

ABILITY ENTERPRISE CO., LTD

2021 Shareholders Meeting Handbook

Date: June 15, 2021

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I、 Meeting Procedures

ABILITY ENTERPRISE CO., LTD

2021 Annual Shareholders' Meeting Meeting Procedures

1 、 Calling the Meeting to Order

2 、 Chairman's Address

3 、 Report

4 、 Proposed Resolutions

5 、 Discussions

6 、 Extempore Motions

7 、 Meeting Adjournment

II、 Meeting Agenda

ABILITY ENTERPRISE CO., LTD

2021 Annual Shareholders' Meeting
Meeting Agenda

Time: 9:00 a.m., June 15th, 2021 (Tuesday)

Venue: New Taipei Exhibition Hall

2F, No. 1, Wuquan 1st Rd., WuGu Dist., New Taipei City 242,
Taiwan, ROC

Announcement of Meeting (Reporting Attendance Shares)

Chairman's Address

1、Report：

Proposal 1: The Company's Business Report of 2020

Proposal 2: The Audit Committee's Review Report on the 2020
Financial Report

Proposal 3: The Company's 2020 Endorsement and Guarantee
Records

Proposal 4: The Execution of Capital Loans to Subsidiaries

Proposal 5: Others

2、Proposed Resolutions：

Proposal 1: To Accept the Company's 2020 Business Reports and
Financial Statements, submitted for Recognition

Proposal 2: To Accept the Proposal of 2020 Decifit Compensation,
submitted for Recognition

3、Discussions

Proposal 1: Revision of "Articles of Incorporation", submitted for
Discussion

Proposal 2: Cash Distributed from the Additional Paid-In Capital,
submitted for Discussion

Proposal 3: Release the prohibition on the Company's current Directors from participation in competitive business, submitted for Discussion

4 、 Extempore Motions

5 、 Meeting Adjournment

1、 Report

Proposal 1: The Company's Business Report of 2020

Explanatory Note :

Please refer to the Attachment I, page 13 – 15

Proposal 2: The Audit Committee's Review Report on the Company's
Financial Statements of 2020

Explanatory Note :

ABILITY ENTERPRISE CO., LTD

The Audit Committee's Review Report

The Board of Directors has issued the Company's 2020 business reports, financial statements (including consolidated and individual financial statements) and deficit compensation motions, of which the financial statements were verified by PricewaterhouseCoopers Taiwan (PwC Taiwan), and an audit report was issued. The above-mentioned business reports, financial statements, and deficit compensation motion have been reviewed by the Audit Committee in accordance with the law, and it is considered to be of no inconsistency. To comply with the Article 14-4 of the Securities Exchange Act and the Article 219 of the Company Act, the reports have been properly issued. Please verify and confirm.

To

ABILITY ENTERPRISE CO., LTD

2021 Annual Shareholders' Meeting

Audit Committee Convener: Mr. Chen, Kuo Hong

Proposal 3: The Company's Endorsement and Guarantee of 2020

Explanatory Note :

As of December 31, 2020, the Company's Endorsement and Guarantee of the Affiliate Enterprises is as follows:

Unit: NT\$1,000

Object \ Item	Endorsement and Guarantee Balance at the year end	Endorsement and Guarantee Amount with Property Security	Total
VIEWQUEST TECHNOLOGIES (BVI) INC.	400,144	0	400,144
Total	400,144	0	400,144

As of December 31, 2020, the Company's endorsement and guarantee balance was NT\$400,144,000. According to the Company's "Procedures of Endorsement and Guarantee", the endorsement and guarantee ceiling was NT\$2,810,172,000. The maximum amount of endorsement and guarantee for a single affiliate enterprise was NT\$2,810,172,000. For both, the total amount did not exceed the prescribed limit.

Proposal 4 : The Execution Report on Capital Loan to Subsidiary

Explanatory Note :

- 1 、 This is to follow the instruction described in the letter, No. 1100337008 dated Apr. 1, 2021 from Financial Supervisory Commission.
- 2 、 The Company offered the capital loan to the subsidiary of Androvideo Inc. for one year but the loan couldn't be refunded upon the expiration date and with the resolution of the Board of Directors, the relative loan can be postponed for another year.
- 3 、 Based on the improvement plan, the company liquidation of Androvideo Inc. is the resolution of BOD, and all the legal process of settlement shall be completed by Dec. 31, 2021.
- 4 、 Others: None

Proposal 5 : Others

Explanatory Note :

Explanation on the Handling of Shareholders' Proposals at the Shareholders' Meeting :

- 1 、 According to the Article 172-1 of the Company Act, a shareholder holding 1% or more of the Company's issued shares may submit a written motion to the Company, but it shall be limited to one proposal with maximum of 300 words.
- 2 、 The Company's application for shareholder proposal at the 109th Shareholders' Meeting for the period from April 1, 2021 to April 12, 2021 was announced on the Market Observation Post System website in accordance with the law.
- 3 、 The Company did not receive any proposal from any shareholder.

2、 Proposed Resolution

Proposal 1: (submitted by the Board of Directors)

Cause : The Company's business reports and financial statements of 2020 were submitted for recognition.

Explanatory Note :

- 1、 The Company's 2020 business reports and financial statements (including consolidated and individual financial statements) were approved by the Board of Directors, and the financial statements were audited by PwC Taiwan's CPA, Sheng-Chung Hsu and Audrey Tseng and the relative auditing reports have been presented as well.
- 2、 Please refer to the Attachment 1 & 2 listed on page 13 – 40 of this handbook for the above mentioned business reports 、 CPA's auditing report and financial reports.

Resolution :

Proposal 2: (submitted by the Board of Directors)

Cause: The Company's 2020 deficit compensation was submitted for recognition.

Explanatory Note :

1. 、 The Company's deficit compensation table of 2020 was approved by the Board of Directors and submitted to the shareholders' meeting for recognition.
- 2、 Please refer to the Attachment 3 listed on page 41 of this handbook for the Deficit Compensation Table.

Resolution :

3、 Discussion

Proposal 1: (submitted by the Board of Directors)

Cause: The Amendments of Company's "Articles of Incorporation" were submitted for discussion.

Explanatory Note :

- 1 、 In order to match the need of company operation, partial articles of "Articles of Incorporation" will be amended.
- 2 、 For the before and after comparison table of the revision, please refer to Attachment 4 listed on the page 42-44 of this handbook.

Resolutions :

Proposal 2: (submitted by the Board of Directors)

Cause : To distribute cash from the additional paid-in capital submitted for discussion.

Explanatory Note :

- 1 、 In accordance with the Article 241 of the Company Act, the Company intends to distribute the additional paid-in capital of NT\$141,181,406 in the excess of the par value of the shares. Based on the shares in the shareholders' register book as of the ex-dividend date. The cash distribution will be NT\$0.5 per share and the total distributed amount will be up to dollars. The total amount of the allotment of less than one share is included in other income of the Company.
- 2 、 The Chairman is authorized to fix the record date for the distribution, the distribution date and other related matters after the approval of the shareholders' meeting. If, prior to the Distribution Record Date, the number of outstanding shares is affected by the

Company's purchase of the Company's shares or other factors, the distribution will be revised as a result of the change of distribution ratio. The chairman of the board of directors is authorized to exercise his full authority to handle such matters.

Resolution:

Proposal 3: (submitted by the Board of Directors)

Cause: Release the prohibition on the Company's current Directors from participation in competitive business.

Explanatory Note :

- 1、In compliance to the Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- 2、If any of the current directors of the Company invests in or operates as a director or manager of another company with a business scope similar to that of the Company, and provided that it is not detrimental to the interests of the Company, to request permission from the shareholders' meeting to lift the prohibition on competition of such directors. °
- 3、The concurrent post for the Company’s directors listed as follows:

Concurrent Post for the Current Directors		
Title	Name/Representative	Concurrent Post (Corporate & Position)
Director	Tong, Jin Yu 〈 Representative of AVY Precision Technology Inc. 〉	SIRTEC International Co., Ltd. Independent Directors
Director	Hu, Shiang Chi 〈 Representative of AVY Precision Technology Inc. 〉	IKKA Holdings (Cayman) Limited CEO
		JSL Construction & Development Co., Ltd. Independent Directors
		Dr. Chip Bio-Tech. Co., Ltd.

		Director
Director	Chan, Wen-Hsiung 〈 Representative of ViewQuest Investment Co., Ltd. 〉	Nien Hsing Textile Co., Ltd. Independent Director
Director	Huang, Li-An 〈 Representative of Chia Nine Investment Co., Ltd. 〉	Green Breeze Plant Corp. Director

Resolution :

4 、 Extempore Motions

5 、 Meeting Adjournment

III、Attachments

【Attachment 1】

ABILITY ENTERPRISE CO., LTD

2020 Business Report

Dear Shareholders :

I. The business operation of 2020

1. The Business Operation

In 2020, the global economy, life and consuming habit were all affected by the international unresolved matters, such as the U.S.-China trade war, the U.K.'s exit from the European Union, the U.S. election, energy and climate change, and the different pace to against the COVID-19 from each country.

In the face of this challenging external environment, Ability has adopted a multi-pronged approach to its operations. First, in order to adjust the operation organization, we carried out the consolidation of factories in China in 2020, and rented out the not-in-use plans in China to reduce the cost; meanwhile, the Company also strengthened the factories at WuGu, Taiwan, in order to cope with the possible risks of the US-China trade war. Second, in terms of product development, the R&D on imaging applications, edge computing, AIoT, 3D and other technology applications is continuing. Thirdly, as to the field of business promotion, in addition to the existing optical components, the company is promoting 360-degree panoramic live camera for commercial use, in-vehicle applications including driver monitoring system, intelligent monitoring system for commercial/household/industrial/care of edged people, optical inspection instruments, etc. Every kind of optical modules application is belonging to the business which Ability has interesting to march in and get involved into cross-industries cooperation.

2. Revenue and Profit (Loss)

The consolidated revenue of 2020 was NT\$3,442,017 thousand. And, the loss was NT\$616,298 thousand; net loss after tax counted to the parent company was NT\$459,802 thousand. Loss per share was NT\$1.63.

II. The Business Operation and R&D of 2021

Although the global economy is expected to return to the upward trajectory of growth, the international protective lockdown for epidemic prevention and defense has not been completely lifted, and the marketing of consumer electronics products remains a serious challenge. The invention of COVID-19 vaccine has brought light to the global economy, and it was expected that the manufacturing industry would return to the right track of growth. However, people's living and working habits have changed due to the epidemic, and the demand for various electronic applications has increased greatly. This has resulted in a shortage of IC production capacity, prices increased and longer delivery times, and a scramble for goods in the supply chain. The shortage of electronic components has increased procurement costs and made deploy production capacity more complicated. To face of these adversities, we continue to maintain a good foundation of mutual trust and cooperation with our customers and vendors to alleviate the difficulties.

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. Ability combined the AI and cloud applications with the basic technology of optical-electro-mechanical integration and core image processing technologies. The Company is still committed to the development and manufacturing of optical products that meet the needs of social lifestyles, such as commercial products for 360-degree video conferencing, core optical modules for spectrometers, 3D sensing, AR/VR field, and applications of automotive video modules. We seize all possible opportunities to work with different international partners to design and manufacture our new optical products to meet the needs of their marketing fields and to market the new products in Asia, America and Europe.

Various concrete efforts on company management are adopted for improving the Company's management. In addition to research and development and business promotion, the operation management team continues to adjust the organization as appropriate as possible. We split the core R&D staffs from Androivideo and integrate this team into Ability Enterprises for the purpose to expand our inner RD range. At the same time, we liquidate Androivideo to save costs. For the preparation of our strategic investment and manufacturing strategy in future, our Nangang real estate was sold to increase cash flow. The ESG of company is also in consideration. Ability will do our best to maintain the shareholders' equity, to share the management performance with shareholders, clients and employees and to execute our responsibility to society.

Deeply appreciate every shareholder's support on Ability!

Wish you health and smooth in your daily life.

Chairman : Tseng, Min Jen **Manager** : Tseng, Min Jen **Accounting Manager** : Lin, Hung Tien

【Attachment 3】**ABILITY ENTERPRISE CO., LTD****Deficit Compensation Table****2020**

Unit: New Taiwan Dollars (NT\$)

I T E M	A M O U N T
Initial Undistributed Earnings	\$365,419,579
Plus : 2020 Retained Earnings Adjustment	7,552,068
Undistributed Earnings after adjustment	\$372,941,647
Minus: Net Profit after Tax of this Year	(459,801,598)
Current Deficit needed for Compensation	\$(86,829,951)
Compensation Items	
Additional Paid-in Capital: Increase Amount of Real Estate Sale	56,306
Additional Paid-in Capital: Trade of Trasure Stock	86,733,645
Deficit for Compensation at the End of This Perios	\$0

Chairman : Tseng, Min Jen **Manager** : Tseng, Min Jen **Accounting Manager** : Lin, Hung Tien

【Attachment 4】

ABILITY ENTERPRISE CO., LTD Comparison Table of Articles of Incorporation (Before and After the Revision)

Articles and Contents before Revision		Articles and Contents After Revision		Revision Reason
A R T I C L E 29	IF here is a surplus on the Company's annual accounts, the Company shall set aside 10% of the remaining balance as legal reserve, in addition to the amount required by law to reserve to pay tax and cover past losses. Except when the accumulated legal reserve has reached the total capital amount. ◦ After the special reserve is appropriated or reversed, if necessary, the remaining undistributed earnings are accumulated earnings available for distribution to shareholders. The proposal shall be submitted to the shareholders meetings for resolution before the distribution of earnings is made in the form of new shares. In accordance with Paragraph 5 of Article 240 of the Company Act, the Company authorizes the Board of Directors, by a resolution passed by a two-thirds majority of the Directors present and a majority of the Directors present, to distribute dividends and bonuses, or all or part of the legal reserve and capital reserve provided for in Paragraph 1 of Article 241 of the Company Act, in cash and report the same to the shareholders' meeting.	A R T I C L E 8	If having surplus in the Company's annual financial statements, except the deduction of tax and the historical deficit compensation, 10% of the balance is appropriated as legal reserve. If the legal reserve has accumulated to be as of capital, the rule has no need to complied with. If necessary, the Company may appropriate or reverse the special reserve in accordance with the regulations. The remaining amount adding the undistributed earnings at the beginning of the period shall be the accumulated distributable earnings of shareholders, and the Board of Directors shall prepare a proposal for the distribution of earnings. <u>If the distribution is made by issuing new shares</u> , the distribution shall be submitted to the shareholders' meeting for resolution.	To meet the Company's Operation necessity
			<u>In accordance with the Paragraph 5, Article 240, of the Company Act, the Board of Directors, whose presence are more than two of thirds seat and resolution of more than half voting shares, is authorized to distribute dividends and bonuses. Or, as stipulated in the regulation of the Paragraph 1, Article 241, of the Company Act, whole or partial of the legal reserve and additional paid-in capital to be distributed in cash. And, BOD shall report in the shareholders' meeting.</u>	
	The Articles of Incorporation was		The Articles of Incorporation was	Add

Articles and Contents before Revision		Articles and Contents After Revision		Revision Reason
A R T I C L E 32	<p>established on May 10, 1965.</p> <p>1st revision - October 26, 1966.</p> <p>2nd revision - December 1, 1966.</p> <p>3rd revision - July 6, 1969.</p> <p>4th revision - March 1, 1971.</p> <p>5th revision - August 5, 1972.</p> <p>6th revision - May 14, 1973.</p> <p>7th revision - July 1, 1976.</p> <p>8th revision - March 11, 1979.</p> <p>9th revision - February 8, 1984.</p> <p>10th revision - September 1, 1986.</p> <p>11th revision - December 1, 1986.</p> <p>12th revision - March 2, 1987.</p> <p>13th revision - January 28, 1988.</p> <p>14th revision - July 20, 1988.</p> <p>15th revision - August 15, 1989.</p> <p>16th revision - September 5, 1989.</p> <p>17th revision - May 7, 1990.</p> <p>18th revision - October 19, 1990.</p> <p>19th revision - August 20, 1991.</p> <p>20th revision - June 15, 1992.</p> <p>21st revision - July 11, 1992.</p> <p>22nd revision - March 4, 1993.</p> <p>23rd revision - May 8, 1993.</p> <p>24th revision - May 9, 1994.</p> <p>25th revision - May 23, 1995.</p> <p>26th revision - May 6, 1996.</p> <p>27th revision - May 8, 1997.</p> <p>28th revision - May 26, 1998.</p> <p>29th revision - May 24, 1999.</p> <p>30th revision - May 15, 2000.</p> <p>31st revision - May 31, 2001.</p> <p>32nd revision - May 27, 2002.</p> <p>33rd revision - August 23, 2002.</p> <p>34th revision - April 30, 2003.</p> <p>35th revision - June 13, 2005.</p> <p>36th revision - June 12, 2006.</p>	A R T I C L E 32	<p>established on May 10, 1965.</p> <p>1st revision - October 26, 1966.</p> <p>2nd revision - December 1, 1966.</p> <p>3rd revision - July 6, 1969.</p> <p>4th revision - March 1, 1971.</p> <p>5th revision - August 5, 1972.</p> <p>6th revision - May 14, 1973.</p> <p>7th revision - July 1, 1976.</p> <p>8th revision - March 11, 1979.</p> <p>9th revision - February 8, 1984.</p> <p>10th revision - September 1, 1986.</p> <p>11th revision - December 1, 1986.</p> <p>12th revision - March 2, 1987.</p> <p>13th revision - January 28, 1988.</p> <p>14th revision - July 20, 1988.</p> <p>15th revision - August 15, 1989.</p> <p>16th revision - September 5, 1989.</p> <p>17th revision - May 7, 1990.</p> <p>18th revision - October 19, 1990.</p> <p>19th revision - August 20, 1991.</p> <p>20th revision - June 15, 1992.</p> <p>21st revision - July 11, 1992.</p> <p>22nd revision - March 4, 1993.</p> <p>23rd revision - May 8, 1993.</p> <p>24th revision - May 9, 1994.</p> <p>25th revision - May 23, 1995.</p> <p>26th revision - May 6, 1996.</p> <p>27th revision - May 8, 1997.</p> <p>28th revision - May 26, 1998.</p> <p>29th revision - May 24, 1999.</p> <p>30th revision - May 15, 2000.</p> <p>31st revision - May 31, 2001.</p> <p>32nd revision - May 27, 2002.</p> <p>33rd revision - August 23, 2002.</p> <p>34th revision - April 30, 2003.</p> <p>35th revision - June 13, 2005.</p> <p>36th revision - June 12, 2006.</p>	Revision Date

Articles and Contents before Revision		Articles and Contents After Revision		Revision Reason
	37 th revision - June 13, 2008. 38 th revision - June 16, 2009. 39 th revision - June 17, 2010. 40 th revision - June 17, 2011. 41 st revision - June 22, 2012. 42 nd revision - June 21, 2013. 43 rd revision - June 17, 2014. 44 th revision - June 23, 2015. 45 th revision - June 29, 2016 46 th revision - June 23, 2017 47 th revision - June 14, 2019 8 th revision – June 17, 2020		37 th revision - June 13, 2008. 38 th revision - June 16, 2009. 39 th revision - June 17, 2010. 40 th revision - June 17, 2011. 41 st revision - June 22, 2012. 42 nd revision - June 21, 2013. 43 rd revision - June 17, 2014. 44 th revision - June 23, 2015. 45 th revision - June 29, 2016 46 th revision - June 23, 2017 47 th revision - June 14, 2019 48 th revision – June 17, 2020 49 th revision – June 15, 2021	

IV、Appendix

【Appendix 1】

ABILITY ENTERPRISE CO., LTD

Rules of Procedures of the Shareholders' Meeting

Article 1: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2: The term "shareholders" as mentioned in these rules refers to the agents entrusted by the shareholders themselves and the shareholders, who sign by the attendance cards submitted by attendant shareholders (or agents).

The amount of attending shares is calculated based on the submitted attendance cards.

Article 3: Voting at a shareholders meeting shall be calculated based the number of shares.

Article 4: The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chairman. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairman. If a shareholders meeting is

convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

Article 6: This Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 7: The Company shall record or videotape the entire proceedings of the shareholders' meeting and the recorded materials shall be retained for at least one year.

Article 8: The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued

shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chairman declares the meeting adjourned in violation of the rules of procedure, in accordance with statutory procedures, a new chairman shall be elected by the agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the adjournment of the meeting, the shareholders may not elect another chairman to continue the meeting at the same place or to find another venue for the meeting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the

subject given on the speaker's slip, the spoken content shall prevail.

Article 11: Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairman shall stop any violation.

Those who do not obey the stopping by the chairman of the three preceding actions shall be handled in accordance with the Article 19-2 of this rule. °

Article 12: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

If a juristic person shareholder designates two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal °

Article 13: After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14: When the chairman thinks that the discussion of the motion has reached the level that can be voted on, he may declare that the discussion shall be stopped and the vote shall be put forward.

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 16: During the meeting, the chairman may consider the time and declare a break. If an air alert happens during the meeting, the meeting shall be suspended. Attendees shall be evacuated separately and continue to attend the meeting after the alarm is all-clear.

If the meeting fails to finish, it may be postponed or renewed in accordance with Article 182 of the Company Law.

Article 17: Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority (more than half) of the voting rights represented by the attending shareholders.

A vote on a motion shall be deemed to have been passed if the Chairman consults with no dissenting voice, which shall have the same effect as a vote on a motion.

A shareholder shall be entitled to one vote for each share held.

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are

delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

Article 18: When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19: The chairman may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

The shareholders shall obey the instruction from the chairman and proctors (or security personnel) to maintain order. When anyone violates the rules of procedure and defies the correction, the chairman and the proctors (or security personnel) may decide to stop and delete this intrusion

Article 20: The matters not regulated in the rules shall be handled in accordance with the Company Law, Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Rules Governing the Conduct of Shareholders Meetings by Public Companies, the Company's Articles of Incorporation, and other relevant regulations of laws.

Article 21: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effect in the same manner.

【Appendix 2】

ABILITY ENTERPRISE CO., LTD

Article of Incorporation

Chapter 1 General Provision

Article 1: The Company is organized in accordance with the Company Law and named as 佳能企業股份有限公司.

【English Name: ABILITY ENTERPRISE CO., LTD.】

Article 2: The Company Business Scope is listed as follows:

- 1 、CB01010 Manufacture of Machinery and Equipment
- 2 、CB01020 Manufacture of Office Machine
- 3 、CC01060 Manufacture of Wire Communications Machinery and Equipment
- 4 、CC01070 Manufacture of Wireless Communications Machinery and Equipment
- 5 、CC01080 Manufacture of Electronic Components
- 6 、CC01110 Manufacture of Computer and its Peripheral
- 7 、CC01120 Manufacture of Data Storage Device and Duplicate
- 8 、CE01030 Manufacture of Optical Instrument
- 9 、CE01990 Manufacture of other Optical and Precision Equipment
- 10 、E605010 Installation of Computer Equipment
- 11 、E701010 Telecommunication Engineering
- 12 、F113020 Wholesale of Electronical Appliances
- 13 、F113030 Wholesale of Precision Instrument
- 14 、F113050 Wholesale of Computer and Office Machines
- 15 、F113070 Wholesale of Telecommunication Equipment and Supply
- 16 、F114030 Wholesale of Automobile & Motorcycle Parts and Accessories
- 17 、F116010 Wholesale of Photographic Equipments and Accessories
- 18 、F118010 Wholesale of Software

- 19 、 F119010 Wholesale of Electornical Parts and Accessories
- 20 、 F213010 Retail of Electronical Applcance
- 21 、 F213040 Retail of Precision Instrument
- 22 、 F213060 Retail of Telecommunication Equipment and Supply
- 23 、 F218010 Retail of Software
- 24 、 F219010 Retail of Electronical Parts and Accessories
- 25 、 F401010 International Trading
- 26 、 F401021 Import of the Controlled Telecommunications Radio-Frequency Devices
- 27 、 F601010 Intellectual Property Rights
- 28 、 I301010 Software Services
- 29 、 I301020 Data Processing Services
- 30 、 I301030 Electronic Information Supply Service Industry 。
- 31 、 ZZ99999 Except for the business restricted in licences, the Company can run the business of non prohibited or restricted.

Article 3 : The Company may, by resolution of the Board of Directors, provide external guarantees to other companies in the industry or among its affiliates. °

Article 4 : The Company is situated in New Taipei City, Taiwan. The Company may establish, change or abolish branch offices domestically or overseas when necessary by the resolution of the Board of Directors. °

Article 5 : The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 6 : The total capital of the Company shall be NT\$8,000,000,000, divided as 800,000,000 shares with a par value of NT\$10 per share and shall authorize the Board of Directors t to issue the shares in multiple tranches. Fifty million shares of the aforementioned total capital stock are reserved for the exercise of employee stock options, special share with warrant or corporate bonds with warrant.

Article 6-1 : After the consent of shareholders' meeting of attendant shareholders representing more than half of the total of issued shares and two thirds or more of attendant shareholders' voting rights, the Company may transfer to employees at an average price lower than the actual purchase of shares, or to issue employee stock option at a subscription price lower than the market price.

Article 6-2 : The Company may issue employee stock options, purchase right of newly issuing shares or acquire shares with restricted employee rights, which may be issued or transferred to employees under the Company's control or are subordinate to the Company, subject to certain conditions. °

Article 7 : Article 7: The transfer, inheritance, bestowal, pledge, loss, damage and other stock affairs of shares shall be handled in accordance with the Company Law and Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 8 : The shares of the Corporation are all registered shares which is signed and sealed by three or more directors. It is issued after being legally signed and verified.

The Company's issued shares may be free from printing, but they should be registered at centralized securities depository institution.

Article 9 : The transfer of shares shall be closed within 60 days prior to the date of the annual meeting of shareholders, within 30 days prior to the date of the interim meeting of shareholders, or within five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 10 : When issuing new shares, the Company shall retain 10% to 15% of the total number of new shares to be issued, in addition to the gratis allotment of shares, to be purchased by employees of the Company, and the shares purchased by employees may be non-transferable in accordance with the resolution of the board of directors for a fixed period of time not exceeding two years.

Article 11 : The total amount of the Company's outward investment is not subject to the provisions of Article 13 of the Company Law and the Board of Directors is authorized to execute the same.

Chapter 3 Shareholders Meeting

Article 12 : The shareholders' meeting can be divided into two types: ordinary and extraordinary. Ordinary meetings are held once a year, and are convened by the Board of Directors within six months after the end of each fiscal year, unless there are justifiable reasons for not doing so as approved by the competent authorities, in which case an extraordinary meeting may be convened when necessary and in accordance with the law.

Article 13 : The shareholders shall be notified before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a extraordinary shareholders meeting.

Article 14 : If a shareholder is unable to attend the shareholders' meeting, he/she shall present a proxy form issued by the Company stating the scope of authority, signed or sealed to appoint a proxy to attend the meeting, which shall be delivered to the Company five days prior to the meeting. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

- Article 15 : The shareholders of the Company shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179 of the Company Act.
- Article 16 : Except as otherwise provided in the law and regulation, the passage of a proposal shall require an affirmative vote of half of the voting rights represented by the attending shareholders with the voting rights to be more than half of the total issued shares.
- Article 17 : If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chairman. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairman. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.
- Article 18 : Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The distribution of the meeting minutes shall be proceeded by means of the Company's regulation. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the full name of chairman, the methods by which resolutions were adopted, and a summary of the deliberations. The minutes of meeting shall be retained for the duration of the existence of this Corporation. The attendance book and the proxy form shall be kept for at least one year.

Chapter 4 Directors and Supervisors

Article 19 : The Company shall set 7 - 9 directors of having a term of office of three years and all directors may be reelected or reappointed. The nomination of directors'is in accordance with the Article 192-1 of the Company Act. The handling and announcement of the director candidate's nomination is provided under the laws and regulations of Company Act and Securities and Exchange Act.

At least, there are 3 independent directors among the mentioned directors and they shall have seats in board of directors not less than one of fifth.

The professional qualifications, shareholdings, restrictions on concurrent positions, recognition of independence, methods of nomination and election of independent directors and other matters to be complied with shall be in accordance with the Company Law and relevant laws and regulations of the securities authorities.

Article 20 : The Board of Directors shall organize a meeting of the Board of Directors, at which two-thirds of the Directors present and a majority of the Directors present shall elect a Chairman from among themselves to represent the Company in public. A Vice Chairman shall be elected by and from amongst themselves in the same manner. The Chairman shall execute all the affairs of the Company in accordance with the Act, the Articles of Incorporation and the resolutions of the shareholders meeting and the Board of Directors.

Article 21 : If the Chairman takes a leave of absence or is unable to exercise his powers and functions for any reason, the Vice Chairman shall act on his behalf; if the Vice Chairman is unable to exercise his powers and functions for any reason, the Chairman shall designate one of the Directors to act on his behalf; if he is not so designated, the Directors shall elect one of the Directors to act on his behalf.

The directors shall personally attend the meetings of the board of directors. If any director is unable to attend the meetings, he/she may appoint another director to act on his/her behalf,

and the aforementioned proxy shall be limited to the appointment of one director.

A meeting of the Board of Directors of the Company shall be convened for a specific purpose and shall be notified to the Directors seven days in advance. However, in case of an emergency, they may be called at any time. Notice of the convening of the Board of Directors of the Company may be given to the Directors in writing, by electronic mail (e-mail) or by facsimile.

Article 22 : The Board may resolve to pay to the Directors an equivalent amount of travelling expenses or other allowances. The Company may purchase liability insurance for the Directors during their tenure of office in respect of their liabilities to the extent that they are legally obliged to do so. °

Article 23 : Each director shall have one vote, and a resolution of the board of directors shall be passed by half of the present directors when there shall be more than half of the members of BOD attend the meeting, unless otherwise provided by law.

Article 24 : The resolutions of the board of directors shall be recorded in minutes, signed and sealed by the chairman and distributed to the directors within fifteen days after the meeting, and the minutes recording the main points of the proceedings and the results thereof shall be kept in the Company together with the signatures of the directors present and the proxy form. °

Article 25 : If a director's term of office expires before he or she is re-elected, his or her term of office shall be extended until the director being re-elected to serve in that capacity. °

Article 26 : The Company established an Audit Committee in accordance with the Securities and Exchange Act since 2006. ° The Audit Committee shall consist of all independent directors, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise. The duties, rules and regulations, exercise of authority and other matters to be followed by the Audit Committee shall be in accordance with the Company Law and relevant laws and regulations of the securities authorities.

Chapter 5 Managers

Article 27 : The Company shall have a Manager, whose appointment, removal and remuneration shall be in accordance with the provisions of Article 29 of the Company Law.

Chapter 6 Accounting

Article 28 : The Company shall have a fiscal year commencing on January 1 of each year and ending on December 31 of the same year. At the end of each fiscal year, the Board of Directors shall prepare and submit to the shareholders meeting for approval in accordance with the statutory procedures the following forms ◦

(1) Business Report

(2) Financial Statement

(3) Motion for earning distribution or appropriation of losses

Article 28-1 : A provision for employees' remuneration and directors' remuneration shall be made when there is a profit in the Company's annual accounts as follows, except that when the Company has an accumulated loss, the provision shall be made after the loss has been reserved in advance from the profit :

1 、 Remuneration for employees shall not be less than 8 percent and not more than 15 percent.

The compensation in cash or stock to employees of the Company or the subordinate may be granted subject to certain conditions which are set by the Board of Directors.

2 、 The remuneration of the directors is not more than 1.5%.

The aforementioned earnings are the profit before tax and without the distribution of remuneration to employees and remuneration to directors.

Article 29 : If there is a surplus on the Company's annual accounts, the Company shall set aside 10% of the remaining balance as legal reserve, in addition to the amount required by law to reserve to pay tax and cover past losses. Except when the accumulated legal reserve has reached the total capital amount. ◦ After the special reserve is appropriated or

reversed, if necessary, the remaining undistributed earnings are accumulated earnings available for distribution to shareholders. The proposal shall be submitted to the shareholders meetings for resolution before the distribution of earnings is made in the form of new shares. In accordance with Paragraph 5 of Article 240 of the Company Act, the Company authorizes the Board of Directors, by a resolution passed by a two-thirds majority of the Directors present and a majority of the Directors present, to distribute dividends and bonuses, or all or part of the legal reserve and capital reserve provided for in Paragraph 1 of Article 241 of the Company Act, in cash and report the same to the shareholders' meeting.

Article 29-1 : The implementation of the Company's dividend policy is subject to the Company's future capital budget planning and the need to meet shareholders' cash flow requirements. The cash dividends shall not be less than 10% of the total dividends to shareholders. The method of distribution shall be in accordance with Article 29.

Chapter 7 Supplementary Provisions

Article 30 : Matters not provided for in these Articles of Incorporation shall be governed by the Company Law and other relevant laws and regulations. °

Article 31 : The Articles of Incorporation and Bye-laws of the Company may be otherwise determined by the Board. The same applies to the amendment.

Article 32 : The Article of Incorporation was made on May 10, 1965.

The 1st revision was made on October 26, 1966.

The 2nd revision was made on Dec. 1, 1966.

The 3rd revision was made on July 6, 1969.

The 4th revision was made on March 1, 1971.

The 5th revision was made on August 5, 1972.

The 6th revision was made on May 14, 1973.

The 7th revision was made on July 1, 1976.

The 8th revision was made on March 11, 1979.

The 9th revision was made on February 8, 1984.

The 10th a revision t was made on September 1, 1986.

The 11th revision was made on December 1, 1986.

The 12th revision was made on March 2, 1987.

The 13th revision was made on January 28, 1988.

The 14th revision was made on July 20, 1988.

The 15th revision was made on August 15, 1989.

The 16th revision was made on September 5, 1989.

The 17th revision was made on May 7, 1990.

The 18th revision was made on October 19, 1990.

The 19th revision was made on August 20, 1991.

The 20th revision was made on June 15, 1992.

The 21st revision was made on July 11, 1992.

The 22nd revision was made on March 4, 1993.

The 23rd revision was made on May 8, 1993.

The 24th revision was made on May 9, 1994.

The 25th revision was made on May 23, 1995.

The 26th revision was made on May 6, 1996.

The 27th revision was made on May 8, 1997.

The 28th revision was made on May 26, 1998.

The 29th revision was made on May 24, 1999.

The 30th revision was made on May 15, 2000.

The 31st revision was made on May 31, 2001.
The 32nd revision was made on May 27, 2002.
The 33rd revision was made on August 23, 2002.
The 34th revision was made on April 30, 2003.
The 35th revision was made on June 13, 2005.
The 36th revision was made on June 12, 2006.
The 37th revision was made on June 13, 2008.
The 38th revision was made on June 16, 2009.
The 39th revision was made on June 17, 2010.
The 40th revision was made on June 17, 2011.
The 41st revision was made on June 22, 2012.
The 42nd revision was made on June 21, 2013.
The 43rd revision was made on June 17, 2014.
The 44th revision was made on June 23, 2015.
The 45th revision was made on June 29, 2016.
The 46th revision was made on June 23, 2017.
The 47th revision was mad on June 14, 2019.
The 48th revision was mad on June 17, 2020.

Ability Enterprise Co., Ltd.

Chairman : Tseng, Ming Jen

【Appendix 3】

ABILITY ENTERPRISE CO., LTD- Share-holding Status of Directors

The shares held by individual and all directors on the shareholders' list as of April 17, 2021

The legal minimum amount of all directors' share holding shall be: 12,000,000 shares.

Record Date : April 17, 2021.

Title	Name	Appointment Date	Tenure	Shares Held During Election		Book Closure Date of Shareholders' List Record of number of Shares Held	
				number of Shares	At-the-time issued %	Number of Shares	At-the-time issued %
Director	Representative of ViewQuest Investment Co., Ltd : Tseng, Ming Jen	2019.06.14	3 Y	1,650,000	0.58	1,650,000	0.58
Director	Representative of ViewQuest Investment Co., Ltd : Zhan, Wen Xiong		3 Y				
Director	Representative of AVY Precision Technology INC.: Tong, Jin Yu	2019.06.14	3 Y	4,138,544	1.47	14,802,000	5.24
Director	Representative of AVY Precision Technology INC.: Hu, Shiang Chi		3 Y				
Director	Representative of Chia Nine Investment Co., Ltd.: Huang, Li-An	2019.06.14	3 Y	8,831,767	3.13	8,831,767	3.13
Director	Representative of Chia-Mei Investment Co., Ltd: Tsay, Wen Bin	2019.06.14	3 Y	2,254,974	0.80	2,254,974	0.80
Independent Directort	Chen, Kuo Hong	2019.06.14	3 Y	0.00	0.00	0.00	0.00
Independent Directort	Chen, Chien-Hung	2019.06.14	3 Y	0.00	0.00	0.00	0.00
Independent Directort	Huang, Chih-Chen	2019.06.14	3 Y	0.00	0.00	0.00	0.00

Total shares holding by Directors	16,875,285	5.98	27,538,741	9.75
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Note : The total of issued shares on book closure date of June 14, 2019: 282,362,812 shares

The total of issued shares on book closure date of April 17, 2021: 282,362,812 shares

【Appendix 4】

- 1 、 Effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results, earnings per share and return on investment for shareholder :

No gratis shares were allotted by the Company during the year and therefore not applicable.