formulating minutes of board meetings and shareholders meetings 3. Assisting in onboarding and continuous development of directors 4. Furnishing information required for business execution by directors 5. Assisting directors with legal compliance 6. Other matters set out in the articles of incorporation or contracts <p>The training status of Corporate Governance officer in 2024 is as follows: Ref to Note 4 .</p>	No deviation
5. If the Company established communication channel with stakeholders (including but not limited to shareholders, employee, customers, suppliers, etc.) and disclosed key corporate social responsibility issues frequently enquired by stakeholders on the designated area of the corporate website?	√		<p>The company's website has set up a special area for interested parties to provide good communication channels, and has investor relations, stock affairs and legal departments responsible for handling and communicating related issues, and continuously understands and responds to the needs of stakeholders.</p>	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
6. If the Company engaged professional transfer agent to host annual general shareholders' meeting?	V		The Company engaged the registrar agency department of CTBC Bank Co., Ltd. to handle shareholder meeting affairs	No deviation
7 Information Disclosure				
(1) If the Company set up a corporate website to disclose information regarding the Company's finance, business and corporate governance?	V		(1) The Company promptly discloses relevant information on its corporate website (http://www.abilitycorp.com.tw).	No deviation
(2) If the Company adopted any other information disclosure channels (e.g., maintaining an English-language website, appointing designated personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc)?	V		(2) The company sets up Chinese and English websites, and specialized units collect and disclose relevant information in accordance with regulations. There is a spokesperson system in which the spokesperson or acting spokesperson is responsible for speaking to the outside world. The official website provides live broadcast and replay of the corporate briefing.	No deviation
(3) Does the company announce and report annual financial reports within two months after the end of the fiscal year, and announce and report the financial reports for the first, second and third quarters and the operating conditions of each month before the prescribed deadline?	V		(3) The company announces and declares its annual financial report within three months after the end of the fiscal year in accordance with laws and regulations, and completes the announcement and declares the first, second, and third quarter financial reports and operating conditions of each month before the prescribed deadline.	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
8. If the Company had other important information to facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	Y		<p>(1)The company has established an employee welfare committee to provide various employee benefits and group insurance, hold regular labor-management meetings, and provide a labor-management negotiation mechanism. The company adopts the Employee Assistance Program (EAP) to provide free professional consulting channels based on employee needs, encourage employees to support and participate in social care activities, and give back to the society with practical actions.</p> <p>(2)The company regularly evaluates customer satisfaction and properly handles matters related to customer complaints to improve customer service.The company regularly evaluates customer satisfaction and properly handles customer complaints to improve customer service.</p> <p>(3)The company has established a Chinese and English website to provide investors with open and transparent information.</p>	No deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			<p>(4)The company conducts risk assessment and audit for new suppliers, and regular evaluation and audit for existing suppliers. Formulate supplier relationship measures and codes of conduct for foreign-related personnel to maintain fair transactions with suppliers.</p> <p>(5)The company regularly conducts internal control assessments for each department to detect preventive controls. The audit unit assists the audit committee in supervising the company's business and the implementation of the internal control system. If possible drawbacks are found, appropriate measures can be initiated immediately to reduce operational risks.</p> <p>(6)The company has taken out liability insurance for directors, independent directors and important staff.</p> <p>(7)The training status of all directors in 2024 is as follows: Ref to Note 5 .</p>	
9. Any improvement made in accordance with the result of the most recent corporate governance evaluation conducted by TWSE? Any measures to be taken on the outstanding items?	V		The Company conducts self-assessment in accordance with corporate governance evaluation items and considers viability for evaluated items that does not meet the criteria based on actual operation of the Company.	No deviation

Note 1:

Name	Gender	Diversification							
		Business Management	Finance	Law	Operational udgment	Risk Management	Industrial Knowledge	Global Market View	Leadership& Decision -making
Tseng, Ming-Jen	Male	V			V	V	V	V	V
Chan, Wen-Hsiung	Male	V			V	V	V	V	V
Hu, Shiang-Chi	Male	V			V	V	V	V	V
Tong, Chun-Jen	Male	V			V	V	V	V	V
Tong, Chun-Yi	Male	V			V	V	V	V	V
Chang, Hsiao-Chi	Male	V			V	V	V	V	V
Chen, Chien-Hung	Male	V		V	V	V	V	V	V
Huang, Chih-Chen	Male	V	V		V	V	V	V	V
Huang, Kuo-Lun	Male	V			V	V	V	V	V

Note2: It is specified that the performance evaluation of the internal board of directors shall be conducted at least once a year and completed in the first quarter of the next year. The evaluation shall be oriented as follows:

Evaluation Scale	Evaluation Content
Board of Directors (as a whole),	1. Participation in the operation of the Company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control 6. Participation in sustainable management (ESG).
Board members,	1. Familiarity with the goals and missions of the Company 2. Awareness of the duties of the director

Evaluation Scale	Evaluation Content
	3. Participation in the operation of the Company 4. Management and communication of internal relationship 5. The director's profession and continuing educations 6. Internal control
Functional committee (Compensation and committee committee)	1.Participation in the operation of the company 2.Awareness of the duties of the committee 3.Improvement of quality of decisions made by committee 4.Composition of the committee and election of its members 5.Internal control

2024 Evaluation Result: the individual performance of all directors and the overall performance of the board of directors are excellent, which has been submitted to March 7th, 2024 Report of the board of directors.

Note3: The Company evaluates the independence of CPA based on items are as below:

Items Evaluated
1. Does the CPA have direct or material indirect financial interest in the Company?
2. Does the CPA have loans or guarantees with the Company or directors of the Company?
3. Does the CPA have a close business relationship or a potential employment relationship with the Company?
4. Have the CPA and a member of the audit team been a director, a manager of the Company or been employed by the Company within the last two years in a position to exert significant influence over the subject matter of the engagement?
5. Does the CPA provide any non-audit services which if performed for the Company would affect directly a material item of the audit engagement?
6. Does the CPA promote or broker shares for the Company or other securities issued by the company.
7. Does the CPA serve as an advocate or representative for the company with third parties in the event of conflict.
8. Does the CPA have family ties with anyone who is a director, manager, or officer of with the company or any personnel who is in a position to exert significant influence over the subject matter of the engagement.
9. Is the CPA capable of performing its duties with its educational background and relevant experience.

Note 4: The training status of Corporate Governance officer in 2024 is as follows:

Date	Host by	Training	Duration
2024/2/1~2/2	Taiwan Investor Relations Institute	How can managers with non-financial (accounting) backgrounds master financial, profit and cost analysis to increase profits?	6
2024/3/22		Current Status and Trends of Taiwan's Renewable Energy Market and Green Finance	3
2024/4/30		Introduction to ESG International Sustainability Index	3
2024/6/27	Taiwan Stock Exchange	Greenhouse Gas Carbon Management/Carbon Tariffs & Carbon Rights	3
2024/7/03		2024 Cathay Pacific Sustainable Finance and Climate Change Summit	3
2024/7/10	Taiwan Investor Relations Institute	Enterprise risk management under ESG	3
2024/8/30		International Corporate Sustainability Trends – ESG Performance Management and Corporate Value Layout	3
2024/9/25		Corporate Human Resources Development and Social Inclusion Strategies	3
2024/10/04	Securities and Futures Institute (SFI Taiwan)	2014 Annual Insider Trading Prevention Promotion Conference	3

Note 5 :All directors of the company meet the required training hours. The training status of all directors in 2024 is as follows:

Title	Date	Host by	Training	Duration
Director Tseng, Ming-Jen	2024/8/30	Taiwan Investor Relations Institute	Corporate Governance and Securities Regulation	3
	2024/7/10		Green electricity, certificates and sustainable development - the path to net zero for businesses	3
	2024/6/27		Corporate Human Resources Development and Social Inclusion Strategies	3
Director Tong, Chun-Jen	2024/8/30	Taiwan Investor Relations Institute	International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
	2024/7/10		Corporate Human Resources Development and Social Inclusion Strategies	3
	2024/6/27		International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	
	2024/6/21	Securities and Futures Institute (SFI Taiwan)	International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	
Director Tong, Chun-Yi	2024/9/25	Taiwan Investor Relations Institute	Enterprise risk management under ESG	3
	2024/8/30		Greenhouse Gas Carbon Management/Carbon Tariffs & Carbon Rights	3
	2024/7/10		International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
	2024/06/27		Enterprise risk management under ESG	3
	2024/5/21	Securities and Futures Institute (SFI Taiwan)	Greenhouse Gas Carbon Management/Carbon Tariffs & Carbon Rights	3
Director Chang,Hsiao-Chi	2024/8/30	Taiwan Investor Relations Institute	Talking about the three practical codes and cases of honest management, corporate governance and sustainable development	3
	2024/7/10		Corporate Human Resources Development and Social Inclusion Strategies	3
	2024/6/27		International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
	2024/4/30		Enterprise risk management under ESG	3
	2024/2/1~2/2		Greenhouse Gas Carbon Management/Carbon Tariffs & Carbon Rights	6

Title	Date	Host by	Training	Duration
Independent Director Huang, Chih-chen	2024/5/21	Securities and Futures Institute (SFI Taiwan)	Corporate Governance and Securities Regulation	3
	2024/5/7	Taiwan Corporate Governance Association	Green electricity, certificates and sustainable development - the path to net zero for businesses	3
Independent Director Huang, Kuo-Lun	2024/09/25	Taiwan Investor Relations Institute	Corporate Human Resources Development and Social Inclusion Strategies	3
	2024/8/30		International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
Independent Director Chen, Chien-Hung	2024/9/25	Taiwan Corporate Governance Association	Corporate Human Resources Development and Social Inclusion Strategies	3
	2024/8/30	Taiwan Investor Relations Institute	International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
Director Hu, Shiang-Chi	2024/08/30	Taiwan Investor Relations Institute	International Corporate Sustainability Trends - ESG Performance Management and Corporate Value Layout	3
	2024/7/10		Enterprise risk management under ESG	3
Director Chan, Wen-Hsiung	2024/7/26	Corporate Management and Sustainable Development Association	Board of Directors' Compliance Practices and Legal Liabilities of Directors and Supervisors and Case Studies	3
	2024/4/30		ESG trends and the pandemic environment discuss global tax reform and corporate tax governance	3
	2024/3/27	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulation	3

2.2.4 Disclose if any, on remuneration committee's formation, responsibilities and operational status

2.2.4.1 Information Regarding Compensation Committee Members

<div> <div>Title (Note1)</div> <div>Criteria</div> </div>		Professional Qualification and Experience(Note2)	Independent Directors Independence Status (Note3)	Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation
Name				
Independent Director	(chairman) Huang, Chih-chen	For members professional qualification and experience, please refer to "3.2.1 Information Regarding Board Members" on page 12 of this Annual Report.	Satisfy the requirements of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" .	3
Independent Director	Chen, Chien-Hung			1
Independent Director	Huang, Kuo-Lun			0

Note1: Please indicate professional qualification, experiences and independency of the member of the remuneration committee, if the member of the remuneration committee is an independent director, indicate in the note section. Indicate in the title if the member is the chairman of the committee.

Note2: Professional Qualifications and Experiences: state professional qualifications and experiences of individual member of the remuneration committee.

Note3: Independency: state the independency of the members of the remuneration committee; including but not limited to the person, spouse, relatives within the second degree relatives, serves as directors, supervisors or employees of the Company or other related enterprise; the person, spouse, relatives within second degree of relative (or in name of others) hold the shares (and the ratio of the shares) of the Company whether he or she is a director or supervisor of the Company that has a specific relationship with the Company (refer to Article6, Paragraph1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

2.2.4.2 Attendance of Members at Remuneration Committee Meetings

- (1) There are 3 members in the Remuneration Committee.
- (2) Tenure of the fifth session of Compensation committee is from 21th June 2022 to 21th June, 2025. A total of 3 (A) meetings of the Compensation Committee were held in 2023. The status of attendance is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) B/A	Remarks
Chairman	Huang, Chih-chen	3	0	100%	06/21/2022 Re-elected
Member	Chen, Chien-Hung	3	0	100%	06/21/2022 Re-elected
Member	Huang, Kuo-Lun	3	0	100%	06/21/2022 Newly elected

Other Information to be disclosed:

- 1.If Board of Directors did not adopt or revise the proposal made by the Compensation Committee, please specify the date, session, agendas and resolutions of the Board of Directors meeting and how the Company handled the proposal made by the Compensation Committee (If amount of the compensation approved by the Board of Directors is higher than that proposed by the Compensation Committee, please specify the reasons and differences in proposals.): None.
- 2.If any members of the Compensation Committee were against or reserved their opinions towards the resolutions, please specify the date, session, agendas, opinions of all members and how the opinions were handled: None.

Period and Date	Contents of resolutions	Resolution result	Company's opinion on the Remuneration committee
2024.3.8	1.The case on the amount of directors' remuneration in 2023. 2.The amount of employee remuneration for 2023. 3.Proposal on distribution of directors' remuneration for 2023.	Passed unanimously by members in attendance	Submitted to the board of directors and approved by all directors present.
2024.8.9	1.Managers' 2024 performance-based salary adjustment proposal. 2.Managers' 2023 employee remuneration and 2024 performance-based annual salary proposals. 3.Prepare a list of new shares to be allocated to employees with restricted rights by managers and related matters.	Passed unanimously by members in attendance	Submitted to the board of directors and approved by all directors present.
2024.11.8	1. Managers' 2024 year-end bonus and year-end performance bonus distribution.	Passed unanimously by members in attendance	Submitted to the board of directors and approved by all directors present.

2.2.5 Implementation of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
1. If the Company established and implement governance structure of sustainable development, and a part time or full time unit to execute corporate sustainable development projects, which the Board supervise and authorized top management to overlook?	V		<p>1. In order to strengthen the corporate governance function of the company's sustainable operation management, the company has established the ESG Sustainable Development Promotion Committee. As the highest guiding organization for sustainable governance operations, it is responsible for formulating the company's sustainable development direction and strategy, and regularly reporting the implementation status to the board of directors. The Board of Directors oversees various projects. The ESG Sustainable Development Promotion Committee holds meetings at least twice a year and regularly reports implementation plans and results to the Board of Directors.</p> <p>The motion and date are as follows;</p> <p>1) In 2024, Report to the board of directors once every quarter on March 8, May 10, August 9, and November 8: Greenhouse gas inventory implementation report.</p> <p>2) In 2024, May 10, August 9 Board of Directors Report: 2024 Implementation Report of the ESG Sustainability Promotion Committee.</p>	No major deviation
2.If the Company conducted risk assessment on its business operation, social environment as and corporate governance based on the principle of materiality and established risk management policy or strategy accordingly?	V		<p>1. In response to international environmental protection and occupational safety and health trends, in order to reduce and prevent impacts that are not conducive to environmental protection and occupational safety and health, the company has successively established ISO14001 environmental management system and ISO45001 occupational safety and health management system since 2004 and obtained third-party audit verification Approved; In terms of corporate governance, the company formulated the "Code of Practice for Corporate Governance", "Code of</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			<p>Practice for Corporate Social Responsibility", "Management and Control Operations to Prevent Insider Trading", "Code of Ethics", "Internal Control System", "Code of Integrity Management" ", etc., through the continuous operation of various management systems and procedures, the risks related to the operation environment, employee safety, customers, suppliers, and stakeholders can be grasped and responded to in real time.</p> <p>2. According to the "Risk Management Operational Procedures" as the highest guiding principle of risk management, the company consists of the "Risk Management Team" composed of the top managers of each department and functional unit.</p> <p>Based on the assessment of risk sources and risk items, the risk assessment team identifies major risks and opportunities that may be caused to operations, proposes relevant coping strategies, and compiles them into an enterprise risk management report. The risk assessment team reports to the board of directors at least once a year.</p> <p>According to the assessed risks, the risk response measures are formulated as follows: (Ref. note 1)</p>	
3. Environmentally Sustainable Development				
(1) Has the Company set an Environmental management system designed from its industry characteristics?	V		<p>1.All plant areas of the company have established systems in accordance with ISO14001 environmental management system and passed the third-party verification. SGS audits and verifies and issues ISO14001 certificates.</p> <p>2.The company establishes a greenhouse gas inventory management system in accordance with iso14064-1, conducts the previous year's greenhouse gas inventory at the beginning of each year, and tracks the emission reduction results. In addition, wastewater treatment, noise</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(2) If the Company established proper environmental or energy management system based on the characteristics of the industry where the Company belongs to?	V		<p>control and waste recycling shall be handled in accordance with the environmental safety management system and environmental protection laws and regulations, and the implementation effect and continuous improvement shall be reviewed at any time, and the implementation status shall be reported to the occupational safety and Health Committee quarterly.</p> <p>3.The relevant greenhouse gas inventory and reduction information is disclosed on the public information website: https://mops.twse.com.tw/mops/web/t152sb01</p> <p>1.The company is committed to promoting cleaner production and energy conservation, aiming at saving various expenses, reducing operating costs, creating profits, and improving overall competitiveness and operating performance. For example, the company does not provide paper cups, employees need to bring their own drinking water cups, and employees are encouraged to bring their own environmentally friendly chopsticks; envelopes and kraft paper bags are reused and used as official document transfer bags; workers collect raw materials in boxes and ask suppliers to use them ; The plastic trays containing semi-finished products are recycled and reused by the supplier after being damaged, and the production unit actively handles the recycling of materials and the manufacturing process to reduce pollution and reduce the impact on the environment.</p> <p>2.In terms of energy saving, it is implemented at the management level and technical level, mainly including seven major projects including energy-saving glass for exterior walls, VRV frequency conversion central air conditioning, fresh air exchange, LED lighting energy saving, rainwater recycling, water-saving equipment, and solar energy.</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			3.The company's products are designed to meet the considerations of high recyclability, high added value, low pollution and energy saving, and the resource utilization efficiency is controlled from the source.	
(3) Does the company assess the potential risks and opportunities of climate change to the company now and in the future, and take measures to respond to climate-related issues? Does the company establish an appropriate environmental management system based on its industrial characteristics?	V		<p>1. Regularly assess the impact of climate change on the company's current and future risks and opportunities every year, and conduct an inventory of the organization's greenhouse gas and formulate corresponding reduction measures in accordance with the requirements of the ISO14064 management system.</p> <p>2. The company attaches great importance to issues related to climate change, so employees are asked to start from daily work, such as printing documents on both sides as much as possible, setting up a recycling box next to the photocopier for recycling of recycled paper, and using electronic invoices and encouraging Employees use electronic means to transmit official documents or letters, which can greatly reduce paper consumption.</p> <p>3. The company's building has established a central monitoring system to control the energy consumption of the building's air conditioning, lighting, and basement ventilation equipment. The lighting adopts energy-saving LED lamps, and employees respond to the company's policy to develop the good habit of turning off the lights and saving energy, in order to slow down global warming</p> <p>4. Response measures</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			<p>4.1. Energy-saving glass for exterior walls-Double Low-E glass curtain, which can introduce natural light and block radiant heat conduction, reducing the energy consumption of air conditioning and lighting;</p> <p>4.2. The central air-conditioning-variable frequency multi-connected system VRV uses the frequency change to meet the actual load demand, and achieves the demand for power saving and energy saving;</p> <p>4.3. Fresh air exchange - all floors use full heat exchangers to reduce air conditioning load, introduce fresh air into the room, effectively improve indoor air quality, and create a comfortable and healthy working environment;</p> <p>4.4. LED lighting energy saving - LED lighting is fully used in the office floors, induction lighting in the stairwell / lunch break and lane light control scheduling, and the lane lamps in the basement are replaced with microwave induction lamps to achieve the effect of energy saving and carbon reduction;</p> <p>4.5. Rainwater recycling - use the land to conserve water, set up a rainwater recycling system on the top floor and basement, and recycle rainwater and air-conditioning condensate water for plant irrigation;</p> <p>4.6. Water-saving equipment - purchase of six major projects including faucets, toilets, and urinals with energy-saving labels.</p>	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(4) Does the Company track the impact of climate change on operations, carry out greenhouse gas inventories, and set energy conservation and greenhouse gas reduction strategy?	V		<p>1.Climate change has an increasingly substantial impact on the global environment. As a citizen of the global community, Ability strives to accomplish following matters in an attempt to fulfill its corporate social responsibility:</p> <p>1.1 The Company is committed to the greenhouse gas checking to ensure overall emissions of the greenhouse gas from all factories.</p> <p>1.2 The Company continues to promote energy conservation and carbon reduction measures together with development so as to fulfill its corporate sustainable social responsibility.</p> <p>1.3 The Company complies with laws and regulations relating to environmental protection and satisfy its customer requirements.</p> <p>1.4 The Company initiate relevant plans regarding voluntary reduction of greenhouse gas emissions based on current economic condition and technology according to the checking results.</p> <p>2.The Company classifies the climate change as a corporate-level risk and exert efforts to control relevant risks. The policies include:</p> <p>2.1Pay close attention to the trend of greenhouse gas-related issues around the world.</p> <p>2.2Take care of green manufacturing, green products and green supply chain management.</p> <p>2.3Carry out greenhouse gas measurement and carbon footprint measurement.</p> <p>3.Greenhouse gas for 2023: 31.2 (Scope 1) mt CO2e: 1011.9 (Scope 2) mt CO2e; Total emissions (Scope 1 plus Scope 2): 1043.1 mt CO2e</p> <p>Greenhouse gas for 2024: 32.9 (Scope 1) mt CO2e: 984.9 (Scope 2) mt CO2e; Total emissions (Scope 1 plus Scope 2): 1017.9mt CO2e</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
			4.For other measures related to greenhouse gas reduction, water consumption, waste management, etc., please refer to the announcement on the company's website. (http://www.abilitycorp.com.tw).	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
4. Social issues				
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1)The company follows the Taiwan Labor Standards Law and the principles of relevant international labor rights norms to protect the legitimate rights and interests of employees and to treat them with fairness and respect. , The company has established management policies and procedures such as "Employee Work Rules", "Sexual Harassment Measures Complaint and Punishment Measures", and "Corporate Social Responsibility Code". And establish a communication mechanism with employees, set up an employee mailbox and an independent complaint line.	No major deviation
(2) Does the company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee compensation?	V		(2) The company has formulated and implemented reasonable employee welfare measures. The company's articles of association stipulate that if there is profit to be allocated to employees' remuneration in the year,it should be appropriately reflected in the employee's remuneration policy according to the business performance or achievements of the company.Detailed Annual Report V. Labor-Management Relations (1) Various employee welfare measures, further education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures. In 2024, the company-related benefits totaled NT\$12,974 thousand. Other benefits NT\$9,608 thousand includes the company's employee travel, club activities, subsidies, birthday parties and other employee benefits.	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	Y		<p>(3) Providing a safe and friendly workplace is the commitment of the company and the basic guarantee for employees. Therefore, establishing a good working environment and ensuring the workplace safety and physical and mental health of employees is the primary responsibility of the company. During normal times, relevant courses are trained for employees, and employees are trained to evacuate and respond to emergency situations through practical exercises to simulate emergency disasters.</p> <p>According to the Occupational Safety and Health Law, the company has established an occupational safety and health committee, which has been continuously verified and passed the ISO14001 environmental management system verification and ISO45001 occupational safety and health management system international standard certification. Based on the control of the working environment or occupational hazards, the company regularly implements working environment monitoring for the workplace every six months, and provides employees with annual health inspections once a year better than the regulations, as a health inspection management for the prevention of occupational diseases. n-Hexane, arrange colleagues to test, carry out tracking management and give necessary individual health consultation, care and guidance, so that colleagues can grasp their own health status.</p> <p>The company also has four major plan guidelines for labor health protection, technical guidelines for maternal health protection in the workplace, guidelines for prevention of human-induced hazards, guidelines for disease prevention caused by abnormal workload, and guidelines for prevention of unlawful violations in the performance of duties.</p>	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(4) Does the company establish an effective career ability development training program for employees?	Y		(4) The company creates a good environment for employees' career development, and establishes an effective career development training program to enhance employees' diverse career development capabilities. A complete training system has been developed for the training of employees. Through the e-training management system, each stage of training has been completed step by step. The current training system can be divided into pre-employment training for new recruits, professional training for jobs, etc. In 2024, the total hours of education and training were 6,435 hours, and the total number of trainees was 1,901. The total cost of training was NT \$493 thousand.	No major deviation
(5) If the Company followed relevant laws and regulations and international guidelines on consumer health and safety, customer privacy, marketing and labeling of products and services etc. and established relevant consumer and customer protection policy and grievance channel?	Y		(5) The company has good communication channels and dedicated personnel, who are responsible for listening to the needs of stakeholders, collecting feedback information from different communication channels, including customer relations, employee relations, supplier relations, investor relations or community relations, and making explanations, replies and tracking according to the status of the issues. And set up communication channels with various stakeholders on the company's official website, such as links; https://www.abilitycorp.com.tw/c/about_stakeholder.php The company has established an information security management system in accordance with ISO27001 and has continuously passed its standard verification. Through measures such as information security internal audit, external verification, crisis prevention and related education and training, we will strengthen data protection such as personal data protection and customer privacy.	No major deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(6) Does the company formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and their implementation?	Y		(6) The company has formulated the "Corporate Association Responsibility Implementation and Operational Measures" for suppliers, establishing screening conditions for suppliers to protect the environment, human rights, safety, health and sustainable development, and conduct supplier CSR audits according to the supplier's corporate social responsibility commitment letter and supplier CSR audit. and other means to verify the supplier's implementation of CSR. If it is found that the supplier has violated environmental protection, human rights, safety and health regulations and labor-related regulations, it will put forward a request for improvement within a time limit.	No major deviation
5. If the Company's CSR report prepared based on international recognized standard and if the report verified by the third party?	Y		1. The company compiles the Sustainability Report with reference to the internationally accepted GRI report compilation standards, and discloses the "Sustainability Report" in accordance with the requirements of the competent authority according to the prescribed schedule. 2. The 2023 Sustainability Report has been confirmed by a third-party verification agency, and it is expected that confirmation by a third-party verification agency will also be obtained in 2024.	No major deviation
6. If the Company established any guideline of corporate sustainable development in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"? In December 2016, the company's board of directors approved the company's "Corporate Social Responsibility Code of Practice", and in May 2020, the board of directors approved and revised the code to strengthen the implementation of corporate social responsibility. In response to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", it was re-amended at the board meeting on April 28, 2022 and renamed as "Corporate Governance Best-Practice Principles". In response to the new version of the "Operational Procedures for Preparing and Submitting Sustainability Reports for Listed Companies" released on January 26, 2024, the "Operational Procedures for Preparing and Verifying Sustainability Reports" were revised at the board meeting on May 10, 2024. The company regularly reviews the implementation of this code and makes improvements accordingly. So far, there has been no significant difference in implementation.				

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
7. Other material information that helps to understand the operation of corporate sustainable development: The Company attaches great importance to environmental protection, social welfare and safety and health with a view to fulfil its social responsibility. Please refer to the Company’s website (http://www.abilitycorp.com.tw) for relevant information. In recent years, the specific promotion plans and implementation effects of corporate social responsibility are as follows:				
Year	Project and implementation effectiveness			
2020	1.The Mustard Seed Mission - Adoption of Taiwan Children's 39 people / month. 2. The average income of the Yu-Cheng Social Welfare Foundation is: a.The average product is 15 pieces / month b.Bread average 160 pieces / month 3.Genesis Social Welfare Foundation Invoice Donation. 4. Eden Social Welfare Foundation "Raising Funds for Early Treatment of Slow Flying Angel" donation activities 64 people / time.			
2021	1.The Mustard Seed Mission - Adoption of Taiwan Children's 44 people / month. 2.Genesis Social Welfare Foundation Invoice Donation.			
2022	1.The Mustard Seed Mission - Adoption of Taiwan Children's 45 people / month. 2.Mustard Seed Club "Send Warmth in the New Year~Red Envelopes Around the Fireplace" donated 126 people/time			
2023	1. The Mustard Seed Mission - Adoption of Taiwan Children's 42 people / month. 2. Christmas gift collection 149/piece 3. Mustard Seed Club "Send Warmth in the New Year~Red Envelopes Around the Fireplace" donated 34 people/time 4. A total of NT\$432 thousand was raised for 2023 Türkiye and Syria earthquake relief including company donations. 5. Ability Charity Sale Event Recruitment materials (including company donations) are NT\$100 thousand.			
2024	1. Mustard Seed Association - Adopt a Taiwanese Child Program 50 people/month 2. Christmas gift collection: 105/piece 3. Donated Christmas gifts for children: \$29,604 and Christmas gifts for caregivers: \$54,050 4. 【Charity Sale】 The collected materials (including company donations) are \$100,347, donated to the Chinese Social Welfare Association			

Note 1:

Item	Issue	Risk response measures
operational risk	Expansion of production base – In response to customer demand, Ability will increase overseas production bases and diversify the risks of production in the mainland. Ability has planned to invest in a factory in Vietnam. The language and culture of the Vietnam factory are very different from Taiwan, which brings corresponding risks to the factory.	<ol style="list-style-type: none"> 1. Increase the operation of the Vietnam factory and maintain the operation of the mainland factory; 2. Deploy employees with foreign work experience to work in Vietnam factories. 3. Encourage employees to learn Vietnamese to avoid cultural differences.
	Risk of raw material interruption – The supply of key materials comes from a single source. If the supplier is delayed in delivery or lacks materials, Ability's production will be affected.	<ol style="list-style-type: none"> 1. Introduce second suppliers to spread the risk of material shortage; 2. Plan and control safety inventory of key materials.
	Sales concentration risk - Long-term and stable cooperation with customers can ensure Ability 's stable growth, but there is a risk of sales concentration.	<ol style="list-style-type: none"> 1. Diversify customers and find new customers; 2. Diversified product layout.
	Information Security – Internet hackers and virus phishing letters appear frequently, and there are a large number of electronic processes and network communications. Information security control has an important impact on Ability.	<ol style="list-style-type: none"> 1. Strengthen information security publicity and regularly issue information security warning notices; 2. Conduct regular information security inspections every year.
economic risk	Interest rate risk – arises from bank borrowings, mainly for operational needs. The borrowing costs incurred by such borrowings to support operational needs and have cash outflows are not high.	<ol style="list-style-type: none"> 1. Target the bank borrowing interest rate and strive to obtain the most favorable borrowing interest rate.
	Exchange rate risk – Due to cross-border operations, the use of multiple currencies creates corresponding exchange rate risks. The main currencies are US dollars and RMB. Such risks mostly arise from future business transactions, recognized assets and liabilities, and net investments in foreign operating institutions.	<ol style="list-style-type: none"> 1. Adjust foreign exchange positions based on 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 amount of foreign currency storage; 3. Strengthen payment recovery.
	Credit risk – the risk of financial losses arising from the inability of a customer or counterparty of a financial instrument to perform its contractual obligations, mainly arising from the inability of the counterparty to repay accounts receivable that are paid according to the payment terms.	<ol style="list-style-type: none"> 1. Manage payment and shipping conditions and conduct credit risk analysis in accordance with Ability 's credit policy; 2. Implement internal credit risk control, including assessing customers' financial status, past experience and other factors. 3. Regularly monitor the use of credit limits.
environmental risks	Climate change risks - For the impact of climate change on the industrial chain and the impact on Ability under current trends, please see the "Climate Change Management" chapter of the ESG report for details.	<ol style="list-style-type: none"> 1. Ability implements climate change-related risk identification and management processes. For details, please see the "Climate Change Management" chapter of the ESG report.

2.2.6 Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>Ability Establishes ESG Sustainability Promotion Committee to Strengthen Corporate Governance. In order to strengthen the company's sustainable management and climate-related risk and management corporate governance functions, Ability has established an ESG Sustainability Promotion Committee. This committee serves as the highest guiding organization for Ability's sustainability governance activities. It is responsible for formulating the company's sustainability development direction and strategies, regularly reporting on the implementation progress to the Board of Directors, and the Board of Directors is responsible for overseeing all projects. The ESG Sustainability Promotion Committee convenes at least twice a year and regularly reports on its implementation plans and results to the Board of Directors.</p> <p>Three Subcommittees Established to Promote Sustainable Development. Under the Ability ESG Sustainability Promotion Committee, three subcommittees have been established in accordance with the three pillars of ESG: (E) Green Sustainability, (S) Social Responsibility, and (G) Corporate Governance. These subcommittees are responsible for enhancing environmental management performance, developing low-carbon products, and controlling environmental risks. They also regularly conduct surveys and analyses of climate-related risks and opportunities.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Climate Risk and Opportunity Assessment</p> <p>The climate risk and opportunity assessment is divided into short, medium, and long-term categories. Short-term is defined as within 3 years, medium-term is from 3 to 10 years, and long-term is over 10 years. The company has identified a total of 4 risks (represented by R) and 5 opportunities (represented by O).</p> <p>Risks</p> <p>R1: Increased severity of extreme weather events such as typhoons and floods (Short-term impact)</p> <p>R2: Increased pricing of greenhouse gas emissions (Long-term impact)</p> <p>R3: Requirements and regulations for existing products and services (Short-term impact)</p> <p>R4: Changes in customer behavior (Medium-term impact)</p> <p>Opportunities</p> <p>O1: Develop and/or increase low-carbon goods and services (Short-term impact)</p> <p>O2: Research and development and innovation of new products and services (Medium-term impact)</p> <p>O3: Develop new markets (Medium-term impact)</p> <p>O4: Changes in consumer preferences (Medium-term impact)</p> <p>O5: Resource utilization efficiency (Short-term impact)</p> <p>After identifying the risks and opportunities, the company is implementing corresponding strategies to reduce climate risks and increase business opportunities.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Climate Risk Mitigation Strategies. Extreme weather events (such as typhoons, floods, and heavy rainfall) can lead to:</p> <ul style="list-style-type: none"> • Water shortages or flooding that force factories to shut down, causing damage to equipment and disrupting operations • Disruptions to raw material supply that make it impossible to produce products

	<ul style="list-style-type: none">• Road closures that prevent shipments from being delivered on time <p>These disruptions can increase operating costs, expenses, and reduce revenue. In the most severe cases, they can even lead to a complete shutdown of operations. In response to these risks, the company has developed emergency response measures to reduce the risk of disasters. The company's climate risk mitigation strategies include:</p> <ul style="list-style-type: none">• Reducing greenhouse gas emissions• Complying with product and service requirements and regulations• Managing low-carbon products• Product research and development• Accounting for the financial impact of increased raw material costs <p>By implementing these strategies, the company can reduce its exposure to climate-related risks and protect its business from financial losses.</p>																								
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The process of identifying, assessing and managing climate risks is as follows:</p> <table><tr><th>Process responsible person↕</th><th>Input↕</th><th>Process description↕</th><th>Output↕</th></tr><tr><td>ESG Committee ↓ ESG promotion team↕</td><td>Industry trends and analysis↕</td><td>Risk identification: ↓ Assess risk sources and risk items↕</td><td>Climate risk/opportunity topics↕</td></tr><tr><td>ESG Committee ↓ ESG promotion team↕</td><td>Current status investigation for organizational operations↕</td><td>Risk assessment: ↓ Assess the level of risk of risk items↕</td><td>Results of climate risk/opportunity↕</td></tr><tr><td>ESG Committee ↓ Promoting member↕</td><td>Risk identification and level↕</td><td>Check the risk report: ↓ Formulate strategic reports for items of high risk as identified↕</td><td>Risk management report↕</td></tr><tr><td>ESG Committee ↓ Chairman of committee↕</td><td></td><td>Risk management report submission and disclosure: ↓ Submit to the Board↕</td><td>Minutes of Board meetings↕</td></tr><tr><td>ESG Committee ↓ ESG promotion team↕</td><td></td><td>Risk response: ↓ High-risk item relief project implementation and follow-up↕</td><td>Implementation records of plans↕</td></tr></table>	Process responsible person↕	Input↕	Process description↕	Output↕	ESG Committee ↓ ESG promotion team↕	Industry trends and analysis↕	Risk identification: ↓ Assess risk sources and risk items↕	Climate risk/opportunity topics↕	ESG Committee ↓ ESG promotion team↕	Current status investigation for organizational operations↕	Risk assessment: ↓ Assess the level of risk of risk items↕	Results of climate risk/opportunity↕	ESG Committee ↓ Promoting member↕	Risk identification and level↕	Check the risk report: ↓ Formulate strategic reports for items of high risk as identified↕	Risk management report↕	ESG Committee ↓ Chairman of committee↕		Risk management report submission and disclosure: ↓ Submit to the Board↕	Minutes of Board meetings↕	ESG Committee ↓ ESG promotion team↕		Risk response: ↓ High-risk item relief project implementation and follow-up↕	Implementation records of plans↕
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5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major	<p>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</p>																								

financial impacts used should be described.	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 further analyzed the survey results and identified 4 risk and 5 opportunity themes. The company then identified 1 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.	<p>Climate Risk Identification, Assessment, and Management Process. The company's climate risk identification, assessment, and management process involves:</p> <ul style="list-style-type: none"> • 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 <p>To strengthen risk management, the company's ESG Sustainability Promotion 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:</p> <ul style="list-style-type: none"> • Develop and/or increase low-carbon goods and services • Research and development and innovation of new products and services • Develop new markets • Products and services tailored to changing consumer preferences • Use more efficient production and distribution processes <p>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.</p>
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.	We will use the SBTi approach to planning and set carbon reduction targets to achieve net zero by 2050.
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	Refer to Tables 1-1 and 1-2 below.

1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse Gas Inventory and Assurance Status

Describe the greenhouse gas emissions in the last two years (metric tons CO₂ e), intensity (metric tons CO₂ e/ million yuan) and data coverage.

1. The company (parent company) should start disclosing inventory data since 2026.
2. Consolidated financial reporting subsidiaries should start disclosing inventory data from 2027.

The execution status of the company's greenhouse gas inventory in the past two years is as follows:

Year	2023		2024	
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)	31.2295	0.01	32.9412	0.005
Energy indirect emissions (scope 2)	995.0788	0.26	984.9798	0.159

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the import of electricity, heat or steam) and other indirect emissions (Scope 3, i.e., emissions generated by the company's activities, which are not energy indirect emissions but come from emission sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the schedule specified in the order stipulated in Article 10, Paragraph 2 of these Regulations. Other indirect emissions information may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064 1 issued by the International Organization for Standardization (ISO ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product, service or turnover, but at least the data calculated based on turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

1. The company (parent company) shall implement third-party assurance starting from 2028.
2. Consolidated financial reporting subsidiaries should implement third-party assurance starting from 2029.

Complete information will be disclosed in the sustainability report.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Code. If the company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "the complete assurance information will be included in the sustainability report." "Disclosure". If the company does not prepare a sustainability report, it should indicate that "complete and confident information will be disclosed in the Public Information Observatory" and disclose complete and confident information in the next annual report.

Note2 : The assurance body shall meet the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Greenhouse Gas Inventory and Reduction Targets

1. Greenhouse Gas Inventory

In accordance with the " Sustainable Development Roadmap. " released in March 2022, our company, with a paid-in capital of less than NT\$5 billion, is subject to the

third phase of greenhouse gas inventory (i.e., inventory completion in 2026 and verification completion in 2028). Consolidated reporting subsidiaries are subject to the fourth phase of greenhouse gas inventory (i.e., inventory completion in 2027 and verification completion in 2029). Therefore, the base year for our company's greenhouse gas reduction is tentatively set as 2027. In the future, the base year will be adjusted if the greenhouse gas inventory of the consolidated financial statements is completed earlier.

2. **Carbon Reduction Targets and Action Plans**

We plan to disclose the carbon reduction targets, strategies, and specific action plans of the consolidated parent and subsidiary companies starting in 2027. The company is committed to reducing greenhouse gas emissions from its own production and products. The relevant reduction implementation results and target achievement status will be disclosed in the sustainability report.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the consolidated financial report boundary is completed. For example, in accordance with the provisions of Article 10, Paragraph 2 of these Standards, companies with capital of more than 10 billion yuan should complete the 2024 consolidated financial report in 2025. For the inventory, the base year is 2024. If the company has completed the inventory of the consolidated financial report in advance, that earlier year can be used as the base year. In addition, the data in the base year can be calculated as the average of a single year or several years.

2.2.7 Taiwan Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission:

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				No specific deviation
(1) Does the company have a Board approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The company has formulated the "Code of Integrity Business", which has been approved by the board of directors and disclosed on the company's official website and public information observatory. It also formulates relevant internal operating procedures and internal control systems. The board of directors and senior management have implemented the policy of integrity management strategy.	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(2) The company has formulated management measures for the "Principles of Integrity Management" based on the "Code of Integrity Management" and has preventive plans and measures for various behaviors specified in Paragraph 2 of Article 7. Including the prohibition of giving and receiving bribes, the provision of illegal political donations, the provision of inappropriate charitable donations or sponsorships, the prohibition of unreasonable gifts, entertainment or other illegitimate benefits, the prohibition of infringement of intellectual property rights, the prohibition of unfair competition, and the prevention of products or services. harm to interested parties.	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The company has established management policies and laws such as "Integrity Business Principles and "Ethical Code of Conduct" to regulate what personnel should pay attention to when performing business. If there is a violation, appropriate sanctions will be taken depending on the severity of the case to prevent dishonest behavior. A complaint channel has been established and "reporting incident handling and confidentiality measures" have been formulated to protect complainants. The company's integrity management promotion team holds regular meetings to review and evaluate relevant operations.	
2. Ethic Management Practice				
(1) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(1) The Company shall consider the legality and evaluate the ethical record of its business partner prior to any business relationship with them and avoid any trading with a partner with dishonest history.	No specific deviation
(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?		V	(2) 1. The company has set up an integrity management promotion group in 2022 to be responsible for the implementation of integrity management and anti-corruption. It conducts annual propaganda on integrity management and anti-corruption, including business secrets, information security, insider trading, anti-competition, etc. For relevant courses, the annual implementation status shall be reported to the Board of Directors at least once a year. No illegal incidents related to honest management or corruption occurred in 2023. The implementation status has been reported to the board of directors on November 10, 2023.	

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(3) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		<p>2. The company implements the integrity management policy, and the implementation status in 2023:</p> <p>(a) Education and training: employee integrity management and anti-corruption publicity and education training.</p> <p>(b) Integrity promotion: broadcast through the company's public address system to promote matters that employees should pay attention to when performing business. Promote insider trading prevention to directors and managers.</p> <p>(3) The Company's "Rules and Procedures of the Board Meeting" stipulates the principle of conflicting interests. Directors may express opinions and answer queries but are not allowed to participate in the discussion and voting and shall recuse from any discussions and voting on any resolution that presents a conflict against their own interests or interests of the corporate entities they represent to the extent that is likely to compromise the Company's interests, and shall not exercise their voting rights on behalf of other directors.</p>	No specific deviation
(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		<p>(4) To ensure the implementation of ethical conducts, the company established effective accounting system and internal control system. The internal audit personnel also verify compliance of each procedure on both regular and irregular basis.</p>	No specific deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The company conducts education and training on integrity management for new employees, integrity management and anti-corruption publicity and education for employees, and publicizes matters that should be paid attention to when executing business through the company's public broadcasting system, and conducts integrity management from time to time to directors and managers. and promotion of anti-corruption norms.	No specific deviation
3. Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V V		(1) The Company has established the "Reporting and Confidentiality Measures for Reporting Events", attaches significant importance to ethical mindset and encourages employees to report to the chief audit executive or other relevant personnel when suspected violations or violations of regulations or the rules of the company are found. (2) The Company has clearly stated in the "Reporting and Confidentiality Measures for Reporting Events" that it has a complaints mailbox and carry out relevant procedures in relation to respective complaints. Information confidentiality is implemented in accordance with personal information confidentiality and information security policies.	No specific deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		(3) The complaint window shall be in strict compliance with the confidentiality principle. Any disclosure of complaint issues without the consent of the person who lodges the complaint shall undergo disciplinary action in accordance with the company's rules.	
4. Information Disclosure (1) Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	V		(1) The company has formulated the "Integrity Management Code" and discloses the relevant implementation status on the official website (http://www.ability corp.com.tw), including the implementation status of honest management, implementation status of intellectual property rights, important resolutions of the board of directors, independent directors and internal Important information on corporate governance such as communication between audit supervisors and accountants. The Public Information Observatory discloses information: Code of Integrity Management, Code of Ethical Conduct, Code of Practice for Sustainable Development, Code of Corporate Governance and other internal regulations.	No specific deviation

Assessment Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Explanation	
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: The company has formulated the company's "Integrity Management Code" based on the "Integrity Management Code for Listed Over-the-Counter Companies" and announced it on the company's website (http://www.abilitycorp.com.tw). In 2024, no incidents related to honest operation or corruption occurred. Corruption-related illegal incidents.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices: The company has formulated a "Code of Integrity Business" and a code of ethical conduct, which have been approved by the board of directors. In order to implement honest management and anti-corruption, We has established an effective internal control system and set up electronic and physical complaint channels. In 2022, it will set up an honest management promotion group to be responsible for the implementation of honest management and anti-corruption, and report to the board of directors at least once a year. Execution status. The implementation status has been reported to the board of directors on November 08, 2024.				

2.2.8 Other important information that may enhance your understanding of corporate governance practices:

The Company's website has a "Corporate Governance Zone" for stakeholders to inquire about information related to corporate governance operations. (https://www.abilitycorp.com.tw/c/about_gov.php)

2.2.9 Internal Control Systems:

ABILITY ENTERPRISE CO., LTD.
Statement of Internal Control System

Date: March 7, 2025

Based on the findings of self-assessment, ABILITY ENTERPRISE CO., LTD. (ABILITY) states the following with regard to its internal control system in 2024:

1. ABILITY is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of financial reporting and compliance with of applicable laws, regulations and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of ABILITY contains self-monitoring mechanism and ABILITY takes corrective actions whenever a deficiency is identified.
3. Ability evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control System by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five constituent elements of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. ABILITY has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the self-assessment mentioned in the preceding paragraph, ABILITY believes that, as of December 31, 2024, its internal control system (including its supervision and management of subsidiaries), as well as understanding the degree of achievement of its objectives concerning operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of financial reporting, and compliance with the applicable laws, regulations and bylaws, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be integral part of ABILITY's Annual Report for the year 2024 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on March 7, 2025 with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

ABILITY ENTERPRISE CO., LTD.

Tseng, Ming-Jen
Chairman

CHANG, Hsiao-Chi
President

2.2.9.1 If the Company is requested by the SEC to retain CPA's service for examining internal control system, the Independent Auditor's Report must be disclosed: None

2.2.10 Major Resolutions of Shareholders' Meeting and Board Meetings

Date/ Decision Maker	Major resolutions (extracts)
2024.6.20 Shareholders' meeting	<ol style="list-style-type: none"> 1. Approved the company's 2023 annual business report and financial statements. 2. Approved the company's 2023 profit distribution proposal. 3. Proposed issuance of new shares to restrict employee rights. 4. Approved the revision of the "Articles of Association" of the company. 5. Approved the proposal to lift the restrictions on non-competition for the directors of the company.
2024.08.09 Board meeting	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the second quarter of 2024. 2. Amendment to the company's "Internal Audit Implementation Rules". 3. Matters related to the credit granting between the Company and the bank. 4. Amendment to the Company's "Regulations on Related Party Transaction Management". 5. Preparation and filing of the company's 2023 "Sustainability Report". 6. A proposal to restrict employees' rights to cancel new shares and reduce capital and set a base date for capital reduction in the second quarter of 2024. 7. The company's 2024 manager performance salary adjustment proposal. 8. The company's managers' employee remuneration for 2023 and annual performance-based salary for 2024. 9. Prepare a list of managers and non-managerial employees with restricted rights to be allocated new shares and related matters. 10. Amendment to the Company's "Corporate Governance Code of Practice".
2024..09.11 Board meeting	<ol style="list-style-type: none"> 1. Revise the company's 2024 new stock issuance regulations with restrictions on employee rights. 2. Issuance of new shares with restricted employee rights in 2012 of the company.
2024.11.08 Board meeting	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the third quarter of 2024. 2. Newly formulated the company's internal control system "Sustainable Information Management Operating Procedures". 3. The company's "2025 Audit Plan" 4. The company's 2024 managers' year-end bonus and year-end performance bonus distribution plan. 5. Matters related to the credit between the Company and the bank. 6. Amendment to the Company's "Board of Directors Performance Evaluation Methods". 7. The bill to restrict employees' rights to cancel new shares and set a base date for capital reduction in the third quarter of 2024.
2025.03.07 Board meeting	<ol style="list-style-type: none"> 1. The company's 2023 financial statements. 2. The company's 2023 annual business report. 3. Proposal on the amount of directors' remuneration for the year 2023 of the Company. 4. The company's 2023 employee remuneration provision proposal. 5. The Company's "2023 Internal Control Statement". 6. Evaluate the independence of the company's accountants. 7. Amendment to the Company's Articles of Incorporation. 8. Proposal for comprehensive re-election of the company's directors (including independent directors). 9. Date, time, location and other related matters of the 2025 General Meeting of Shareholders. 10. Formulate the acceptance period and venue for shareholder proposals at the 2025 General Meeting of Shareholders. 11. Matters related to the credit granting between the Company and the bank. 12. The proposal to restrict employees' rights to cancel new shares and reduce capital and set the base date for capital reduction in the fourth quarter of 2024. 13. The Company's 2025 operating plan.

Date/ Decision Maker	Major resolutions (extracts)
2025.04.07 Board meeting	To change the period and location for accepting shareholder nominations for the re-election of the company's directors (including independent directors).
2025.05.09 Board meeting	1. The consolidated financial statements of the Company for the first quarter of 2025. 2. Public expense case for the appointment of accountants. 3. The company's profit distribution plan for 2024. 4. Case of issuing new shares by converting surplus into capital. 5. Propose to submit for approval the list of candidates for directors (including independent directors). 6. Proposed proposal to lift the non-competition restriction on the new directors of the Company. 7. Added the date, time, location and other related matters for the 2025 Annual General Meeting of Shareholders. 8. Matters related to the credit between the Company and the bank. 9. A proposal to restrict employees' rights to cancel new shares and reduce capital and set a base date for capital reduction in the first quarter of 2025.

2.2.11 In the most recent year and up to the date of publication of the annual report, the number of directors or supervisors who had different opinions on important resolutions passed by the board of directors and for which there were records or written statements: None.

2.3 Information Regarding CPA Fees

Unit: NT\$ thousand

CPA Firm	CPA	Auditing Period	Auditing Fees	Non-Auditing Fees (Note)	Total	Remark
PWC	RUAN LU, MAN-YU	1/1/2024 ~ 12/31/2024	3,400	360	3,760	-
	FENG, MIN-JUAN	1/1/2024~ 12/31/2024				

Note : Restricting employees' rights, cancellation of new shares, capital reduction.

2.3.1 Change of accounting firm and the audit fee paid is less than previous year before the change of accounting firm: None.

2.3.2 Audit fee is 10% or more less than the previous year: None.

2.4 Information on Change of CPA: In 2024, our company changed its certified public accountant due to internal rotation of the accounting firm in accordance with relevant laws and regulations.

2.5 If the chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed: None.

2.6 Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Department Heads and Shareholders of 10% Shareholding or More:

2.6.1 Information on Net Change in Shareholding

Unit: Share

Title	Name	2024		1/1/2025 ~ 4/27/2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and President	VIEWQUEST Investment Co., Ltd. Rep.: Tseng, Ming-Jen	-	-	-	-
Director	ABICO AVY Co., Ltd. Rep.: Chan, Wen-Hsiung	3,469,000	-	-	-
Director	ABICO AVY Co., Ltd. Rep.: Hu, Shiang-Chi				
Director	Chia-Mei Investment Co., Ltd. Rep.: Tong, Chun-Jen	-	-	-	-
Director	Chia-Mei Investment Co., Ltd. Rep.: Tong, Chun-Yi	-	-	-	-
Director	Chia-Mei Investment Co., Ltd. Rep.: CHANG, HSIAO-CHI	-	-	-	-
Independent Director	Chen, Chien-Hung	-	-	-	-
Independent Director	Huang, Chih-chen	-	-	-	-
Independent Director	Huang, Kuo-Lun	-	-	-	-
President	CHANG, HSIAO-CHI	80,000 (80,000)	-	-	-
Vice President	Adams Chen	96,000 (120,000)	-	-	-
Vice President	Vincent Lu	110,000 (144,000)	-	-	-
Assistant Vice President	Jackie Lee	76,000 (90,000)	-	-	-
Chief Financial Officer	Lin, Hung-Tien	65,500 (130,000)	-	-	-
Accounting Supervisor	Lin, HSIN-CHUN	25,000 (38,884)	-	-	-
Corporate Governance officer	Huang, Mei-Ling	10,000 (10,000)	-	-	-
major stockholder	Pegatron Corporation	(5,000,000)	-	-	-
major stockholder	ABICO AVY Co., Ltd.	3,649,000	-	-	-

2.6.2 Information of Shares Transferred: None

2.6.3 Information of Equity Pledged: None

2.7 The Relations of the Top Ten Shareholders as Defined in the Finance Standard Article 6:

As of 04/27/2025

Name	Current Shareholding		Spouse or Minor Children		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
ABICO AVY Co., Ltd. Rep.: Tong, Chun-Jen	32,470,000	11.22	—	—	—	—	VIEWQUEST Investment Co., Ltd.	Parent company and subsidiaries	
	548	0.00	32,841	0.01	—	—	Dong, Yi-Jun	family	
Pegatron Corporation Rep.: T.H. Tung	17,995,300	6.22	—	—	—	—	—	—	
CHIA NAI INVESTMENT CO., LTD. Rep.: TUNG, I-CHIA	4,391,242	1.52	—	—	—	—	—	—	
	—	—	9,996	0.00	—	—	—	—	
Chase Custody Advanced Starlight Advanced Total International Stock Index Fund Investment Account	2,557,904	0.88	—	—	—	—	—	—	
Chia-Mei Investment Co., Ltd. Rep.: Dong, Yi-Jun	2,254,974	0.78	—	—	—	—	—	—	
	—	—	—	—	—	—	Tong, Chun-Jen	family	
JPMorgan Chase Bank N.A. , Taipei Branch in custody for Vanguard Total International Stock Index Fund , a series of Vanguard Star Funds	2,222,491	0.77	—	—	—	—	—	—	
VIEWQUEST Investment Co., Ltd. Rep.: Tong, Chun-Jen	2,100,000	0.73	—	—	—	—	ABICO AVY Co., Ltd.	Parent company and subsidiaries	
	548	0.00	32,481	0.01	—	—	Dong, Yi-Jun	family	
SinoPac Bank is entrusted to keep a trust account for restricted stock with voting rights and dividend distribution rights for employees of Ability Enterprise Co., Ltd. -2024 Issuance Regulations	1,826,000	0.63%	—	—	—	—	—	—	
HSBC Manages Mitsubishi UFJ and Morgan Stanley Securities Trading Accounts	1,607,000	0.56%	—	—	—	—	—	—	
HSBC Bank (Taiwan) Co., Ltd. is entrusted to manage Macquarie Bank Limited's investment account	1,562,000	0.54%	—	—	—	—	—	—	

Note 1: All top 10 shareholders have been listed. For corporate shareholders, the name of the corporate entity and the name of the representative are shown separately.

Note 2: The percentages of shares held under own name, spouse's name, underage children's names, or in the names of others are calculated separately.

Note 3: Relations among the abovementioned shareholders (including corporate and natural-person shareholders) have been disclosed in accordance with the relationships defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2.8 Long-Term Investment Ownership

Unit: shares; %; As of 12/31/2024

Long-Term Investment	Ownership by the Company (1)		Direct or Indirect Ownership by Directors, Supervisors, Managers (2)		Total Ownership (1)+(2)	
	Shares	%	Shares	%	Shares	%
ABILITY ENTERPRISE (BVI) CO., LTD.	—	100	—	—	—	100
ABILITY INTERNATIONAL INVESTMENT CO., LTD	1,300,000	100	—	—	1,300,000	100
Ability Electronics Technology (Vietnam) Company Limited	—	100%	—	—	—	100%
E-PIN OPTICAL INDUSTRY CO.,LTD.	12,888,334	54.61	—	—	12,888,334	54.61
ABILITY TECHNOLOGIES CO., LTD.	5,000,000	100%	—	—	5,000,000	100%
CHIA PING INVESTMENT CO., LTD.	—	—	5,600,000	100%	5,600,000	100%
ABILITY TECHNOLOGY (DONGGUAN)CO., LTD.	—	—	—	100	—	100
ABILITY TECHNOLOY COPANY LIMITED	—	—	—	100	—	100
VIEWQUEST TECHNOLOGIES (DONGGUAN)CO., LTD	—	—	—	100	—	100
ALL VISION HOLDING LTD.	—	—	15,236,910	100	15,236,910	100
E-PIN OPTICAL INDUSTRY(M.) SDN. BHD.	—	—	5,000,000	100	5,000,000	100
ALL VISION TECHNOLOGY SDN. BHD.	—	—	72,243,894	100	72,243,894	100
EVERLIGHT DEVELOPMENT CORPORATION	—	—	58,494	100	58,494	100
E-SKY HOLDING LTD.	—	—	14,338,918	100	14,338,918	100
CHIA PING LIMITED	—	—	1,350,000	100	1,350,000	100
SHENZHEN CHIA PING OPTICAL TECHNOLOGY LIMITED	—	—	—	100	—	100
NANJING EVERLIGHT PHOTONICS TECHNOLOGY CO. LTD.	—	—	—	55.45	—	55.45
ZHONGSHAN SHANXIN ACCURATE INDUSTRY CO. LTD.	—	—	—	100	—	100
NANJING E-PIN OPTICAL CO.,LTD.	—	—	—	72.22	—	72.22

3. Capital and Shares

3.1 Capital and Shares

3.1.1 Source of Capital

Unit: Share; NT\$

Month/ Year	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
2024.10	10	800,000,000	8,000,000,000	289,388,012	2,893,880,120	Issuance of Employee Restricted Stocks 18,780,000 Cancellation of Issued RSA NT\$243,000	None	
2024.11	10	800,000,000	8,000,000,000	289,380,512	2,893,805,120	Cancellation of Issued RSA NT\$75,000	None	
2025.03	10	800,000,000	8,000,000,000	289,377,512	2,893,775,120	Cancellation of Issued RSA NT\$30,000	None	

As of 04/27/2025

Type of Share	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Common shares	289,377,512	510,622,488	800,000,000	Listed stock

3.1.2 List of Major Shareholder (The equity ratio is over 5%)

As of 04/27/2025

Shareholder's Name	Shareholding (Shares)	%
Pegatron Corporation	32,470,000	11.22%
ABICO AVY CO., LTD.	17,995,300	6.22%

3.1.3 Dividend Policy and Implementation

3.1.3.1 The dividend policy stipulated by the Company's Articles of Incorporation is as follows:

The amendment to the dividend policy in the Articles of Incorporation passed by the Company's Shareholders' Meeting as of June 15, 2021 is as follows:

Article 29

If the Company's general annual report has surpluses, in addition to paying taxes in accordance with the law, shall make up for past losses and allocate 10% of statutory surplus reserves based on the balance. However, if statutory surplus reserves have reached the total capital, this limit does not apply. If necessary, after the allocation or turnaround special surplus reserve according to the regulations, the rest incorporates initial undistributed earnings as shareholders' cumulative distributed earnings. The Board of Directors may propose earnings allocation motion and report it to shareholders' meeting for resolution.

The Company's accumulated net reductions in other equity and net increases in fair value of investment properties in prior periods shall be set aside as special surplus

reserve in the same amount from prior period retained earnings. If this amount is insufficient, it shall be set aside from the current period's net profit after tax plus the amount of items other than the current period's net profit after tax that are included in the current period's retained earnings.

Article 29-1

The implementation of the Company's dividend policy requires consideration of the Company's future capital budget planning, meeting the needs of shareholders for cash inflow, and ensuring market competitiveness, etc., in which the cash dividends should be no less than 10% of the total of shareholders' dividends. Its method of distribution is handled according to Article 29.

3.1.3.2 Based on the dividend distribution policy implemented in the past 10 years except for the year when cash was distributed through capital reduction, at least 50% has been allocated annually for shareholders' dividends. In the future, if the Company makes profit, the dividend distribution policy implemented in the past will be continued to allocate at least 50% for shareholders' dividends, in which cash dividends will be no less than 50% of the total dividends.

3.1.3.3 The dividend distribution proposed at the Shareholder's Meeting:

The 2025 Shareholders' Meeting proposed to distribute cash of NT\$0.6 per share and Stock dividend of NT \$1.2 per share.

3.1.4 Influence from free allocation of shares on the Company's business performance and earnings per share: The dilution of the Company's earnings per share is limited and has no significant impact on shareholders' equity.

3.1.5 Employees' and Directors' Remuneration Distribution

3.1.5.1 Percentage or range of employees' and directors' remuneration stipulated by the Company's Articles of Incorporation

Articles regarding the percentage of employees' and directors' remuneration in the Company's Articles of Incorporation is as follows:

Article 28-1

If the Company's final accounting of revenue and expenditure is profitable, the remunerations of employees, directors shall be allocated as follows. However, if the Company still has accumulated losses, it shall reserve the profits in advance and make up for the losses, and then allocate:

(1)Employee remuneration shall not be less than 8% and not more than 15%. At least 15% of this allocation shall be allocated for remuneration of grassroots employees. Recipients of employee compensation in the form of cash or stock may include employees of controlling or subordinate companies who meet certain conditions, such conditions being authorized to be set by the board of directors.

(2)The directors' remuneration is not more than 1.5%.

The aforementioned profits refer to the profits before that pre-tax profit deducts the remuneration distributed to employees and directors.

3.1.5.2 Calculation basis for estimated employees' and directors' remuneration and for numbers of shares distributed as employees' remuneration as well as accounting measures against the discrepancy between actual distribution and estimates:

The estimated employees' and directors' remuneration is based on the pretax income up to the current period. Within the percentage regulated by the Company's Articles of Incorporation, 8% and 1.5% are respectively listed as estimated operating expense. When discrepancy between actual distribution and estimates occurs later, it will be regarded as a change in accounting estimates and counted as profit and loss of the year of actual distribution.

3.1.5.3 The employees' and directors' remuneration distribution passed by the Board of Directors for the year of 2024:

- a. Employees' remuneration: NT\$ 54,196,727.
- b. Directors' remuneration: NT\$ 10,161,886.

3.1.5.4 The actual remuneration distribution for employees and directors for 2023 and the discrepancy between which and the recognized amount as well as exact amount of difference, causes and responses:

(1) The 2023 employees' and directors' remuneration distribution:

- a. Employees' remuneration: NT\$ 25,109,093.
- b. Directors' remuneration: NT\$ 4,707,955.

(2) Discrepancy between the abovementioned amount and the recognized amount as well as exact amount of difference, causes and responses: None.

3.2 Issuance of Corporate Bond: None.

3.3 Preferred Stock: None.

3.4 Global Depositary Receipts: None.

3.5 Employee Stock Options: None.

3.6 Employee Restricted Stocks

3.6.1 Issuance of Employee Restricted Stocks

As of 05/09/2025

Type of Restricted Shares	Grant of 2021
Approval Date by the Authority and Total shares	2021/4/22; 6,000,000 shares
Grant Date	2021/8/22
Number of Employee Restricted Stock Granted	5,358,500 shares
It's still possible to issue Employee Restricted Stock	0 share
Price of Issuance	NT\$ 0
Percentage of Employee Restricted Stocks to Outstanding Common Shares	1.87%
Conditions for Exercise of Employee Restricted Stocks	If employees remain employed for particular years from the issuance date, the following percentage of stocks will be granted accordingly: 1. One year: 40%. 2. Two years: 30%. 3. Three years: 30%.
Custody of Employee Restricted Stocks	A total of 5,358,500 shares were delivered to the trust custodian
Procedures for Non-Compliance of the Conditions	The Company can buy back and cancel all restricted stocks from any employee whom received restricted stocks but fail to comply with the conditions.
Number of Employee Restricted Stocks Bought Back	218,000
Number of Employee Restricted Stocks Free from Custody	5,130,700
Number of Employee Restricted Stocks under Custody	9,000
Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)	0.003%
Impact on Shareholders' Equity	1. Possible expensing amount for three years is estimated to be NT\$72,000 thousand. The annually expensed amount is estimated at NT\$46,800 thousands, NT\$18,000 thousands and NT\$7,200 thousands, respectively. 2. Average possible impact on EPS is estimated at NT\$0.17, NT\$0.06, and NT\$0.03, respectively. It is overall estimated that dilution to EPS for future years will be limited, thus causing no significant impact on the equity of current shareholders.

3.6.2 Issuance of Employee Restricted Stocks

As of 05/09/2025

Type of Restricted Shares	Grant of 2024
Approval Date by the Authority and Total shares	2024/8/30; 1,878,000 shares
Grant Date	2024/9/12
Number of Employee Restricted Stock Granted	1,878,000 shares
It's still possible to issue Employee Restricted Stock	0 share
Price of Issuance	NT\$ 0
Percentage of Employee Restricted Stocks to Outstanding Common Shares	0.65%
Conditions for Exercise of Employee Restricted Stocks	If employees remain employed for particular years from the issuance date, the following percentage of stocks will be granted accordingly: 1. One year: 40%. 2. Two years: 30%. 3. Three years: 30%.
Custody of Employee Restricted Stocks	A total of 1,878,000 shares were delivered to the trust custodian
Procedures for Non-Compliance of the Conditions	The Company can buy back and cancel all restricted stocks from any employee whom received restricted stocks but fail to comply with the conditions.
Number of Employee Restricted Stocks Bought Back	17,000
Number of Employee Restricted Stocks Free from Custody	35,000
Number of Employee Restricted Stocks under Custody	1,826,000
Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)	0.63%
Impact on Shareholders' Equity	1. Possible expensing amount for three years is estimated to be NT\$69,691 thousand. The annually expensed amount is estimated at NT\$45,968 thousands, NT\$17,064 thousands and NT\$6,659 thousands, respectively. 2. Average possible impact on EPS is estimated at NT\$0.16, NT\$0.06, and NT\$0.02, respectively. It is overall estimated that dilution to EPS for future years will be limited, thus causing no significant impact on the equity of current shareholders.

3.6.3 Information on Name of Managers and Top 10 Employees obtaining Employee Restricted Stocks:

	Title Name	Title Name	Number of Employee Restricted Shares	Number of Restricted Employee Shares to Outstanding Common	Free from the Trust				Under the Trust			
					Number of Employee Restricted Stocks Free from Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks Free from Custody to Outstanding Common	Number of Employee Restricted Stocks under Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)
Management Team	President	Chang, Hsiao-Chi	781,000	0.27%	465,000	0	0	0.16%	316,000	0	0	0.11%
	Vice President	Vincent Lu										
	Vice President	Adams Chen										
	Assistant Vice President	Jackie Lee										
	Chief Financial Officer	Lin, Hung-Tien										
	Accounting Supervisor	Lin, Xing-Jun										
	Corporate Governance officer	Huang, Mei-Ling										
Employee	Senior Director	Jonny Wu	1,175,000	0.41%	869,000	0	0	0.30%	306,000	0	0	0.11%
	Senior Director	Roger Chiang										
	Senior Director	Darrell Lin										
	Senior Director	Casper Wu										
	Director	Sean Chao										
	Special Assistant	Alan Chang										
	Deputy Director	Tony Tseng										
	Special Assistant	Nicol Lee										
	Director	JE Chang										
	Deputy Director	Ankie Liu										

3.7 Status of New Share Issuance in Connection with Mergers and Acquisitions

3.7.1 New share issuance in connection with mergers and acquisitions that has been complete during the current year up to the printing date of this annual report: None.

3.7.2 New share issuance in connection with mergers and acquisitions that has been adopted as a resolution during the current year up to the printing date of this annual report: None.

3.8 Plans and Implentation of Funds Utilization : None.

4. Business Overview

4.1. Business Activities

4.1.1 Business Scope

1. Main content of the business

- (1) Design, production and sale of high-end digital cameras and camcorders.
- (2) Design, manufacture and sale of other digital image capture devices.
- (3) Undertake professional imaging product design and OEM manufacturing business for international brand manufacturers.
- (4) Provision and professional OEM manufacturing of AI IoT solution vehicle cameras.
- (5) Professional design and OEM manufacturing of automotive and surveillance cameras.

4.1.1.2 Breakdown of Sales by Major Products

Unit: NT\$ thousands

2024		
Major Products	amount	%
Optic products	6,182,894	100%

3. Current Company Products (Services)

The manufacturing and sale of DSC(High-end Digital Still Camera), DV(Digital Video Camcorder), digital surveillance cameras and camera modules.

4. Planned Development of New Products (Services)

- (1) High-resolution, small-scale, professional digital cameras equipped with larger photosensitive elements and large aperture lenses.
- (2) Multi-lens 360-degree panoramic camera.
- (3) Products that combine wearable cameras with mobile application platforms, e-sports or live broadcasts, etc.
- (4) Professional surveillance security cameras and NAS (Network Attached Storage).
- (5) Miniaturized lens image module.
- (6) Home video cameras combined with smart home applications.
- (7) Unmanned aerial camera equipped with an image module and a camera.
- (8) Camera equipped with a 4G module.
- (9) >10m waterproof, shockproof and weatherproof camera.
- (10) Auto-assisted driving system camera module.
- (11) Image software with added value.
- (12) Surrounding image module outside the car.
- (13) In-vehicle image module.
- (14) In-car imaging system.
- (15) Smart security camera vehicles.
- (16) Smart camera carriers for site safety protection.
- (17) Smart retail camera vehicles.
- (18) Wisdom learning education application camera vehicle.
- (19) Smart IoT camera module.
- (20) Camera for video conferencing.
- (21) Camera module for video conferencing.

(22) Robot and machine vision camera modules.

4.1.2 Industry Overview

4.1.2.1 Current Status and Development of the Industry

In recent years, the camera functions of smartphones have continued to improve. Each mobile phone company has launched a new model that boasts improved camera functions. Mobile phone cameras are now almost synonymous with cameras. In addition, mobile phones of various brands are striving to improve their photo and video recording functions and provide consumers with simpler and more convenient sharing functions. These demands have had a greater impact on traditional non-interchangeable lens digital cameras.

Sales of traditional digital cameras continue to decline, while the camera functions of smartphones continue to improve. For example, lens quality and 3D imaging technology may further squeeze the traditional camera market. As in the past few years, the number of traditional digital cameras will continue to shrink as the products lack breakthrough technology. The main sales will still be led by products that can be differentiated from smartphones, such as high telephoto magnification, larger photosensitive elements and underwater cameras with better optical conditions. Such functional products can still have stable sales volumes, so it is estimated that the market can still maintain a bottom line demand in the next few years.

The digital camera industry has shifted to highly differentiated and innovative products, such as Polaroid cameras and mid-to-high-end retro-style cameras that are differentiated from mobile phones, and there has been a new wave of demand in recent years.

In recent years, the overall market momentum of handheld digital imaging products has been weak, and new technologies and applications are still unclear. In addition, the sports video cameras that have been booming in the past few years have begun to decline in overall sales momentum as the market becomes saturated. Diversified wearable cameras have not grown as expected due to unclear positioning, but their application market is gradually penetrating from the consumer personal market to the producer professional application market. In addition to the consumer market which is becoming stable and without explosive demand, 360-degree panoramic cameras are trying to extend their reach to 2B applications, such as construction site management, real estate sales, and tourist guides, in order to create new business models and value.

In short, the digital imaging product consumer market is currently in an awkward period of lack of mainstream technology and applications. Only by waiting for new technologies and applications to emerge can it have a chance to rise again. The glimmer of hope we see now is demand. With the development of the Internet of Things, big data or human-computer interface, the demand for artificial intelligence and machine vision is increasing year by year, and the industry will also develop in these directions. Cameras with AI functions will slowly appear around people, and these intelligent cameras will be the future growth momentum of the industry.

The number of vehicles that use driver assistance systems to improve driving safety, increase vehicle comfort, services and entertainment continues to grow. In addition to the booming development of applications such as the Internet of Vehicles and AIoT, the

overall automotive market is also evolving with the experience that vehicles can bring to consumers. More and more new vehicles are entering the market with the most advanced products. For example, new Japanese vehicles are already equipped with electronic rearview mirror systems to replace traditional rearview mirrors. The automotive market has become a different and developing landscape.

In recent years, the market has actively combined the two major industries of technology and automobiles to develop applications such as safety assistance and autonomous driving, moving towards improving vehicle driving safety and reducing accident rates. It has become a trend to equip vehicles with Advanced Driver Assistance Systems. In addition to passenger cars, the demand for automotive lenses and camera modules in commercial vehicles is increasing, gradually forming a rigid demand. In addition, the market demand for modules for agricultural machinery and other industrial vehicles has also begun to rise; their functions can not only monitor, but also improve the safety of operations when combined with software detection.

After the epidemic, remote and non-contact have become the new normal. The demand for image recognition, analysis, and support has slowed down, but there is still a certain degree of demand, and its benefits can still be expected. The booming demand for Edge-based AI solutions reflects the market's need for more flexible solutions. If the existing cloud service model is adopted, the computing costs will be too high. As Edge AI's image recognition applications become more and more diverse, the company, as a provider of Edge AI Camera vehicles, is deeply focused on applications such as license plate recognition, parking management, electronic fences, and construction site safety control, solving two major issues for customers and system integrators: first, the provision of hardware system vehicles. Second, it provides a development platform (Intel OpenVino) for rapid development of core AI algorithm modules and years of industry-leading firmware development. According to market research firm IDC, the market demand for edge computing will grow rapidly at a compound annual growth rate of 12.5% by 2024.

4.1.2.2 The correlation among industry upstream, midstream and downstream sectors

Automotive camera modules combine years of experience and technology accumulation, and work with upstream major parts partners to discuss, develop, and then adjust in the early design stage to optimize product performance and provide customers with more competitive products and services.

In the carrier part of AI Camera artificial intelligence IoT solution, our in-house research team and SoC manufacturers jointly developed a unique architecture that can efficiently balance high-computing-demand imaging and edge artificial intelligence workloads to minimize material movement. Applications with deep neural networks and computer vision are implemented in intelligent image recognition in transportation, retail, security and safety, and industrial automation.

4.1.2.3 Various product development trends

Under the current state of industrial development described as above, product development trends can be described in several directions.

In terms of traditional digital cameras, instant cameras and mid-to-high-end digital

cameras will become the main suppliers in the oligopolistic market.

In terms of the technology development of goods in progress, instant sharing has become an indispensable requirement for current consumers. Therefore, wireless networks and even cameras equipped with 4G/5G communication capabilities have been mentioned more and more. Last year, social media such as Facebook and Twitter even launched the 360-degree panoramic live broadcasting feature, and therefore the adoption of a camera that supports live broadcasting has gradually become a mainstream development technology.

The 360 product was a hot topic in the market, but the consumer market faced a slight stagnation due to consumer unfamiliarity in terms of its application. However, the professional 3D 360 product still has a steady growth in the market. These types of cameras has high unit price and high quality, and it is mainly used in professional live broadcasting or commercial applications. Although the number of such cameras is not as high as the consumer type, they have stable customer demands. Furthermore, it also requires special image mosaic software, so there is more potential to make profit for both the brands and the manufacturers.

The drone camera market has experienced great ups and downs in the past two years. Many drone companies have ended their operations successively last year. Currently, it is almost certain that the Chinese brand DJI dominates the market. Although there are still a few companies with their own special technologies or specific commercial applications trying to find a place in the market, general consumer drones will be further squeezed out. In current drone camera market, most drone manufacturers develop their own shockproof camera modules carried by the aircraft, so it is difficult for traditional digital camera manufacturers to enter this market, and they only play the role of the lens module suppliers.

In addition, with the rise of dual-lens mobile phone cameras, 3D cameras are also a possible development direction for the market. Using components equipped with ranging functions will make images no longer just 2D. Such products are also expected to be in demand in the mobile phone market.

It is worth mentioning that many major manufacturers are now trying to introduce AI into cameras, mainly for security monitoring or smart home imaging applications. Through big data analysis, they create imaging products with artificial intelligence. GOOGLE's PIXEL is one of the representative works. . In addition, the smart home system created by AI and big data analysis for video needs of home monitoring or entertainment is also a battleground for military strategists in the past two years. Such products will no longer be dominated by hardware, but will require a series of algorithms including cloud and big data analysis, which will be an opportunity for future development.

Automotive module camera pixel specifications include VGA, one million, three million, and even five million or eight million pixels. In addition to matching from different angles, the company continues to move toward product miniaturization, enhanced performance, and challenges to technological potential. , to provide clients

with broader and more flexible product applications and services.

In the past year, the demand for non-contact smart image recognition cameras has rapidly increased, from license plate recognition, parking management, electronic fences, construction site safety control, safe cities, smart learning and education, smart retail, etc. into the market Significantly. On the one hand, reduce personnel participation, reduce labor costs, optimize processes, and improve efficiency. Start planning and introduction. On the other hand, use machine learning and prediction to cultivate new capabilities, create new application values, and further increase profits. This is also the most important aspect of artificial intelligence. Valuable application.

The development of smart transportation, safety and security and other trends, common urban problems in the future, such as traffic congestion, illegal parking, parking meter charges, and school bus safety guarding, etc. Through smart identification, road monitoring, traffic flow statistics, license plate recognition, and people flow will be handled more efficiently. Analysis, etc., improve traffic signs or guide parking, solve traffic jams, improve parking efficiency, solve vehicle speeding and other problems, and even the system can intelligently drive response strategies through event detection. At present, smart billing or guidance integrated with license plate recognition and parking systems does not require manpower to issue bills, and parking payment is more convenient. Corresponding to every requirement and every different scenario behind, develop different hardware requirements and algorithm planning.

4.1.2.4 Competition

Under the above mentioned industry situation and product trends, the competition faced by each factory can be divided into the following aspects.

As for brand factory, it is difficult to support many existing brands in the current market due to the rapid decline in market size, so it is foreseeable that brand factories cannot rely on the existing digital camera market alone to maintain business operations. Therefore, the consolidation within the company and the search for new products and technology opportunities become a top priority. The former brand factory with a high market share was able to obtain more market share due to the withdrawal of other brands to maintain basic operations and actively seek the development opportunities for new technologies. Brands with smaller market share tends to turn to special product positioning to avoid direct price competition, or shift their business focus to non-digital camera fields. Japanese brand factories will also face further pressure from new overseas products, challenging its ability to introduce new products.

The ODM plant, together with the supply chain of various plants, is currently facing the problem of insufficient economic scale and rising costs. Therefore, it also face the situation that plants with higher-ranking scale are more likely to maintain its business. In order to survive, all manufacturers must continue to invest and innovate in addition to the original product market. Therefore, they need to deal with the decision to invest, and test the firm's confidence in the industry. In addition, the appreciation of New Taiwan dollar, raw material costs, continuous rising labor costs in mainland China, and other unfavorable conditions for ODM is not easy to lift at the moment. ODM is

paying a relatively high price, facing the competition of the brand factory, ODM factories will face greater pressure.

360 cameras are still emerging markets, and competition is still uncertain. In the future, such products should be combined with 4G/5G or WiFi to provide live broadcasting functions to meet the needs of the young consumer group's real-time sharing habits. Live broadcasting platform combined with Internet companies should have a certain market potential.

SMART CAMERA, which has front-end AI (Edge AI) computing in the past year, has been widely discussed and attracted attention in the market. Although it still needs mainstream application introduction to be used in large quantities, many companies have started in the market. Importing front-end intelligence and matching with cloud computing, We believe that cameras with AI intelligence will become an important mainstream in the market in the near future.

4.1.3 Research and Development

4.1.3.1 Research and Development Expense in Recent Year

Unit: NT\$ thousands

Item \ Year	2024	1/1/2025 ~ 3/31/2025 (Note 1)
R&D Expense (A)	719,232	182,840
Net Revenue (B)	6,182,894	1,492,322
(A)/(B)	11.63%	12.25%

Note 1 : Consolidated financial reports reviewed by CPA.

4.1.3.2 Successfully developed technologies or products in the most recent fiscal year up to the publication date of this annual report

The company's R&D scope has expanded from early CCD VGA computer cameras to CMOS and CCD digital camera products, video, smart security, car camera modules, car DVR and other smart products. The company continues to learn and accumulate experience in its partnership with well-known international manufacturers, and with excellent production management and cost advantages, it spares no effort in cultivating technological development.

The research and development direction is to integrate optics, mechanics, electricity and software. In optical lenses and electronic SOC, we can effectively integrate vertically and master specifications, cooperate with major upstream component manufacturers, and reduce costs and increase flexible competitiveness through internal and external efforts.

The company is committed to developing product patent applications, promoting the effective use of intellectual property in products, increasing financial intellectual property rights and strengthening professional research and development capabilities.

The company's visual application technology is rapidly becoming more and more complete. The AI development process has evolved from "AI artificial intelligence recognition", the establishment of AI Framework architecture, AIOT, 3D TOF "multi-person dynamic measurement", millimeter wave radar detection system and "automotive

applications" to AI2.0. The R&D technology has been fully applied to multiple scenarios, such as smart homes, smart retail, smart cities and smart factories, providing high-resolution image quality and optimizing the edge vision AI processing capabilities required for various applications, so that products can have high-quality edge computing results in various fields. As AI technology matures, its applications have expanded from cameras and videos that emphasize high picture counts to the current AI intelligent transformation and application in smart homes, personal safety, and driving safety. In conjunction with the Internet of Things and big data, it has been applied to image vision products. Recently, the ADAS and DMS functions developed internally have been successfully mass-produced in Japanese fleet management products.

In 2023, we will introduce ESG sustainability to strengthen the company's smart products, and use products with standard interfaces such as Ethernet/USB in the fields of security and automotive. We will also provide customized AI function services, so that customers can realize the required AI product functions on the edge and enjoy value-for-money products without going through cloud services. Our company's software and hardware applications, developed AI Framework architecture, and standard hardware and software interfaces (providing the best software SDK, interface instructions, and image pre-processing) allow AI developers to use Canon's software and hardware to quickly develop their own unique AI functions without having to develop software and hardware from scratch, thus accelerating the time for product mass production. The sports camera and surround camera are developed with modular design, supporting the switching between the host and multiple lenses, providing the best imaging application experience. Combined with the latest transmission technology, it enables instant image sharing.

4.1.4 Long-term and Short-term Business Development Plans

4.1.4.1 Short-term business development plans:

In view of the aforementioned industry overview, the decline in industrial scale and industrial centralization is an irreversible trend. The short-term business development will focus on the maintenance of the original consumer camera scale, adhere to customer relationships, implement the customer project one by one, in order to achieve effective merger and solidify the supplier partners, and pursue higher market share to stabilize the foundation.

Based on this foundation, we aim to further diversify the image application products in different industries, providing customized services, and establishing a small variety of high gross margin and high adhesion customer base, in order to create new sources of stable profitability and disperse the risk of adhering to the original market. Specifically, breakthroughs will be sought in the following product areas:

- (1)High specification, small scale, professional digital cameras equipped with larger photosensitive elements and large aperture lenses.
- (2)Multi-lens 360-degree panoramic camera.
- (3)Wearable camera combined with mobile application platform, 4k2k animation product with live broadcasting function.
- (4)Professional surveillance security cameras and NAS(Network Attached Storage).
- (5)Miniaturized lens image module.
- (6)Home video cameras combined with smart home applications.

- (7) Unmanned aerial camera equipped with an image module and a camera.
- (8) SMART CAMERA with AI operation.
- (9) Camera for video conferencing.
- (10) Vehicle-mounted cameras for fleet management or insurance purposes.

At the same time, enhancing the technical strength in the following sectors to maintain competitive advantage:

- (1) Integrate low energy consumption machine photoelectric technology and new material mechanism design to achieve a compact and lightweight design.
- (2) Invest in the optical design industry and provide customized optical technology services.
- (3) Combine 4G/5G LTE with wireless communication hardware and software design.
- (4) Video streaming technology provides customers with instant sharing function.
- (5) Continue to invest in open platforms such as embedded Linux to facilitate streaming with the outside world.
- (6) Instant cloud image system design and services.
- (7) Automotive image system design and services.
- (8) Design cost control and automated production.

In terms of marketing, in addition to existing cooperation with traditional camera brand manufacturers, we are actively exploring the possibility of cooperation with leading imaging product companies in different industries, and developing non-consumer electronics customer groups. In addition, we will also actively cooperate with mobile phone and Internet companies in Europe, the United States, and mainland China in order to improve the current customer structure, which is mainly Japanese customers, and create long-term stable operations of the company through a diversified and stable customer base.

AI Camera vehicles first entered the European and American markets with smart transportation applications, and cooperated with leading vehicle license plate recognition service providers in the market to provide long-distance, multi-lane, high-precision image monitor vehicles, and master various vertical cases. The key solution technology of the company is deeply rooted in the professional ability of image recognition and the long-term cooperative relationship with customers.

4.1.4.2 Long-term business development plans

Continuously deepen the investment and mastery of key technologies, focusing mainly on optics, image processing, software development, wireless communication, live broadcasting, and production automation, to provide customers with professional and customized services with technical value. In conjunction with external partners, we actively join the ecological chain of the industry, jointly expand the market and participate in the early technical discussions and formulation, in order to stand at the commanding heights of technology and industry.

AI Camera artificial intelligence IoT solutions will focus on three major areas: core technology, smart cameras, and solutions for a long time. In the core technology, we continue the development of previous key image processing technologies, such as low light image optimization at night (Low Light), smart infrared lighting design (Smart IR), and high dynamic range processing (Super HDR Pro) to provide high-quality images and

improve smart images Identify the accuracy of the application. In the smart camera part, in addition to the continuous development of the most advanced vision and image processing unit (VPU & DSP), it has gradually entered the development of smart image analysis technology: including vehicle license plate recognition, traffic dynamic detection, security cross-line detection, and intrusion Intelligent imaging technologies such as detection, wandering detection, people flow statistics, crowd detection, etc. The solution is to obtain more data for vertical market decision makers. Through the development of the above two fields and in-depth integration with the world's leading imaging software platform, it provides differentiated smart analysis integration solutions, covering urban monitoring, traffic monitoring, retail markets, etc. market. At present, leading service providers at home and abroad have begun testing.

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1 Sale of major commodities (services) in provided areas.

The company's customers are mainly famous digital camera and surveillance security product selling brands in Japan, Europe, the United States, and Asia, with professional ODMs, JDMs and OEMs as our core business.

4.2.1.2 Market Overview

According to data provided by market analysis company, the shipment of global digital cameras (including interchangeable lenses and non interchangeable lenses) have fallen below 20 million units , and the shipment is expected to fall continuously.

As for non-handheld action cameras, which are gradually replacing digital video recorders, their growth rate is expected to slow down and their gross profit will be affected by falling prices. In addition, with the rise of 360 panoramic cameras in conjunction with VR, demand for consumer live broadcasts is brewing. There are also many companies investing in professional 3D 360 cameras for various industry applications, but it remains to be seen whether they can drive a large amount of market demand.

According to analysis by research firm GlobalData and Fuji Economic Data - global passenger car shipments in 2021 will be approximately 80 million units, and global passenger car shipments are expected to reach 84 million units in 2022. In-car cameras are predicted to be in 2024 The module market can reach US\$6 billion. As consumer safety awareness increases and government requirements continue to upgrade vehicle active safety, the demand for vehicle lens modules is expected to continue to increase.

The demand for AI smart image monitors is in the ascendant. According to the market research firm IDC's forecast, the market demand for edge computing equipment will be as high as 80.7 billion US dollars by 2024.

4.2.1.3 Future supply and demand of the market and its growth

The demand for traditional forms of non interchangeable lens digital cameras has been reduced, but the market still has a basic needs that is estimated to maintain a

bottom line demand for the next three years. In terms of market supply, there are only a few remaining OEMs still working on digital cameras, and Ability is one of the largest professional foundries. It is expected that there will still be manufacturers in several remaining foundries who will stop their investment due to lack of profit, or shifting their business focus to products other than digital cameras. The reduction of the supply side will result in the balance between supply and demand, under these circumstances, the company operation will no longer be quantity oriented. Instead, the focus will be shifted to mid-to-high end compact digital cameras, and image solutions for commercial applications. Through providing customers with customized services to achieve market differentiation and qualitative growth.

The 360-degree panoramic camera that is gradually emerging is the focus of imaging products worthy of attention in the future. Our company has also invested resources in this product project, and many mobile phone manufacturers other than traditional Japanese camera companies have begun to cooperate with European and American consumer brands to produce products. The products include consumer and professional panoramic cameras. It is expected that the company will have the opportunity to occupy a place in this market.

In 2019, the European Union adopted the revised UNECE General Safety Regulation. All car manufacturers are required to equip new cars with multiple active safety systems – including the automatic emergency braking (AEB) function that will be required for new cars leaving the factory in July 2024, and the driving behavior detection system that will be required for new cars leaving the factory starting from July 2026. Measurement System (DMS). China has also legislated in 2020 that large vehicles must be equipped with driving vision assist systems to improve driving safety. In addition, the European Union has listed the blind spot warning system (BSIS) as standard equipment for new commercial large vehicles in 2022. In the future, imaging modules will be installed to confirm the safety detection of people, vehicles, and objects, thereby exerting a warning effect. From this trend, it is foreseeable that the demand for automotive imaging products will continue to grow.

The company's current vehicle module products have experience in being used in unmanned transport vehicles, fixed-route intelligent commercial vehicles such as buses, trucks, etc. In the future, we will continue to promote the breadth of product application; and continue to cooperate with Europe, the United States, and Japan. Several Korean and Chinese car manufacturers and first-tier suppliers have discussed cooperation. In addition to meeting customer needs, they are also committed to technological breakthroughs, extending design capabilities and providing more competitive products.

As the next wave of digital revolution, it is expected that in the future, the main markets for edge computing hardware, software, and services will be the United States and Europe as the main Asia-Pacific markets, occupying 45.0%, 27.9%, and 27.2% of the market share respectively. Among them, Intel will be one of the major leading manufacturers of vehicle carrier platforms. It is expected that in the future, the providers of smart identification application services will mainly be super-large-scale companies such as AWS, Equinix, Google, IBM and Microsoft, etc., providing the ability to provide multinational edge data services. At the same time, under the catalysis of 5G, it is expected that the number of AIOT devices connected to the Internet in the future will also increase by 55.7 billion year by year in 2025.

4.2.1.4 Competitive Niche

Our current competitive niche mainly lies in:

- (1) The established mutual interdependence structure with our current clients as well as the relative procurement scale. Most of the competitors in the industry is no longer focused on the digital camera industry. Therefore, Ability has the most competitive advantage in this industry.
- (2) Our long term focus on the accumulation of experience in integrated photoelectric software and firmware technologies allows us to cope with the market demand in diversified imaging products technology and mass production. Our long term cooperation with a number of brands enables us to be familiar with the needs of major manufacturers, and therefore is more competitive in terms of technology.
- (3) Long-term and stable supplier partnerships.
- (4) Long-term investment in imaging and optics related technologies The establishment of specialized image tuning techniques for optical modules has been incompatible with other competitors and can be widely applied to the needs of various imaging and optical products.
- (5) Continuing the previous key image processing technologies, providing high-quality images and improving the accuracy of smart image recognition applications and the adaptability and applicability of different scenarios.

4.2.1.5 Favorable and Unfavorable Factors of Development Prospect and Strategies

(1)Favorable Factors

- a.Digital imaging plays an important role in the networking and smart home environment. With the development of an open internet environment, the demand for digital imaging will continue to grow.
- b.After several digital cameras such as decentralized and customized products produced by a small number of diversified applications have entered the plateau period, most brand manufacturers or start-up companies cannot afford to invest in developing resources. ODM manufacturers with mature technologies have become important partners for customers.
- c.Limitations of mobile camera fail to meet consumer market demand for image quality, performance, and applications. The increasing demand for differentiated products is an opportunity for ODMs.
- d. Social media sharing, webcasting, and online economics will drive the demand for new types of cameras.
- e. Due to the impact of de-Sinicization and the trade war, the European and American markets have reduced China's willingness to adopt smart cameras.

(2)Unfavorable Factors

- a. The existing supply chains of European and American customers are highly competitive.
- b. Lack of killer products to support factory operations.
- c. Product diversification leads to increased overhead.

(3) Response measures

- a. On the basis of the current digital cameras business scale, we will actively explore new markets for personal cameras, industrial cameras, security, automotive, and panoramic products, strengthen innovative product capabilities, and actively create new imaging product needs.
- b. Actively join in various types of imaging product ecological chain such as smart homes, automatic application of machine vision industry, and other related imaging products, as well as early participation in product and specification development.
- c. Develop European and American customer groups and deepen cooperation with Japanese brand manufacturers. Adjust and simplify the manufacturing system and supply chain, and accelerate the automation of production lines.
- d. Simplify the development process of new products based on the existing technology, and shorten the product development cycle to respond to rapidly changing industrial needs.
- e. Rolling inspection of customer needs and supply chain delivery dates to ensure that key components such as vision and image processing units (VPU & DSP) are available on schedule

4.2.2 Major Uses and Production Process of Major Products

4.2.2.1 Important use: The digital camera sold by our company is a consumer electronics product for shooting and storing images.

4.2.2.2 Production process: The company product manufacture is carried out by subsidiaries.

4.2.3 Supply of Major Raw Materials

The supply of major raw materials is expected to face increasing cost pressures due to factors such as inflation, geopolitical conflicts, and manufacturing outside of China. As the Vietnam manufacturing base begins operations, the supply of the locally developed supply chain is becoming increasingly stable.

The risks of changes in the international political situation and major natural disasters remain high, and we will continue to investigate the sources and origins of raw materials to ensure good supply chain risk management. We also implement sustainable supply chain management goals in conjunction with energy conservation and carbon reduction and ESG/TCFD to build a resilient, timely and corporate socially responsible supply chain.

4.2.4 Major Customers with over 10% Net Sales and Suppliers with over 10% Net Purchases of the Last Two Fiscal Years

4.2.4.1 Major Suppliers of the Last Two Fiscal Years

NT\$ thousands

Item	2023				2024				As of 2025 Q1			
	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer
1	Supplier E	226,337	8.16%	None	Supplier E	448,395	10.97%	None	Supplier E	183,150	14.40%	None

Item	2023				2024				As of 2025 Q1			
	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer
2	Others	2,547,845	91.84%	—	Others	3,640,602	89.03%	—	Others	1,088,679	85.60%	—
3	—	—	—	—	—	—	—	—	—	—	—	—
4	—	—	—	—	—	—	—	—	—	—	—	—
	Net Total Purchases	2,774,182	100.00%	—	Net Total Purchases	4,088,997	100.00%	—	Net Total Purchases	1,271,829	100.00%	—

Note 1: Consolidated base with IFRS

Note 2: List of suppliers who account for more than ten percent of the total purchases of goods and the amount and proportion of its purchased goods in the recent two fiscal years. However, the contract stipulates that the client's name shall not be disclosed. If the transaction object is an individual and non-affiliate, code-name can be applied.

4.2.4.2 Major Customers of the Last Two Fiscal Years

NT\$ thousands

Item	2023				2024				As of 2025 Q1			
	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer	Company Name (note 3)	Amount	%	Relation with Issuer
1	AA	2,008,341	40.71 %	None	AA	2,980,603	48.21 %	None	AA	826,742	55.40%	None
2	KK	606,030	12.29%	None	LL	648,197	10.48%	None	MM	158,877	10.65%	None
3	LL	565,476	11.46%	None	KK	361,515	5.85%	None	TT	99,523	6.67%	None
4	Others	1,753,308	35.54%	—	Others	2,192,579	35.46%	—	Others	407,180	27.28%	—
	Net Total Sales	4,933,155	100.00%	—	Net Total Sales	6,182,894	100.00%	—	Net Total Sales	1,492,322	100.00%	—

Note 1: Consolidated base with IFRS

Note 2: Reasons for the increase and decrease: Individual customers' adjustment of inventory and sales strategy resulted in the increase of decrease of sales.

Note 3: The confidentiality agreement between the company and the customer.

4.3 Status of Employees

Status of employees over the past two years and up to the date of the report

Year		2023	2024	As of 2025.5.9
Number of Employees	Others	218	235	258
	R&D	227	249	229
	Operator	84	105	98
	Total	529	589	585
Average Age		40.41	39.82	40.19
Average Years of Service		10.22	9.14	9.29
Education	Ph.D.	0.19%	0.17%	0.17%
	Masters	27.79%	28.86%	29.24%
	Bachelor's Degree	60.49%	58.74%	58.64%
	Senior High School	9.83%	10.53%	10.42%
	Below Senior High School	1.70%	1.70%	1.53%

Note: Based on ABILITY ENTERPRISE CO., LTD. only.

4.4 Expenditure on Environmental Protection

In the most recent year and as of the date of publication of the annual report, the company did not suffer any loss (including indemnity) or punishment due to environmental pollution.

4.5 Employee Relations

4.5.1 Employee's Welfare and Benefit

4.5.1 Various employee benefits measures, further education, training, retire system and the status of implementation, as well as agreements between the employer and employees and measures for protecting employee entity and interests:

4.5.1.1 Employee Benefits Programs:

- (1) Insurance: In addition to statutory labor and health insurance, the company also insured group insurance (life insurance, accident insurance, inpatient medical insurance).
- (2) Health and Safety: The company provides the following benefits
 - a. Annual Professional Charge Health Checkup and health tracking management
 - b. Psychological Counseling
 - c. Blind Massage
 - d. Health Seminars
 - e. Health Promotion Activities
 - f. AED installed
 - g. Fire Prevention/Disaster Prevention Team
 - h. Nursery Room

- i. Once every one month doctor visit service
 - j. Set up sports and leisure facilities
 - k. Smoke prevention and prevention
 - l. Maternal health protection in the workplace, prevention of diseases caused by overload, prevention of human-related hazards, and prevention of illegal infringement due to work
 - m. Fire marshaling drill
 - n. All colleagues participate in emergency escape drills
 - o. Regular occupational safety meeting
 - p. During the health check-up, cooperate with the HPA for free health screening, such as smear and mouth sieve
 - q. Unscheduled send relevant press releases from the UNDCP to remind colleagues to know and protect themselves
- (3)In terms of tourism: the staff welfare committee of the company provides each employee with travel allowance every year.
- (4)In terms of company association: the company encourages colleagues to organize various types of social and physical health associations, and provides grant-in-aid for each employee's participation in up to two different associations. Each year, the company allocates budgets for associations to organize various types of sports activities to enhance interaction among colleagues and achieve physical and mental relaxation, as well as to foster teamwork spirit and build consensus.
- (5)In terms of leave: the company provides annual leave in accordance with the requirements of the Labor Standards Act to assist colleagues in achieving a balance between work and life.
- (6)Employee assistance: In addition to the cooperation with professional psychological consultancy companies, the company also provides scholarships to low-income households with children who are still in school; and according to individual conditions, the company provides emergency relief funds and emergency concessional loans.
- (7)Birthdays, weddings and funerals: Birthday holidays allow colleagues to temporarily put down their work, arrange time, celebrate your birthday, and feel the company's birthday congratulations to you. Company-wide birthday celebrations are held regularly every quarter, and gift certificates are given to birthday guests; when colleagues have weddings and funerals, or major injuries occur, subsidies of varying amounts are given.
- (8)Advanced Language Learning: The company provides every colleague with English or Japanese advance learning subsidization in order to allow colleagues to improve their language skills.
- (9)Others: In addition to the employee benefits mentioned above, the company also provides occasional film appreciation meetings and replenishment day activities, so that colleagues can participate in a variety of activities in addition to work, and promote employee relations. In order to allow colleagues to develop a habit of continuous learning, the company has a special library, with a collection of professional books and various types of books that are purchased on irregular bases, so that colleagues can use their free time to achieve self-learning and self-growth.
- (10)The total company related benefits in fiscal year 2024 amounted to NT\$12,974

thousand. Other benefits includes company travel, community activities, subsidization, birthdays and other employee benefits of the company, with a total amount of NT\$9,608 thousand.

Unit: NT\$ thousands

Item	Amount
Health Checkup Fee	1,133
Group Insurance	2,000
Lifeline Consulting Fee	134
Networking Fee	99
Other Benefits	9,608
Total Amount	12,974

4.5.1.2. Employee Advanced Study and Training:

The company promise to value employee growth and satisfaction as the core concept of sustainable management. Employees are the core assets of the company. The company's growth is closely related to the development of its employees.

Ability Enterprises upholds the concept that talents are the foundation of our enterprise, providing employees with diverse and flexible learning channels and information, and assists employee development and enhance employee competitiveness through on-job, off-job, e-Learning education and training systems, library reading rooms, and e-book/magazine resources. Under the concept of “continuous learning” and “pursuit of excellence”, integrate internal and external resources to provide employees with the best quality and most effective learning and growth opportunities, with a view to enabling mutual growth of the employees and the companies.

Ability Enterprises systematically provides employees with comprehensive learning and development Rules according to different positions, including on-the-job training, classroom training, online learning, work guidance and senior employee mentoring system. The company not only invites external experts as training tutors, but also actively cultivates internal lecturers in order to deepen Ability's Values and abilities, as well as the long-term accumulation of professional and technical skills.

(1) Education and Training System:

- a. Orientation Training: The company organizes progressive curriculum to assist new employees in understanding the company history, management systems, products, technology and human resources development issues, supplemented by the “New Employee Stability Program,” where senior employees in various departments provide assistance to new employees in order for them to adapt to the company culture and work content as soon as possible.
- b. Managerial Training: Planning of practical management courses based on the managerial functions required by supervisors at all levels. Divided into junior/first-time supervisor training, middle-level manager training and senior manager training.
- c. Professional Training: The lineup of lecturers made up of senior executives, external experts, and professional suppliers, in conjunction with the department initiated seminars or through the training courses of industrial management companies, so that the professional learning of various departments will continue to move forward to prevent stagnation. Including new technologies, new materials, case studies, new processes, information,

regulations, quality, etc. In addition to internal training, colleagues may apply for professionally related courses organized by external training institutions according to their job requirements. The company will also provide appropriate subsidization.

- d. Labor Health and Safety Training: It is important to provide employees with a safe and secure workplace. We regularly conduct fire drills, first-aid skill courses, etc.

The environmental protection measures for employees' personal safety and office work and their implementation are as follows:

<p>Access security</p> <ol style="list-style-type: none"> 1.The company has a "Physical Environmental Safety Management Measures", which clearly stipulates that personnel entering the site need to register and change certificates to maintain workplace and personnel safety. 2.The company has a 24-hour control and access control for all external access control and internal important entry barriers. 3.The company has security personnel to assist in maintaining the safety of the site and patrolling regularly.
<p>Maintenance of various equipment</p> <ol style="list-style-type: none"> 1.According to the public safety inspection and reporting procedures of the building, professional companies are commissioned to conduct public safety inspections every two years. 2.According to the provisions of the Fire Protection Law, fire inspections are carried out outside the year, and various fire-fighting appliances are also regularly maintained and inspected. 3.According to the provisions of the building lifting equipment installation and inspection management regulations, the elevators and machinery parking spaces are regularly maintained monthly, and the inspection agencies are entrusted to apply for safety inspections every year.
<p>Disaster prevention measures and strains</p> <ol style="list-style-type: none"> 1.The company has "Occupational Safety and Health Work Code", "Emergency Response Procedures", "Accident and Abnormal Situation Investigation and Handling Measures", etc., and clearly stipulates that each person should be responsible for major events such as fires, floods, etc. And tasks, and handle related security protection drills. 2.Regularly conduct self-defense firefighting team drills every six months to maintain workplace safety. 3.Prevent fire, earthquake, and electricity safety from time to time to avoid disasters.
<p>Physiological health</p> <ol style="list-style-type: none"> 1.Health check: New recruits are required to undergo a physical examination before they arrive. For the incumbent, the health check is regularly scheduled every year to exceed the regulatory frequency. Relevant health management operations are carried out for all the test results. 2.Working environment: The company regularly carries out environmental disinfection in the factory area, and the company's environmental cleaning is also carried out by special personnel. 3.Non-scheduled health, health education lectures and corporate club activities to provide peer involvement and enhance relevant knowledge and health. 4.Implement the smoke prevention and control regulations and completely ban smoking in the workplace. 5.Implement prevention and management of human hazards, prevention of diseases caused by labor overload, maternal health protection, and prevention and management of illegal infringement due to work.

Mental health 1.Education and training: Provide employee stress training course lectures, employee communication technology lectures, etc., to assist employees in psychological adjustment. 2.Employee assistance: Cooperate with the corporate legal person Hsinchu Lifeline Association to provide consulting services such as employee psychology, law, financial management, mental health care, and management. 3.Violence and sexual harassment prevention: Establish a complaint channel to protect personal privacy.
Contractor operation management 1.The "Contractor Management Operation Procedures" is established to prevent occupational disasters, to ensure the safety and health of contractor staff and employees of the Company, and to determine the rights and obligations of the contractor regarding safety and health as the basis for contractor management.
Insurance and medical condolences 2.The group insurance includes term life insurance, accidental injury insurance, accident medical insurance and hospitalization, cancer medical insurance and concessions, and self-pay insurance; and childbirth, injury and hospitalization condolences.

e.Language Training: In order to enhance and strengthen the international language ability of all employees, the company provides partial subsidization and bonus, allowing employees to further enhance their language skills through self-studying.

f.Self-growth: All kinds of lectures are held to provide colleagues with off-the-job learning to achieve physical and spiritual elevation. Including health lectures, interpersonal communication lectures, sports lectures and travel lectures.

(2)The total training hour in 2024 reached 6,435 hours. The total training attendance reached 1,901 persons. The total training cost was NT\$493 thousand.

Unit: NT\$ thousands

Projects in 2024	Person-Time	Training hours	Training cost
Professional Skills Training	634	2,668	493
Managerial Training	55	112	
General Skills Training	606	397	
Labor Health and Safety Training	179	613	
Quality Management Training	24	32	
Language Training	49	2,173	
Orientation Training	354	440	
Total Amount	1,901	6,435	

4.5.1.3. Employee Retirement Plan

The employee retirement system of the company sets the labor retirement management measures according to relevant laws and regulations.

In order to enable our employees to work with peace of mind, contribute to the enterprise, and maintain their post-retirement life, we have established a labor retirement management method:

(1) Scope of application:

All employees who have implemented the "Labor Pensions Regulations" before July 1, 1994 and employees who choose to continue to apply the "Labor Standards

Act" after the implementation of the "Labor Pensions Regulations " are subject to the Labour Retirement Management Scheme.

a. Self-retirement

Employees who have one of the following circumstances may apply for voluntary retirement:

- (a) The company has worked for more than 15 years and has reached the age of 55.
- (b) The company has worked for more than 25 years.
- (c) The company has worked for more than ten years and has reached the age of 60.

b. Forced retirement

An employee may order his or her retirement in one of the following circumstances:

- (a) A lost or physically disabled person is not competent.
- (b) Workers with mental disorders or physical disabilities referred to in the preceding paragraph shall be based on the disability of the first to sixth levels of labor insurance.

c. Statutory retirement

Based on the purpose of the Labor Law to protect labor, employees who have reached the age of 65 and have reached the statutory retirement age as stated in the Law on Labour should retire in accordance with this Law.

d. To encourage senior employees to plan their retirement career in advance, revised and approved on January 25, 2017, serving

If the seniority and age are more than 70 years (inclusive), one of the following circumstances may be applied for by the employee and submitted to the chairman for approval.

- (a) A good performer who has performed well during the company's service.
- (b) There is no violation of law or negligence during the term of office or the occurrence of a major loss to the company.
- (c) Other cases reported to the Board of Directors for approval.

(2) The nationality applying the "Labor Standards Act" under the " Labor Pension Regulations" from July 1, 2005. For Employees who choose to apply the section on the labour pension system as defined in the Labour Pensions Regulations, they will be required to pay a monthly pension of 6% to the personal account of the Labour Insurance Bureau and retired under the Labour Pensions Regulations. These procedures are not applicable to the relevant regulations.

(3) Employees who apply the "Labor Standards Act" before July 1, 2005 The Company will provide labor retired reserves to the full amount at the rate of 2% of the approved provision rate, which will be deposited with the Bank of

Taiwan account. The balance of the retirement reserve account and the net defined benefit liabilities as of December 31, 2024 were NT\$1,012 and NT\$10,084 respectively.

4.5.2 Any current or potential loss resulting from labor disputes and prevention actions for the past two years and as of the date of this annual report: None

4.6 Management of Information Security

4.6.1 State the information security risk management structure, the information security policy, the specific management plan and the resources invested in the information security management, etc.

A.Datacom security risk management framework:

The company has established an "Information Security Management System Organization" since 2013. The general manager serves as the chairman, and the top executive of the operation center serves as the representative of information security management. Together with senior executives in different fields, they review the information security and information security related to the company's operations. Protection-related policy formulation, implementation, risk management and compliance review, information security management representatives regularly report information security management effectiveness, information security-related issues and directions to the chairman. The company follows the ISO27001 information security management system to establish an information security executive committee, which is divided into a special information security team, a security prevention team, a crisis management team, an information security audit team, and a supply chain promotion team. Regular meetings are held every year to review and decide on information Security and information protection policies and policies, and the effectiveness of implementing information security management measures.

B.Information Security Policy:

In order to protect the company's information assets from internal or external damage, whether man-made, intentional or accidental, an information security policy is formulated as a standard for implementing various information security measures. Through the formulation of the information security policy, the company's determination to support information security is clearly declared, and relevant personnel are made to abide by it.

The information security policy is as follows:

1. Protect information from unauthorized use.
2. Avoid disclosure of information to unauthorized persons and maintain confidentiality of information.
3. Prevent unauthorized persons from tampering with information and protect the integrity of information.
4. Legal users can obtain the required information in a timely manner.
5. Implement and abide by the laws and regulations related to information security, and avoid the use of illegal software.
6. Establish a system backup mechanism to maintain the sustainable operation of the company's business.
7. Provide employee information security training to strengthen overall security awareness.

8. Build information security control equipment to detect security loopholes in time to prevent computer hacking and virus damage.
9. Establish a real-time notification system, in order to take immediate response measures when a security incident occurs.

This information security policy is also disclosed on the company website:

https://www.abilitycorp.com.tw/c/about_protection.php

C. The specific management plan and the resources invested in the security management of information communication:

The company follows the information security policy of ISO27001 information security management system, and promotes corresponding management plans and resources as follows:

Management Program	Required Resources
Number of zero incidents in information security	Video surveillance system, access control system
Information system downtime ratio <0.5%	Basic equipment of computer room, air-conditioning, fire fighting, power equipment
Single downtime of information system <12hrs	Basic equipment of computer room air-conditioning, fire protection, power equipment
High-hazard vulnerability scan with 100% correction rate	Legitimate Vulnerability Scanner
100% compliance with information security regulations	Information Security Professionals
Information security education and training rate of 100%	Information Security Professional Lecturer

4.6.2 List the losses, possible impacts and countermeasures suffered by major information security incidents in the most recent year and as of the date of publication of the annual report. If it is impossible to estimate reasonably, the fact that it cannot be reasonably estimated shall be stated: None.

The company follows the ISO27001 information security management system to prevent information security incidents. As of the publication date of this annual report, no major information security incidents have occurred.

4.7 Important Contracts

The major contracts of the company that remain valid as of the date of printing of the annual report and the expiration date of the most recent year are as follows:

Agreement	Counterparty	Period	Major Contents	Restrictions
Loan Agreement	Bank Sinopac	2024.11.01~2025.10.31	Short-term credit	None
Loan Agreement	Taishin bank	2024.07.01~2025.06.30	Short-term credit	None
Loan Agreement	CTBC bank	2024.05.01~2025.04.30	Short-term credit	None
Loan Agreement	Mega bank	2024.12.06~2025.12.05	Short-term credit	None
Loan Agreement	E.SUN bank	2025.03.19~2026.03.19	Short-term credit	None
Loan Agreement	DBS bank	2024.06.30~2025.06.30	Short-term credit	None
Loan Agreement	Shin Kong Bank	2024.10.04~2025.10.04	Short-term credit	None

Loan Agreement	Yuanta Bank	2024.12.24~2025.12.23	Short-term credit	None
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The other company key accounts, the letter of intent signed among the company and our vendors, and the bailment manufacturing contract or purchase contract are subject to confidentiality terms. Due to considerations such as business confidentiality and industrial characteristics, the company will make no disclosure.

5. Review of Financial Position, Management Performance and Risk Management

5.1 Analysis of Financial Status – Consolidated

Unit: NT\$ thousands;

Item \ Year	2024	2023	Difference	
			Amount	%
Current Asset	4,771,732	4,685,717	86,015	1.84
Property, plant and equipment	3,568,273	3,147,001	421,272	13.39
Intangible Assets	14,158	7,285	6,873	94.34
Other Assets	1,836,617	1,222,543	614,074	50.23
Total Assets	10,190,780	9,062,546	1,128,234	12.45
Current Liabilities	2,767,564	2,221,733	545,831	24.57
Non-current liabilities	62,974	86,471	(23,497)	(27.17)
Total Liabilities	2,830,538	2,308,204	522,334	22.63
Equity Attributable to owners of the Parent	7,073,431	6,447,536	625,895	9.71
Share capital	2,893,805	2,875,343	18,462	0.64
Capital surplus	1,381,936	1,342,757	39,179	2.92
Retained earnings	3,016,237	2,734,684	281,553	10.30
Other equity interest	(218,517)	(505,248)	286,731	(56.75)
Treasury Stock	(30)	-	(30)	(100)
Non-controlling interests	286,811	306,806	(19,995)	(6.52)
Total Equity	7,360,242	6,754,342	605,900	8.97
<p>Analysis of changes in financial ratios:</p> <p>(1) The increase in intangible assets was mainly due to the purchase of software.</p> <p>(2) The increase in other assets was mainly due to the acquisition of financial assets at fair value through other comprehensive income and loss and prepaid equipment payments.</p> <p>(3) The increase in current liabilities was mainly due to the increase in accounts payable.</p> <p>(4) The decrease in non-current liabilities was mainly due to the decrease in lease liabilities.</p> <p>(5) The increase in other equity was mainly due to the increase in valuation gains on financial assets measured at fair value through other comprehensive income.</p>				

5.2 Analysis of Operating Results - Consolidated

5.2.1 Analysis of Operating Results

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference amount	Difference %
Net Sales	6,182,894	4,933,155	1,249,739	25.33
Cost of Sales	4,395,871	3,625,112	770,759	21.26
Gross Profit	1,787,023	1,308,043	478,980	36.62
Operating Expense	1,425,330	1,185,746	239,584	20.21
Net Operating Income (Loss)	361,693	122,297	239,396	195.75
Non-operating Income and Expenses	291,193	179,738	111,455	62.01
Profit (Loss) Before Tax	652,886	302,035	350,851	116.16
Income Tax Expense	(121,831)	(59,446)	(62,385)	104.94
Profit (Loss) After Tax	531,055	242,589	288,466	118.91
<p>Analysis of changes in financial ratios over 20%:</p> <p>(1) The increase in revenue, cost and gross profit was mainly due to the increase in shipment volume and adjustment in product mix.</p> <p>(2) The increase in operating expenses was mainly due to the increase in research and development expenses.</p> <p>(3) The increase in non-operating income and expenses was mainly due to the increase in foreign exchange gains.</p> <p>(4) The increase in income tax benefit (expense) was mainly due to the increase in deferred income tax expense caused by loss reduction.</p>				

5.2.2 Analysis of changes in the operating profit margin: mainly due to adjustments in product mix.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year – Consolidated

Unit: NT\$ thousand

Cash Balance 1/1/2024	Net Cash Provided by Operating Activities in 2024	Net Cash Used in Investing and Financing Activities in 2024	Cash Balance 12/31/2024	Supplement measures for insufficient cash	
				Investment planning	Financial planning
3,092,203	652,877	(1,356,155)	2,388,925	None	None

- Cash flows from in operating activities 652,877 : Mainly due to the collection of accounts receivable.
- Cash flows from in investing activities 1,124,721 : Mainly due to the acquisition of financial assets measured at amortized cost, investments using the equity method and purchases of property, plant and equipment.
- Cash flows used in financing activities 231,434 : Mainly due to cash dividends and exchange rate effects.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis:

In light of positive cash flows, remedial actions are not required.

5.3.3 Cash Flow Analysis for the Coming Year: Not applicable.

5.4 Major Capital Expenditure Items: None.

5.5 Investment Policy in Last year, Main Causes for Profits or Losses, Improvement Plans and the investment Plans for the Coming Year

The businesses that the company has invested strategically are long-term investment. Profits from investment shown in the equity-method based consolidated financial report in 2024 are NT\$13,057 thousand, NT\$9,940 thousand compared to the previous year, partly because the businesses that the company has invested in has enjoyed revenue growth, controlled the expenses adequately and therefore made profits. However, as the company's general principle, the company will still make long-term strategic investment in the future, take financial risks and ROI into consideration, and evaluate the investment cautiously to bring the maximum values to the company.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation of Corporate Finance, and Future Response Measures

1. Interest Rate :

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. In order to reduce the risks of interest rates, especially relating to bank loans, the Company contacts banks on the regular basis, studies the trend of interest rate and negotiates for the best interest rate for the Company.

2. Foreign Exchange Rate:

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB and VND. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

3. Inflation:

According to the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of the Consumer Price Index in 2024 is 2.18%. In view of the fact that the domestic inflation will continue to decline slowly in 2025, the current annual growth rates of CPI and core CPI are forecast to be 2.04% and 1.86% respectively. Regarding the policy interest rate, the central bank stated that it will continue to pay attention to the development of domestic inflation, changes in US economic and trade policies, the pace of monetary policy adjustments of major economies, the risk of economic slowdown in mainland China, geopolitical conflicts, extreme climate, etc. on the domestic economic and financial situation, and adjust monetary policy in a timely manner to achieve the maintenance of price stability and financial stability, and fulfill its statutory duties to assist economic development within the above-mentioned goals. Overall, there is no significant impact on the Company's operations and profits.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leverage Investment, Loaning or Endorsement Guarantees and Derivatives Transactions

1. Loans provided by the Company to other entities:

The Company's fund loans and others are handled in accordance with the policies and response measures set by the Company's "Procedures for Endorsement and Guarantee". Relevant operations have been carefully implemented in consideration of the risk status and related regulations.

2. Endorsement and guarantees provided by the Company to other entities:

The Company's endorsement and guarantees for others is based on the policies and response measures set out in the "Procedures for Loaning Funds to Others" of the Company, and all related operations have been carefully implemented in consideration of the risk status and relevant regulations.

3. In recent years, the Company has not been involved in any activities that are highly risky or of high leverage. The Company's policy of and profit and loss from tradings of derivatives are as follow:

The derivatives that the Company has been involved in are hedge products. Profits and loss caused by volatility in the exchange rates would be written off by the profits and loss of the hedged items. In addition, the USD currency assets generated from the company's business operations could cope with the cash flow of this type of tradings. As a result, the risk of market prices is not significant.

5.6.3 Future Research & Development Projects and Corresponding Budget

1. Future Research & Development Plan

The company's research and development direction continues to focus on the research and development of high sensitivity, high sensitivity, color saturation balance, high color saturation balance, and low signal-to-noise ratio technology. In the direction of product development, we focus on improving product image quality and developing electronic image stabilization, adding EIS functions, facial recognition, 4K animation photography, wearable cameras, high-speed image sensor applications, large image sensor related technologies, and video recording. HDR, low-light related technologies and high-speed (WiFi6, WiFi6E) wireless communications include image format support to 4K and 8K high-definition image decoding capabilities.

We are actively engaged in research and development and competing in the product specification competition, hoping to make significant leaps in specifications. And through the development of key components through the company's light electromechanical integrated imaging, it is becoming more and more complete. At the same time, we pay attention to the related development of the IoT and VR industries, investing in related human resources development, and corresponding lens modules and hardware products. We also invest in relevant human resources development in the application APP to make the products more unique AI network cameras, Car AI DVR, AI , video products, AI cameras and AI instant cameras are developing.

In view of the market demand for sports and wearable cameras, in-house lenses and integrated opto-mechanical applications are used in related imaging products. The Spherical 360 Camera continues to develop into high-quality and multiple lenses, and the SIS (Spherical Image Stabilization) /Dynamic stitch function can be completed in the camera without the need for post-processing.

In addition, in the research and development of automotive camera modules, in response to the trend of increasing the introduction of various automotive camera devices by major car manufacturers around the world, as well as the widely used ADAS advanced driver assistance system, the company also continues to invest in research and development manpower and resources. In addition to cooperating with the Tier 1 system supplier (Tier 1) of the car factory, and through the joint development experience of joining the ADAS/DMS/OMS platform ecosystem, it can grasp more market demands for multi-sensing modules. The internally developed ADAS system will also be introduced into mass production in 2025 after years of investment. Starting from 2025, the focus will continue to be on investing in AI ISP to achieve a more substantial leap in product image quality. The development and layout of high-end SOC platforms allow subsequent product capabilities to expand upward, corresponding to design improvements for factory automation, product and technology development related to machine vision, and technology development for optical image stabilization (OIS) for high-end imaging products.

The company continues to develop and integrate the energy of R&D with technological advantages, and strives for excellence in product technology; leads the core technology, and pays attention to product development capabilities; strives to enhance the added value of product development. The company continues to strengthen market-leading and unique (audio) product development, provide product applications in related professional fields, and provide various functions and services. From the basic development of key software and hardware systems and devices to the application of software and firmware capabilities in servers, network equipment, smart phones, vehicles, robots, etc. In addition to maintaining indicators and updating technologies, we also actively respond to risk changes and threats, do the most efficient risk management.

The process of innovation is environmentally friendly, R&D uses energy optimization, from R&D to the consumption of natural resources. For example: efficient energy management, which automatically adjusts equipment power to ensure optimal performance. Integrate resources from research and development, minimize materials and parts in the manufacturing and production process to avoid relative waste.

In terms of production and manufacturing strategies, R&D actively expands global manufacturing layout, stabilizes manufacturing bases and supply chain expansion in various regions, actively introduces automated testing, improves production capacity, maintains high standards of yield and quality, and achieves cost competitiveness to improve overall production. More competitive.

The technological development of automotive products focuses on 2CH/3CH/4CH DVR DMS and high-end 2CH Dash CAM + DMS, and has begun to inject related products into fleet management products, and cooperates with the internally developed ADAS system, allowing customers to use basic Enjoy products with high CP value under the hardware architecture. At the same time, it is also in the layout and development of the stereo camera related technology. The development of the smallest miniaturization of 360 products has been actively developing the market's smallest 360 Camera, and the quality of image stitching has been more refined, and the development of high quality has been actively developed. Related technologies and products for image stitching of multiple lenses. AIOT has completed standard vehicle products and is actively expanding its business. This year, it will complete a higher-level platform and build more AI algorithms (actively adding AI algorithms to related AIOT products such as videoconferencing products/surveillance products, etc.) And add 3D in-depth data to make up for the defects of the 2D algorithm, and make the overall AI algorithm more accurate).

2. Estimated R&D Expenditure

The R&D expenditure in 2024 that the company has invested in is NT\$719,232 thousand, accounting for 12% of the revenue. In 2025, an additional amount of NT\$770,428 thousand is esimated to be invested in R&D.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: The Company monitors material changes in governing regulations and laws and be fully aware of the changes in the markets. In 2024 and as of the date of this annual report, there were no such risks to the Company.

5.6.5 Effects of and Response to Changes in Technology (including Risk of Information Security) and in Industry Relating to Corporate Finance and Sales: None.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.

5.6.7 Expected Benefits and Risks Relating to and Response to Merger and Acquisition Plans: None.

5.6.8 Expected Benefits and Risks Relating to and Response to Factory Expansion Plans

The establishment of new overseas production is to meet the customers' demand, and to

enhance our competitiveness in the international market. Vietnam has lower production costs, tax incentives, and a complete supply chain compared to Southeast Asian countries.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Risks faced due to centralized control of inventory replenishment:

Risk in shortage of raw material: Caused by cases such as insufficient production capacity, accidents at the manufacturing plant, force majeure, etc.

Risk Management: The company has maintained amicable business relationships with suppliers of major raw materials. In addition to suppliers with amicable relationships in the long term, the company has also been developing new suppliers, to avoid and lower risks in the shortage of raw material supply.

2. Risks faced in central sales management:

We have built long-long stable partnerships with multiple world-class clients. The joint competitive advantages of both these clients and us will ensure our stable growth in the long run; we have taken the approach of diverting the sources of clients and incorporating diverse product roadmaps, in order to diversify and reduce the risks of significant impacts from single or few clients on us.

5.6.10 Effects of Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%: None.

5.6.11 Effects of Risks Relating to and Response to Changes in Control over the Company: None.

5.6.12 Litigation or Non-litigation Matters :

In 2024 and as of the date of this annual report, the Company did not engage in litigation or non-litigation matters that had significant impacts on shareholders' right or security prices.

5.6.13. Other significant risk and mitigation measures being or to be taken: No other significant risks.

5.7 Other Major Risks: None.

6. Other Special Notes

6.1 Summary of Affiliated Companies

The Company's Affiliation Reports has been uploaded to the Market Observation Post System (MOPS). For detailed information, please refer to the MOPS website.

Path: MOPS / Listed Companies / Electronic Books / Section for the Report of Affiliated Companies

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.2 Private Placement of Securities in the Most Recent Years: None.

6.3 Other Mentionable Items: None.

7. Any Events in the Most Recent year and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.

ABILITY ENTERPRISE CO., LTD.

Chairman: Tseng, Ming-Jen