Stock code: 2374

ABILITY

# ABILITY ENTERPRISE CO., LTD.
# 2025 Annual Report

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Date of publication: May 8th, 2026

**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.

**SPOKESPERSON**
Name: CHANG, HSIAO-CHI
Title: Chairman
Tel: +886-2-85229788
E-mail: Frank.Chang@abilitytw.com

**DEPUTY SPOKESPERSON**
Name: CHENG, KO-JEN
Title: Investor Relations Manager
Tel: +886-2-85229788
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**COMPANY HEADQUARTERS**
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Tel: +886-2-85229788
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**COMMON SHARES TRANSFER AGENT**
Company: CTBC BANK STOCK AFFAIRS AGENCY DEPT.
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# Contents

# 1.Letter to Shareholders

## I. The business operation of 2025

### a.The Business Operation

In 2025, the global economic and trade environment changed rapidly, and geopolitical risks remained. Ability Enterprise faced this challenging external environment and actively pursued the opportunities brought about by these changes. The Company continued to develop integrated research and development capabilities with its technological advantages, continuously refining its technology, maintaining its leading position in core technologies, and focusing on product development capabilities; striving to enhance the added value of product development. The Company continuously strengthened the development of products with market leadership and technological uniqueness, provided product applications in relevant professional fields, and provided multifunctional features and services. In addition to maintaining indicators and updating technology, the Company also actively responds to changes in risks and threats to achieve the most efficient risk management.

### b.Revenue and Profit of 2025:

Ability Enterprise's full-year 2025 consolidated operating revenue was NT$ 9,908,160 thousand, operating profit was NT$ 879,874 thousand, net profit after tax attributable to the parent company was NT$ 787,836 thousand, and earnings per share were NT$ 2.44. The following is a report on the company's operating performance for the fiscal year 2025:

1. 2025 Operating Results：

Unit: NT$ thousands

| Item | CONSOLIDATED | PARENT COMPANY |
|---|---|---|
| Net Sales | 9,908,160 | 8,133,403 |
| Gross Profit | 2,495,999 | 1,740,082 |
| Operating Expense | 1,616,125 | 1,050,320 |
| Net Operating Income | 879,874 | 689,762 |
| Non-operating Income and Expenses | 73,145 | 214,350 |
| Income Tax Expense | (200,291) | (116,276) |
| Profit After Tax | 752,728 | 787,836 |

2. Budget Execution Status: No financial forecast was disclosed for 2025; therefore, there was no budget achievement.
3. Analysis of Financial Revenue and Expenditure and Profitability：

Unit: NT$ thousands

| Item | | CONSOLIDATED | PARENT COMPANY |
|---|---|---|---|
| Revenue and Expenditure | Net Sales | 9,908,160 | 8,133,403 |
| | Gross Profit | 2,495,999 | 1,740,082 |
| | Profit After Tax | 752,728 | 787,836 |
| Profitability | Return on Total Assets(%) | 6.74 | 8.11 |
| | Return on Stockholders’ Equity(%) | 9.61 | 10.43 |
| | Return to issued capital stock (%) | 27.11 | 21.25 |
| | Pre-tax Income to Paid-in Capital(%) | 29.36 | 27.85 |
| | Profit ratio (%) | 7.60 | 9.69 |
| | Earnings per Share | 2.44 | 2.44 |

## II. The Business Operation and R&D of 2026:

In 2025, data from the International Monetary Fund (IMF) showed that the global economic growth rate was 3.3%, and the key factors affecting the economy included slowing inflation, easing labor market pressures, interest rate cuts by central banks in various countries, intensified geopolitical risks, and strong demand for artificial intelligence (AI)-related products. In 2026, changes in geopolitical risks affected inflation trends and the policies of central banks in various countries, increasing uncertainty in the global economic outlook, and the Company will continue to observe the direction of the Federal Reserve's policies and inflation trends.

Looking ahead to 2026, the company will continue to expand its existing products and simultaneously optimize its product portfolio. At the same time, we are actively promoting the research and development and production of new high-value-added products, which is expected to further enhance business growth momentum and open up more future business opportunities. We will also closely monitor the impact of shortages and price increases of key components on end-user demand and work closely with customers to adjust production capacity.

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 applies its original image processing technology, incorporates acoustic technology, integrates AI and edge computing technologies, and actively collaborates with different international partners to develop and manufacture optical and audio-visual products that meet the needs of social lifestyles. Ability Enterprise upholds corporate social responsibility and continues to plan advanced ESG education courses, while also continuing to carry out internal energy saving and carbon reduction initiatives. Enhancing operating results to gain the support of shareholders, safeguarding shareholders' rights and interests, and sharing operating performance with shareholders, customers, and employees are the goals of the management team.

**We deeply appreciate every shareholder’s support of Ability!**

**Wish you health and smooth in your daily life.**

Chairman and 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 04/27/2026

| 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 | Relation ship |
| Director: Chia-Mei Investment Co., Ltd. | R.O.C. | 27 | 06/25/2026 | 3 | 05/27/2002 | 2,254,974 | 0.78 | 2,595,129 | 0.77 | — | — | — | — | — | — | — | — | — |
| Rep.: Chang, Hsiao-Chi | | Male 61-70 | 06/25/2025 | 3 | 06/21/2022 | 0 | 0.00 | 76,602 | 0.02 | — | — | — | — | . Chairman: GrandTech C.G. Systems Inc.<br>.Independent Director: DATA IMAGE CORPORATION<br>.Directors: CC&C TECHNOLOGIES, INC.、TAIWAN-CA INC.<br>.Master of Electric Engineering, Montana State University, USA<br>.Bachelor of Applied Physics, .TamKang University | .Chairman;<br>ABILITY INTERNATIONAL INVESTMENT CO., LTD.、ABILITY ENTERPRISE (BVI) CO.,LTD.、Ability Tech. (Dongguan) Co., Ltd、HONLYNN CO., LTD.、ABILITY INT'L TENANCY CO., LTD.、ABILITY BIOTECH CO., LTD.、ABICO LIVING ROBOT CO., LTD.、ABILITY INTERNATIONAL GREEN ENERGY、ABILITY TECHNOLOGIES CO., LTD.<br>.Directors: Jing Nen Co., Ltd.、EMPTECH Co., LTD.、Abico (H.K.) International Holding Co., Ltd.、TAISHIBA INTERNATIONAL CO., LTD. Honyu Information Technology Co., Ltd. | Director | Tong, Chun-Jen | Brother-in-law |
| | | | | | | | | | | | | | | | | Director | Tong, Chun-Yi | Brother-in-law |

<table>
<tr><th rowspan="2">Title<br>Name</th><th rowspan="2">Nationality</th><th rowspan="2">Gender and Age</th><th rowspan="2">Date Elected</th><th rowspan="2">Term (Years)</th><th rowspan="2">Date First Elected</th><th colspan="2">Shareholding when Elected</th><th colspan="2">Current Shareholding</th><th colspan="2">Current Shareholding of Spouse or Minor Children</th><th colspan="2">Shareholding by Nominee Arrangement</th><th rowspan="2">Experience (Education)</th><th rowspan="2">Selected Current Positions</th><th colspan="3">Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Title</th><th>Name</th><th>Relation ship</th></tr>
<tr><td rowspan="3">Director:<br>Chia-Mei Investment Co.,Ltd<br>Rep.：Tong, Chun-Jen</td><td rowspan="3">R.O.C.</td><td>27</td><td>06/25/2026</td><td>3</td><td>05/27/2002</td><td>2,254,974</td><td>0.78</td><td>2,595,129</td><td>0.77</td><td>—</td><td>—</td><td>—</td><td>—</td><td>None</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="2">Male<br>61-70</td><td rowspan="2">06/25/2025</td><td rowspan="2">3</td><td rowspan="2">05/26/1998</td><td rowspan="2">0</td><td rowspan="2">0.00</td><td rowspan="2">629</td><td rowspan="2">0.00</td><td rowspan="2">37,794</td><td rowspan="2">0.01</td><td rowspan="2">—</td><td rowspan="2">—</td><td rowspan="2">. Chairman:<br>ABILITY INT'L TENANCY CO., LTD.<br>1 PRODUCTION FILM CO.<br>.CEO:Ability Enterprise Co., Ltd.<br>. New Jersey Institute of Technology<br>Master of Science in Computer Science</td><td rowspan="2">. Chairman: ABICO AVY CO., LTD.、AVY Industrial Co., Ltd. 、ABICO Plus Entertainment Limited. 、ARES OFFICE CO., LTD. Jiawang Capital CO., LTD. TT System Solutions Co., LTD.<br>.Vice Chairman: ABICO NetCom Co., Ltd.<br>. 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.</td><td>Director</td><td>Tong, Chun-Yi</td><td>Brothers</td></tr>
<tr><td>Director</td><td>Chang, Hsiao-Chi</td><td>Brother-in-law</td></tr>
</table>

| 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 | Relation ship |
| Director: Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Yi | R.O.C. | 27 | 06/25/2026 | 3 | 05/27/2002 | 2,254,974 | 0.78 | 2,595,129 | 0.77 | — | — | — | — | None | None | — | — | — |
| | | Male 51-60 | 06/25/2025 | 3 | 05/31/2001 | 0 | 0.00 | 27,886 | 0.01 | 523 | 0.00 | — | — | .Director,GYEN Intl Bussiness Co., Ltd.<br>.Director,ABICO(HK)International Co., LTD.<br>.Bachelor of Economics, University of Southern California<br>.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<br>.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、HIRAISEIMITSU (THAILAND) CO.,LTD.、SOL-PLUS、ABICO NETCOM CO., LTD.、MAYFAIR HOUSE CO., LTD. IKKA HOLDINGS (CAYMAN) LIMITED、1 Production Film Co. Chairman,DAIICHI KASEI CO., LTD.、<br>.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 | Relation ship |
| Director:<br>ABICO AVY CO.,LTD.<br>Rep. : Hu, Shiang-Chi | R.O.C. | 32 | 06/25/2025 | 3 | 06/29/2016 | 32,470,000 | 11.22 | 38,748,899 | 11.51 | — | — | — | — | None | None | — | — | — |
| | | Male 61-70 | 06/25/2025 | 3 | 06/14/2019 | — | — | — | — | — | — | — | — | .Engineer,Nationa Chung-Shan Institute of Science & Technology<br>.Business representative/Consultant,IBM<br>.President,KPT Chairman,EKEEN<br>.Precision Co., Ltd<br>.CHARIMAN & CEO-CHIPCERA TECHNOLOGY CO.,LTD-<br>.Vice President of Capacitor Business Group/ General Manager of Global Product Business / General Manager of Global Business - YAGEO CORPORATION<br>.MBA - National Taiwan University<br>.EE Dept.,National Taiwan University | . **Chairman：** ABICO NetCom Co.,Ltd.、JABON INTERNATIONAL CO., LTD. 、Empower Technology Corporation、IKKA HOLDING(CAYMAN) LIMITED<br>. **Director & President :** Ability I Venture Capital Corporation, ABICO AVY Co.,Ltd.<br>. **Director** : ABICO Aisa Capital CO., LTD.<br>**.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. | — | — | — |
| Director<br>ABICO AVY CO.,LTD.Rep. : Chiang,Shu-Chen | R.O.C. | 32 | 06/25/2025 | 3 | 06/29/2016 | 32,470,000 | 11.22 | 38,748,899 | 11.51 | — | — | — | — | None | None | — | — | — |
| | | Female 51-60 | 06/25/2025 | 3 | 06/25/2025 | — | — | — | — | — | — | — | — | . Chairman's EA: ABILITY ENTERPRISE CO.,LTD.<br>.Asst. Mgr.：TAISHIBA INTERNATIONAL CO., LTD.<br>.Vice President：ABILITY INVESTMENT CO., LTD.<br>.Taipei University of Marine Tech: Department of Int'l Trade | ABICO AVY CO.,LTD.<br>Vice President | — | — | — |

| Title<br>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 | Relation ship |
| Independent Director<br>Chen, Chien-Hung | R.O.C. | Male<br>51-60 | 06/25/2025 | 3 | 06/14/2019 | — | — | — | — | — | — | — | — | Lawyer,Cheefa United Office Attorney<br>Lawyer,Far East Law Office Attorney<br>Arbitrater,Chinese Arbitration Association .Taipei.<br>Bachelor of Law, National Chung Hsing University<br>Soochow University Law Master<br>PhD, China University of Political Science and Law/Doctor,s Degree | . **Director** -Chen, Chien-Hung , Attorneys-at-Law<br>.Independent Director,AMPACS CORPORATION. | — | — | — |
| Independent Director<br>Huang, Chih-chen | R.O.C. | Male<br>61-70 | 06/25/2025 | 3 | 06/14/2019 | — | — | — | — | — | — | — | — | .Audit Manger-KPMG,HK<br>.Audit Manger-KPMG,Taiwan<br>.Partnership accountant -DINKUM & CO., CPAS.<br>.B.A. Department of Accounting- Feng Chia University | . **Director-**Guangyun CPAS & CO.<br>**.Chairman-** Hundred matters Int'l Co., Ltd<br>**.Director-**JE Techno Corp.<br>.**Independent Director-**Auden Techno Corp.、STARLUX AIRLINES CO., LTD. FIRST HI-TEC ENTERPRISE CO., LTD. | — | — | — |
| Independent Director<br>Huang, Kuo-Lun | R.O.C. | Male<br>51-60 | 06/25/2025 | 3 | 06/21/2022 | — | — | — | — | — | — | — | — | President,CITA AIRCARGO SERVICE CO., LTD.<br>Chairman/CEO,HOSHIN GIGAMEDIA CENTER INC.<br>Chairman,APEX AVIATION INC.<br>Director,BREEZA FINANCIAL SERVICES CO., LTD.<br>Chairman,W & J FORWARDING CO., LTD.<br>Master of The University of Sydney<br>Department of University of New South Wales | .Chairman:<br>DATADOT TECHNOLOGY TAIWAN CO., LTD.<br>MARCO POLO TECHNOLOGY CO., LTD.<br>DATADOT TECHNOLOGY (ASIA) PTE LIMITED、<br>CITA TECHNOLOGY DEVELOPMENT CO., LTD. | — | — | — |

| Title<br>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 | Relation ship |
| Independent Director Chao,Hsiao-Wei | R.O.C. | Male 51-60 | 06/25/2025 | 3 | 06/25/2025 | — | — | — | — | — | — | — | — | Manger,Corporate Finance,KPMG Manger,Corporate Finance,Industrial Bank of Taiwan Assistant Vice President Investment Bank,Grand Cathay Securities Vice President,Ability Management Co., Ltd. | . **Independent Director**- G-YEN HUTONG CO., LTD. | — | — | — |

Note: The Chairman and General Manager are the same person. General Manager CHANG, HSIAO-CHI has served the company for four years and has extensive experience in key business areas, making him an ideal candidate for this position. This is necessary and reasonable to strengthen decision-making and operational efficiency. To enhance the independence of the Board of Directors, the company has, in accordance with laws and regulations, established four independent directors as a strengthening measure, and only one director on the Board also serves as an employee or manager.

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

| Name of Institutional Shareholders | Major Shareholders of the Institutional Shareholders | (%) |
|---|---|---|
| ABICO AVY CO., LTD. | Ability International co., Ltd. | 13.08 |
| | ABILITY ENTERPRISE CO., LTD. | 10.22 |
| | HENG NENG INVESTMENT CO., LTD. | 4.67 |
| | Yinghua Industrial Co., Ltd. | 0.58 |
| | Lin, Lai-Cheng | 0.57 |
| | Citi Trusted Berkeley Capital SBL/PB Investment Account | 0.54 |
| | Citibank Taiwan custodial DFA Emerging Markets Core Equity Portfolio | 0.49 |
| | TAISHIBA INTERNATIONAL CO., LTD. | 0.47 |
| | Chen, Yu-Juan | 0.39 |
| | Yunchen Investment Co., Ltd. | 0.36 |
| 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 |
| | CHANG, HSIAO-CHI | 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

<table>
<tr><th>Criteria / Name</th><th>Professional Qualification and Experience</th><th>Independent Directors' Independence Status (Note2)</th><th>Number of Other Taiwanese Public Companies Concurrently Serving as an Independent</th></tr>
<tr><td>Chang, Hsiao-Chi</td><td rowspan="9">For Directors' professional qualification and experience, please refer to "2.1.1 Introduction of Board of Directors" of this Annual Report.<br><br>None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.</td><td rowspan="5">Not Applicable</td><td>0</td></tr>
<tr><td>Tong, Chun-Jen</td><td>0</td></tr>
<tr><td>Tong, Chun-Yi</td><td>1</td></tr>
<tr><td>Hu, Shiang-Chi</td><td>4</td></tr>
<tr><td>Chiang,Shu-Chen</td><td>0</td></tr>
<tr><td>Chen, Chien-Hung</td><td rowspan="4">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</td><td>1</td></tr>
<tr><td>Huang, Chih-Chen</td><td>2</td></tr>
<tr><td>Huang, Kuo-Lun</td><td>0</td></tr>
<tr><td>Chao,Hsiao-Wei</td><td>1</td></tr>
</table>

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be mmediately 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) Board Diversity:

① Diversity Policy: In accordance with the Company's "Corporate Governance Practices Code," the Board of Directors is composed of diverse members possessing different core competencies, the knowledge and qualities required to perform their duties, and providing diverse perspectives for the Company's sustainable operation. This should include, but is not limited to, the following two criteria:

a. Basic Qualifications and Values: Gender, age, nationality, and culture, etc.

b. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc. The Board of Directors as a whole should possess the following capabilities: operational judgment, accounting and financial analysis skills, business management skills, crisis management skills, industry knowledge, international market perspective, leadership skills, and decision-making skills.

② Diversity Objective Achievement Status:

| Item | Objective | Achievement Status |
|---|---|---|
| Professional | Possesses professional knowledge and skills | v |
| Term of Office | Independent directors' term not exceeding three terms | v |
| Gender | One director of a different gender | v |

③ Diversification Situation:

| Name | Nationality | Gender | Age | Eemployee | Notes | Diversification | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Finance | Law | Business Management | Operational udgment | Risk Managment | Industrial Knowlege | Global Market View | Leadership& Decision - making |
| Chang, Hsiao-Chi | R.O.C. | Male | 61-70 | V | | | | 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 |
| Hu, Shiang-Chi | R.O.C. | Male | 61-70 | | | | | V | V | V | V | V | V |
| Chiang,Shu-Chen | R.O.C. | Female | 51-60 | | | | | V | V | V | V | V | V |
| Chen, Chien-Hung | R.O.C. | Male | 51-60 | | A | | V | V | V | V | V | V | V |
| Huang, Chih-Chen | R.O.C. | Male | 61-70 | | A | V | | V | V | V | V | V | V |
| Huang, Kuo-Lun | R.O.C. | Male | 51-60 | | B | | | V | V | V | V | V | V |
| Chao,Hsiao-Wei | R.O.C. | Male | 51-60 | | C | V | | V | V | V | V | V | V |

Note A: Independent directors' term of office is less than 9 years.
Note B: Independent directors' term of office is less than 6 years.
Note C:Independent directors' term of office is less than 3 years.

(2) Independence of the board of directors: The company has 9 directors, including 4 independent directors.Independent directors comprise 44% of the board, while one director is an employee, representing 11%. The board is independent. Chairman Chang, Hsiao-Chi, and directors Tong, Chun-Jen and Tong, Chun-Yi are related by blood (see pages 3 and 8 of the annual report for details). None of the remaining directors fall under the circumstances described in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. All independent directors comply with Article 3 of the "Regulations Governing the Establishment and Compliance of Independent Directors of Publicly Listed Companies."

## 2.1.2 Introduction of the Management Team

As of 04/27/2026

| Title<br>Name | Nationality | Gende | Date First Elected | Current Shareholding | | Spouse or Minor Children | | Shareholding by Nominee Arrangement | | Experience (Education) | Selected Current Positions |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Shares | % | Shares | % | Shares | % | | |
| President<br>Chang, Hsiao-Chi | R.O.C. | Male | 2022.01 | 76,602 | 0.02 | – | – | – | – | .Chairman<br>GRANDTECH C.G. SYSTEMS INC.<br>.Independent Director<br>DATA IMAGE CORPORATION<br>.Director<br>CC&C TECHNOLOGIES, INC.<br>.Director<br>TAIWAN-CA INC.<br>.Master of Electric Engineering<br>, Montana State University, USA<br>.Bachelor of Applied<br>Physics, .TamKang University | Refer to Introduction of Board of Directors |
| Vice President<br>Adams Chen | R.O.C. | Male | 2015.06 | 171,577 | 0.05 | – | – | – | – | .Vice President/MFG Center<br>Ability Ent. Co., Ltd<br>.Dept. of EC, TPCU<br>.National Taipei University of Technology EMBA | Director:<br>Ability Tech. (Dongguan) Co., Ltd、<br>ABILITY TECHNOLOGIES CO., LTD. |
| Vice President<br>Vincent Lu | R.O.C. | Male | 2019.04 | 152,211 | 0.05 | – | – | – | – | .Vice President/R&D Center<br>Ability Ent. Co., Ltd<br>.Dept. of PME, National Tsinghua University | Director: E-PIN OPTICAL INDUSTRY CO.,LTD. |
| Assistant Vice President<br>Jackie Lee | R.O.C. | Male | 2023.08 | 57,817 | 0.02 | – | – | – | – | .COO, Ability Ent. Co., Ltd、<br>.National Taiwan University of Technology EMBA / Taipei Polytechnic College: Electronic Engineering | Director: E-PIN OPTICAL INDUSTRY CO.,LTD. |
| Assistant Vice President<br>Darrell Lin | R.O.C. | Male | 2026.03 | 261,456 | 0.08 | 28,000 | 0.01 | – | – | . Assistant Vice President/FW Div.<br>Ability Ent. Co., Ltd、<br>.Sunplus Technology, Manager<br>.Kongyi Automation, R&D Manager<br>.National Chiao Tung University/<br>Electrical and Control | None |

| Title<br>Name | Nationality | Gende | Date First Elected | Current Shareholding | | Spouse or Minor Children | | Shareholding by Nominee Arrangement | | Experience (Education) | Selected Current Positions |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Shares | % | Shares | % | Shares | % | | |
| Chief Financial Officer<br>Lin, Hung-Tien | R.O.C. | Male | 2008.10 | 79,915 | 0.02 | – | – | – | – | .CFO, Ability Ent. Co., Ltd、<br>.Assistant manager of Deloitte Audit Servcies<br>Dept. of Accounting, CYUT | Supervisor：E-PIN OPTICAL INDUSTRY CO.,LTD.、ABILITY INTELLIGENT CORPORATION、Q PLUS TECHNOLOGY CO., LTD.、Altasec Technology Corporation、Ability Tech. (Dongguan) Co., Ltd.、ABILITY TECHNOLOGIES CO., LTD. |
| Accounting Supervisor<br>Lin, Hsin-Chun | R.O.C. | Female | 2021.03 | 17,652 | 0.01 | – | – | – | – | . Accounting Supervisor, Ability Ent. Co., Ltd<br>. Senior Auditor of Deloitte Audit Servcies<br>.Dept. of Accounting, FCU | None |
| Corporate Governance officer<br>Huang, Mei-Ling | R.O.C. | Female | 2021.05 | 16,107 | 0.00 | – | – | – | – | . Manager / Chairman's Office, Ability Ent. Co., Ltd<br>.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 12/31/2025; Unit: NT$ thousands

| Title<br>Name | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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) | | | | | | |
| | | | | | | | | | | | | | | | From all consolidated entities | | 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 | The Company | From all consolidated entities | The Company | From all consolidated entities | Cash<br>Cash | Stock<br>Stock | Cash<br>Cash | Stock<br>Stock | The Company | From all consolidated entities | |
| Chairman: VIEWQUEST Investment Co. Ltd. Rep.:Tseng, Ming-Jen | - | - | - | - | 1,197 | 1,197 | 30 | 36 | 0.16% | 0.16% | - | - | - | - | - | - | - | - | 0.16% | 0.16% | |
| Chairman: Chia-Mei Investment Co., Ltd. Rep. : Chang, Hsiao-Chi | - | - | - | - | 2,758 | 2,758 | 70 | 70 | 0.36% | 0.36% | 6,500 | 6,500 | 74 | 74 | - | - | - | - | 1.19% | 1.19% | |
| Director: Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Jen | - | - | - | - | 2,758 | 2,758 | 70 | 79 | 0.36% | 0.36% | - | - | - | - | - | - | - | - | 0.36% | 0.36% | |
| Director: Chia-Mei Investment Co., Ltd. Rep. : Tong, Chun-Yi | - | - | - | - | 2,758 | 2,758 | 70 | 70 | 0.36% | 0.36% | - | - | - | - | - | - | - | - | 0.36% | 0.36% | |
| Director: ABICO AVY CO.,LTD. Rep. : Chan,Wen-Hsiung | - | - | - | - | 1,197 | 1,197 | 20 | 20 | 0.16% | 0.16% | - | - | - | - | - | - | - | - | 0.16% | 0.16% | |
| Director: ABICO AVY CO.,LTD. Rep. : Chiang,Shu-Chen | - | - | - | - | 1,560 | 1,560 | 40 | 40 | 0.20% | 0.20% | - | - | - | - | - | - | - | - | 0.20% | 0.20% | |
| Director: ABICO AVY CO.,LTD. Rep. : Hu, Shiang-Chi | - | - | - | - | 2,758 | 2,758 | 70 | 70 | 0.36% | 0.36% | - | - | - | - | - | - | - | - | 0.36% | 0.36% | |
| Independent Director Huang, Chih-chen | 1,098 | 1,098 | - | - | - | - | 150 | 150 | 0.16% | 0.16% | - | - | - | - | - | - | - | - | 0.16% | 0.16% | |
| Independent Director Chen, Chien-Hung | 1,098 | 1,098 | - | - | - | - | 150 | 150 | 0.16% | 0.16% | - | - | - | - | - | - | - | - | 0.16% | 0.16% | |

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Independent Director Huang, Kuo-Lun | 1,080 | 1,080 | - | - | - | - | 150 | 150 | 0.16% | 0.16% | - | - | - | - | - | - | - | - | 0.16% | 0.16% |
| Independent Director Chao,Hsiao-Wei | 182 | 182 | - | - | - | - | 70 | 70 | 0.03% | 0.03% | - | - | - | - | - | - | - | - | 0.03% | 0.03% |
| Total | 3,458 | 3,458 | - | - | 14,986 | 14,986 | 890 | 905 | 2.45% | 2.46% | 6,500 | 6,500 | 74 | 74 | - | - | - | - | 3.29% | 3.29% |

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 | Chao,Hsiao-Wei | Chao,Hsiao-Wei | Chao,Hsiao-Wei | Chao,Hsiao-Wei |
| NT$1,000,000(Included) ~ NT$2,000,000(Excluded) | Tseng, Ming-Jen<br>Chan,Wen-Hsiung,<br>Chiang,Shu-Chen<br>Huang, Kuo-Lun<br>Chen, Chien-Hung<br>Huang, Chih-chen | Tseng, Ming-Jen<br>Chan,Wen-Hsiung,<br>Chiang,Shu-Chen<br>Huang, Kuo-Lun<br>Chen, Chien-Hung<br>Huang, Chih-chen | Tseng, Ming-Jen<br>Chan,Wen-Hsiung,<br>Chiang,Shu-Chen<br>Huang, Kuo-Lun<br>Chen, Chien-Hung<br>Huang, Chih-chen | Tseng, Ming-Jen<br>Chan,Wen-Hsiung<br>Chiang,Shu-Chen<br>Huang, Kuo-Lun<br>Chen, Chien-Hung<br>Huang, Chih-chen |
| NT$2,000,000 (Included)~ NT$3,500,000(Excluded) | Tong, Chun-Yi,<br>Hu, Shiang-Chi,<br>Tong, Chun-Jen<br>Chang, Hsiao-Chi | Tong, Chun-Yi,<br>Hu, Shiang-Chi,<br>Tong, Chun-Jen<br>Chang, Hsiao-Chi | Tong, Chun-Yi,<br>Hu, Shiang-Chi,<br>Tong, Chun-Jen | Tong, Chun-Yi,<br>Hu, Shiang-Chi,<br>Tong, Chun-Jen |
| 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 | 11 | 11 | 11 | 11 |

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$74 thousand.
Note 3. The amount of directors' remuneration and employee's remuneration of the Company in 2025 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 $890 thousand for travelling expenses, and $905 thousand for all consolidated entities.
Note 5. The former chairman of VIEWQUEST Investment Co., Ltd., was resigned at the shareholders' meeting on June 25, 2025.
Note 6. The chairman of Chia-Mei Investment Co., Ltd., was elected chairman by the board of directors on July 7, 2025.
Note 7. The representative of ABICO AVY CO.,LTD. was changed at the shareholders' meeting on June 25, 2025, from Mr. Chan,Wen-Hsiung to Ms. Chiang,Shu-Chen.
Note 8. CHAO,HSIAO-WEI was elected as a new independent director at the shareholders' meeting on June 25, 2025.

### 2.1.3.2 Compensation Paid to President and Vice President

As of 12/31/2025; 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 | 8,281 | 8,281 | 290 | 290 | 7,435 | 7,435 | 3,170 | — | 3,170 | — | 2.43% | 2.43% | 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) | — | — |
| NT$5,000,000 (Included)~ NT$10,000,000(Excluded) | Chang, Hsiao-Chi、Adams Chen、Vincent Lu | Chang, Hsiao-Chi、Adams Chen、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$290 thousand.

Note 2. The amount of employee's remuneration of the Company in 2025 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 12/31/2025; Unit: NT$ thousands

| Title | Name | Stock (Fair Market Value) (Note 1) | Cash (Note 1) | Total | Ratio of Total Amount to Net Profits Afer Tax (%) |
|---|---|---|---|---|---|
| President | Chang, Hsiao-Chi | — | 7,410 | 7,410 | 0.94% |
| 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 2025 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 | 2025 | | 2024 | |
|---|---|---|---|---|
| | Amount | Ratio of Total Amount to Net Profits After Tax (%) | Amount | Ratio of Total Amount to Net Profits After Tax (%) |
| directors | 14,985 | 1.90 | 10,162 | 1.86 |
| presidents and vice presidents | 19,176 | 2.43 | 15,135 | 2.77 |

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, at least 15% of this amount is allocated to grassroots employees for remuneration. 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 2025 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 7 (A) meetings of the Board of Directors were held in 2025. The directors' attendance status is as follows:

| Title | Name | Attendance in person (B) | By Proxy | Attendance rate (%) 【B/A】 | Remarks |
|---|---|---|---|---|---|
| Chairman | Chia-Mei Investment Co., Ltd.<br>Rep. : Chang, Hsiao-Chi | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Former Chairman | VIEWQUEST Investment Co. Ltd.<br>Rep.:Tseng, Ming-Jen | 3 | 0 | 100% | 06/25/2025<br>Resignation |
| Director | Chia-Mei Investment Co., Ltd.<br>Rep. : Tong, Chun-Jen | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Director | Chia-Mei Investment Co., Ltd.<br>Rep. : Tong, Chun-Yi | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Director | ABICO AVY CO., LTD.<br>Rep. : Hu, Shiang-Chi | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Director | ABICO AVY CO., LTD.<br>Rep. : Chiang,Shu-Chen | 4 | 0 | 100% | 06/25/2025<br>Newly elected |
| Director | ABICO AVY CO., LTD.<br>Rep. : Chan,Wen-Hsiung | 2 | 1 | 67% | 06/25/2025<br>Resignation |
| Independent Director | Huang, Chih-chen | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Independent Director | Chen, Chien-Hung | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Independent Director | Huang, Kuo-Lun | 7 | 0 | 100% | 06/25/2025<br>Re-elected |
| Independent Director | Chao,Hsiao-Wei | 4 | 0 | 100% | 06/25/2025<br>Newly 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 2025.
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 |
|---|---|---|---|
| 2025.8.12 | 1. The company's 2025 manager performance salary adjustment proposal.<br>2. The company's 2024 employee remuneration and 2025 performance-based annual salary proposal.<br>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 |
| 2025.11.7 | The company's 2025 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 becompleted before the end of the first quarter of the next year.
(3) Evaluation Period:2025.01.01~2025.12.31
(4) The Company has completed the 2025 Board of Directors' performance self-evaluation, and the evaluation results were submitted to the Board of Directors' report on March 13, 2026 as a basis for review and improvement.

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

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

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

2025 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. To strengthen sustainable governance, the Company established a "Sustainability and Risk Management Committee" at the Board level in August 2025.

2. To implement Board diversity, a new female director was elected in 2025.

3. The Company has four independent directors, representing more than one-third of the total board seats. The Audit Committee is composed of all independent directors.

4. The Company's Chief Auditor and Chief Financial Officer attend all Board meetings, and the Board operates in accordance with the "Rules of Procedure for Board Meetings."

5. To enhance transparency, the Company held two investor conferences in 2025, and links to the full meetings are available on the official website.

2.2.2 Audit Committee

The audit committee consists of four independent directors, whose professional qualifications and experience are as follows:

| Members | Professional Qualifications and Experience |
|---|---|
| Huang, Chih-chen (Convenor) | Currently the Director of Guangyun United Accounting Firm, with over five years of accounting experience and industry connections, and holding a national examination certificate. Mr. Huang's expertise in accounting and auditing will be leveraged to continuously monitor the company's operations. |
| Chen, Chien-Hung | Currently the Principal Attorney at Yongyao Law Firm, with over five years of legal experience and holding a national examination certificate. Mr. Chen's expertise in legal matters will be leveraged to continuously monitor the company's operations. |
| Huang, Kuo-Lun | Currently the Chairman of Taiwan Micro-Tech Co., Ltd., with over five years of experience in business, technology, and management. Mr. Huang's expertise in industry and business management will be leveraged to continuously monitor the company's operations. |
| Chao,Hsiao-Wei | Formerly the Vice President of Nengli Management Consulting Co., Ltd., with over five years of experience in investment, financial management, corporate management, and other related fields. Mr. Chao's extensive experience in areas relevant to the company's business will be leveraged to continuously monitor the company's operations. |

A total of 5 (A) meetings of the audit committee were held in 2025. 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 | 5 | 0 | 100% | 06/25/2025 Re-elected |
| Independent Director | Huang, Chih-chen | 5 | 0 | 100% | 06/25/2025 Re-elected |
| Independent Director | Huang, Kuo-Lun | 5 | 0 | 100% | 06/25/2025 Re-elected |
| Independent Director | Chao,Hsiao-Wei | 3 | 0 | 100% | 06/25/2025 Newly elected |

Other matters to be recorded:

1. If any of the following situations occur during the operation of the Audit Committee, the date, session, agenda items, independent directors' objections, qualified opinions or significant recommendations, the Audit Committee's resolution, and the company's handling of the Audit Committee's opinions should be stated:
   1. Matters listed in Article 14-5 of the Securities and Exchange Act: Please see the attached notes for details.
   2. Other matters not approved by the Audit Committee but requiring the consent of more than two-thirds of all directors: None.

2. Audit Committee's key work in fiscal year 2025: Review of the company's financial statements, internal control system, audit plan and its implementation, appointment of auditors, their remuneration, and their independence and competence, etc.

3. The company's Audit Committee is composed of all independent directors and operates in accordance with the "Audit Committee Organizational Regulations."
4. Implementation of independent directors' recusal from proposals involving conflict of interest: None.

Note: 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 |
|---|---|---|---|
| 2025.3.7<br>1st in 2025. | 1. The company's 2024 financial statements.<br>2. The company's 2024 annual business report.<br>3. The Company's "2024 Internal Control Statement".<br>4. Evaluate the independence of the company's CPA. | Approved | Passed unanimously by members in attendance. |
| 2025.5.9<br>2nd in 2025. | 1. The Company's consolidated financial statements for the first quarter of 2025.<br>2.Appointment of certifying accountants.<br>3. Proposal on the Company's 2024 Profit Distribution<br>4. The Company's plan to transfer retained earnings to capital increase and issue new shares.<br>5. Proposed proposal to lift the non-competition restriction on the directors of the Company. | Approved | Passed unanimously by members in attendance. |
| 2025.8.12<br>3rd in 2025. | 1. The Company's consolidated financial statements for the second quarter of 2025.<br>2. Proposal Regarding Matters Related to the Date of the 2024 Earnings Rights Issue and Capital Increase.<br>3. Prepare a list of non-managerial employees with restricted rights to be allocated new shares and related matters. | Approved | Passed unanimously by members in attendance. |
| 2025.11.7<br>4th in 2025. | 1. The Company's consolidated financial statements for the third quarter of 2025.<br>2. Newly formulated the "Sustainable In 2. Proposed amendments to the company's internal control system.<br>3. Proposed management and control procedures for preventing insider trading.<br>4. Proposed audit plan for fiscal year 2026.<br>5. Proposed amendments to the company's related-party transaction management regulations. | Approved | Passed unanimously by members in attendance. |

| | | | |
|---|---|---|---|
| 2025.12.11<br>5th in 2025. | 1. The Company intends to conduct a cash capital increase by issuing new shares and raise and issue #2 domestic unsecured convertible bonds. | Approved | Passed unanimously by members in attendance. |

5.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 |
|---|---|---|---|
| 2025.3.7<br>regular meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Audit Supervisor:<br>Hu, Shen-Gqi | 1. Field implementation report on audit work in the fourth quarter of 2024.<br>2. Field implementation report on audit work in the first quarter of 2025.<br>3.2024 internal control statement. | No material issues that required rectification. |
| 2025.3.7<br>Before Board meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Audit Supervisor:<br>Hu, Shen-Gqi | 1. Discussion on on-site implementation of audit work.<br>2.Corporate governance<br>3.ESG sustainability report. | No material issues that required rectification. |
| 2025.5.9<br>regular meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Audit Supervisor:<br>Hu, Shen-Gqi | Field implementation report on audit work for the first quarter of 2025. | No material issues that required rectification. |
| 2025.8.12<br>regular meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Chao,Hsiao-Wei<br>Audit Supervisor:<br>Hu, Shen-Gqi | Field implementation report on audit work in the second quarter of 2025. | No material issues that required rectification. |
| 2025.8.12<br>Before Board meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Chao,Hsiao-Wei<br>Audit Supervisor:<br>Hu, Shen-Gqi | 1. Discussion on on-site implementation of audit work.<br>2. .ESG sustainability report. | No material issues that required rectification. |
| 2025.11.7<br>regular meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Chao,Hsiao-Wei<br>Audit Supervisor:<br>Hu, Shen-Gqi | 1. Field implementation report on audit work in the third quarter of 2025.<br>2. Discussion on the 2026 audit plan.<br>3. Revise the internal control and audit system – specify the scope of grassroots employees, and regularly assess whether adjustments are needed.<br>4. Revise the management and control procedures for preventing insider trading. | 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 |
|---|---|---|---|
| 2025.3.7<br>Before Board meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>PWC CPA | Conclusion of the annual audit<br>- Check scope and significance<br>- Draft of the auditing reports and key audit matters<br>- The independence of the CPA<br>- Audit Quality Index (AQI) Information<br>- Information sharing (ESG, IFRS 18, Corporate Governance, Securities and Exchange Law) | No material issues that required rectification. |
| 2025.8.12<br>Before Board meeting | independent Directors:<br>Chen, Chien-Hung<br>Huang, Chih-chen<br>Huang, Kuo-Lun<br>Chao,Hsiao-Wei<br>PWC CPA | Annual audit plan<br>- Check scope and significance<br>- financial statements and the communication matters<br>- The independence of the CPA<br>- Information sharing | No material issues that required rectification. |

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

2.2.3.1 Information Regarding Compensation Committee Members

| Title (Note1) | Name / Criteria | Professional Qualification and Experience | Independent Directors Independence Status | Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member |
|---|---|---|---|---|
| Independent Director | (chairman) Huang, Chih-chen | For members professional qualification and experience, please refer to "2.2.2 Information Regarding Board Members" on page 20 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 |

**2.2.3.2 Attendance of Members at Remuneration Co**mmittee Meetings

(1) There are 3 members in the Remuneration Committee.

(2) A total of 3 (A) meetings of the Compensation Committee were held in 2025. 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% | 06/25/2025 Re-elected |
| Member | Chen, Chien-Hung | 3 | 0 | 100% | 06/25/2025 Re-elected |
| Member | Huang, Kuo-Lun | 3 | 0 | 100% | 06/25/2025 Re-elected |
| Other matters to be recorded:<br>1. Main powers: (A). To establish and periodically review policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers. (B). To periodically evaluate and determine the compensation of directors and managers.<br>2. Whether the Board of Directors has rejected or amended any recommendations of the Compensation Committee: None.<br>3. Whether any members have objected or reserved their opinions on any matters decided by the Compensation Committee: None. | | | | | |

| Period and Date | Contents of resolutions | Resolution result | Company's opinion on the Remuneration committee |
|---|---|---|---|
| 2025.3.7 | 1.The amount of directors' remuneration in 2024.<br>2.The amount of employee remuneration for 2024. | Passed unanimously by members in attendance | Submitted to the board of directors and approved by all directors present. |
| 2025.8.12 | 1.Proposal on distribution of directors' remuneration for 2024.<br>2.Managers' 2024 performance-based salary adjustment proposal.<br>3.Managers' 2024 employee remuneration and 2025 performance-based annual salary proposals.<br>4.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. |
| 2025.11.7 | 1. Managers' 2025 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. |

2.2.4 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. | |
| 3. Structure of Board of Directors and its responsibility<br><br>(1)If the Board develop diversified policies, concrete management goal, and execute? | V | | (1)In accordance with Chapter 3 of the "Code of Corporate Governance Practices," the Company has strengthened the functions of the Board of Directors and formulated a diversification strategy. For objectives and implementation details, please refer to section 4, "Diversity and Independence of the Board of Directors," page 9 of this Annual Report. | No deviation |

| 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? | | V | (2) The Company has currently established a Remuneration Committee and an Audit Committee in accordance with the law. Furthermore, a "Sustainability and Risk Management Committee" was established in August 2025. | 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? | V | | (3)The company's board of directors approved the "Board Performance Evaluation Regulations" on May 6, 2020. A performance evaluation is conducted annually and a report is compiled and submitted to the Board of Directors in the first quarter of the following year. The performance evaluation results of the Board of Directors, Board members, and functional committees for the year 2025 were all rated as excellent and have been submitted to the Board of Directors report on March 13, 2026. | 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? | V | | (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 13, 2026. (Ref. to Note 1) | 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 | V | | 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.<br>The business execution situation is as follows:<br>1.Handling matters relating to board meetings and shareholders meetings according to laws<br>2.Formulating minutes of board meetings and shareholders meetings<br>3.Assisting in onboarding and continuous development of directors<br>4.Furnishing information required for business execution by directors<br>5.Assisting directors with legal compliance<br>6.Other matters set out in the articles of incorporation or contracts<br>The training status of Corporate Governance officer in 2025 is as follows: Ref to Note 2 . | 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? | V | | The company's website has a dedicated area for stakeholders. In accordance with the AA1000SES stakeholder negotiation standards, we identify key stakeholders, adopt different negotiation methods, and provide good communication channels to continuously understand and respond to the needs of stakeholders. A dedicated unit handles and communicates related issues. | 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<br>(1)If the Company set up a corporate website to disclose information regarding the Company's finance, business and corporate governance?<br>(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)?<br>(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<br>V<br>V | | (1)The Company promptly discloses relevant information on its corporate website (https://www.abilitytw.com)<br>(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.<br>The official website has an "Investor Zone" that provides presentation materials and video files from corporate briefings.<br>(3) The company announces and declares its annual financial report within two 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<br>No deviation<br>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)? | V | | (1) Implementation status of employee rights, employee care, investor relations, supplier relations, and stakeholder rights; please refer to pages 13-14 of the Company's Sustainability Report. https://www.abilitytw.com/file/ability-esg-report-2024-c-2-pdf<br>(2) The Company has taken out liability insurance for its directors, independent directors, and key personnel and reported this to the Board of Directors on March 13, 2026.<br>(3) For information on the professional development of all directors in 2025, please refer to the Company's website - Board Member Professional Development. https://tw.abilitytw.com/ir/board-of-directors-training<br>(4) Implementation status of risk management policies: please refer to pages 30-31 of the Company's Sustainability Report.<br>(5) Implementation status of customer policies: please refer to page 35 of the Company's Sustainability Report. | No deviation |
| 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 |

Note1: The Company evaluates the independence of CPA based on items are as below:

| Items Evaluated |
|---|
| 1. No seven-year gap between accountants and their current employers as of the most recent certification. |
| 2. No significant financial interest with the client. |
| 3. Avoid any inappropriate relationship with the client. |
| 4. Ensure that the accountant's assistants maintain honesty, impartiality, and independence. |
| 5. Financial statements of the client organizations served within the two years prior to the commencement of the accountant's practice must not be audited or certified. |
| 6. The accountant's name must not be used by others. |
| 7. Does not hold shares in our company or related companies. |
| 8. Has no financial lending relationship with our company or related companies. |
| 9. Has no joint investment or profit-sharing relationship with our company or related companies. |
| 10. Does not hold regular work for our company or related companies and receives a fixed salary. |
| 11. Does not have management functions involved in decision-making for our company or related companies. |
| 12. Does not engage in other businesses that may compromise their independence. |
| 13. Has no spousal, lineal, in-law, or collateral blood relationship within the second degree of kinship with our company's management. 14. No commissions related to the business have been received. |
| 15. To date, there have been no disciplinary actions or circumstances that have compromised the principle of independence. |

Note 2: The training status of Corporate Governance officer in 2025 is as follows:

| Date | Host by | Training | Duration |
|---|---|---|---|
| 2025/07/03 | Taiwan Stock Exchange | 2024 Cathay Sustainable Finance and Climate Change Summit Forum | 3 |
| 2025/07/10 | Taiwan Investor Relations Institute | Recent Case Studies in Corporate Governance | 3 |
| 2025/07/25 | | Corporate Social Impact: From Concept to Action | 3 |
| 2025/07/30 | | Workplace Harassment OUT, DEI Workplace IN - Legal, Academic, and Practical Perspectives: Case Analysis and Prevention Measures for "Workplace Unlawful Harassment (Sexual Harassment + Workplace Bullying)" | 3 |
| 2025/09/26 | Securities and Futures Institute (SFI Taiwan) | 2025 Insider Trading Prevention Promotion Conference | 3 |
| 2025/10/08 | Taiwan Investor Relations Institute | Enterprise Digital Transformation—AI and Emerging Technology Application Cases | 3 |
| 2025/11/19 | | Green Supply Chain | 3 |
| 2025/12/05 | | 2026 Cybersecurity Challenges and Governance Strategies from the Perspective of the AI Wave | 3 |
| 2025/12/23 | | Enterprise Operations and Sustainable Financial Impact—Analysis of IFRS Sustainable Disclosure Standards | 3 |

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 | | 1. In 2022, the Company established the "ESG Sustainability Promotion Committee" as the highest guiding organization for the Company's sustainable governance operations. After years of sustainable development efforts, in July 2025, the Company established the "Sustainability and Risk Management Committee," a functional committee under the Board of Directors, as the dedicated oversight unit for the Company's overall sustainable development and risk management. This aims to achieve the Company's sustainable development goals, improve risk management mechanisms, and strengthen corporate governance. At the same time, the original "ESG Sustainability Promotion Committee" was renamed the "Sustainability and Risk Management Committee." Its purpose is to accurately fulfill A's various commitments to society, including aspects such ability’s corporate governance, environmental protection and energy conservation, employee care, social participation, and risk management, while paying attention to compliance with government regulations, improving workplace health and safety, developing green products, reducing environmental impact, and fulfilling environmental and social responsibilities. (Ref. Note 1) | 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 | | 1. Through its risk management processes, the company ensures that each department clearly understands its associated risks, assesses potential risk issues, and reduces or avoids their impact. By 2025, adhering to the principle of materiality and the ISO 31000 risk management standards, the company will extensively collect and update information on all types of risks it may face, categorizing | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | them into four main risk areas: economic (governance) risks, environmental risks, social risks, and other emerging risks. The company will also regulate the responsibilities, methods, and processes of risk management according to its "Risk Management Operating Procedures" to effectively identify potential process risks, assess the likelihood of risk occurrence and its impact on operations, and ensure that appropriate risk management operations are effectively implemented to meet risk management requirements.<br><br>According to the assessed risks, the risk response measures are formulated as follows: (Ref. note 2) | |
| 3. Environmentally Sustainable Development<br><br>(1) Has the Company set an Environmental management system designed from its industry characteristics? | V | | 1.. Compliance with environmental regulations and relevant government requirements is key to our company's environmental management system and our proactive pursuit of a "zero pollution, zero disaster" sustainability goal. We have established and maintain an environmental management system based on ISO 14001 to ensure compliance with environmental regulations and relevant requirements at all operating sites. Adhering to a circular environmental management policy, the company focuses on "energy conservation," "mitigating global warming," and "reducing pollution and protecting natural resources," pursuing environmentally sustainable operations. We implement "greenhouse gas inventory," "carbon emission reduction," "green procurement," and "green production" as performance indicators for environmental management, demonstrating our commitment to proactive environmental responsibility and fulfilling the core values of corporate sustainability. All of our plants have | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | established systems in accordance with the ISO 14001 environmental management system and have passed third-party verification, with SGS auditing and issuing ISO 14001 certificates. Please refer to our website for the Environmental Management System Certificate: https://tw.abilitytw.com/esg/certificate<br>2. In 2025, we will continue to promote various environmental management programs. Wastewater treatment, noise control, and waste recycling will all be handled in accordance with the Environmental Safety Management System and environmental protection laws and regulations. We will regularly review the effectiveness of implementation and continuously improve, reporting the implementation status to the Occupational Safety and Health Committee quarterly. Regarding energy and resource conservation, we will replace outdated air conditioning equipment and install energy-saving devices to reduce energy consumption. In waste management, we will continue to carry out relevant waste reduction activities and implement waste sorting to enable the reuse of recyclable resources. In the future, we will continue to strengthen enerCANOgy management, improve energy efficiency, reduce the environmental impact of greenhouse gas emissions, and enhance our resilience in the face of climate change risks.<br>3. Our company has established a greenhouse gas inventory management system based on ISO 14064-1, and conducts a greenhouse gas inventory at the beginning of each year to track the effectiveness of emission reductions. Relevant greenhouse gas inventory and reduction information is available on the public information website: https://mops.twse.com.tw/mops/web/t152sb01 | |

| 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 | | 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.<br>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.<br>3.The company designs its products to meet the requirements of high recyclability, high added value, low pollution, and energy saving. It controls the efficiency of resource utilization from the source. The paper packaging materials (including paper boxes, paper stacks and related packaging materials) of products manufactured in Taiwan are all made from recycled pulp, accounting for about 6.27% of the weight of raw materials used. This reflects Ability's commitment to energy conservation, carbon reduction and sustainable use of Earth's resources. | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| (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 | | The company collects international research reports, industry data, and internal and external surveys to regularly assess the risks and opportunities and impacts of climate change on the company's present and future. Risks are further categorized into transitional risks and physical risks, and the company assesses the potential short-, medium-, and long-term impacts on its business model and upstream and downstream value chains. In accordance with the ISO 14064 management system requirements, the company conducts greenhouse gas inventory checks and formulates corresponding reduction measures. The company also has established emergency response procedures. In the event of a disaster, the notification process is followed, with each emergency response team handling emergency situations or potential unforeseen events, as well as subsequent recovery operations. This teamwork maximizes effectiveness, reducing disasters and asset losses, and maintaining the company's continued operation.(Ref. Note 3) | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| (4) Has the company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste over the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management? | V | | 1. Greenhouse Gas Emissions Management Policy: With the increasingly significant impact of climate change on the global environment, as a global citizen, and to fulfill our corporate social responsibility, our company conducts annual greenhouse gas emissions assessments to accurately understand the emissions status of all plants. Based on the assessment results, and within economic and technical limits, we implement voluntary greenhouse gas reduction plans. We continuously promote energy conservation and carbon reduction measures for sustainable operation and to fulfill our corporate social responsibility.<br><br>2. Water Conservation Management Policy: We actively promote water conservation, advocate for water saving and scientific water use, and protect water resources. Under the current water resource conditions, and with water conservation as a prerequisite, we take the following measures to avoid unnecessary water waste, fully utilize water resources, and achieve our goals of fulfilling social responsibility, protecting the global environment, and enhancing corporate value. We continue to strive to protect environmental resources. To ensure effective water conservation, our company has set water resource management targets, with 2023 as the base year, aiming to reduce water intensity by more than 5% by 2028.<br><br>3. Waste Reduction Management Policy: The Company has set a waste reduction target, using 2022 as the base year, with a goal of reducing the total waste intensity by more than 10% by 2030. In 2025, Taiwan's waste intensity was 0.0038 metric tons per million New Taiwan Dollars of revenue, representing a reduction of more than 10% compared to 2022 (the base year). The Company will | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
| --- | --- | --- | --- | --- |
| | Y | N | Explanation | |
| | | | continue to improve waste management, achieving an environmental sustainability strategy that prevents resources from ending up in landfills or incinerators through waste reduction and resource reuse.<br><br>4.For information on greenhouse gas reduction, water consumption, and waste management measures, please refer to the Company's website: https://tw.abilitytw.com/esg/environmental-management | |

| 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)1. Our company recognizes and supports the spirit and fundamental principles of human rights protection as revealed in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, the International Labour Conventions, and the Responsibility Business Alliance (RBA). The company also strictly adheres to the labor laws and regulations of the countries where our plants are located. In 2016, we established the "Corporate Social Responsibility Management Manual," whose human rights policy, in addition to committing to respecting and upholding internationally recognized fundamental human rights, also opposes any discrimination and human rights violations (such as sexual harassment or workplace bullying), and strictly complies with relevant labor laws and regulations to protect the legitimate rights of our employees.<br><br>2. Our company takes human rights policy as the highest guiding principle for human rights protection. A cross-departmental human rights working group has been established under the management of the Sustainable Development and Risk Management Executive Committee to systematically and effectively promote human rights management. Progress is reported regularly to the committee, and relevant human resources rules and regulations are formulated in accordance with laws and regulations, such as: establishing "Work Rules" to protect employee rights; establishing "Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Guidelines" and "Prevention Plan for Unlawful Harm in the Performance of Duties"; and setting up an employee complaint email address to provide employees with a work environment free from | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | discrimination and harassment. These rules and regulations are posted on the company's intranet.<br><br>4.For our company's relevant human rights management and policies, please refer to our website: https://tw.abilitytw.com/esg/humanrights | |
| (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)1. The Company has established and implemented reasonable employee welfare measures. Details are provided in the Annual Report, under "V. Labor Relations (I) Various Employee Welfare Measures, Continuing Education, Training, Retirement Systems and Their Implementation, and Agreements Between Labor and Management and Measures to Protect Employee Rights." In 2025, total employee welfare expenses amounted to NT$19,088 thousand, of which NT$13,831 thousand were other benefits, including employee travel, club activities, various subsidies, birthday parties, health promotion, and other employee welfare activities.<br><br>2. Regarding compensation policy, the Company participates in market salary surveys annually, comprehensively considering market salary levels, overall economic trends, and individual performance to make adjustments to maintain competitive compensation and internal fairness. Furthermore, the Company's Articles of Association stipulate that the employee compensation allocation ratio shall not be less than 8% and not more than 15%, with at least 15% allocated to grassroots employees to strengthen the mechanism for employees to share in the company's operating results. This is also appropriately reflected in the | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | overall employee compensation system based on the company's operating performance. | |
| (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? | V | | (3 )Providing a safe and friendly workplace environment is a corporate commitment and a fundamental guarantee for our employees. Therefore, establishing a good working environment and ensuring the workplace safety and well-being of our employees is our primary responsibility. Our company considers "creating a safe and friendly workplace" the cornerstone of our sustainable operation and is committed to protecting the physical and mental health of our employees and providing a resilient working environment. Specific implementation measures are as follows:<br><br>1. Work Environment Protection and Disaster Mitigation Measures<br>• Physical Environment Monitoring: We conduct regular work environment monitoring (such as carbon dioxide concentration, organic solvents, etc.) every six months to ensure that all indicators meet legal standards.<br>• Fire Prevention and Emergency Response: We regularly conduct annual fire equipment maintenance reports and "Self-Defense Firefighting Drills" to simulate fires and disaster evacuations. Two drills were conducted at our Xinzhuang headquarters and Wugu plant in 2025, and no fire incidents occurred during the year.<br>• Special Hazard Management: For operations involving special hazards such as ionizing radiation and n-hexane, we implement tiered management and provide professional personnel with follow-up guidance to ensure that operational risks remain under control.<br>2. Employee Health Promotion and Prevention | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | Mechanism<br>• Health Checkups Exceeding Regulations: Annual health checkups are provided to all employees at a frequency exceeding regulations. Senior health checkups are arranged for supervisors every two years. In 2025, 369 employees were required to undergo health checkups, with 363 completing the checkups (98.4% completion rate). 179 employees were eligible for senior health checkups, with 176 completing the checkups (98.3% completion rate). Individualized health counseling and follow-up care are provided for high-risk abnormalities identified in health checkups.<br>• Prevention of Mental Health and Social-Psychological Harms: The company implements the "Four Major Occupational Health Protection Plans" to ensure employees are protected from workplace violence and psychological harm.<br>• Workplace Maternal Health Protection Plan: Health care, environmental assessment, job suitability assessment, and adjustments are provided for pregnant and postpartum female employees.<br>• Human-Cause Harm Prevention Plan: Musculoskeletal injuries are prevented through improved work posture, ergonomics promotion, and health lectures.<br>• Disease Prevention Plan for Abnormal Workload: Understand employee overtime work patterns, conduct health check-up awareness seminars, and prevent cardiovascular and cerebrovascular diseases caused by overwork.<br>• Prevention Plan for Workplace Violations: Conduct workplace violation prevention seminars, establish complaint channels, and implement a zero-tolerance policy for workplace bullying and sexual harassment. | |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | • Health Promotion Activities: By 2025, through an online fitness app, organize activities such as walking, ultra-slow jogging, and healthy weight loss, with an employee participation rate of 30%. Men achieved a total weight loss of 91.7 kg (62.4%) and women achieved a total weight loss of 97.8 kg (87.3%). The company passed the "Workplace Health Promotion Self-Assessment System" promoted by the Health Promotion Administration of the Ministry of Health and Welfare in 2025 and was among the top 10% in the proactive evaluation of occupational health and safety performance in its corporate sustainability report.<br><br>3. Safety and Health Education and Training<br>In 2025, our company's investment in safety and health education was as follows:<br>• General Training: Courses on occupational safety, environmental protection, and disaster prevention were conducted for new and existing employees.<br><br>4. International System Certification and Standard Maintenance<br>Our company has established an occupational safety and health management system to implement risk control.<br>• Management Structure: An "Occupational Safety and Health Committee" has been established in accordance with the Occupational Safety and Health Act to regularly review safety and health policies and improvement measures.<br>• Certification Status: We continue to be certified to the ISO 45001 Occupational Safety and Health Management System. The ISO 45001 certificate is valid from May 12, 2023 to May 12, 2026. An ISO 45001 audit was completed on | |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | March 30-31, 2026, to maintain the continuity of management effectiveness.<br>• Please refer to our website for the Occupational Safety and Health Management System certificate: https://tw.abilitytw.com/esg/certificate | |
| (4) Does the company establish an effective career ability development training program for employees? | V | | (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 2025, the total hours of education and training were 5245hours, and the total number of trainees was 1512. The total cost of training was NT $526 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? | V | | (5) Our company's quality commitment to customers extends beyond the product manufacturing system. All our products are designed, manufactured, and inspected in accordance with international standards (such as ISO9001, ISO14001, IATF16949, AS9100, etc.) and relevant regulations concerning the sales market and hazardous substances (such as the EU RoHS regulation), ensuring product safety and quality. This commitment extends to after-sales service, with a dedicated customer service unit to assist frontline sales staff in handling customer complaints and market grievances, safeguarding customer rights, and implementing quality management and tracking through customer satisfaction surveys to meet customer service requirements. Furthermore, our company values customer rights and privacy, safeguarding customer data | No major deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
| --- | --- | --- | --- | --- |
| | Y | N | Explanation | |
| | | | and protecting customer rights through internal audits, external verification, crisis prevention, and training activities using the ISO27001 information security management system.<br>Our company highly values customer feedback and opinions, and has established a customer complaint handling procedure. For customer complaints, we determine the problem and responsibility, implement corrective measures and follow-up improvement activities, with the sales department directly handling customer service, feedback reception, and improvement work. In addition to contacting our sales representatives, you can also provide feedback through the following contact information, and our company will respond accordingly.<br>■ Customer Communication Website: https://tw.abilitytw.com/contactus<br>■ Customer Communication/Complaint Email: Sales.ability@abilitytw.com | |
| (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? | V | | (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. For supplier management policies and measures, please refer to our website: https://tw.abilitytw.com/esg/supply-chain | No major deviation |

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Non-implementation and its reason(s)</th></tr>
<tr><th>Y</th><th>N</th><th>Explanation</th></tr>
<tr><td>5. If the Company’s CSR report prepared based on international recognized standard and if the report verified by the third party?</td><td>V</td><td></td><td>1. The Company’s “Sustainability Report 2024” was prepared in accordance with the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and the Operating Procedures for the Preparation and Filing of Sustainability Reports by Listed Companies. It also disclosed relevant information with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework. The 2024 Sustainability Report has been verified and confirmed by a third-party verification agency.<br><br>2. The 2025 Sustainability Report will be prepared based on the Company’s significant sustainability issues and the concerns of stakeholders, and is also expected to be verified by a third-party verification agency.</td><td>No major deviation</td></tr>
<tr><td colspan="5">6. If the Company established any guideline of corporate sustainable development in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”?<br>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.<br>The company regularly reviews the implementation of this code and makes improvements accordingly. So far, there has been no significant difference in implementation.</td></tr>
<tr><td colspan="5">7. Other material information that helps to understand the operation of corporate sustainable development:<br>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 (https://www.abilitytw.com) for relevant information.<br>In recent years, the specific promotion plans and implementation effects of corporate social responsibility are as follows:</td></tr>
</table>

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |

| Year | Project and implementation effectiveness |
|---|---|
| 2023 | 1. The Mustard Seed Mission - Adoption of Taiwan Children's 42 people / month.<br>2. Christmas gift collection 149/piece<br>3. Mustard Seed Club "Send Warmth in the New Year~Red Envelopes Around the Fireplace" donated 34 people/time<br>4. A total of NT$432,000 was raised for 2023 Türkiye and Syria earthquake relief including company donations.<br>5. 【Charity Sale】The collected materials (including company donations) are NT$100,000. |
| 2024 | 1. The Mustard Seed Association - Adopt a Taiwanese Child Program 50 people/month<br>2. Christmas gift collection: 105/piece<br>3. Donated Christmas gifts for children: $29,604 and Christmas gifts for caregivers: $54,050<br>4. 【Charity Sale】The collected materials (including company donations) are $100,347, donated to the Chinese Social Welfare Association |
| 2025 | 1. The Mustard Seed Association - Adopt a Taiwanese Child Program 49 people/month<br>2. Christmas gift collection: 143/piece<br>3. Donated Christmas gifts for children: $76,355 and Christmas gifts for caregivers:$60,000<br>4. 【Charity Sale】The collected materials (including company donations) are $39,565, donated to the Mustard Seed Association<br>5. The "0923 Hualien Guangfu Township Flood Home Recovery Project" raised NT$1,300,000 and donated it to the Mustard Seed Foundation for post-disaster home repair and community reconstruction. |

Note 1:

| | | |
|---|---|---|
| Sustainability and Risk Management Committee | 2025/4/1 | 2024 Greenhouse Gas Inventory Verification Results Report<br>2024 Sustainability Activities Results Report<br>2025 Stakeholder, Major Themes, and Risk Identification Results Report |
| | 2025/7/16 | 2024 Sustainability Report Verification Results Report<br>Change of Name of Sustainability Promotion Committee Approved |
| Board Meeting | 2025/3/7 | Greenhouse Gas Inventory Progress Report |
| | 2025/5/9 | Greenhouse Gas Inventory Progress Report |
| | 2025/8/12 | Greenhouse Gas Inventory Progress Report<br>Appointment of Members of the First Sustainability and Risk Management Committee<br>2024 Sustainability Report Approved<br>Greenhouse Gas Inventory Progress Report |
| | 2025/11/7 | Greenhouse Gas Inventory Progress Report<br>Report on the Implementation of Integrity Management |

Note 2:

| Item | Issue | Risk response measures |
|---|---|---|
| economic (governance) risks | 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. | 1. Increase the operation of the Vietnam factory and maintain the operation of the mainland factory;<br>2. Deploy employees with foreign work experience to work in Vietnam factories.<br>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. | 1. Introduce second suppliers to spread the risk of material shortage;<br>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. | 1. Diversify customers and find new customers;<br>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. | 1. Strengthen information security publicity and regularly issue information security warning notices;<br>2. Conduct regular information security inspections every year. |
| | 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. | 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 | 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 |

| Item | Issue | Risk response measures |
|---|---|---|
| | and liabilities, and net investments in foreign operating institutions. | risks;<br>2. Plan and evaluate the amount of foreign currency storage;<br>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. | 1. Manage payment and shipping conditions and conduct credit risk analysis in accordance with Ability 's credit policy;<br>2. Implement internal credit risk control, including assessing customers' financial status, past experience and other factors.<br>3. Regularly monitor the use of credit limits. |
| environmental risks | For details regarding the impact of supply chains on climate change and the Company's impact under current trends, please refer to Chapter 4.1, "Climate Change Management," of the Company's 2025 Sustainability Report. | The Company implements climate change-related risk identification and management processes and action plans, as detailed in Chapter 4.1, "Climate Change Management," of the Company's 2025 Sustainability Report (https://tw.abilitytw.com/esg/esg-report) |
| Social risks: | Human Rights Management & Employment Relations & Human Resources Risks – Ineffective management of employee human rights may violate regulations; poor human resource management may lead to poor labor-management communication, manpower shortages, and disruptions to the company's operational smoothness. | Our company conducts human rights management, employment relations and human resources management in accordance with regulations. For details, please refer to Chapter 5 "Happy Workplace and Social Welfare" of the 2025 Sustainability Report (https://tw.abilitytw.com/esg/esg-report). |

Note 3:

| Categories | Risk/Opportunity Description | Response Strategies and Action Plans |
|---|---|---|
| Entity Risk | Increased severity of extreme weather events (typhoons, floods, heavy rainfall) | 1. When a typhoon warning is issued, a typhoon preparedness plan will be required, ensuring adequate preparation for typhoon defense. Any unusual situations will be addressed immediately to minimize the impact of the disaster.<br>2. In the event of windstorms, floods, or other similar incidents, an emergency response team will be established to monitor the latest developments, assess personnel injuries, and inspect buildings and equipment for damage.<br>3. If supplier material deliveries are affected, causing delays in customer shipment schedules, we will immediately negotiate with customers to address shipment scheduling issues and confirm the short-term impact. For materials significantly affected, a second-source assessment and implementation plan will be conducted, and the assessment and investigation of affected supplier materials will be continuously updated until the material shortage is resolved. |
| Transformation Risk | Mandatory climate information disclosure and reportin | 1. Comply with carbon reduction and product energy efficiency regulations, promptly grasp changes and updates to regulations, and adjust the company's net-zero planning timeline accordingly.<br>2. Conduct annual greenhouse gas inventory and other climate information verification, disclosing climate information through the company's annual report, sustainability report, and company website. |
| Transformation Risk | Greenhouse gas emission regulations and carbon fees | 1. Improve energy efficiency and reduce emissions: Replace outdated air conditioning equipment to improve energy efficiency; merge testing stations to optimize production processes and expand the use of renewable energy to reduce emissions.<br>2. Promote a green supply chain: Guide suppliers to adopt green design, cleaner production, and energy conservation and carbon |

| Categories | Risk/Opportunity Description | Response Strategies and Action Plans |
|---|---|---|
| | | reduction methods through advocacy, requirements, audits, and assessments to reduce carbon emissions in the supply chain. |
| Transformation Risk | Changes in market customer behavior | 1. Study customer requirements or environmental preferences to facilitate subsequent product design planning.<br>2. For major sales customers, address climate change-related product design directions and features, such as: complying with local national energy efficiency regulations, meeting customers' green procurement policies, and enhancing customer visibility of Ability's energy-saving and low-carbon products. |
| Resource Utilization Efficiency | Using more efficient production and distribution processes | 1. Implement optimization and error-proofing measures by 2025 to improve product production efficiency.<br>2. Develop a self-developed process testing platform, integrate test items, increase the variability of test item combinations, increase the proportion of automated/semi-automated testing, and reduce manual operation hours. |
| Innovative Products and Services | Developing or increasing low-carbon products | 1. Develop low-carbon and energy-saving imaging and automotive product samples, identify customers with relevant low-carbon or energy-saving needs, and discuss future product collaborations.<br>2. Use component materials that meet carbon reduction and energy-saving requirements to achieve various low-carbon or energy-saving certifications. |
| Innovative Products and Services | New product research and innovation | 1. Review the design and verification process in product development, integrating lower power consumption, environmentally friendly materials, and recyclable materials into the design, and reducing the number of different components used; improve component operating power consumption and optimize heat dissipation efficiency to reduce heat loss.<br>2. Establish product development processes and standards, record the development process, and subsequently review and simplify the process. |
| Market | Developing new markets | 1. By 2025, focusing on existing customers, target products such as smart imaging applications, smart analytics, machine vision, and automotive modules, incorporating low-carbon, energy-saving, and performance-enhancing technologies to expand market share.<br>2. Future plans include conducting market research on climate change-related requirements and prioritizing consumer product preferences. |

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

<table>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>The process of identifying, assessing and managing climate risks is as follows:<br>
<table>
<tr><th>Process responsible person</th><th>Input</th><th>Process description</th><th>Output</th></tr>
<tr><td>ESG Committee<br>ESG promotion team</td><td>Industry trends and analysis</td><td>Risk identification:<br>Assess risk sources and risk items</td><td>Climate risk/opportunity topic</td></tr>
<tr><td>ESG Committee<br>ESG promotion team</td><td>Current status investigation for organizational operations</td><td>Risk assessment:<br>Assess the level of risk of risk items</td><td>Results of climate risk/opportunity</td></tr>
<tr><td>ESG Committee<br>Promoting member</td><td>Risk identification and level</td><td>Check the risk report:<br>Formulate strategic reports for items of high risk as identified</td><td>Risk management report</td></tr>
<tr><td>ESG Committee<br>Chairman of committee</td><td></td><td>Risk management report submission and disclosure:<br>Submit to the Board</td><td>Minutes of Board meetings</td></tr>
<tr><td>ESG Committee<br>ESG promotion team</td><td></td><td>Risk response:<br>High-risk item relief project implementation and follow-up</td><td>Implementation records of plans</td></tr>
</table></td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>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.<br>The company has identified risks and opportunities related to: Regulations, Supervision, Technology Compliance, Market, Reputation, Short-term/long-term risks. After communicating with relevant departments to ensure the accuracy of the climate risk and opportunity survey, the company 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.</td></tr>
<tr><td>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.</td><td>Climate Risk Identification, Assessment, and Management Process. The company's climate risk identification, assessment, and management process involves:<br>• Reviewing the development of climate-related initiatives within the company<br>• Identifying physical and transition risks and opportunities, as well as potential future issues<br>• Considering past performance in climate adaptation<br>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</td></tr>
</table>

| | |
|---|---|
| | opportunities.The subcommittee has identified the following transition risks and opportunities:<br>• Develop and/or increase low-carbon goods and services<br>• Research and development and innovation of new products and services<br>• Develop new markets<br>• Products and services tailored to changing consumer preferences<br>• Use more efficient production and distribution processes<br>To strengthen the company's greenhouse gas reduction goals, the subcommittee has set product goals to reduce greenhouse gas emissions from its own production and products. |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. | Internal carbon pricing is an issue that serves as a supplementary tool for climate risk management. In setting prices, the company uses carbon reduction initiatives as the basis for calculations, including investments in renewable energy/certificates and greenhouse gas emission reduction. To respond to the changes in the energy market following the introduction of new carbon reduction and carbon trading regulations and to reduce business risks, the internal carbon pricing policy is one of our long-term strategies to achieve our net-zero emissions target. |
| 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. | Our company conducts greenhouse gas inventory in accordance with ISO 14064-1. We have completed the verification work for our Taiwan site and Beiyue plant for 2025. The Dongguan plant in China is expected to complete the 2025 greenhouse gas inventory verification work by May 2026, to accurately grasp the company's overall greenhouse gas emission sources and emissions. We are also planning and setting carbon reduction targets using the Scientific Basis for Carbon Reduction (SBTi) approach, aiming to achieve net-zero emissions by 2050.<br>• Using 2023 as the base year, the short-term goal is to reduce energy intensity by 1% annually from 2024 to 2025, and to reduce carbon emissions per million RMB of revenue by 2% annually from 2024 to 2025 (Category I and Category II calculated together). Actual results show that in 2024, energy intensity at the Taiwan site decreased by 21.85%, energy intensity at the Dongguan site decreased by 17.03%, and carbon emissions per million RMB of revenue decreased by 38.67% (Category I and Category II calculated together).<br>• Medium- and long-term carbon reduction goals<br>1. Using 2023 as the base year, reduce energy intensity by 2% annually from 2026 to 2030.<br>2. Using 2023 as the base year, reduce carbon emissions per million RMB of revenue by 25% by 2030 (Category I and Category II calculated together).<br>3. 2050 Achieve net-zero emissions annually, and review carbon intensity reduction performance annually.<br>• For other detailed greenhouse gas reduction targets, strategies, action plans, and achievement performance, please refer to our sustainability report. |
| 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 CO 2 e), intensity (metric tons CO 2 e/ million yuan) and data coverage.

1. The Company (parent company) is required to disclose its greenhouse gas inventory data starting in 2026. It has already begun disclosing its 2023 greenhouse gas inventory data in 2024.

2. Consolidated financial statement subsidiaries are required to disclose their greenhouse gas inventory data starting in 2027. The Company has already begun disclosing greenhouse gas inventory data for its Dongguan, China plant in 2025, and for its Beiyue plant in 2026. The remaining consolidated financial statement subsidiaries are expected to begin disclosing their data in 2027.

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

| Year | 2024 | | 202 | |
|---|---|---|---|---|
| Ability Enterprise Co., Ltd. | Emissions (metric tons $CO_2$ e) | Greenhouse gas intensity (metric tons of $CO_2$ e /turnover in NT$ million) | Emissions (metric tons $CO_2$ e) | Greenhouse gas intensity (metric tons of $CO_2$ e /turnover in NT$ million) |
| Direct emissions (Scope 1) | 32.9412 | 0.0053 | 43.8426 | 0.0044 |
| Energy indirect emissions (scope 2) | 984.9798 | 0.1593 | 906.4321 | 0.0915 |

### 1-1-2 Greenhouse Gas Confirmation Information

The following is a description of the assurances exercised for the two most recent years up to the date of publication of the annual report, including the scope of assurances, the assurance bodies, assurance criteria, and assurance opinions.

1. The Company (parent company) should begin implementing third-party assurances from 2028. Third-party verification of greenhouse gas inventories began in 2023.

2. Consolidated financial statement subsidiaries should begin implementing third-party assurances from 2029. Third-party verification of greenhouse gas inventories at the Dongguan, China plant began in 2024, and third-party verification of greenhouse gas inventories at the Vietnam plant began in 2025. The remaining consolidated financial statement subsidiaries are expected to complete this process by 2029.

The Company (parent company)'s implementation of greenhouse gas assurances for the two most recent years is described below:

| Year | 2024 | 202 |
|---|---|---|
| Scope of Assurance | parent company<br>Dongguan, China plant | parent company<br>Dongguan, China plant<br>Vietnam plant |
| Assurance Authority | SGS | SGS |
| Assurance Criteria | ISO14064-3: 2019 | ISO14064-3: 2019 |
| Explanation of Assurance Circumstances | Reasonable Warranty | Parent Company: Reasonable Warranty<br>Dongguan, Chin Plant: In Progress, Verification Expected to be Completed by Mid-May 2026<br>Vietnam plant: Reasonable Warranty |

Note: For complete greenhouse gas inventory and assurance information, please refer to our website and sustainability report.

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 Boardapproved 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's Board of Directors has adopted the "Code of Conduct for Honest Business Practices" as a guideline and commitment for the Board and management to promote honest business practices, and this policy is continuously implemented in the Company's operations and various business activities. | |
| (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) Based on the "Code of Conduct for Honest Business Practices" and relevant internal regulations, the Company has established a risk assessment mechanism for dishonest behavior. To prevent conflicts of interest, it has also added a "Conflict of Interest Reporting Registration Form" and a "Supplier Social Responsibility Self-Assessment Questionnaire," etc. For companies with a higher risk of dishonest behavior, regular/irregular reporting is conducted in accordance with these regulations, and the Company manages these risks through its internal control system to ensure that all measures comply with the provisions of Article 7, Paragraph 2 of the "Code of Conduct for Honest Business Practices of Listed Companies." | |

| 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 clearly defined measures to prevent dishonest behavior in its "Code of Conduct for Honest Business Practices," "Code of Ethical Conduct," and "Work Rules," including operating procedures, behavioral guidelines, penalties for violations, and a complaint system. The Company has also incorporated the prevention of dishonest behavior into its internal control system, established reporting channels, ensured the effective operation of the system, and regularly reviewed and revised relevant measures. | |
| 2. Ethic Management Practice<br>(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)The Company has established a "Sustainable Development and Risk Management Executive Committee" under the Board of Directors, with a task force responsible for implementing integrity management and anti-corruption measures. The task force reports on the implementation status to the Board of Directors at least once a year. No violations related to integrity management or corruption occurred in 2025. The implementation status was reported to the Board of Directors on November 7, 2025:<br>1. Education and Training:<br>(1) Integrity management and anti-corruption education and training for employees | |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| | | | (2) Integrity management courses for new employees<br>(3) Promotion of trade secret protection management regulations.<br>2. Integrity Promotion:<br>(1) Promotion of matters that employees should pay attention to when performing business through the company's public broadcasting system.<br>(2) Promotion of relevant laws and regulations on preventing insider trading for directors and managers.<br>3. Suppliers signing social responsibility agreements. | |
| (3) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? | V | | (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. Our company has also established a "Code of Ethical Conduct" as a guide for colleagues to follow when performing business, to prevent dishonest behavior and avoid conflicts of interest. | No specific deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| (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 | | (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. | No specific deviation |
| (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.<br>In 2025, a total of 798 employees received training on integrity management and anti-corruption education, totaling 10,630 minutes. The implementation status for 2025 was reported to the Board of Directors on November 7 of the same year. | No specific deviation |
| 3. Implementation of Complaint Procedures<br>(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? | V | | (1) The Company has established "Regulations for Handling and Confidentiality of Whistleblower Cases," with the "Audit Department" designated as the responsible unit for handling complaints/reports. Complainants/whistleblowers may submit complaints and reports anonymously or with their names stated, and must provide specific evidence of any illegal activities. | No specific deviation |

| Assessment Item | Implementation Status | | | Non-implementation and its reason(s) |
|---|---|---|---|---|
| | Y | N | Explanation | |
| (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 | | (2) Upon receiving a complaint/report, the Company will form a special task force to investigate the case. Complaints/reports involving ordinary employees should be reported to their department heads; reports involving directors or senior executives should be reported to independent directors. | |
| (3)Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint? | V | | (3) The Company will keep the identity of the complainant/whistleblower and the content of the report confidential, and will complete the investigation as quickly as possible to ensure the safety of employees or external third parties. Complainants/whistleblowers may report any illegal activities. | |
| 4. Information Disclosure<br>(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 implementation status of the Company's "Code of Conduct for Honest Business" has been disclosed on the Company's website and in its annual reports (https://tw.abilitytw.com), and the content of the aforementioned code of conduct is also disclosed on the Company's website. | No specific deviation |

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

1. The Company reported to the Board of Directors on the intellectual property management plan and its implementation status on November 7, 2025:

(1) Intellectual Property Management Plan:

Continuously innovate to produce high-quality patents, protect the company's trade secrets and R&D results, and promote the integration of intellectual property layout with the company's operational goals.

(2) Intellectual Property Management Methods:

a. Patent and Trademark Management: Conduct searches in-house or outsourced to reduce infringement risks and protect intellectual property; entrust firms to assist in reviewing and filing patent and trademark applications in various countries; provide patent bonuses to encourage employee proposals; and effectively manage patents using patent management methods and electronic patent platforms.

b. Trade Secret Management: Sign corresponding contracts with employees upon joining and leaving the company to protect the company's intellectual property; conduct periodic awareness campaigns and training; and effectively manage confidential information using information management methods.

(3) Implementation Status:

a. The Company reports to the Board of Directors annually on the intellectual property management plan and its implementation status, and this report was submitted on November 7, 2025.

b. In 2025, the company conducted training on trade secrets and corporate governance, with 53 participants totaling 159 hours. New employee training courses included additional content on trade secrets.

c. As of the end of December 2025, the company's intellectual property assets included: 5 trademarks, 280 invention patents, 61 utility model patents, and 1 design patent; of which 18 patents were granted in 2025.

2. The company's website has a "Corporate Governance Zone" for stakeholders to access information related to corporate governance operations. (https://tw.abilitytw.com/ir/operations-implementation)

### 2.2.9 Internal Control Systems:

ABILITY ENTERPRISE CO., LTD.

Statement of Internal Control System

Date: March 13, 2026

Based on the findings of self-assessment, ABILITY ENTERPRISE CO., LTD. (ABILITY) states the following with regard to its internal control system in 2025:

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, 2025, 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 2025 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 13, 2026 with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

ABILITY ENTERPRISE CO., LTD.

CHANG, HSIAO-CHI
Chairman & CEO

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/<br>Decision Maker | Major resolutions (extracts) |
|---|---|
| 2025.6.25<br>Shareholders' meeting | 1.Approved the company's 2024 annual business report and financial statements.<br>2.Approved the company's 2024 profit distribution proposal.<br>3.Proposed issuance of new shares to restrict employee rights.<br>4.The plan to issue new shares through a capital increase from retained earnings.<br>5.The plan to elect a complete new board of directors (including independent directors).<br>6.The plan to lift the non-compete restrictions on newly appointed directors. |
| 2025.03.07<br>Board meeting | 1. The company's 2023 financial statements.<br>2. The company's 2023 annual business report.<br>3. Proposal on the amount of directors' remuneration for the year 2023 of the Company.<br>4. The company's 2023 employee remuneration provision proposal.<br>5. The Company's "2023 Internal Control Statement".<br>6. Evaluate the independence of the company's accountants.<br>7. Amendment to the Company's Articles of Incorporation.<br>8. Proposal for comprehensive re-election of the company's directors (including independent directors).<br>9. Date, time, location and other related matters of the 2025 General Meeting of Shareholders.<br>10. Formulate the acceptance period and venue for shareholder proposals at the 2025 General Meeting of Shareholders.<br>11. Matters related to the credit granting between the Company and the bank.<br>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.<br>13. The Company's 2025 operating plan. |
| 2025.04.07<br>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<br>Board meeting | 1. The consolidated financial statements of the Company for the first quarter of 2025.<br>2. Public expense case for the appointment of accountants.<br>3. The company's profit distribution plan for 2024.<br>4. Case of issuing new shares by converting surplus into capital.<br>5. Propose to submit for approval the list of candidates for directors (including independent directors).<br>6. Proposed proposal to lift the non-competition restriction on the new directors of the Company.<br>7. Added the date, time, location and other related matters for the 2025 Annual General Meeting of Shareholders.<br>8. Matters related to the credit between the Company and the bank.<br>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. |
| 2025.7.7<br>Board meeting | 1. Election of the Company's Chairman.<br>2. Appointment of members of the Company's Sixth Salary and Compensation Committee.<br>3. Lifting of non-compete agreements for managers. |

| Date/<br>Decision Maker | Major resolutions (extracts) |
|---|---|
| 2025.08.12<br>Board meeting | 1. Consolidated Financial Statements for the Second Quarter of 2025.<br>2. Distribution of Directors' Remuneration for the Year 2024.<br>3. Remuneration of Independent Directors.<br>4. Adjustment of Managerial Performance-Based Salaries for the Year 2025.<br>5. Employee Remuneration and Performance-Based Annual Salary for Managers in the Year 2024 and 2025.<br>6. List of Restricted Employee Rights Shareholders (including managers and non-managers) and Related Matters.<br>7. Matters Related to the 2024 Earnings Share Issuance and Capital Increase Base Date.<br>8. Proposed Establishment of a Sustainability and Risk Management Committee and Drafting of Committee Organizational Procedures.<br>9. Appointment of Members of the First Sustainability and Risk Management Committee.<br>10. Matters Related to Bank Credit Lines.<br>11. Preparation and Submission of the Company's 2024 "Sustainability Report". |
| 2025.11.7<br>Board meeting | 1. Consolidated Financial Statements for the Third Quarter of 2025. 2. The Company's 2025 Managerial Year-End Bonus and Performance Bonus Distribution Plan.<br>3. Amendments to the Company's "Internal Control System".<br>4. The Company's "Management Control Procedures for Preventing Insider Trading".<br>5. The Company's "2026 Audit Plan".<br>6. Matters related to the Company's bank credit lines.<br>7. Amendments to the Company's "Related Party Transaction Management Regulations".<br>8. The Plan for Restricting Employee Rights by Cancelling New Shares for Capital Reduction and Setting the Capital Reduction Benchmark Date in the Third Quarter of 2025. |
| 2025.12.11<br>Board meeting | The proposed plan includes a cash capital increase through the issuance of new shares and the raising and issuance of the second unsecured convertible corporate bond. |
| 2026.1.26<br>Board meeting | The 2026 cash capital increase employee share subscription list case. |
| 2026.3.13<br>Board meeting | 1. The Company's 2025 Financial Statements.<br>2. The Company's 2025 Business Report.<br>3. The Company's 2025 Directors' Remuneration Proposal.<br>4. The Company's 2025 Employee Remuneration Proposal.<br>5. Salary Structure and Bonus for Newly Appointed Managers.<br>6. The Company's 2026 Managers' Performance-Based Salary Adjustment Proposal.<br>7. "2025 Internal Control Statement".<br>8. Amendments to the Company's "Internal Control System".<br>9. Assessment of the Independence of the Company's Accountants.<br>10. Matters Concerning the Date, Time, and Location of the 2026 Annual General Meeting of Shareholders.<br>11. Drafting the Period and Location for Accepting Shareholder Proposals at the 2026 Annual General Meeting of Shareholders.<br>12. Matters Related to the Company's Bank Credit Line.<br>13. The 2025 Fourth Quarter Restriction of Employee Rights New Share Cancellation and Capital Reduction Proposal and Determination of the Capital Reduction Benchmark Date.<br>14. The Company's 2026 Operating Plan. |

| Date/<br>Decision Maker | Major resolutions (extracts) |
|---|---|
| 2026.5.8<br>Board meeting | 1. Consolidated Financial Statements for the First Quarter of 2026.<br>2. Appointment of Accountants.<br>3. Profit Distribution for the Year 2025.<br>4. Proposed Issuance of Restricted Employee Rights Shares.<br>5. Proposed Lifting of Non-Competition Restrictions on Directors of the Company.<br>6. Matters Concerning the Date, Time, and Location of the 2026 Annual General Meeting of Shareholders.<br>7. Matters Related to Credit Lines with Banks.<br>8. Cancellation of Restricted Employee Rights Shares for the First Quarter of 2026 and Determination of the Capital Reduction Benchmark Date.<br>9. Proposed Increase in Investment in the Vietnamese Subsidiary, Jia Zhi Electric Power Co., Ltd. (AETV).<br>10. Distribution of Directors' Remuneration for the Year 2025.<br>11. List of Restricted Employee Rights Shareholders (including managers and non-managers) and Related Matters. |

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 | 1/1/2025 ~ 12/31/2025 | 3,400 | 611 | 4,011 | - |
| | FENG, MIN-JUAN | 1/1/2025~ 12/31/2025 | | | | |

Note：TP report,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: None.

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 | 2025 | | 1/1/2026 ~ 4/27/2026 | |
|---|---|---|---|---|---|
| | | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Chairman and President | Chia-Mei Investment Co., Ltd.<br>Rep.: CHANG, HSIAO-CHI | 270,137 | - | 70,018 | - |
| Director | Chia-Mei Investment Co., Ltd.<br>Rep.: Tong, Chun-Jen | | | | |
| Director | Chia-Mei Investment Co., Ltd.<br>Rep.: Tong, Chun-Yi | | | | |
| Director | ABICO AVY Co., Ltd.<br>Rep. : Hu, Shiang-Chi | 3,889,786 | - | 2,389,113 | - |
| Director | ABICO AVY Co., Ltd.<br>Rep. : Chiang,Shu-Chen | | | | |
| Independent Director | Chen, Chien-Hung | - | - | - | - |
| Independent Director | Huang, Chih-chen | - | - | - | - |
| Independent Director | Huang, Kuo-Lun | - | - | - | - |
| Independent Director | Chao,Hsiao-Wei | - | - | - | - |
| President | CHANG, HSIAO-CHI | 97,571<br>(50,000) | - | 29,031 | - |
| Vice President | Adams Chen | 88,118<br>(40,000) | - | 22,015 | - |
| Vice President | Vincent Lu | 87,753<br>(40,000) | - | 6,155 | - |
| Assistant Vice President | Jackie Lee | 55,180<br>(25,000) | - | 17,637 | |
| Assistant Vice President | Darell Lin | - | - | 8,536 | |
| Chief Financial Officer | Lin, Hung-Tien | 47,857<br>(36,000) | - | 13,071 | - |
| Accounting Supervisor | Lin, HSIN-CHUN | 8,506<br>(8,400) | - | 7,546 | - |
| Corporate Governance officer | Huang, Mei-Ling | 5,676<br>(1,000) | - | 6,434 | - |
| Former Chairman | VIEWQUEST Investment Co. Ltd.<br>Rep.:Tseng, Ming-Jen | - | - | - | - |
| major stockholder | ABICO AVY Co., Ltd. | 3,889,786 | - | 2,389,113 | - |

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 04/27/2026

| 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.<br>Rep.: Tong, Chun-Jen | 38,748,899 | 11.51% | — | — | — | — | VIEWQUEST Investment Co., Ltd. | Parent company and subsidiaries | |
| | 629 | 0.00% | 37,794 | 0.01% | — | — | Dong,Yi-Jun<br>Chen Pei-Yu | family | |
| CHIA NAI INVESTMENT CO., LTD.<br>Rep.: TUNG,I-CHIA | 5,000,414 | 1.49% | — | — | — | — | — | — | |
| | — | — | 11,193 | 0.00% | — | — | — | — | |
| Pegatron Corporation<br>Rep.: T.H. Tung | 3,671,028 | 1.09% | — | — | — | — | — | — | |
| | — | — | | | | | | | |
| Chia-Mei Investment Co., Ltd.<br>Rep.:Dong,Yi-Jun | 2,595,129 | 0.77% | — | — | — | — | — | — | |
| | — | — | — | — | — | — | Tong, Chun-Jen | family | |
| Chase Custody Advanced Starlight Advanced Total International Stock Index Fund Investment Account | 2,375,284 | 0.71% | — | — | — | — | — | — | |
| VIEWQUEST Investment Co., Ltd.<br>Rep.: Tong, Chun-Jen | 2,351,572 | 0.70% | — | — | — | — | ABICO AVY Co., Ltd. | Parent company and subsidiaries | |
| | 629 | 0.00% | 32,481 | 0.01 | — | — | Dong,Yi-Jun | family | |
| Wu Hengbin | 1,869,888 | 0.56% | — | — | — | — | — | — | |
| JPMorgan Chase Bank N.A.， Taipei Branch in custody for Vanguard Total International Stock Index Fund， a series of Vanguard Star Funds | 1,815,992 | 0.54% | — | — | — | — | — | — | |
| 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 | 1,551,800 | 0.46% | — | — | — | — | — | — | |
| Jiesheng Investment Company<br>Rep：Chen Pei-Yu | 1,460,587 | 0.43% | — | — | — | — | — | — | |
| | 37,794 | 0.01% | 629 | 0.00% | — | — | Dong,Yi-Jun | family | |

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 12/31/2025

| 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 | 21,700,000 | 100 | — | — | 21,700,000 | 100 |
| Ability Electronics Technology (Vietnam) Company Limited | — | 100 | — | — | — | 100 |
| E-PIN OPTICAL INDUSTRY CO.,LTD. | 17,149,503 | 90.26 | — | — | 17,149,503 | 90.26 |
| 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 |
| 2025.06 | 10 | 800,000,000 | 8,000,000,000 | 289,363,512 | 2,893,635,120 | Cancellation of Issued RSA NT$140,000 | None | |
| 2025.11 | 10 | 800,000,000 | 8,000,000,000 | 324,587,133 | 3,245,871,330 | Issuance of Employee Restricted Stocks NT$5,000,000<br>Retained earnings converted into capital NT$347,236,210 | None | |
| 2025.12 | 10 | 800,000,000 | 8,000,000,000 | 324,579,133 | 3,245,791,330 | Cancellation of Issued RSA NT$80,000 | None | |
| 2026.04 | 10 | 800,000,000 | 8,000,000,000 | 336,575,533 | 3,365,755,330 | Cancellation of Issued RSA NT$36,000<br>Cash capital increase NTS120,000,000 | None | |

As of 04/27/2026

| Type of Share | Authorized Capital | | | Remark |
|---|---|---|---|---|
| | Issued Shares | Un-issued Shares | Total Shares | |
| Common shares | 336,575,533 | 463,424,467 | 800,000,000 | Listed stock |

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

As of 04/27/2026

| Shareholder's Name | Shareholding (Shares) | % |
|---|---|---|
| ABICO AVY CO., LTD. | 38,748,899 | 11.51% |

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:

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 2026 Shareholders' Meeting proposed to distribute cash of NT$2.0 per share.

3.1.4 Influence from free allocation of shares on the Company's business performance and earnings per share: None.

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 2025:

a. Employees' remuneration: NT$79,921,481.

b. Directors' remuneration: NT$ 14,985,278.

3.1.5.4 The actual remuneration distribution for employees and directors for 2024 and the discrepancy between which and the recognized amount as well as exact amount of difference, causes and responses:

(1) The 2024employees' and directors' remuneration distribution:

a. Employees' remuneration: NT$ 54,196,727.

b. Directors' remuneration: NT$ 10,161,886.

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

3.1.6 Application for repurchase of the Company's shares in the most recent year up to the date of report：None.

3.2 Issuance of Corporate Bond:

3.2.1 Status of Corporate Bond Processing:

| Corporate Bond Type | The 2nd domestic unsecured convertible corporate bonds |
|---|---|
| Issue Date | 02/02/2026 |
| Face value per bond | NT$ 100 thousand |
| Issuance and listing | Issued within the territory of the Republic of China |
| Issue price | Issued at 101% of face value |
| Total amount issued | NT$300 million |
| Coupon rate | 0% |
| Issuance period | 5-year, Due date: 02/02/2030 |
| Guarantor | None |
| Trustee | Bank SinoPac |
| Underwriter | KGI Securities |
| Legal counsel | Handsome Attorneys-at-Law : Qiu, Ya-Wen |
| Auditor | PricewaterhouseCoopers, Taiwan<br>RUAN LU,MAN-YU and FENG,MIN-JUAN |
| Repayment | Except where the holders of these convertible bonds convert them into the Company's common shares pursuant to Article 10 of these Regulations, or exercise the put option under Article 19, or where the Company redeems the bonds pursuant to Article 18 or repurchases and cancels them through securities firms, the Company shall repay the bonds in a lump sum in cash at par value within ten business days starting from the day following the maturity date of these convertible bonds. |
| Outstanding amount | As of 05/08/2026, the outstanding principal amounted to NT$300,000 thousand. |
| Redemption or early repayment clause | Please refer to Articles 18 and 19 of the Issuance and Conversion Regulations for details. |
| Covenant applicable | NA |
| Credit rating agency, rating date, bond rating | None |

<table>
<tr><th colspan="2">Corporate Bond Type</th><th>The 2nd domestic unsecured convertible corporate bonds</th></tr>
<tr><td rowspan="2">Other rights of bond holders</td><td>Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or subscribed) up to the date of publication of the Annual Report</td><td>None</td></tr>
<tr><td>Regulations on Issuance and Conversion (Exchange or Subscription)</td><td>Please refer to the Company's Regulations for the Issuance and Conversion of the 2nd Domestic Unsecured Convertible Corporate Bonds.</td></tr>
<tr><td colspan="2">Dilution and other effects on existing shareholders' equity.</td><td>The total face value of the convertible corporate bonds issued this time is NT$300 million. The bond issuance period is five years. The timing of the conversion requests by creditors will vary, which will delay the dilution of earnings per share and will not have a significant impact on the equity of existing shareholders.</td></tr>
<tr><td colspan="2">Custodian of exchanged securities</td><td>NA</td></tr>
</table>

4.2.2 Documents Required for Converting Corporate Bonds:

<table>
<tr><th colspan="2">Corporate Bond Type</th><th>The second domestic unsecured convertible corporate bonds</th></tr>
<tr><td colspan="2">Year<br>Item</td><td>As of 05/08/2025</td></tr>
<tr><td rowspan="3">Market price of the corporate bond for conversion</td><td>Highest</td><td>128.5</td></tr>
<tr><td>Lowest</td><td>109.1</td></tr>
<tr><td>Average</td><td>117.5</td></tr>
<tr><td colspan="2">Conversion price</td><td>86.3</td></tr>
<tr><td colspan="2">Date of issuance and Conversion price at issuance</td><td>Date of issuance and Conversion price at issuance Date of issuance on 02/03/2026, Conversion price at issuance: NT$ 86.8</td></tr>
<tr><td colspan="2">The way of performing the conversion obligations</td><td>For the common shares of the Company, the Company will perform the conversion obligations by issuing new shares. The new common shares for exchange will be transferred and delivered according to the account book, and will not be printed in physical form.</td></tr>
</table>

4.2.3 Information on exchanged corporate bonds, summary of the application for issuance of corporate bonds and information on corporate bonds with warrants: None.

3.3 Preferred Stock: None.

3.4 Global Depository Receipts: None.

3.5 Employee Stock Options: None.

3.6 Employee Restricted Stocks

3.6.1 Issuance of Employee Restricted Stocks

As of 05/08/2026

| Type of Restricted Shares | Grant of 2024 |
|---|---|
| Approval Date by the Authority and Total shares | 2024/8/30;<br>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:<br>1. One year: 40%.<br>2. Two years: 30%.<br>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.<br>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. |

3.6.2 Issuance of Employee Restricted Stocks

As of 05/08/2026

| Type of Restricted Shares | Grant of 2024 |
|---|---|
| Approval Date by the Authority and Total shares | 2024/12/17;<br>1,922,000 shares |
| Grant Date | 2025/8/28 |
| Number of Employee Restricted Stock Granted | 500,000 shares |
| It’s still possible to issue Employee Restricted Stock | 1,422,000 share |
| Price of Issuance | NT$ 0 |
| Percentage of Employee Restricted Stocks to Outstanding Common Shares | 0.57% |
| 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:<br>1. One year: 40%.<br>2. Two years: 30%.<br>3. Three years: 30%. |
| Custody of Employee Restricted Stocks | A total of 500,000 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 | 0 |
| Number of Employee Restricted Stocks Free from Custody | 7,000 |
| Number of Employee Restricted Stocks under Custody | 493,000 |
| Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%) | 0.15% |
| Impact on Shareholders’Equity | 1.Possible expensing amount for three years is estimated to be NT$71,326 thousand. The annually expensed amount is estimated at NT$47,046 thousands, NT$17,465 thousands and NT$6,815 thousands, respectively.<br>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 Sh | 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 tanding 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 | 566,000 | 0.17% | 146,400 | 0 | 0 | 0.04% | 419,600 | 0 | 0 | 0.12% |
| | Vice President | Vincent Lu | | | | | | | | | | |
| | | Adams Chen | | | | | | | | | | |
| | Assistant Vice President | Jackie Lee | | | | | | | | | | |
| | | Darrell Lin | | | | | | | | | | |
| | Chief Financial Officer | Lin, Hung-Tien | | | | | | | | | | |
| | Accounting Supervisor | Lin, Xing-Jun | | | | | | | | | | |
| | Corporate Governance officer | Huang, Mei-Ling | | | | | | | | | | |
| Employee | Senior Director | Casper Wu | 544,000 | 0.16% | 134,000 | 0 | 0 | 0.04% | 410,000 | 0 | 0 | 0.12% |
| | Senior Director | Jonny Wu | | | | | | | | | | |
| | Senior Director | Edward Hung | | | | | | | | | | |
| | Director | Sean Chao | | | | | | | | | | |
| | Director | Renn Chang | | | | | | | | | | |
| | Director | Angela Tseng | | | | | | | | | | |
| | Deputy Director | Tony Tseng | | | | | | | | | | |
| | Deputy Director | Ankie Liu | | | | | | | | | | |
| | Special Assistant | Nicol Lee | | | | | | | | | | |
| | Special Assistant | Alan Chang | | | | | | | | | | |

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：

•Plan Details:

For further information, please refer to the disclosures published on the Market

Observation Post System (MOPS) under “Single Company” > “Changes in Shareholding/Securities Issuance” > “Fundraising” > “Execution of Fundraising Plans.” https://mopsov.twse.com.tw/mops/web/bfhtm_q2

•Implementation Status:

For further information, please refer to the disclosures published on the Market Observation Post System (MOPS) under “Single Company” > “Changes in Shareholding/Securities Issuance” > “Fundraising” > “Execution of Fundraising Plans.” https://mopsov.twse.com.tw/mops/web/bfhtm_q2

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.

2 Breakdown of Sales by Major Products

Unit: NT$ thousands

| 2025 | | |
|---|---|---|
| Major Products | amount | % |
| Optic products | 9,908,160 | 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/5G 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.
(23) Wearable cameras for police and non-police use.

### 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 for rapid development of core AI algorithm modules and years of industry-leading firmware development.

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

| Year / Item | 2025 | 1/1/2026 ~ 3/31/2026 (Note 1) |
|---|---|---|
| R&D Expense (A) | 768,701 | 194,405 |
| Net Revenue (B) | 9,908,160 | 2,655,782 |
| (A)/(B) | 7.76% | 7.32% |

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, including video, smart security, automotive camera modules, automotive DVRs, action cameras, instant printers/cameras, and other smart products. Continuing the experience gained from in-house production and collaborations with renowned international manufacturers, coupled with excellent production management and cost advantages, the company spares no effort in its technological development.

The R&D direction focuses on the integration of optics, mechanics, electronics, and software. It effectively vertically integrates and controls specifications in optical lenses and electronic SOCs, collaborating with major upstream component manufacturers to reduce costs and increase competitiveness through internal and external partnerships.

The company's visual application technologies are rapidly maturing. AI development has progressed from "AI artificial intelligence recognition," the establishment of AI framework architecture, AIoT, 3D TOF "multi-person dynamic measurement," millimeter-wave radar detection systems, and "automotive applications," to the current AI 2.0. These technologies are now comprehensively applied in diverse scenarios such as smart homes, smart retail, smart cities, and smart factories, providing high-resolution image quality and optimizing edge vision AI processing capabilities for various applications, enabling products to achieve excellent edge computing results across various fields. As AI technology matures, its applications extend beyond camera photography and video recording, emphasizing high-resolution and high-quality products. Currently, AI intelligence is being applied to smart homes, personal safety, and driving safety, combined with IoT and big data, and applied to image vision products. Recently, internally developed ADAS and DMS functions have been successfully mass-produced in Japanese fleet management products.

In 2023, we implemented ESG sustainability enhancements to strengthen our intelligent products, offering products with standard interfaces such as Ethernet/USB for security and automotive applications. We also provide customized AI functionality services, allowing customers to implement their desired AI product functions on the edge, enjoying high-value products without needing cloud services (automotive ADAS and LTE products were successfully mass-produced in 2025). Our hardware and software applications utilize AI Framework architecture, providing standard hardware and software interfaces (offering optimal software SDKs, interface specifications, and image pre-processing). This allows AI developers to quickly develop their own unique AI functions without having to develop hardware and software from scratch, accelerating product mass production time. Our action cameras and surround-view cameras incorporate modular designs, supporting main unit and multi-lens switching for an optimal imaging experience. We also integrate the latest transmission technologies to achieve real-time 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) and AI-powered intelligent image processing 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

The rise of 360° panoramic cameras in conjunction with VR is fueling consumer demand for live streaming. Several companies are also investing in professional 3D 360° cameras for various industry applications, but whether this will drive significant market demand remains to be seen.

According to Valuates, a US research firm, the global automotive camera module market is projected to grow at a CAGR of 19.5% from 2026 to 2030, reaching a total market size of $28.7 billion.

Demand for AI-powered smart video monitors is burgeoning, and coupled with national security and privacy concerns, the need for decentralization continues to rise.

#### 4.2.1.3 Future supply and demand of the market and its growth

Demand for traditional non-interchangeable lens digital cameras has decreased, but the market still maintains a basic level of demand, estimated to be maintained at a minimum level for the next three years. On the supply side, only a few companies remain engaged in digital camera OEM manufacturing, and our company is the largest professional OEM among them. It is anticipated that the few remaining manufacturers will cease investment or shift to other products, no longer focusing on digital cameras as their primary focus, due to unprofitability. With reduced supply, supply and demand will gradually reach equilibrium. Under these circumstances, our company's operations will no longer prioritize quantity. Instead, we will focus on mid-to-high-end compact digital camera products and imaging solutions for commercial applications, pursuing qualitative growth by providing customized services to meet the differentiated needs of the market.

The emerging 360-degree panoramic camera is a key imaging product worth watching in the future. Our company has already invested resources in this product project, and several mobile phone manufacturers and European and American consumer brands, excluding traditional Japanese camera companies, have begun cooperating with us to ship products, including both consumer and professional panoramic cameras. We expect our company to have the opportunity to gain a foothold in this market.

Countries like the EU, US, Japan, and China began enacting legislation and implementing some ADAS (Advanced Driver Assistance Systems) functions in 2020. The EU further revised EU 2019/2144, mandating the installation of ADAS in vehicles by the second half of 2022 to improve road safety. These demands are stimulating the ADAS product and application market, leading to continuous expansion of functions and optimization of overall products to provide more tailored solutions for consumer behavior. These products all require the integration of automotive camera modules.

As the next wave of digital revolution, the main markets for edge computing hardware, software, and services are expected to be the US and Europe, with the Asia-Pacific market following. Furthermore, driven by 5G, the number of connected AIoT devices is projected to increase to 55.7 billion annually by 2026.

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. Adjust and simplify the manufacturing system and supply chain, and accelerate the automation of production lines.
d. 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.
e. 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.
f. 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

Regarding the supply of key raw materials, the surge in demand from artificial intelligence (AI) has led to a significant increase in capacity occupied by high-bandwidth memory (HBM) and advanced packaging technologies, resulting in generally longer lead times across the industry. However, thanks to our forward-looking strategic material preparation mechanism, we successfully ensured uninterrupted production lines and effectively mitigated the impact of price fluctuations. Meanwhile, with our Vietnam plant operating at full capacity, the development of a localized supply chain has yielded positive results, further solidifying our supply momentum.

Given the continued high risks associated with the international political situation surrounding the Iraq War and major natural disasters, we will continue to conduct investigations into the sourcing and origin of raw materials to strengthen supply chain risk management. Furthermore, we will implement sustainable supply chain management goals in line with energy conservation, carbon reduction, and ESG/TCFD principles to establish a resilient, timely, and corporately 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 | 2024 | | | | 2025 | | | | As of 2026 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 | 448,395 | 10.97% | None | Supplier E | 826,793 | 10.15% | None | Supplier E | 352,900 | 15.86% | None |
| 2 | Others | 3,640,602 | 89.03% | — | Others | 7,316,926 | 89.85% | — | Others | 1,872,823 | 84.14% | — |
| 3 | — | — | — | — | — | — | — | — | — | — | — | — |
| 4 | — | — | — | — | — | — | — | — | — | — | — | — |
| | Net Total Purchases | 4,088,997 | 100.00% | — | Net Total Purchases | 8,143,719 | 100.00% | — | Net Total Purchases | 2,225,723 | 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 | 2024 | | | | 2025 | | | | As of 2026 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 | 2,980,603 | 48.21 % | None | AA | 4,735,517 | 47.79 % | None | AA | 969,559 | 36.51% | None |
| 2 | LL | 648,197 | 10.48% | None | KK | 1,701,349 | 17.17% | None | KK | 825,415 | 31.08% | None |
| 3 | KK | 361,515 | 5.85% | None | LL | 1,338,489 | 13.51% | None | LL | 378,465 | 14.25% | None |
| 4 | Others | 2,192,579 | 35.46% | — | Others | 2,132,805 | 21.53% | — | Others | 482,343 | 18.16% | — |
| | Net Total Sales | 6,182,894 | 100.00% | — | Net Total Sales | 9,908,160 | 100.00% | — | Net Total Sales | 2,655,782 | 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 | | 2024 | 2025 | As of 2026.5.8 |
|---|---|---|---|---|
| Number of Employees | Others | 235 | 246 | 241 |
| | R&D | 249 | 277 | 275 |
| | Operator | 105 | 96 | 84 |
| | Total | 589 | 619 | 600 |
| Average Age | | 39.82 | 40.22 | 40.72 |
| Average Years of Service | | 9.14 | 9.07 | 9.60 |
| Education | Ph.D. | 0.17% | 0.16% | 0.17% |
| | Masters | 28.86% | 30.37% | 31.5% |
| | Bachelor's Degree | 58.74% | 59.29% | 59.00% |
| | Senior High School | 10.53% | 8.89% | 8.00% |
| | Below Senior High School | 1.70% | 1.29% | 1.33% |

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. Unscheduledly 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)Regarding childcare policies: In addition to implementing the Labor Standards Act, our company has planned a number of maternity care benefits that exceed the legal requirements, striving to create a family-friendly workplace. These include: prenatal check-up leave, paternity leave, and accompanying family members for prenatal check-ups are all extended by one day compared to the statutory days, comprehensively considering employees' work-life balance. Furthermore, we provide an annual fixed childcare allowance for families with children aged 0-6. We will continue to implement these friendly measures to support every colleague in achieving a perfect balance between work and family responsibilities.

(9)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.

(10)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.

(11)The total company related benefits in fiscal year 2025 amounted to NT$19,08 thousand. Other benefits includes company travel, community activities, subsidization, birthdays and other employee benefits of the company, with a total amount of NT$13,831 thousand.

Unit: NT$ thousands

| Item | Amount |
|---|---|
| Health Checkup Fee | 2,753 |
| Group Insurance | 2,317 |
| Lifeline Consulting Fee | 118 |
| Networking Fee | 69 |
| Other Benefits | 13,831 |
| Total Amount | 19,088 |

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: Providing employees with a safe and secure work environment is very important. We conduct fire safety training and drills every six months, occupational safety and health training every year (565 people completed this training in 2025), regular refresher courses for organic solvent supervisors and free radiation-radiation protection, first aid skills courses, etc.

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

| |
|---|
| **Access security**<br>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.<br>2. The company has a 24-hour control and access control for all external access control and internal important entry barriers.<br>3. The company has security personnel to assist in maintaining the safety of the site and patrolling regularly. |
| **Maintenance of various equipment**<br>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.<br>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.<br>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. |
| **Disaster prevention measures and strains**<br>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.<br>2. Employee Right of Retreat: When employees discover an immediate danger while performing their duties, they may, without jeopardizing the safety of other workers, cease work and retreat to a safe location.<br>3. Self-defense and fire-fighting drills are conducted regularly every six months to maintain workplace safety. Two drills were conducted each at the Xinzhuang |

| |
|---|
| headquarters and Wugu factory in 2025, and no fire incidents occurred during the year.<br>4. Monthly training sessions are conducted on fire prevention, earthquake preparedness, electrical safety, and environmental safety and hygiene to prevent disasters. |
| **Physiological health**<br>1. Health Checks: All new employees undergo a physical examination before starting work. Annual health checkups are provided to all current employees at a frequency exceeding legal requirements. Senior health checkups are arranged for supervisors every two years. In 2025, 369 employees were required to undergo health checkups, and 363 completed them, a completion rate of 98.4%. 179 employees were eligible for senior health checkups, and 176 completed them, a completion rate of 98.3%. Individualized health counseling and follow-up care are provided for high-risk cases identified in health checkups.<br>2. Work Environment: The company regularly disinfects the factory area, and the company environment is maintained by dedicated personnel.<br>3. Health and hygiene education lectures and company club activities are held periodically to encourage employee participation and improve relevant knowledge and health awareness.<br>4. Smoking hazard prevention regulations are strictly enforced; smoking is completely prohibited in the workplace.<br>5. Human hazard prevention, prevention of diseases caused by excessive workload, maternal health protection, and prevention of workplace-related illegal harm are implemented.<br>6. Special Hazard Management: For operations involving special hazards such as ionizing radiation and n-hexane, implement graded management and provide follow-up guidance by professional personnel to ensure that operational risks are within a controlled range |
| **Mental health**<br>1. Education and training: Provide employee stress training course lectures, employee communication technology lectures, etc., to assist employees in psychological adjustment.<br>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.<br>3. Violence and sexual harassment prevention: Establish a complaint channel to protect personal privacy.<br>4. Prevention of Mental Health and Social Psychological Harms: Our company implements the "Four Major Occupational Health Protection Plans" to ensure employees are free from workplace violence and psychological harm.<br>5. Workplace Maternal Health Protection Plan: We provide health care, environmental assessments, job suitability assessments, and adjustments for pregnant and postpartum female employees.<br>6. Human-Cause Hazard Prevention Plan: Prevent musculoskeletal injuries through improved work posture, ergonomics promotion, and health lectures.<br>7. Disease Prevention Plan for Abnormal Workload: Understand employee overtime situations, conduct health check-up promotion lectures, and prevent cerebrovascular and cardiovascular diseases caused by overwork.<br>**8.** Workplace Violation Prevention Plan: Conduct workplace violation prevention lectures, establish complaint channels, and implement a zero-tolerance policy for workplace bullying and sexual harassment. |
| **Contractor operation management**<br>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**<br>The group insurance includes term life insurance, accidental injury insurance, accident medical insurance and hospitalization, cancer medical insurance and concessions, and |

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|---|
| self-pay insurance; and childbirth, injury and hospitalization condolences. |
| **Physical Environment Monitoring**<br>We conduct regular workplace environmental monitoring (e.g., carbon dioxide concentration, organic solvents) every six months to ensure all indicators meet legal standards. |
| **Environmental Safety and Health Management System**<br>Our company has established a comprehensive management system to implement risk control.<br>Management Structure: In accordance with the Occupational Safety and Health Act, we have established an "Occupational Safety and Health Committee" to regularly review safety and health policies and improvement measures.<br>Certification Status: The company has obtained ISO 14001 and 45001 certifications.<br>•ISO 45001 Certification Validity: 2023/5/12 to 2026/5/12.<br>•ISO 14001 Certification Validity: 2023/4/30 to 2026/4/30. |

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 2025 reached 5,245 hours. The total training attendance reached 1,512 persons. The total training cost was NT$526 thousand.

Unit: NT$ thousands

| Projects in 2025 | Person-Time | Training hours | Training cost |
|---|---|---|---|
| Professional Skills Training | 365 | 1,329 | $526 |
| Managerial Training | 18 | 111 | |
| General Skills Training | 639 | 437 | |
| Labor Health and Safety Training | 92 | 321 | |
| Quality Management Training | 151 | 398 | |
| Language Training | 46 | 2,373 | |
| Orientation Training | 201 | 277 | |
| Total Amount | 1,512 | 5,245 | |

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, 2025 were NT$766 and NT$6,836 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 established an "Information Security Management System Organization" in 2013, with the General Manager serving as the Chairman and the highest-ranking executive in the Operations Center serving as the Information Security Management Representative. In 2023, we appointed a dedicated Information Security Manager and a dedicated Information Security Personnel, responsible for the company's information security planning, technology implementation, and related auditing matters. They also collaborate with senior executives from different fields to review the formulation, implementation, risk management, and compliance verification of information security and protection policies crucial to the company's operations. The Information Security Management Representative regularly reports to the Chairman on the effectiveness of information security management, related issues, and directions. Following the ISO27001 Information Security Management System, the company has established an Information Security Executive Committee, which is divided into Project Information Security Teams, Security Prevention Teams, Crisis Management Teams, Information Security Audit Teams, and Supply Chain Promotion Teams. These teams hold regular annual meetings to review and resolve information security and information protection policies and ensure the effectiveness of 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

To strengthen information security, our company has been fully committed to implementing an information security management system since 2012. In August 2013, we obtained the ISO 27001 Information Security Management System (ISMS) certification, which is currently valid from August 2025 to August 2026. We pass the annual ISO 27001 audit verification every year. The company continuously improves its network information and communication system architecture and requires all employees to implement information security management standards. Through mechanisms such as information asset and risk assessment, monitoring operational impact analysis, and continuous operational drills, we have built a comprehensive information security defense capability, integrating information security awareness and concepts into our corporate culture.

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

Following the ISO27001 information security management system, the company implements relevant information security protection measures to control information risks. It focuses on strengthening network boundary control and aims for a zero-trust network architecture, implementing information security management policies both managerially and technically. The company collects and exchanges information security intelligence through relevant security alliances and joins the Taiwan Information Software Association - Cybersecurity Leaders Association to understand the latest security vulnerabilities and grasp the latest threat information (Twcert, NVD, CVE). Since 2022, the company has continuously strengthened its protection through managed detection and response services (MDR) provided by security vendors:

(1) Periodic early warning notifications allow for timely response actions. For example, upon receiving notifications of phishing emails from national organized hackers, the company can immediately add the email to its email control system for filtering; upon receiving notifications of serious vulnerabilities in Windows systems, the company can promptly patch the system.

(2) Monthly security incident and statistical reports provide data on security detection activities, alarm messages, and security incidents, enabling the company to take appropriate action.

(3) Cybersecurity vendors will discuss and share important cybersecurity issues recently discovered by the Taiwan Threat Intelligence Center in order to enhance overall cybersecurity protection capabilities through joint cybersecurity efforts.

The information security management plans and resources as follows:

| Project | Content |
| --- | --- |
| Dedicated Personnel: | One dedicated cybersecurity supervisor and one dedicated cybersecurity staff member are responsible for the company's information security planning, technology implementation, and related auditing matters to maintain and |

| Project | Content |
|---|---|
| | continuously strengthen information security. |
| Education and Training: | All new employees complete a cybersecurity education and training course before joining the company; all employees complete an online cybersecurity awareness campaign and self-check annually; a total of four vulnerability detection scans are conducted annually. |
| Cybersecurity Bulletins: | More than 10 cybersecurity bulletins are issued irregularly each year to convey important cybersecurity regulations and precautions. |
| Cybersecurity Threats: | A monthly cybersecurity threat analysis report is generated, statistically analyzing the detection results of endpoint antivirus, network attacks, malicious and suspicious behavior. |
| Customer Satisfaction: | In 2024 and 2025, the company received no complaints of infringement of customer privacy or loss of customer data, or any major cybersecurity breaches. |

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 | 2025.11.01~2026.10.31 | Short-term credit | None |
| Loan Agreement | Taishin bank | 2025.07.01~2026.06.30 | Short-term credit | None |
| Loan Agreement | CTBC bank | 2026.05.01~2027.04.30 | Short-term credit | None |
| Loan Agreement | Mega bank | 2025.12.06~2026.12.05 | Short-term credit | None |
| Loan Agreement | E.SUN bank | 2026.03.19~2027.03.19 | Short-term credit | None |
| Loan Agreement | DBS bank | 2025.06.30~2026.06.30 | Short-term credit | None |
| Loan Agreement | Shin Kong Bank | 2025.10.04~2026.10.04 | Short-term credit | None |
| Loan Agreement | Yuanta Bank | 2025.12.24~2026.12.23 | Short-term credit | None |

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 | 2025 | 2024 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| Current Asset | 6,190,023 | 4,771,732 | 1,418,291 | 29.72 |
| Property, plant and equipment | 3,913,476 | 3,568,273 | 345,203 | 9.67 |
| Intangible Assets | 14,833 | 14,158 | 675 | 4.77 |
| Other Assets | 2,270,673 | 1,836,617 | 434,056 | 23.63 |
| Total Assets | 12,389,005 | 10,190,780 | 2,198,225 | 21.57 |
| Current Liabilities | 4,051,749 | 2,767,564 | 1,284,185 | 46.40 |
| Non-current liabilities | 31,599 | 62,974 | (31,375) | (49.82) |
| Total Liabilities | 4,083,348 | 2,830,538 | 1,252,810 | 44.26 |
| Equity Attributable to owners of the Parent | 8,032,030 | 7,073,431 | 958,599 | 13.55 |
| Share capital | 3,245,791 | 2,893,805 | 351,986 | 12.16 |
| Capital surplus | 1,410,209 | 1,381,936 | 28,273 | 2.05 |
| Retained earnings | 3,281,877 | 3,016,237 | 265,640 | 8.81 |
| Other equity interest | 94,189 | (218,517) | 312,706 | (143.10) |
| Treasury Stock | (36) | (30) | (6) | 20.00 |
| Non-controlling interests | 273,627 | 286,811 | (13,184) | (4.60) |
| Total Equity | 8,305,657 | 7,360,242 | 945,415 | 12.84 |

Analysis of changes in financial ratios:

(1) The increase in current assets is mainly due to an increase in accounts receivable and inventory.

(2) The increase in other assets is mainly due to the acquisition of financial assets measured at fair value through other comprehensive income.

(3) The increase in current liabilities is mainly due to an increase in short-term borrowings and accounts payable.

(4) The decrease in non-current liabilities is mainly due to a decrease in lease liabilities.

(5) The increase in other equity is mainly due to an increase in the valuation gain of financial assets measured at fair value through other comprehensive income.

## 5.2 Analysis of Operating Results - Consolidated

### 5.2.1 Analysis of Operating Results

Unit: NT$ thousands

| Year / Item | 2025 | 2024 | Difference amount | Difference % |
|---|---|---|---|---|
| Net Sales | 9,908,160 | 6,182,894 | 3,725,266 | 60.25 |
| Cost of Sales | 7,412,161 | 4,395,871 | 3,016,290 | 68.62 |
| Gross Profit | 2,495,999 | 1,787,023 | 708,976 | 39.67 |
| Operating Expense | 1,616,125 | 1,425,330 | 190,795 | 13.39 |
| Net Operating Income | 879,874 | 361,693 | 518,181 | 143.27 |
| Non-operating Income and Expenses | 73,145 | 291,193 | (218,048) | (74.88) |
| Profit Before Tax | 953,019 | 652,886 | 300,133 | 45.97 |
| Income Tax Expense | (200,291) | (121,831) | (78,460) | 64.40 |
| Profit After Tax | 752,728 | 531,055 | 221,673 | 41.74 |

Analysis of changes in financial ratios over 20%:

(1) The increase in operating revenue, costs, and gross profit was mainly due to increased shipments and adjustments to the product mix.
(2) The decrease in non-operating income and expenses was mainly due to increased foreign exchange losses.
(3) The increase in pre-tax net profit, income tax expense, and net profit for the period was mainly due to increased operating revenue.

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 1/1/2025 | Net Cash Provided by Operating Activities in 2025 | Net Cash Used in Investing and Financing Activities in 2025 | Cash Balance 12/31/2025 | Supplement measures for insufficient cash | |
|---|---|---|---|---|---|
| | | | | Investment planning | Financial planning |
| 2,388,925 | 12,631 | (662,139) | 1,729,929 | None | None |

- •Cash flows from in operating activities 12,631：Mainly due to the collection of accounts receivable and increase inventory.
- •Cash flows used in investing activities 666,189：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 from in financing activities 4,050：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 bussinesses that the company has invested strategically are long-term investment. Profits from investment shown in the equity-method based consoidated financial report in 2025 are NT$631 thousand, NT$13,057 thousand compared to the previous year, partly because the busineses that the company has invested in has enjoyed revenue growth, controlled the expesenses 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 (CPI) in 2025 was 1.66%. Given that the domestic inflation outlook for 2026 remains moderate, and considering the recent Middle East conflict pushing up international oil and energy prices, and taking into account the government's energy price stabilization mechanism, the current annual CPI and core CPI growth rates are projected to be 1.8% and 1.75%, respectively. Regarding policy interest rates, the Central Bank stated that it will closely monitor the impact of geopolitical risks, the impact of US trade policies, the pace of monetary policy adjustments by major economies, the development of the AI industry chain, and uncertainties such as extreme weather on the domestic economic, financial, and price situation. It will adjust monetary policy as needed to maintain price and financial stability, and fulfill its statutory duty to assist economic development within the aforementioned objectives. Overall, this has 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 exhcange 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 OIS/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) /Dinamic 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 2026 after years of investment. Starting from 2026, 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).

In addition to collaborating with existing manufacturers to develop next-generation SOCs, our investment in SOCs also includes developing other platforms to allow for greater flexibility in product specifications, thus meeting the demands of the future market.

2. Estimated R&D Expenditure

The R&D expenditure in 2025 that the company has invested in is NT$768,701 thousand, accounting for 8% of the revenue. In 2026, an additional amount of NT$799,475 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 2025 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. If future market demand and order growth fall short of expectations, it may adversely affect the Company's operating performance and financial results. To mitigate the aforementioned risks, the Company will continue to prudently assess the allocation of production capacity and investment returns in various regions, and improve overall operational efficiency by enhancing product quality, optimizing manufacturing processes, reducing resource consumption, and strengthening production management efficiency. Furthermore, the Company will continue to deepen its cooperative relationships with major customers and actively seek orders to improve the capacity utilization rate of each location and reduce the operational risks arising from new capacity and cost investments.

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 salese 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 apporach of diverting the sources of clients and incorporating diverse product roadmaps, in order to diverse 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 2025 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 Affliation 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
- Please refer to pages 112 to 117 of this report.

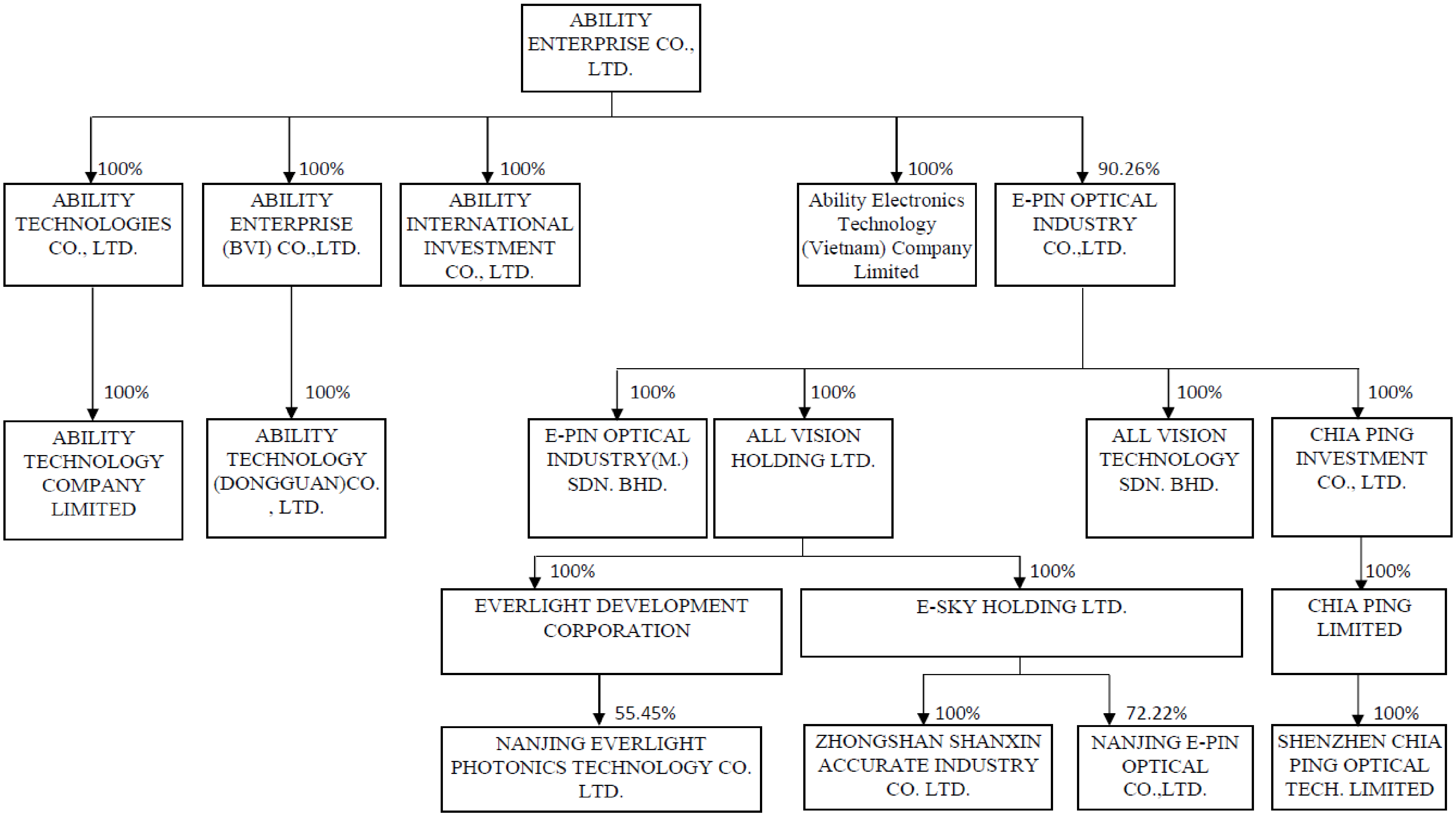
6.2 Private Placement of Securities in the Most Recent Years: None.

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.

Summary of Affiliated Companies

1.Affiliated Companies Chart



## 2. Affiliated Companies

As of 12/31/2025; Unit: NT$ thousands, VND thousands,except foreign currency

| Company | Date of Incorporation | Place of Registration | Capital Stock | BusinessActivities |
|---|---|---|---|---|
| ABILITY INTERNATIONAL INVESTMENT CO., LTD. | 1997.08.15 | New Taipei City, Taiwan (R.O.C.) | NTD217,000 | Investments |
| ABILITY ENTERPRISE(BVI) CO., LTD. | 2000.02.23 | British Virgin Islands | USD25,635,000 | Holding company |
| Ability Electronics Technology (Vietnam) Company Limited | 2023.12.19 | Vietnam | VND372,125,000 | Manufacturing of computers, Computer peripheral equipment, home electronics,communication equipment and optical instrument and equipment |
| E-PIN OPTICAL INDUSTRY CO.,LTD. | 1979.04.18 | Taipei City, Taiwan (R.O.C.) | NTD190,000 | Sales of optical products and electronic components |
| CHIA PING INVESTMENT CO., LTD. | 2017.03.22 | Taipei City, Taiwan (R.O.C.) | NTD56,000 | Investments |
| ABILITY TECHNOLOGIES CO., LTD. | 2022.05.13 | New Taipei City, Taiwan (R.O.C.) | NTD50,000 | Manufacturing and trading of computer peripheral equipment, Photography equipment and electronic |
| ABILITY TECHNOLOGY (DONGGUAN)CO., LTD. | 2003.12.29 | Dongguan , China | RMB415,913,406 | Sales of digital still cameras |
| ABILITY TECHNOLOGY COMPANY LIMITED | 2022.08.02 | Vietnam | VND23,050,000 | Manufacturing of computers, Computer peripheral equipment, home electronics,communication equipment and optical instrument and equipment |
| ALL VISION HOLDING LTD. | 1991.01.19 | Independent State of Samoa | USD15,236,910 | Holding company |
| E-PIN OPTICAL INDUSTRY(M.) SDN. BHD. | 1987.09.25 | Malaysia | MYR5,000,000 | Manufacturing of precision lens |
| ALL VISION TECHNOLOGY SDN. BHD. | 1992.06.28 | Malaysia | MYR72,243,893 | Manufacturing of precision lens |
| EVERLIGHT DEVELOPMENT CORPORATION | 1987.01.19 | Panama | USD5,849,393 | Holding company |
| E-SKY HOLDING LTD. | 1990.04.05 | Republic of Mauritius | USD14,338,918 | Holding company |
| CHIA PING LIMITED | 2017.04.17 | Independent State of Samoa | USD1,350,000 | Holding company |
| SHENZHEN CHIA PING OPTICAL TECHNOLOGY LIMITED | 2018.11.08 | Shenzhen, China | RMB8,806,740 | Trading company |
| NANJING EVERLIGHT PHOTONICS TECHNOLOGY CO., LTD. | 1981.12.14 | Nanjing, China | RMB76,784,121 | Development and manufacturing of various types of precision lens |
| ZHONGSHAN SHANXIN ACCURATE INDUSTRY CO., LTD. | 1984.08.11 | Zhongshan, China | RMB76,397,006 | Development and manufacturing of various types of precision lens |
| NANJING E-PIN OPTICAL CO., LTD. | 1994.05.24 | Nanjing, China | RMB53,163,523 | Development and manufacturing of various types of precision lens |

3. The Same Shareholders of Companies Controlled by or Subordinate to the Company: None.

4. Industrial Classification in Inventec Corporation Subsidiaries：

| Company | Industrial Classification | Relationships to Related Party |
|---|---|---|
| ABILITY ENTERPRISE CO., LTD. | Information products、digital still cameras | None |
| ABILITY INTERNATIONAL INVESTMENT CO., LTD. | Investments | None |
| ABILITY ENTERPRISE(BVI) CO., LTD. | Holding company | Investment activities in China |
| Ability Electronics Technology (Vietnam) Company Limited | Manufacturing of computers,Computer peripheral equipment,home electronics,communication equipment and optical instrument and equipment | None |
| E-PIN OPTICAL INDUSTRY CO.,LTD. | Sales of optical products and electronic components | None |
| ABILITY TECHNOLOGIES CO., LTD | Manufacturing and trading of computer peripheral equipment,Photography equipment and electronic | Investment activities in Vietnam |
| CHIA PING INVESTMENT CO., LTD. | Investments | None |
| ABILITY TECHNOLOGY (DONGGUAN)CO., LTD. | Sales of digital still cameras | None |
| ABILITY TECHNOLOGY COMPANY LIMITED | Manufacturing of computers,Computer peripheral equipment,home electronics,communication equipment and optical instrument and equipment | None |
| ALL VISION HOLDING LTD. | Holding company | None |
| E-PIN OPTICAL INDUSTRY(M.) SDN. BHD. | Manufacturing of precision lens | None |
| ALL VISION TECHNOLOGY SDN. BHD. | Manufacturing of precision lens | None |
| EVERLIGHT DEVELOPMENT CORPORATION | Holding company | Investment activities in China |
| E-SKY HOLDING LTD. | Holding company | Investment activities in China |
| CHIA PING LIMITED | Holding company | Investment activities in China |
| SHENZHEN CHIA PING OPTICAL TECHNOLOGY LIMITED | Trading company | None |
| NANJING EVERLIGHT PHOTONICS TECHNOLOGY CO. LTD. | Development and manufacturing of various types of precision lens | None |
| ZHONGSHAN SHANXIN ACCURATE INDUSTRY CO. LTD. | Development and manufacturing of various types of precision lens | None |
| NANJING E-PIN OPTICAL CO.,LTD. | Development and manufacturing of various types of precision lens | None |

## 5. Directors, Supervisors and Presidents of Affiliated Companies

| Company | Title | Name or Representative | Shareholding | |
|---|---|---|---|---|
| | | | Number of Shares | Shareholding Ratio |
| ABILITY INTERNATIONAL INVESTMENT CO., LTD. | Chairman | ABILITY ENTERPRISE-Chang, Hsiao-Chi | 21,700,000 | 100.00 |
| ABILITY ENTERPRISE (BVI) CO., LTD. | Chairman | ABILITY ENTERPRISE-Chang, Hsiao-Chi | – | 100.00 |
| Ability Electronics Technology (Vietnam) Company Limited | President | ABILITY ENTERPRISE-Adams Chen | – | 100.00 |
| E-PIN OPTICAL INDUSTRY CO.,LTD. | Chairman | ABILITY ENTERPRISE-Wu, Chia-Chen | 17,149,503 | 90.26 |
| | Director | ABILITY ENTERPRISE-Tong, Chun-Jen | 17,149,503 | 90.26 |
| | Director | ABILITY ENTERPRISE-Lu, Jih-Yung | 17,149,503 | 90.26 |
| | Director | ABILITY ENTERPRISE-Lee, Chin-Chiang | 17,149,503 | 90.26 |
| | Director | ABILITY ENTERPRISE- Chueh, Hung Lin | 17,149,503 | 90.26 |
| | Director | Hsu, San-Wei | 70,615 | 0.37 |
| | Director | Lin, Yong-Shan | 7,641 | 0.04 |
| | Supervisor | Lin, Hung-Tien | – | – |
| | Supervisor | Li, Kuo-Ming | – | – |
| ABILITY TECHNOLOGIES CO., LTD | Chairman | ABILITY ENTERPRISE- Chang, Hsiao-Chi | 5,000,000 | 100.00 |
| | Director | ABILITY ENTERPRISE-Adams Chen | 5,000,000 | 100.00 |
| | Director | ABILITY ENTERPRISE-Lee, Chin-Chiang | 5,000,000 | 100.00 |
| | Supervisor | ABILITY ENTERPRISE-Lin, Hung-Tien | 5,000,000 | 100.00 |
| CHIA PING INVESTMENT CO., LTD. | Chairman | E-PIN OPTICAL- Wu, Chia-Chen | 5,600,000 | 100.00 |
| | Director | E-PIN OPTICAL- Chueh, Hung Lin | 5,600,000 | 100.00 |
| | Director | E-PIN OPTICAL- Huang, Chia Chieh | 5,600,000 | 100.00 |
| | Supervisor | E-PIN OPTICAL- Huang, Chia Chen | 5,600,000 | 100.00 |
| ABILITY TECHNOLOGY (DONGGUAN)CO., LTD. | Chairman | ABILITY (BVI) - Chang, Hsiao-Chi | – | 100.00 |
| | Director | ABILITY (BVI) - Adams Chen | – | 100.00 |
| | Director | ABILITY (BVI) - Alson Hsu | – | 100.00 |
| | Supervisor | ABILITY (BVI) - Lin, Hung-Tien | – | 100.00 |
| ABILITY TECHNOLOGY COMPANY LIMITED | President | ABILITY TECHNOLOGIES：Renn Chang | – | 100.00 |
| ALL VISION HOLDING LTD. | Director | Chueh, Hung Lin | – | – |
| E-PIN OPTICAL INDUSTRY(M.) SDN. BHD. | Director | Ju, Ming-Jang | – | – |
| | Director | Pan, Ching-Hsiang | – | – |
| ALL VISION TECHNOLOGY SDN. BHD. | Director | Ju, Ming-Jang | – | – |
| | Director | Pan, Ching-Hsiang | – | – |
| EVERLIGHT DEVELOPMENT CORPORATION | Director<br>Director<br>Director | Chueh, Hung Lin<br>ALL VISION HOLDING LTD<br>Huang, Chia Chieh | 58,494 | 100.00 |
| E-SKY HOLDING LTD. | Director | ALL VISION HOLDING LTD- Chueh, Hung Lin | 14,338,918 | 100.00 |
| CHIA PING LIMITED | Director | Chueh, Hung Lin | 1,350,000 | 100.00 |
| SHENZHEN CHIA PING OPTICAL TECHNOLOGY LIMITED | Director<br>Supervisor | Chueh, Hung Lin<br>Huang, Chia Chen | –<br>– | 100.00 |

| Company | Title | Name or Representative | Shareholding | |
|---|---|---|---|---|
| | | | Number of Shares | Shareholding Ratio |
| NANJING EVERLIGHT PHOTONICS TECHNOLOGY CO. LTD. | | EVERLIGHT DEVELOPMENT CORP. | – | 55.45 |
| | Chairman | - Lin, Yao-Chan<br>EVERLIGHT DEVELOPMENT CORP. | – | 55.45 |
| | Director | - Chueh, Hung Lin<br>EVERLIGHT DEVELOPMENT CORP. | – | 55.45 |
| | Director | -Wang, Shang-Li | | |
| | Director | EVERLIGHT DEVELOPMENT CORP.<br>- Lin, Yong-Shan | – | 55.45 |
| | Vice Chairman | NANJING NEW INDUSTRY INVESTMENT GROUP CO.,LTD<br>-Shin, Chien-Hua | – | 38.74 |
| | Director | NANJING NEW INDUSTRY INVESTMENT GROUP CO.,LTD<br>-MA-YING | – | 38.74 |
| | Director | Shih-Hua | – | 5.81 |
| | Supervisor | NANJING NEW INDUSTRY INVESTMENT GROUP CO.,LTD<br>-Huang, Wei-Min | – | 38.74 |
| ZHONGSHAN SHANXIN ACCURATE INDUSTRY CO. LTD. | Chairman | E-SKY HOLDING LTD.-Lin, Yao-Chan | – | 100.00 |
| | Supervisor | Chueh, Hung Lin | – | – |
| NANJING E-PIN OPTICAL CO.,LTD. | Director | E-SKY HOLDING LTD.-Chou, Hsiang-Ho | – | 72.22 |
| | Supervisor | E-SKY HOLDING LTD.-Pan, Ching-Hsiang | – | 72.22 |

6. Operation of Affiliated Companies

As of 12/31/2025；Unit: NT$ thousands

| Company | Capital Stock | Assets | Liabilities | Net Worth |
|---|---|---|---|---|
| ABILITY ENTERPRISE CO., LTD. | 3,245,791 | 10,162,923 | 2,130,893 | 8,032,030 |
| ABILITY ENTERPRISE (BVI) CO., LTD. | 805,708 | 2,286,225 | 212 | 2,286,013 |
| ABILITY INTERNATIONAL INVESTMENT CO., LTD. | 217,000 | 221,906 | 50 | 221,856 |
| Ability Electronics Technology (Vietnam) Company Limited | 477,656 | 1,431,628 | 1,035,413 | 396,215 |
| E-PIN OPTICAL INDUSTRY CO.,LTD. | 190,000 | 644,474 | 467,506 | 176,968 |
| CHIA PING INVESTMENT CO., LTD. | 56,000 | 53,958 | 0 | 53,958 |
| ABILITY TECHNOLOGIES CO., LTD | 50,000 | 36,688 | 3,607 | 33,081 |
| ABILITY TECHNOLOGY (DONGGUAN)CO., LTD. | 1,838,655 | 3,880,941 | 1,618,095 | 2,262,846 |
| ABILITY TECHNOLOGY COMPANY LIMITED | 31,313 | 28,953 | 89 | 28,864 |
| ALL VISION HOLDING LTD. | 499,542 | 213,590 | 0 | 213,590 |
| E-PIN OPTICAL INDUSTRY(M.) SDN. BHD. | 36,673 | 0 | 0 | 0 |
| ALL VISION TECHNOLOGY SDN. BHD. | 529,873 | 0 | 0 | 0 |
| EVERLIGHT DEVELOPMENT CORPORATION | 191,772 | 322,367 | 0 | 322,367 |
| E-SKY HOLDING LTD. | 470,101 | (108,785) | 0 | (108,785) |
| CHIA PING LIMITED | 44,260 | 35,845 | 0 | 35,845 |
| SHENZHEN CHIA PING OPTICAL TECHNOLOGY LIMITED | 39,437 | 42,604 | 6,759 | 35,845 |
| NANJING EVERLIGHT PHOTONICS TECHNOLOGY CO., LTD. | 343,839 | 680,277 | 104,771 | 575,506 |
| ZHONGSHAN SHANXIN ACCURATE INDUSTRY CO., LTD. | 342,106 | 52,133 | 161,099 | (108,966) |
| NANJING E-PIN OPTICAL CO., LTD. | 238,066 | 173 | 0 | 173 |

ABILITY ENTERPRISE CO., LTD.

Chairman: CHANG, HSIAO-CHI