



Stock Code: 3362

# **ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.**

## **Handbook for 2025 Annual General Meeting of Shareholders (Translation)**

Convening Method: Physical Meeting

Time: 9:00 am of June 20, 2025

Venue: No.19, Keyuan Rd., Xitun Dist., Taichung City (Meeting Room on the 2th floor of NCHU of the Central Taiwan Science Park Campus)



# Ability opto-Electronics Technology Co., Ltd.

## Handbook for 2025 Annual General Meeting of Shareholders

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**Ability opto-Electronics Technology Co., Ltd.**

**I. Agenda of the 2025 Annual General Meeting of Shareholders (AGM)**

Time: 9:00 am of June 20, 2025 (Friday)

Venue: No.19, Keyuan Rd., Xitun Dist., Taichung City (Meeting Room on the 2th floor of NCHU of the Central Taiwan Science Park Campus)

I. Call the Meeting to Order (announce the aggregate shareholding of the shareholders present)

II. Chairman Remarks

III. Reports

Report No. 1: 2024 Business Report

Report No. 2: 2024 Review Report of the Audit Committee

Report No. 3: Report on the Distribution of Remunerations to Employees and Directors in 2024

Report No. 4: The implementation status of the Company's 2024 issuance of the first domestic secured convertible bonds.

IV. Proposals

Proposal No. 1: 2024 Business Report and Financial Statements (Individual Financial Statements and Consolidated Financial Statements)

Proposal No. 2: 2024 Surplus Earnings Distribution Proposal

V. Discussions

Proposal 1: Amendment to the Company's Articles of Incorporation.

VI. Election Matters

Proposal 1: General Election of the Company's Directors and Independent Directors.

VII. Other Proposals

Proposal 1: Lifting the Non-Compete Restrictions on the Company's Directors.

VIII. Extempore Motions

IX. Adjournment

## II. Reports

### **Report No. 1: 2024 Business Report**

**Explanation:** Please refer to Exhibit 1 (pages 8-10) of this Handbook.

### **Report No. 2: 2024 Review Report of the Audit Committee**

**Explanation:** Please refer to Exhibit 2 (page 11) of this Handbook.

### **Report No. 3: Report on the Distribution of Remunerations to Employees and Directors in 2024**

**Explanation:** The Company's 2024 Board and Employee Compensation Distribution Proposal, as stipulated by the Company's Articles of Incorporation, includes a cash distribution of NT\$4,180,000 for director compensation and NT\$25,600,975 for employee compensation.

### **Report No. 4: The implementation status of the Company's 2024 issuance of the first domestic secured convertible bonds.**

**Explanation:** The implementation status of the Company's 2024 bond issuance is as follows:

Name	First domestic secured convertible bonds issuance
Amount	NT\$1,200,000,000
Term	5-year term issued on July 16, 2024, maturing on July 16, 2029
Coupon interest rate	Annual Interest Rate 0%
Principal and Interest Repayment Method	According to Article 5 of these regulations, the coupon interest rate for the convertible bonds is 0%, and therefore there is no need to establish an interest payment date or method. Unless bondholders convert the bonds into the Company's common stock according to Article 10, exercise the sell-back right according to Article 18, or the Company redeems or repurchases and cancels them through the securities firm's Sales Division according to Article 17, the Company will repay the bonds in cash at face value in one lump sum within ten business days following the bond maturity date.
Approval Number	Letter Jin-Guan-Zheng-Fa-Zi No. 1130346497 issued by the Financial Supervisory Commission on June 19, 2024.
Reason for fundraising	Repay the bank loan and increase the working capital have been completed.
Conversion price	The conversion price at the time of issuance was NT\$ 254, and the current conversion price is NT\$ 253.
Conversion Status	As of April 29, 2025, one corporate bond has been converted.

### III. Proposals

**Proposal No. 1: 2024 Business Report and Financial Statements (Individual Financial Statements and Consolidated Financial Statements). Please proceed to discuss. (Proposed by the Board of Directors)**

- Explanation:** I. The Company's financial statements for 2024 (individual financial statements and consolidated financial statements), including balance sheets, statements of comprehensive income, statements of changes in equity, and cash flow statements, have been audited by accountants Wu, Song-yuan and Liu, Mei-lan of PricewaterhouseCoopers Taiwan, and then submitted, together with the Company's business report, to and reviewed by the Audit Committee.
- II. For the Company's 2024 Business Report, Auditor's Report, and the aforesaid financial statements, please refer to Exhibit 1 (pages 8-10) and Exhibit 3 (pages 12-32) of this Handbook.
- III. Please proceed to discuss.

**Resolution:**

**Proposal No. 2: 2024 Surplus Earnings Distribution Proposal. Please proceed to discuss. (Proposed by the Board of Directors)**

- Explanation:** I. For the 2024 Surplus Earnings Distribution Proposal, please refer to the following table.
- II. For the current profit distribution, the proposal is to distribute cash dividends of NT\$142,094,675 from the available distributable earnings for 2024 to shareholders, with a dividend of NT\$1 per share (rounded down to the nearest dollar; any fractional amounts will be included in the Company's other income).
- III. After this proposal is approved by the AGM, the chairman of the Board of Directors will be authorized to separately determine the dividend distribution base date, payment date, and other related matters. If the cash dividend payout ratio approved by the AGM is changed in the future due to the Company's number of outstanding shares being affected by the Company's repurchase of shares, exercise of new restricted employee shares, transfer or cancellation of treasury stock, exercise of employee stock options, or other factors, it is proposed that the AGM authorizes the chairman of the Board of Directors to fully handle and adjust it.

**Ability opto-Electronics Technology Co., Ltd.**

**2024 Surplus Earnings Distribution Proposal**

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the period	470,567,911
Add:	
Changes in actuarial gains and losses in the current period	1,263,312
Special Reserve for Reversal of Equity Reductions	33,455,166
Net profit after tax for 2024	378,908,927
<b>Surplus earnings available for distribution</b>	<b>884,195,316</b>
Less:	
Statutory surplus reserve set aside	(41,362,741)
Distributions:	
Cash dividends distributed to shareholders (NT\$1/share)	(142,094,675)
Undistributed earnings at the end of the period	700,737,900
Notes: The surplus earnings in 2024 are distributed in priority.	

**Resolution:**

#### **IV. Discussions**

##### **Discussion No. 1: Proposed Amendment to the Company's Articles of Incorporation.**

**Explanation:** In accordance with the amendments in the law, the Company plans to amend certain terms of the Articles of Incorporation. Please refer to Exhibit 4 (pages 33-34) of this Handbook for the comparison table of terms before and after the revision.

**Resolution:**

#### **V. Election Matters**

##### **Proposal 1: General Election of the Company's Directors and Independent Directors. (Proposed by the Board of Directors)**

Explanation:

1. The terms of office for the Company's Directors and Supervisors are set to expire on June 21, 2025. In accordance with the Company Act and the Company's Articles of Incorporation, and in conjunction with the establishment of the Audit Committee, it is proposed that the 15th term of the Board of Directors be elected with 11 members (including 4 independent directors). The current Directors and Supervisors will serve until the newly elected Directors assume office following this Annual Shareholders' Meeting.
2. The term of office for the newly elected Directors will be three years, starting from the conclusion of the Annual Shareholders' Meeting on June 20, 2025, and ending on June 19, 2028.
3. In accordance with the Company's Articles of Incorporation, the election of Directors and Independent Directors follows a candidate nomination system. The nomination and election process will be conducted in accordance with relevant laws and regulations. Shareholders will vote on candidates from the list of nominees. Please refer to Appendix 5 (pages 35) for the candidates' educational background, experience, reasons for continued nomination, and other relevant information.
4. We kindly request your participation in the election.

**Election Results:**

**VI. Other Proposals:**

Proposal 1: Lifting the Non-Compete Restrictions on the Company's Directors. (Proposed by the Board of Directors)

Explanation:

1. In accordance with Article 209 of the Company Act, Directors must explain the important details of their actions within the scope of the Company's business to the shareholders' meeting and obtain approval.
2. The Company's Directors and their representatives may have investments in or operate other companies engaged in businesses that are the same as or similar to the Company's business and may serve as Directors of those companies. In accordance with the law, the matter is submitted to the shareholders' meeting for approval. If any newly elected Directors of the Company are involved in such situations, and provided that it does not harm the interests of the Company, the shareholders' meeting will be requested to lift the non-compete restrictions for such Directors and their representatives.
3. The Company's Directors and Independent Directors are selected through a candidate nomination system. After the election of Directors and Independent Directors at the shareholders' meeting, the proposal to lift the non-compete restrictions will be submitted to the shareholders' meeting. Please refer to Appendix 6 (page 36).

**Resolution:**

**VII. Extempore Motions**

**VIII. Adjournment**



## IX. Exhibits

## Exhibit 1

### Ability opto-Electronics Technology Co., Ltd. 2024 Business Report

With the full support of the Board of Directors and the efforts of the management team, the implementation results of the Company's 2024 Business Plan and the Company's 2025 Business Plan are briefly summarized as follows:

#### I. 2024 Business Results

##### ( I ) Business Results

The Company's consolidated operating revenue for 2024 was NT\$4,278,305 thousand, an increase of 7.1% compared to the 2023 consolidated operating revenue of NT\$3,995,843 thousand. The net profit after tax for 2024 was NT\$378,909 thousand.

##### ( II ) Execution of Budget

Since no financial forecast for 2024 was made public, there is no report on the achievement of the budget.

##### ( III ) Financial Revenue and Expenditure

In 2024, the net cash inflow from operating activities was NT\$608,071 thousand; the net cash outflow from investing activities was NT\$2,567,215 thousand, primarily due to investments in machinery, equipment, and the construction of a new factory; the net cash inflow from financing activities was NT\$2,092,591 thousand, with the primary sources of funds being bank loans and the issuance of corporate bonds.

##### ( IV ) Profitability Analysis

Category	Items	2024	2023
Financial	Debt to Assets Ratio	59.97	55.27
Structure (%)	Ratio of long-term capital to property, plant and equipment	140.82	159.21
Solvency (%)	Current Ratio	116.84	127.64
	Quick Ratio	82.04	91.75
Profitability (%)	Return on Assets	5.21	6.24
	Return on Shareholders' Equity	10.35	12.53
	Ratio of Pre-tax Profit to Paid-in Capital	34.75	35.55

##### (V) Research and Development Status

The Company's R&D team not only devotes itself to the design and development of existing optical lenses to improve product quality, but also actively develops high-end lens. In addition, in order to improve the yield and production efficiency of the high-end lens process, and to solve the impacts of escalating labor costs, the Company continues to expand the automated production lines to improve the production yield and overcome the problem of escalating labor costs, for the purpose of meeting the demand for mass production of new products and the growth of market orders. With unique experience accumulated over the years in design innovation, process improvement and quality improvement, ABILITY OPTO-ELECTRONICS provides customers with superior optical lens products, grows together with customers and creates a win-win situation.

#### II. 2025 Business Plan

In the lens market, with the popularity of video conferencing, remote education and remote office, users have higher requirements for the sharpness and performance of lens. In this

regard, it is necessary to develop higher-definition and higher-performance lenses. In addition, the notebook becomes lighter and thinner, it is reflected that the size and weight of the lens are also increasing, and the trend is toward the development of smaller and lighter lens to meet the changes in demand. Finally, users have higher expectations for the intelligent functions of the lens, such as auto-focus, virtual blur background, and face recognition. Therefore, the integration of more smart functions will be the key to enhancing competitiveness in the future.

In terms of biometrics, with the popularity of identification technology, users are paying increasing attention to the security and privacy protection of fingerprint recognition modules. Therefore, it is very important to develop more secure and reliable fingerprint recognition modules. Fingerprint identification modules are widely used in multiple scenarios such as mobile devices, smart homes, and finance. Therefore, the trend will be the necessity to improve the multi-scenario adaptability of fingerprint identification modules. However, due to the uncertainties of international trade and market supply and demand, the lens and fingerprint identification market still faces certain risks and challenges. Therefore, when developing the business of the lens and fingerprint identification in the future, it is needed to pay close attention to market changes, and adjust product structure and business strategies in a timely manner to deal with the impact of market changes. The Company's main business plan for the coming year is described as follows:

#### 1. Management Policy

ABILITY OPTO-ELECTRONICS continues to recruit R&D professionals to develop forward-looking and innovative optoelectronic products and related core technologies. In order to develop forward-looking and innovative optoelectronic products and related core technologies, we have participated in R&D plans of domestic and foreign manufacturers, trial production of products required for early R&D and process development, expecting to grow together with other major manufacturers. Develop unique technologies and special products as the basis and appeal for product differentiation and establish independent core technologies.

Meanwhile, implement the total quality management system and the objective oriented management and continue to improve production efficiency and speed in order to reduce R&D and manufacturing costs.

#### 2. Important Production and Sales Policies

##### (1) Production Policy:

In order to achieve lower production cost and higher production yields, ABILITY OPTO-ELECTRONICS has not only continued to improve its production technology, but also continued to expand automated production lines to reduce dependence on manpower, expecting to be able to meet the production demand for high-end lenses and significantly reduce the impact of the future salary growth on the production costs.

In order to accurately coordinate with future production expansion plans and conduct multi-sourcing to reduce dependence on a single supplier, the Company plans to produce lens accessories in-house and also uses multiple suppliers and actively maintain a sound relationship with the suppliers, in order to improve its competitive advantage with respect to source bargaining ability and control, thus helping to reduce costs and increase gross profits.

##### (2) Sales Policy:

The Company will continue to develop new application products for cameras and fingerprint recognition, manage key accounts and deploy major orders, actively explore new application product markets and new customer sources for domestic and foreign major manufacturers and increase sales of high-end products to increase gross profits.

All employees will continue to work hard to deal with various challenges and try their best to achieve the set sales targets. All employees of ABILITY OPTO-ELECTRONICS will continue to uphold the core values and business philosophy of "quality, speed, professionalism, service, innovation and flexibility." All operation teams

will follow the spirit of solidarity and cooperation, hold the persistent and hard work attitude and achieve the goal of sustainable growth of the Company in this globalization and high competition era and fulfill corporate social responsibilities for the best interests of all shareholders. Lastly, I would like to thank all customers, suppliers, shareholders and employees for their long-term support.

**Ability opto-Electronics Technology Co., Ltd.**

**Audit committee's report**

The Board of Directors has prepared the Company's 2024 Parent Company Only and Consolidated Financial Statements. These financial statements have been audited by CPAs Sung-Yuan Wu and Mei-Lan Liu from PwC Taiwan, along with the 2024 Business Report and Earnings Distribution Proposal have been reviewed by the Audit Committee and found to be in conformity with the Company Act and other relevant laws and regulations; therefore, I hereby submit my report in accordance with Article 219 of the Company Act.

To  
2025 Annual General Shareholders' Meeting

Ability opto-Electronics Technology Co., Ltd.  
Convener of the Audit Committee: Yung-Jen Tsao

May 7, 2025

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ability Opto-Electronics Technology Co, Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Ability Opto-Electronics Technology Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as

follows:

### **Allowance for inventory valuation losses**

#### Description

Refer to Note 4(10) for the accounting policies on inventories, Note 5(2) for the critical accounting estimations and assumptions for evaluation of inventories, and Note 6(4) for the details of allowance for inventory valuation loss. As of December 31, 2024, the Company's inventories and allowance for inventory valuation losses amounted to NT\$366,806 thousand and NT\$73,917 thousand, respectively.

The Company's inventories primarily comprise of optical lenses and camera lenses which mostly are customised production. If these inventories do not meet the requirement of the customers who placed the orders, they are unlikely to be sold to other customers. Additionally, due to the fluctuation of market demand and rapid changes of technology, there is a higher risk of inventories losses arising from market value decline or obsolescence. As the estimation of net realizable value used in inventory valuation is subject to judgement and may cause significant uncertainty, we consider the evaluation of allowance for inventory valuation losses as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures to address the abovementioned key audit matter:

- (1) Obtained an understanding and estimated the reasonableness of the Company's valuation and allowance for losses on obsolete inventories.
- (2) Reviewed annual plan of physical inventory count and observed the inventory count to assess the effectiveness of internal control and classification of obsolete inventory.
- (3) Obtained the Company's inventory aging report and verified dates of movements with supporting documents. Ensured the accuracy of inventory aging classification and its consistency with the Group's policy.
- (4) Obtained the net realisable value report of each inventory, assessed whether the estimation policy was consistently applied in all inventories, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the allowance for inventory valuation losses.

#### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### *Auditors' responsibilities for the audit of the parent company only financial statements*

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Wu, Sung-Yuan

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

			December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Assets								
Notes								
Current assets								
1100	Cash and cash equivalents	6(1)	\$	460,965	5	\$	392,000	5
1136	Current financial assets at amortised cost	6(2) and 8		322,503	3		289,225	4
1170	Accounts receivable, net	6(3)		852,404	9		999,471	13
1180	Accounts receivable - related parties	7(2)		988,989	10		935,819	12
1200	Other receivables			8,685	-		18,228	-
1210	Other receivables - related parties	7(2)		10,031	-		329	-
130X	Inventories	6(4)		292,889	3		305,959	4
1410	Prepayments			49,428	-		32,188	-
1470	Other current assets			2,243	-		2,101	-
11XX	Current Assets			2,988,137	30		2,975,320	38
Non-current assets								
1535	Non-current financial assets at amortised cost	6(2) and 8		260,246	3		16,983	-
1550	Investments accounted for under equity method	6(5)		1,751,835	17		1,203,614	16
1600	Property, plant and equipment	6(6) and 8		4,206,799	42		2,677,131	35
1755	Right-of-use assets	6(7)		35,489	-		55,115	1
1780	Intangible assets	6(8)		572,235	6		630,872	8
1840	Deferred income tax assets	6(30)		147,108	1		165,703	2
1900	Other non-current assets	6(9)		68,097	1		13,477	-
15XX	Non-current assets			7,041,809	70		4,762,895	62
1XXX	Total assets		\$	10,029,946	100	\$	7,738,215	100

(Continued)

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(10)	\$	1,372,000	14	\$	881,000	12
2110	Short-term notes and bills payable	6(11)		95,000	1		30,000	-
2120	Financial liabilities at fair value through profit or loss - current	6(13)		10,319	-		-	-
2170	Accounts payable			113,203	1		150,638	2
2180	Accounts payable - related parties	7(2)		907,634	9		972,027	13
2200	Other payables	6(13)		448,712	4		449,382	6
2230	Current income tax liabilities	6(30)		1,317	-		6,158	-
2280	Current lease liabilities			3,292	-		21,531	-
2320	Long-term liabilities, current portion	6(15)		725,435	7		566,277	7
2399	Other current liabilities, others			4,685	-		4,892	-
21XX	Current Liabilities			3,681,597	36		3,081,905	40
Non-current liabilities								
2530	Bonds payable	6(14)		1,099,232	11		-	-
2540	Long-term borrowings	6(15)		1,218,140	12		1,133,935	15
2570	Deferred income tax liabilities	6(30)		30,344	-		6,231	-
2580	Non-current lease liabilities			34,425	1		35,849	-
2600	Other non-current liabilities	6(16)(17)		576	-		163,740	2
25XX	Non-current liabilities			2,382,717	24		1,339,755	17
2XXX	Total Liabilities			6,064,314	60		4,421,660	57
Equity								
	Share capital	6(19)						
3110	Share capital - common stock			1,424,603	14		1,424,599	18
	Capital surplus	6(20)						
3200	Capital surplus			1,513,241	15		1,154,191	15
	Retained earnings	6(21)						
3310	Legal reserve			155,047	2		114,958	1
3320	Special reserve			33,455	-		21,737	-
3350	Unappropriated retained earnings			850,740	9		664,195	9
	Other equity interest	6(22)						
3400	Other equity interest		(	11,454)	-	(	63,125)	-
3XXX	Total equity			3,965,632	40		3,316,555	43
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	10,029,946	100	\$	7,738,215	100

The accompanying notes are an integral part of these parent company only financial statements.

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Year ended December 31			
Items	Notes	2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(23) and 7(2)	\$ 2,723,056	100	\$ 2,678,829	100
5000 Operating costs	6(4)(28) and 7(2)	( 2,246,700)	( 83)	( 2,142,391)	( 80)
5900 Net operating margin		476,356	17	536,438	20
5920 Realized profit from sales		16,485	1	31,058	1
5950 Gross profit from operation		492,841	18	567,496	21
Operating expenses	6(28)(29)				
6100 Selling expenses		( 44,958)	( 2)	( 36,941)	( 1)
6200 General and administrative expenses		( 195,750)	( 7)	( 174,401)	( 7)
6300 Research and development expenses		( 249,744)	( 9)	( 198,580)	( 7)
6450 Expected credit impairments loss		( 362)	-	-	-
6000 Total operating expenses		( 490,814)	( 18)	( 409,922)	( 15)
6900 Operating profit		2,027	-	157,574	6
Non-operating income and expenses					
7100 Interest income	6(24)	21,012	1	20,162	1
7010 Other income	6(25)	67,637	3	25,573	1
7020 Other gains and losses	6(26)	89,554	3	15,829	-
7050 Finance costs	6(27)	( 68,054)	( 2)	( 33,197)	( 1)
7070 Share of profit of associates and joint ventures accounted for using equity method, net	6(5)				
		284,726	10	253,745	9
7000 Total non-operating revenue and expenses		394,875	15	282,112	10
7900 Profit before income tax		396,902	15	439,686	16
7950 Income tax expense	6(30)	( 17,993)	( 1)	( 38,966)	( 1)
8200 Profit for the year		\$ 378,909	14	\$ 400,720	15
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(16)	\$ 1,263	-	\$ 169	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		1,263	-	169	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations	6(22)	37,223	1	( 11,718)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss		37,223	1	( 11,718)	-
8300 Other comprehensive income (loss) for the year		\$ 38,486	1	( \$ 11,549)	-
8500 Total comprehensive income for the year		\$ 417,395	15	\$ 389,171	15
<b>Basic earnings per share</b>					
9750 Total basic earnings per share	6(31)	\$ 2.67		\$ 2.83	
9850 Total diluted earnings per share		\$ 2.66		\$ 2.82	

The accompanying notes are an integral part of these parent company only financial statements.

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest		
		Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity, others	Total equity
	Notes								
Year 2023									
Balance at January 1, 2023		\$ 1,424,599	\$ 1,154,191	\$ 72,443	\$ 43,951	\$ 425,153	(\$ 21,737 )	(\$ 43,360 )	\$ 3,055,240
Profit for the year		-	-	-	-	400,720	-	-	400,720
Other comprehensive income (loss) for the 6(22) year		-	-	-	-	169	( 11,718 )	-	( 11,549 )
Total comprehensive income		-	-	-	-	400,889	( 11,718 )	-	389,171
Appropriation and distribution of 2022 earnings:	6(21)								
Legal reserve		-	-	42,515	-	( 42,515 )	-	-	-
Special reserve		-	-	-	( 22,214 )	22,214	-	-	-
Cash dividends		-	-	-	-	( 141,546 )	-	-	( 141,546 )
Share-based payment arrangements	6(18)(22)	-	-	-	-	-	-	13,690	13,690
Balance at December 31, 2023		\$ 1,424,599	\$ 1,154,191	\$ 114,958	\$ 21,737	\$ 664,195	(\$ 33,455 )	(\$ 29,670 )	\$ 3,316,555
Year 2024									
Balance at January 1, 2024		\$ 1,424,599	\$ 1,154,191	\$ 114,958	\$ 21,737	\$ 664,195	(\$ 33,455 )	(\$ 29,670 )	\$ 3,316,555
Profit for the year		-	-	-	-	378,909	-	-	378,909
Other comprehensive income for the year 6(22)		-	-	-	-	1,263	37,223	-	38,486
Total comprehensive income		-	-	-	-	380,172	37,223	-	417,395
Appropriation and distribution of 2023 earnings:	6(21)								
Legal reserve		-	-	40,089	-	( 40,089 )	-	-	-
Special reserve		-	-	-	11,718	( 11,718 )	-	-	-
Cash dividends		-	-	-	-	( 141,820 )	-	-	( 141,820 )
Recognition of equity components due to the 6(14) issuance of convertible corporate bonds		-	358,962	-	-	-	-	-	358,962
Convertible bonds converted into common shares		4	88	-	-	-	-	-	92
Share-based payment arrangements 6(18)(22)		-	-	-	-	-	-	14,448	14,448
Balance at December 31, 2024		\$ 1,424,603	\$ 1,513,241	\$ 155,047	\$ 33,455	\$ 850,740	\$ 3,768	(\$ 15,222 )	\$ 3,965,632

The accompanying notes are an integral part of these parent company only financial statements.

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 396,902	\$ 439,686
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(28)	370,678	291,512
Depreciation expense on right-of-use assets	6(7)(28)	21,074	24,515
Amortization expense	6(8)(28)	86,212	82,746
Expected credit impairment gain	12(2)	362	-
Losses on financial assets or liabilities at fair value through profit or loss	6(12)	4,919	-
Finance costs	6(27)	66,952	31,536
Interest expense on lease liabilities	6(27)	1,102	1,661
Gains on disposals of property, plant and equipment	6(26)	( 481 )	( 5,772 )
Interest income	6(24)	( 21,012 )	( 20,162 )
Government grant income	6(25)	( 916 )	-
Share of profit or loss of associates and joint ventures accounted for using equity method	6(5)	( 284,726 )	( 253,745 )
Unrealized (profit) loss from sales		( 16,485 )	( 31,058 )
Share-based payments	6(18)	14,448	13,690
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		146,705	( 283,026 )
Accounts receivable due from related parties		( 53,170 )	( 89,330 )
Inventories		13,070	99,085
Other receivables		10,459	( 3,311 )
Other receivables due from related parties		298	500
Prepayments		( 17,240 )	( 4,260 )
Other current assets		( 142 )	32
Changes in operating liabilities			
Accounts payable		( 37,435 )	( 12,782 )
Accounts payable to related parties		( 64,393 )	380,044
Other payables		( 92,570 )	( 121,850 )
Other payables to related parties		-	( 60 )
Other current liabilities, others		( 207 )	1,083
Other non-current liabilities		( 197 )	-
Cash inflow generated from operations		544,207	540,734
Interest paid		( 53,195 )	( 28,157 )
Interest received		21,012	20,162
Income taxes paid		( 405 )	-
Net cash flows from operating activities		511,619	532,739

(Continued)

ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortized cost		( \$ 276,541 )	\$ -
Acquisition of property, plant and equipment	6(32)	( 1,968,953 )	( 671,727 )
Proceeds from disposal of property, plant and equipment		2,878	5,230
Acquisition of intangible assets	6(32)	( 87,575 )	( 284,140 )
Increase in other receivables due from related parties		( 10,000 )	-
Decrease in financial assets at amortized cost		-	84,732
Proceeds from capital reduction of investments accounted for using equity method	6(5)	-	92,000
Dividends received		92,000	-
Acquisition of investments under equity method	6(5)	( 300,000 )	-
Unrealized foreign exchange gain		( 35,749 )	( 19,040 )
Decrease in refundable deposits		-	4,496
Net cash flows used in investing activities		( 2,583,940 )	( 788,449 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase from short-term borrowings	6(33)	1,141,000	388,000
Decrease of short-term borrowings	6(33)	( 650,000 )	( 340,000 )
Increase in short-term notes and bills payable	6(33)	65,000	30,000
Proceeds from issuance of bonds	6(33)	1,474,128	-
Repayments of principal portion of lease liabilities	6(33)	( 21,237 )	( 24,226 )
Proceeds from long-term borrowings	6(33)	527,000	350,000
Repayments of long-term borrowings	6(33)	( 288,677 )	( 65,247 )
Cash dividends paid	6(33)	( 141,820 )	( 141,546 )
Net cash flows from financing activities		2,105,394	196,981
Effects of Changes in Foreign Exchange		35,892	18,854
Net increase (decrease) in cash and cash equivalents		68,965	( 39,875 )
Cash and cash equivalents at beginning of year		392,000	431,875
Cash and cash equivalents at end of year		\$ 460,965	\$ 392,000

The accompanying notes are an integral part of these parent company only financial statements.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ability Opto-Electronics Technology Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Ability Opto-Electronics Technology Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Allowance for inventory valuation losses**

##### Description

Refer to Note 4(11) for the accounting policies on inventories, Note 5(2) for the critical accounting estimates and assumptions for evaluation of inventories, and Note 6(4) for the details of allowance for inventory valuation losses. As of December 31, 2024, the Group's inventories and allowance for inventory valuation losses amounted to NT\$1,364,416 thousand and NT\$279,095 thousand, respectively.

The Group's inventories are primarily comprised of optical lenses and camera lenses which mostly are customized production. If these inventories do not meet the requirements of the customers who placed the orders, they are unlikely to be sold to other customers. Additionally, due to the fluctuation of market demand and rapid changes of technology, there is a higher risk of inventories losses arising from market value decline or obsolescence. As the estimation of net realizable value used in inventory valuation is subject to judgement and may cause significant uncertainty, we consider the evaluation of allowance for inventory valuation losses as a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures to address the abovementioned key audit matter:

- (1) Obtained an understanding and estimated the reasonableness of the Group's valuation and allowance for losses on obsolete inventories.
- (2) Reviewed annual plan of physical inventory count and observed the inventory count to assess the effectiveness of internal control and classification of obsolete inventory.
- (3) Obtained the Group's inventory aging report and verified dates of movements with supporting documents. Ensured the accuracy of inventory aging classification and its consistency with the Group's policy.
- (4) Obtained the net realizable value report of each inventory, assessed whether the estimation policy was consistently applied in all inventories, tested the estimation basis of the net realizable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the allowance for inventory valuation losses.

### ***Other Matter-parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Ability Opto-Electronics Technology Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Wu, Sung-Yuan

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Ability Opto-Electronics Technology Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
	<b>Current assets</b>			
1100	Cash and cash equivalents	6(1)	\$ 904,151	\$ 711,173
1136	Current financial assets at amortised cost	6(2) and 8	322,503	289,225
1150	Notes receivable, net	6(3)	600	711
1170	Accounts receivable, net	6(3)	1,533,696	1,471,671
1200	Other receivables		20,913	19,696
130X	Inventories	6(4)	1,085,321	922,475
1410	Prepayments		98,150	55,125
1470	Other current assets		7,600	6,784
11XX	<b>Current assets</b>		<u>3,972,934</u>	<u>3,476,860</u>
	<b>Non-current assets</b>			
1535	Non-current financial assets at amortised cost	6(2) and 8	260,246	16,983
1600	Property, plant and equipment	6(5) and 8	4,622,514	2,950,139
1755	Right-of-use assets	6(6)	158,215	104,097
1780	Intangible assets	6(7)	589,126	634,705
1840	Deferred income tax assets	6(29)	151,198	175,119
1900	Other non-current assets	6(8)	155,681	63,024
15XX	<b>Non-current assets</b>		<u>5,936,980</u>	<u>3,944,067</u>
1XXX	<b>Total assets</b>		<u>\$ 9,909,914</u>	<u>\$ 7,420,927</u>

(Continued)

Ability Opto-Electronics Technology Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
<b>Current liabilities</b>				
2100	Short-term borrowings	6(9)	\$ 1,525,000	\$ 1,090,000
2110	Short-term notes and bills payable	6(10)	95,000	30,000
2120	Financial liabilities at fair value through profit or loss - current	6(11)	10,319	-
2170	Accounts payable		359,741	400,059
2200	Other payables	6(12)	579,234	514,939
2230	Current income tax liabilities		60,878	63,689
2280	Current lease liabilities		22,748	31,031
2320	Long-term liabilities, current portion	6(14)	741,805	588,698
2399	Other current liabilities, others		5,535	5,636
21XX	<b>Current liabilities</b>		<u>3,400,260</u>	<u>2,724,052</u>
<b>Non-current liabilities</b>				
2530	Bonds payable	6(13)	1,099,232	-
2540	Long-term borrowings	6(14)	1,303,487	1,158,836
2570	Deferred income tax liabilities	6(29)	35,454	11,185
2580	Non-current lease liabilities		103,889	43,397
2600	Other non-current liabilities	6(16)	759	163,923
25XX	<b>Non-current liabilities</b>		<u>2,542,821</u>	<u>1,377,341</u>
2XXX	<b>Total liabilities</b>		<u>5,943,081</u>	<u>4,101,393</u>
<b>Equity attributable to owners of parent</b>				
	Share capital	6(17)(18)		
3110	Share capital - common stock		1,424,603	1,424,599
	Capital surplus	6(19)		
3200	Capital surplus		1,513,241	1,154,191
	Retained earnings	6(20)		
3310	Legal reserve		155,047	114,958
3320	Special reserve		33,455	21,737
3350	Unappropriated retained earnings		850,740	664,195
	Other equity interest	6(21)		
3400	Other equity interest		( 11,454 )	( 63,125 )
31XX	<b>Equity attributable to owners of parent</b>		<u>3,965,632</u>	<u>3,316,555</u>
36XX	<b>Non-controlling interests</b>		<u>1,201</u>	<u>2,979</u>
3XXX	<b>Total equity</b>		<u>3,966,833</u>	<u>3,319,534</u>
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	<b>Total liabilities and equity</b>		<u>\$ 9,909,914</u>	<u>\$ 7,420,927</u>

The accompanying notes are an integral part of these consolidated financial statements.

Ability Opto-Electronics Technology Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, for earnings per share amounts)

		Year ended December 31	
Items	Notes	2024	2023
		AMOUNT	AMOUNT
4000 Operating revenue	6(22)	\$ 4,278,305	\$ 3,995,843
5000 Operating costs	6(4)(27)(28)	( 3,237,805 )	( 2,946,121 )
5900 Gross profit from operations		1,040,500	1,049,722
Operating expenses	6(27)(28)		
6100 Selling expenses		( 110,461 )	( 90,338 )
6200 General and administrative expenses		( 311,122 )	( 257,887 )
6300 Research and development expenses		( 270,989 )	( 221,185 )
6450 Expected credit impairment (loss) gain	12(2)	( 362 )	4
6000 Operating expenses		( 692,934 )	( 569,406 )
6900 Operating profit		347,566	480,316
Non-operating income and expenses			
7100 Interest income	6(23)	30,285	23,157
7010 Other income	6(24)	52,327	28,380
7020 Other gains and losses	6(25)	140,743	15,128
7050 Finance costs	6(26)	( 75,806 )	( 40,587 )
7000 Total non-operating income and expenses		147,549	26,078
7900 Profit before income tax		495,115	506,394
7950 Income tax expense	6(29)	( 117,995 )	( 106,823 )
8200 Profit for the year		\$ 377,120	\$ 399,571
<b>Other comprehensive income</b>			
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>			
8311 Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(15)	\$ 1,263	\$ 169
8310 Components of other comprehensive income that will not be reclassified to profit or loss		1,263	169
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
8361 Financial statements translation differences of foreign operations	6(21)	37,234	( 11,726 )
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-
8360 Components of other comprehensive income that will be reclassified to profit or loss		37,234	( 11,726 )
8300 Other comprehensive (loss) income		\$ 38,497	( \$ 11,557 )
8500 Total comprehensive income for the year		\$ 415,617	\$ 388,014
Profit (loss), attributable to:			
8610 Profit (loss), attributable to owners of parent		\$ 378,909	\$ 400,720
8620 Profit (loss), attributable to non-controlling interests		( \$ 1,789 )	( \$ 1,149 )
Comprehensive income attributable to:			
8710 Comprehensive income, attributable to owners of parent		\$ 417,395	\$ 389,171
8720 Comprehensive income, attributable to non-controlling interests		( \$ 1,778 )	( \$ 1,157 )
Basic earnings per share			
9750 Basic earnings per share	6(30)	\$ 2.67	\$ 2.83
9850 Diluted earnings per share		\$ 2.66	\$ 2.82

The accompanying notes are an integral part of these consolidated financial statements.

Ability Opto-Electronics Technology Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
			Capital surplus, additional paid- in capital		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Other equity, others	Total	Non-controlling interests	Total equity	
Notes	Ordinary share		Legal reserve	Special reserve							
<u>Year 2023</u>											
		\$ 1,424,599	\$ 1,154,191	\$ 72,443	\$ 43,951	\$ 425,153	(\$ 21,737 )	(\$ 43,360 )	\$ 3,055,240	\$ 4,136	\$ 3,059,376
		-	-	-	-	400,720	-	-	400,720	( 1,149 )	399,571
Other comprehensive income (loss) for the year	6(21)	-	-	-	-	169	( 11,718 )	-	( 11,549 )	( 8 )	( 11,557 )
Total comprehensive income		-	-	-	-	400,889	( 11,718 )	-	389,171	( 1,157 )	388,014
Appropriation and distribution of 2022 earnings	6(20)										
Legal reserve		-	-	42,515	-	( 42,515 )	-	-	-	-	-
Reversal of special reserve		-	-	-	( 22,214 )	22,214	-	-	-	-	-
Cash dividends		-	-	-	-	( 141,546 )	-	-	( 141,546 )	-	( 141,546 )
Share-based payment arrangements	6(17)(21)	-	-	-	-	-	-	13,690	13,690	-	13,690
Balance at December 31, 2023		\$ 1,424,599	\$ 1,154,191	\$ 114,958	\$ 21,737	\$ 664,195	(\$ 33,455 )	(\$ 29,670 )	\$ 3,316,555	\$ 2,979	\$ 3,319,534
<u>Year 2024</u>											
		\$ 1,424,599	\$ 1,154,191	\$ 114,958	\$ 21,737	\$ 664,195	(\$ 33,455 )	(\$ 29,670 )	\$ 3,316,555	\$ 2,979	\$ 3,319,534
Profit for the year		-	-	-	-	378,909	-	-	378,909	( 1,789 )	377,120
Other comprehensive income for the year	6(21)	-	-	-	-	1,263	37,223	-	38,486	11	38,497
Total comprehensive income		-	-	-	-	380,172	37,223	-	417,395	( 1,778 )	415,617
Appropriation and distribution of 2023 earnings	6(20)										
Legal reserve		-	-	40,089	-	( 40,089 )	-	-	-	-	-
Special reserve		-	-	-	11,718	( 11,718 )	-	-	-	-	-
Cash dividend		-	-	-	-	( 141,820 )	-	-	( 141,820 )	-	( 141,820 )
Recognition of equity components due to the issuance of convertible corporate bonds	6(19)	-	358,962	-	-	-	-	-	358,962	-	358,962
Conversion bonds converted into common shares		4	88	-	-	-	-	-	92	-	92
Stock-based compensation	6(17)(21)	-	-	-	-	-	-	14,448	14,448	-	14,448
Balance at December 31, 2024		\$ 1,424,603	\$ 1,513,241	\$ 155,047	\$ 33,455	\$ 850,740	\$ 3,768	(\$ 15,222 )	\$ 3,965,632	\$ 1,201	\$ 3,966,833

The accompanying notes are an integral part of these consolidated financial statements.



Ability Opto-Electronics Technology Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	495,115	\$	506,394
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation expense	6(5)(6)(27)		479,864		404,712
Amortization expense	6(7)(27)		92,355		86,163
Expected credit impairment (loss) gain	12(2)		362	(	4 )
Losses on financial assets or liabilities at fair value through profit or loss	6(25)		4,919		-
Finance costs	6(26)		75,806		40,587
Interest income	6(23)	(	30,285 )	(	23,157 )
Government grant income	6(24)	(	916 )		-
Share-based payments	6(17)		14,448		13,690
(Gain) losses on disposals of property, plant and equipment	6(25)		2,439	(	350 )
Unrealized foreign exchange gain		(	35,749 )	(	18,319 )
Changes in operating assets and liabilities					
Changes in operating assets					
Notes receivable, net			111	(	100 )
Accounts receivable, net		(	62,387 )	(	302,564 )
Other receivables		(	301 )	(	2,497 )
Inventories		(	162,846 )		244,577
Prepayments		(	43,025 )		882
Other current assets		(	816 )	(	1,597 )
Changes in operating liabilities					
Accounts payable		(	40,318 )		11,321
Other payables		(	56,818 )	(	130,870 )
Other current liabilities		(	101 )		749
Other non-current liabilities		(	197 )	(	185 )
Cash inflow generated from operations			731,660		829,432
Interest received			30,285		23,157
Interest paid		(	60,947 )	(	35,547 )
Income taxes paid		(	92,927 )	(	49,151 )
Net cash flows from operating activities			608,071		767,891

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in financial assets at amortized cost		(	276,541 )		-
Decrease in financial assets at amortized cost			-		186,381
Acquisition of property, plant and equipment	6(31)	(	2,191,354 )	(	717,881 )
Proceeds from disposal of property, plant and equipment			1,813		9,357
Acquisition of intangible assets	6(31)	(	97,928 )	(	288,268 )
Acquisition of right-of-use assets.		(	605 )		-
Increase in refundable deposits		(	2,600 )		-
Decrease in refundable deposits			-		4,015
Net cash flows used in investing activities		(	2,567,215 )	(	806,396 )

CASH FLOWS FROM FINANCING ACTIVITIES

Increase from short-term borrowings	6(32)		1,800,780		678,000
Decrease of short-term borrowings	6(32)	(	1,365,780 )	(	691,070 )
Increase in short-term notes and bills payable	6(32)		65,000		30,000
Issuance of Corporate Bonds	6(32)		1,474,128		-
Increase in long-term borrowings	6(32)		625,517		350,000
Decrease in long-term borrowings	6(32)	(	332,124 )	(	74,960 )
Repayments of principal portion of lease liabilities	6(32)	(	33,110 )	(	35,146 )
Cash dividends paid	6(20)(32)	(	141,820 )	(	141,546 )
Net cash flows from financing activities			2,092,591		115,278
Effect of exchange rate changes on cash and cash equivalents			59,531		20,329
Net increase in cash and cash equivalents			192,978		97,102
Cash and cash equivalents at beginning of year			711,173		614,071
Cash and cash equivalents at end of year		\$	904,151	\$	711,173

(Expressed in thousands of New Taiwan dollars)

The accompanying notes are an integral part of these consolidated financial statements.

**Ability opto-Electronics Technology Co., Ltd.**  
**Table of Amendments to the Articles of Incorporation (Comparison)**

Amended provisions	Current provisions	Description
<p>Article 2 The scope of business of the Company shall be as follows:</p> <p>1. Research, development, design, manufacturing, and sales of the following products:</p> <p>(1) Lens modules of digital cameras</p> <p>(2) Mobile phone camera lens</p> <p>(3) Lens of multi-function peripheral</p> <p>(4) Other optical lens modules and lens elements</p> <p>(5) <del>Purchase and sales of patents for the above products and the license thereof</del></p> <p><del>2. Software and hardware application design, testing, maintenance and technical consulting services for the above products.</del></p> <p>2. Business items and codes of the above products</p> <p>CE01030 Optical Instruments Manufacturing</p> <p>CE01990 Others Photographic and Optical Instruments Manufacturing</p> <p>CQ01010 Mold and Die Manufacturing</p> <p>I501010 Product Designing</p> <p>F601010 Intellectual Property Rights</p>	<p>Article 2 The scope of business of the Company shall be as follows:</p> <p>1. Research, development, design, manufacturing, and sales of the following products:</p> <p>(1) Lens modules of digital cameras</p> <p>(2) Mobile phone camera lens</p> <p>(3) Lens of multi-function peripheral</p> <p>(4) Other optical lens modules and lens elements</p> <p>(5) Purchase and sales of patents for the above products and the license thereof</p> <p>2. Software and hardware application design, testing, maintenance and technical consulting services for the above products.</p> <p>3. Business items and codes of the above products</p> <p>CE01030 Optical Instruments Manufacturing</p> <p>CE01990 Others Photographic and Optical Instruments Manufacturing</p> <p>CQ01010 Mold and Die Manufacturing</p> <p>I501010 Product Designing</p> <p>F601010 Intellectual Property Rights</p>	<p>As per the requirement of the competent authority (Reference No. Zhong Shang Zi 1120016667)</p>
<p>Article 27: If the Company generates profits for the year, <b><u>at least 6%</u></b> should be allocated for employee compensation, with <b><u>no less than 30% of this amount allocated for compensation to grassroots employees</u></b>; no more than 3% should be allocated for director</p>	<p>Article 27 If the Company makes profits in a year, it shall set aside five percent (5%) to twelve percent (12%) of the profits as remunerations to employees, and no more than three percent (3%) as remunerations to directors. However, the Company's</p>	<p>As amended under Article 14, Paragraph 6 of the Securities Exchange Act</p>

<p>compensation. However, the Company's accumulated losses shall first have been covered. Qualified employees of the Company's parent company or subsidiaries may be eligible to receive the preceding remunerations distributed in the form of shares or in cash.</p>	<p>accumulated losses shall first have been covered. Qualified employees of the Company's parent company or subsidiaries may be eligible to receive the preceding remunerations distributed in the form of shares or in cash.</p>	
<p>Article 30: This Articles of Incorporation was established on November 8, 1986 The first amendment was made on January 21, 1988 The second amendment was made on October 27, 1988 The third amendment was made on December 1, 1989 The fourth amendment was made on August 5, 1995</p> <p>[...]</p> <p>The thirty-third amendment was made on June 22, 2022 The thirty-fourth amendment was made on June 14, 2023</p> <p><u>The thirty-fifth amendment was made on June 20, 2025</u></p>	<p>Article 30: This Articles of Incorporation was established on November 8, 1986 The first amendment was made on January 21, 1988 The second amendment was made on October 27, 1988 The third amendment was made on December 1, 1989 The fourth amendment was made on August 5, 1995</p> <p>[...]</p> <p>The thirty-third amendment was made on June 22, 2022 The thirty-fourth amendment was made on June 14, 2023</p>	<p>Amended and Added Revision Dates</p>

## List of Director Candidates

Serial Number	Category of nominee	Name of nominee	Education qualifications	Work experience	Current position	Shares held amount (Unit: shares)	Name of the represented government or juristic person
1	Director	Victor Kao	MBA, University of La Veme, USA	Advertising and Marketing Manager, Central Heath Medical Plan Vice President, Business Center of Ability Opto-Electronics Technology Co., Ltd. President of the Company Chairman of Miyabi Technology Co., Ltd. Chairman of Rhoson Corporation	President of the Company Chairman of Miyabi Technology Co., Ltd. Chairman of Rhoson Corporation and Chairman of All Max Technology Chairman and President of Giga-Image Technology Co., Ltd.	3,469,257	None
2	Director	Chung-He Lin	EMBA, Western Pacific University, USA	Vice Chairman, E-life Mall Corporation	Vice Chairman, E-life Mall Corporation	6,448,897	None
3	Director	Mao-Sheng Lee	MD - PhD, Department of Obstetrics and Gynecology, Toho University, Japan	Responsible Person of Mao Sheng Hospital	Responsible Person of Mao Sheng Hospital	533,154	None
4	Director	Tsung Yi Investment Limited Representative: Mao-San Lai	Department of Pharmacy, China Medical College	Responsible Person of NEW PROFIT TRADING CO., LTD.	Responsible Person of NEW PROFIT TRADING CO., LTD.	5,329,521	None
5	Director	Tsung Yi Investment Limited Representative: Chien-Hsun Lai	Ph.D. in Mechanical Engineering, National Taiwan University	Vice President of the Company Director of Miyabi Technology Co., Ltd. Director of Rhoson Corporation	Vice President of the Company Director of Miyabi Technology Co., Ltd. Director of Rhoson Corporation	5,329,521	None
6	Director	Chin Yu Lung Investment Limited Representative: Chin-Lung Hsu	School of Medicine, Chung Shan Medical University	President, Yu Jen Hospital	Director, Chin Yu Lung Investment Limited	1,343,752	None
7	Director	Ting-Hua Lin	Grand Canyon Master's degree (MBA)	Vice President of the Company	Vice President of the Company Director and President of Rhoson Corporation	2,642,571	None
8	Independent Director	Yung-Jen Tsao	Ph.D. in Economic Law, Graduate School, China University of Political Science and Law, Beijing Section Leader of Deloitte Taiwan	Partner, EnWise CPAs & Co. Director, Paiho Shih Holdings Corporation Supervisor, Yung Fa Steel & Iron Industry Co., Ltd.	Partner, EnWise CPAs & Co.	0	None
9	Independent Director	Sen-He Chang	Department of Accounting, Feng Chia University Ph.D., Institute of Business & Management, National Chiao Tung University	Professor of Department of Accounting, Feng Chia University	Independent Director, AURAS Technology Co., Ltd. Professor of Department of Accounting, Feng Chia University	0	None
10	Independent Director	Hui-Juan Kao	Ph.D., Department of Finance, National Chung Cheng University	Professor of Department of International Business, Tunghai University Member of the Taichung City Government Public Debt Management Committee Member of Taiwan Assessment and Evaluation Association	Professor of Department of International Business, Tunghai University Member of the Taichung City Government Public Debt Management Committee Member of Taiwan Assessment and Evaluation Association	3,000	None
11	Independent Director	Yung-Jui Chen	EMBA, National Taiwan University In-service PhD Program, National Taiwan University of Science and Technology	President, Everbiz Industrial Co., Ltd., New Generation Inheritance Fellowship Association President of New Taipei City Trade Union, Vice President of the Asia-Pacific Artificial Intelligence Business Development Association (AiBiz)	President, Everbiz Industrial Co., Ltd.	0	None

**Reasons for continuing to nominate Mr. Yung-Jen Tsao, who has served as an Independent Director of the Company for 3 consecutive terms, as a candidate for Independent Director:**

Mr. Yung-Jen Tsao, candidate for Independent Director this time, has already served as an Independent Director of the Company for more than 3 terms. Considering his expertise in the field of finance and familiarity with relevant laws and regulations, which have been evidently beneficial to the Company, Mr. Yung-Jen Tsao is still listed as a candidate for Independent Director. This allows him to continue to utilize his expertise while fulfilling his duties as an Independent Director and to provide professional opinions and oversight to the Board of Directors.

Proposal to Lift Competitive Restrictions on Director Candidates

Job Title	Name	Proposal to Lift Competitive Restrictions on Director Candidates
Director	Victor Kao	Chairman of Miyabi Technology Co., Ltd. Chairman of Rhoson Corporation Chairman of G-Wise Design Chairman and President of Giga-Image Technology Co., Ltd. Independent Director, Orange Electronics Co., Ltd.
Director	Mao-Sheng Lee	President of Mao Sheng Hospital
Director	Representative: Chin-Lung Hsu	Director, Chin Yu Lung Investment Limited
Director	Tsung Yi Investment Limited Representative: Mao-San Lai	Chairman of New Profit Trading Co., Ltd.
Director	Tsung Yi Investment Limited Representative: Chien-Hsun Lai	Director, Tsung Yi Investment Limited Supervisor, New Profit Trading Co., Ltd. Director of Miyabi Technology Co., Ltd. Director of Rhoson Corporation(TW) G-Wise Design Director
Director	Ting-Hua Lin	Director of Miyabi Technology Co., Ltd. Director and President of Rhoson Corporation Director of E-life Mall Corporation Chairman, Chuan Chao Investment Co., Ltd.
Independent Director	Yung-Jen Tsao	Partner, EnWise CPAs & Co. Director, Paiho Shih Holdings Corporation Independent Director, Fu Hua Innovation Co., Ltd.
Independent Director	Sen-He Chang	Independent Director, AURAS Technology Co., Ltd.
Independent Director	Hui-Juan Kao	Professor of Department of International Business, Tunghai University
Independent Director	Yung-Jui Chen	President, Everbiz Industrial Co., Ltd.

**VIII. Appendices**

**Ability opto-Electronics Technology Co., Ltd.**

**Rules of Procedure for Shareholders' Meetings(before revision)**

**Article 1 (Basis)**

These Rules are established in accordance with Article 6 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for the purposes of establishing a good shareholders' meeting governance system of the Company, improving supervisory functions, and strengthening management mechanisms.

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

**Article 2 (Convening of shareholders' meetings and meeting notice)**

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

The Company's virtual shareholders meeting shall be indicated in the articles and approved by the Board of Directors unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies. The virtual shareholders meeting shall be attended by at least two-thirds of the board and the resolution must be voted in favor by more than half of all attending directors.

Notice of a regular shareholders' meeting shall be given to each shareholder no later than 30 days prior to the meeting date. For shareholders holding fewer than 1,000 registered shares, such notice may be given by means of a public announcement on the Market Observation Post System (MOPS) within the same timeframe. Notice of a special shareholders' meeting shall be given no later than 15 days prior to the meeting date, and for shareholders holding fewer than 1,000 registered shares, such notice may likewise be given by public announcement on the MOPS within the same period.

A notice to convene a special shareholders' meeting shall be sent to each shareholder 15 days prior to the scheduled meeting date. Shareholders who hold less than 1,000 registered shares in the Company shall be notified of the meeting by means of a public announcement published on the MOPS 15 days prior to the scheduled meeting date. The Company shall, at least 21 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting, prepare electronic files of the shareholders meeting agenda and any supplemental materials, and upload them to the Market Observation Post System (MOPS). However, if the Company's paid-in capital reaches NT\$2 billion or more as of the last day of the most recent fiscal year, or if the combined shareholding ratio of foreign and PRC shareholders as recorded in the shareholders register for the most recent regular shareholders meeting reaches 30% or more, such electronic files shall be uploaded no later than 30 days before the date of the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

This Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner

on the date of the shareholders meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3 (The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement)

The election or dismissal of Directors, amendments to the Articles of Incorporation, capital reduction, application for cessation of public offering, permission for Directors to engage in competing business, capitalization of retained earnings, capitalization of reserves, dissolution of the company, mergers, demergers, or matters under Article 185, Paragraph 1 of the Company Act, Article 26-1, Article 43-6 of the Securities Exchange Act, Article 56-1, and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Issuers, should be listed and explained in the notice of the shareholders' meeting. These matters cannot be proposed as an urgent motion.

Article 4 (Attending a shareholders' meeting by proxy and authorization)

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing a proxy form issued by the Company and stating the scope of authorization granted to the proxy. A shareholder may issue only one proxy form and

appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles for determining the venue and time of shareholders' meetings)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the venue and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one (1) representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one (1) person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the



meeting online shall register with the Company two days before the meeting date. In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 6-1

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The Company convening a shareholders' meeting via video conference should include the following items in the notice of the shareholders' meeting: I, The methods for shareholders to participate in the video conference and exercise their rights. II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

(1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

(3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

III, To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters shall be specified.

#### Article 7 (Chairman of the shareholders' meeting and non-voting attendees)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board of the Directors. Where the chairman is unable to exercise his/her functions and powers during his/her absence or for reasons, the deputy chairman shall act on behalf of the chairman. Where there is no deputy

chairman or the deputy chairman is unable to exercise his/her functions and powers during his/her absence or for reasons, the chairman shall designate one of the executive directors to act on his/her behalf. Where there is no executive director, the chairman shall designate one of the directors to act on his/her behalf. Where the chairman does not make such a designation, the executive directors or the directors shall select from among themselves one person to act on behalf of the chairman.

It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the directors (including at least one (1) independent director). The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are no less than two (2) such convening parties, they shall mutually select a chair from among themselves.

The Company may permit its attorneys, certified public accountants, or related persons engaged by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the recording shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

#### Article 9 (Calculation of the number of shares in attendance at the shareholders' meeting and the convening of the meeting)

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two (2) such postponements, for a combined total of no more than one (1) hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued

shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the Rules of Procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

#### Article 11 (Shareholders' speeches)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is

speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints no less than two (2) representatives to attend a shareholders' meeting, only one (1) of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

#### Article 12 (Calculation of the number of voting shares and avoidance system)

Voting at a shareholders' meeting shall be calculated based on the number of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is a likelihood that such a relationship would prejudice the interests of the Company, such shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one (1) person is concurrently appointed as a proxy by no less than two (2) shareholders, the voting rights represented by that proxy may not exceed three percent (3%) of the voting rights represented by the total number of issued shares. If such percentage is exceeded, the voting rights in excess of such percentage shall not be included in the calculation.

#### Article 13 (Voting on proposals, and vote counting and scrutinizing methods)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who exercise their voting rights in writing or electronically shall be considered as attending the shareholders' meeting in person. However, for any urgent motions or amendments to the original proposals during the meeting, such shareholders will be deemed to have waived their voting rights, and thus, the Company should avoid proposing urgent motions or amendments to the original proposals.

The expression of intent for exercising voting rights in writing or electronically must be delivered to the Company at least two days before the meeting. If multiple expressions of intent are submitted, the first one received will be considered valid. However, expressions of intent can be revoked prior to the meeting, and such revocation will not be subject to this limit.

If a shareholder wishes to attend the meeting in person or via video conference after exercising voting rights in writing or electronically, they must revoke their previous voting intention using the same method at least two days prior to the meeting. If the revocation is made after this deadline, the voting rights exercised in writing or electronically will prevail. If voting rights are exercised in writing or electronically and a proxy is appointed to attend the meeting with a power of attorney, the voting rights exercised by the proxy will prevail.

Except as otherwise provided in the Company Act and in the articles of incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting

rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14 (Election Matters)

The election of directors at a shareholders' meeting shall be held in accordance with relevant provisions of the Director Election Measures established by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of unsuccessful directors and the numbers of votes for them. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one (1) year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the recording shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

#### Article 15 (Meeting Minutes and Signatures)

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### Article 16 (Public announcement)

The number of shares acquired by the solicitations, the number of shares represented by proxy agents, and the number of shares for which shareholders participate in the meeting in writing or electronically, should be clearly displayed in a statistical table compiled by the Company on the day of the shareholders' meeting, in accordance with the prescribed format. If the shareholders' meeting is held via video conference, the Company should upload the aforementioned data to the video conference platform at least thirty minutes prior to the start of the meeting and continue to disclose it until the meeting concludes.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on

the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16 (Public announcement)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintenance of order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the Rules of Procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Break and resumption of meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce the time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five (5) days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)

When the Company convenes a virtual-only shareholders meeting, both the chair

and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

#### Article 21 (Handling of disconnection)

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13,



paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

#### Article 22

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters shall be specified.

#### Article 23 (Implementation and amendment)

These Rules shall be implemented after being submitted to and approved by a shareholders' meeting. Any amendment hereof is subject to the same procedures. These Rules were amended by the 6th Meeting of the 12th Board of Directors on May 4, 2017; amended by the 13th meeting of the 13th Board of Directors on March 25, 2021; and amended by the 18th meeting of the 13th Board of Directors on March 17, 2022 and implemented after being submitted to and approved by the shareholders' meeting.

Amended on May 9, 2024, by the 10th meeting of the 14th Board of Directors, to be implemented upon approval by the shareholders' meeting.

**Ability opto-Electronics Technology Co., Ltd.  
Director Nomination Process**

**Article 1**

To ensure the fair, just, and transparent selection of directors, this procedure is established in accordance with Article 21 and Article 41 of the “Corporate Governance Best Practice Principles for Listed and Over-the-Counter Companies.”

**Article 2**

The selection of directors in this company shall be conducted in accordance with this procedure, unless otherwise stipulated by law or the articles of incorporation.

**Article 3**

The selection of directors in this company shall consider the overall composition of the board of directors. The composition of the board should reflect diversity, and an appropriate diversity policy should be developed based on the company’s operations, business model, and development needs. This policy should include, but not be limited to, the following two major aspects:

1. Basic Conditions and Values: Gender, age, nationality, culture, etc.
2. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills, and competencies necessary to perform their duties. The overall capabilities required are as follows:

1. Operational judgment capability
2. Accounting and financial analysis capability
3. Management capability
4. Crisis management capability
5. Industry knowledge
6. International market perspective
7. Leadership capability
8. Decision-making capability

More than half of the board members must not have any spousal or close familial relationships within two degrees of kinship.

The company's board of directors should, based on performance evaluation results, consider adjusting the composition of the board members.

**Article 4**

The qualifications of the independent directors of the company shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations for the Establishment and Compliance of Independent Directors of Public Companies."

The selection of independent directors shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the “Regulations for the Establishment and Compliance of Independent Directors of Public Companies" and shall be conducted in accordance with the provisions of Article 24 of the “Corporate Governance Best Practice Principles for Listed Companies.”

**Article 5**

The election of the company’s directors shall follow the nomination procedure for candidates as specified in Article 192-1 of the Company Act.

If the number of directors falls below five due to dismissal, a by-election shall be held at the next shareholder meeting. If the number of vacancies reaches one-third of the seats specified in the Articles of Association, the company must convene a shareholders' special meeting within 60 days from the occurrence of the vacancy to elect replacements.

If the number of independent directors falls below the number required by the Securities and Exchange Act, the company must hold a by-election at the next shareholder meeting. If all

independent directors are dismissed, a shareholders' special meeting must be convened within 60 days from the occurrence of the vacancy to elect replacements.

#### Article 6

The election of directors shall adopt a cumulative voting system, where each share carries the same number of votes as the number of directors to be elected. Votes can be concentrated on one person or distributed among multiple candidates.

#### Article 7

The board of directors shall prepare election ballots corresponding to the number of directors to be elected, indicating their respective voting powers. These ballots shall be distributed to shareholders attending the shareholders' meeting. Shareholders may mark their votes with the attendance certificate number printed on the ballot.

#### Article 8

The election of directors shall be conducted according to the number of seats defined in the Articles of Association, distinguishing between independent and non-independent directors. Those receiving the highest number of votes for each category will be elected. In case of a tie where the number of votes exceeds the prescribed number of seats, a draw will be conducted to determine the elected candidates. If the drawing involves absentee candidates, the chairperson will conduct the draw on their behalf.

#### Article 9

Before the election begins, the chairperson shall appoint shareholders to act as vote supervisors and counters to perform relevant duties. The board of directors shall prepare a voting box, which must be opened and inspected publicly by the vote supervisor before voting.

#### Article 10

A ballot shall be considered invalid under any of the following circumstances:

1. A ballot that is not prepared by the convening authority.
2. A blank ballot deposited into the voting box.
3. A ballot with illegible handwriting or one that has been altered.
4. A ballot in which the names of the candidates do not match the list of board nominees upon verification.
5. A ballot containing additional text other than the allocation of voting rights.

#### Article 11

After voting is completed, the votes shall be counted immediately. The results of the vote, including the names of the elected directors and the number of votes they received, shall be announced on the spot by the chairperson.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one (1) year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the recording shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

#### Article 12

The elected directors will be notified of their election by the board of directors of the company.

#### Article 13

This procedure shall be implemented after being approved by the shareholders' meeting, and the same procedure shall apply for amendments.

**Articles of Incorporation of ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD. (before revision)**

**Chapter I General Provisions**

Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 先進光電科技股份有限公司 in the Chinese language, and ABILITY OPTO-ELECTRONICS TECHNOLOGY CO., LTD. in the English language.

Article 2 The scope of business of the Company shall be as follows:

- I. Research, development, design, manufacturing, and sales of the following products:
  1. Lens modules of digital cameras
  2. Mobile phone camera lens
  3. Lens of multi-function peripheral
  4. Other optical lens modules and lens elements
  5. Purchase and sales of patents for the above products and the license thereof
- II. Software and hardware application design, testing, maintenance and technical consulting services for the above products.
- III. Business items and codes of the above products
  - CE01030 Optical Instruments Manufacturing
  - CE01990 Others Photographic and Optical Instruments Manufacturing
  - CQ01010 Mold and Die Manufacturing
  - I501010 Product Designing
  - F601010 Intellectual Property Rights

Article 2-1 When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such other companies shall not exceed forty percent (40%) of its own paid-up capital.

Article 2-2 The Company may, based on business needs, make an endorsement or guarantee for loans from governmental authorities and financial institutions required for its reinvestment business.

Article 3 The Company shall have its head office in the Central Taiwan Science Park. Where necessary, the Company may establish branches inside or outside Taiwan upon resolution by the Board of Directors.

Article 4 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

**Chapter II Shares**

Article 5 The total authorized capital of the Company shall be NT\$2,000,000,000, divided into 200,000,000 shares with a par value of NT\$10 per share. A total of 2,000,000 shares, worth NT\$20,000,000, shall be reserved for conversion of employee stock options, and the Board of Directors shall be authorized to issue the unissued shares in installments.

Article 5-1 Where the Company intends to issue employee stock options at a subscription price lower than the closing price of its ordinary shares on the issue date, a resolution shall be adopted by no less than two-thirds (2/3) of the shareholders present at the shareholders' meeting who represent a majority of the total number of its outstanding shares.

Where the Company intends to transfer its shares to employees at a price lower than the average repurchase price, a resolution shall be adopted by no less than two-thirds (2/3) of the shareholders present at the latest shareholders' meeting who represent a majority of the total number of its outstanding shares.

Article 5-2 Qualified employees of the Company's parent company or subsidiaries may be eligible to receive treasure shares transferred by the Company.

Qualified employees of the Company's parent company or subsidiaries may be eligible to receive employee stock options issued by the Company.

Qualified employees of the Company's parent company or subsidiaries may be eligible to subscribe for new shares issued by the Company.

Qualified employees of the Company's parent company or subsidiaries may be eligible to be granted new employee restricted shares issued by the Company.

Article 6 The Company may issue shares without printing share certificate(s), provided that it shall register the issued shares with a centralized securities depositary enterprise.

Article 7 The Company's shareholder services shall be handled in accordance with the Company Act, Regulations Governing the Administration of Shareholder Services of Public Companies, and other applicable laws and regulations.

Article 8 Registration for transfer of shares shall be suspended within sixty (60) days prior to the date of regular shareholders' meeting, or within thirty (30) days prior to the date of any special shareholders' meeting, or within five (5) days prior to the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

### Chapter III Shareholders' Meeting

Article 9 The shareholders' meeting are of two types, namely: regular meetings and special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year, in accordance with Article 172 of the Company Act. Special meetings shall be convened in accordance with the law when necessary.

Article 10 If a shareholder is unable to attend a shareholders' meeting, he/she may issue a proxy form to appoint a proxy to attend the meeting on his/her behalf in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 11 For a shareholders' meeting convened by the Board of Directors, the chair of the meeting shall be appointed in accordance with the provisions of Paragraph 3 of Article 208 of the Company Act; as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are no less than two (2) persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 11-1 Each shareholder shall be informed of the date, place, and cause(s) of a meeting thirty (30) days in advance in case of a regular meeting, or fifteen (15) days in advance in case of a special meeting.

Shareholders who hold less than 1,000 registered shares in the Company shall be notified of the meeting by means of a public announcement.

The aforesaid notice shall be sent electronically.

Article 11-2 The shareholders' meetings may be held by means of visual communication network or other methods announced by the Ministry of Economic Affairs.

Article 12 A shareholder of the Company shall have one voting power in respect of each share in his/her/its possession. However, the shares shall have no voting power under any of the circumstances specified in Article 179 of the Company Act.

Article 13 Except as otherwise provided by the Contract Act or other applicable laws and regulations, resolutions of the shareholders' meeting shall be adopted by a majority of the shareholders present who represent a majority of the total number of its outstanding shares. A proposal being put to vote at the meeting shall be deemed approved in the absence of objection voiced by the attending shareholders upon consultation by the chairman and effective as if approved by a vote.

Article 14 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting.

The distribution of the minutes of the shareholders' meeting in the preceding paragraph may be effected by means of a public announcement.

The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of one (1) year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

#### Chapter IV Directors and Audit Committee

Article 15 The Company has seven (7) to eleven (11) directors, with a term of office of three (3) years. They shall be elected by the shareholders' meeting from among the persons with disposing capacity, and may serve another term if re-elected. The Company shall purchase liability insurance for its directors elected upon resolution by the Board of Directors. The Board of Directors shall be authorized to determine the remunerations of the Company's directors based on their involvement in and contributions to the Company's operations, as well as the general industry practices. The Board of Directors may resolve to reimburse directors for travel expenses based on the general industry practices.

Article 15-1 Among the aforesaid directors of the Company, there shall be no less than two (2) independent directors who shall be no less than one fifth (1/5) of the total directors. The professional qualifications, shareholding, part-time job restrictions, determination of independence, nomination and election methods, and other matters relating to independent directors shall be subject to relevant regulations of the competent authority.

Article 15-2 The Company shall adopt a candidates nomination system specified in Article 192-1 of the Company Act for election of directors, and the shareholders shall elect directors from the list of candidates for directors.

Article 15-3 The Board of Directors may set up other functional committees and shall separately establish rules for their exercise of functions and powers. The Board of Directors shall set up an Audit Committee consisting of all independent directors, the number of which shall not be less than three (3). Among the independent directors, one shall be the conveyor, and at least one of them shall have accounting or financial expertise.

The responsibilities, organizational rules, exercise of functions and powers, and other matters relating to the Audit Committee shall be handled in accordance with applicable laws and regulations or the Company's rules and regulations.

Article 16 When the number of vacancies in the Board of Directors equals to one third (1/3) of the total number of directors or all independent directors resign, the Board of Directors shall convene a special shareholders' meeting within sixty (60) days to elect successors to fill the vacancies, and the term of office thereof shall be limited to fulfill the unexpired term of office of the predecessor.

Article 17 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the Company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 18 One (1) chairman and one (1) deputy chairman shall be elected at a meeting of the Board of Directors organized by the directors upon approval by a majority of the directors present, and the chairman and deputy chairman shall execute all affairs of the Company in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting and the Board of Directors.

Article 19 The Company's business policies and other important matters shall be subject to resolutions of the Board of Directors. Apart from the first meeting of each term of the Board of Directors that shall be convened in accordance with Article 203 of the Company Act, other meets of the Board of Directors shall be convened and chaired by the chairman. Where the chairman is unable to exercise his/her functions and powers during his/her absence or for reasons, his/her proxy shall be determined in accordance with Article 208 of the Company Act.

Article 20 Unless otherwise specified by the Company Act, resolutions of the Board of Directors shall be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by a majority of all directors of the Company. Where a director cannot attend a meeting of the Board of Directors for reasons, the director may issue a proxy form and state therein the scope of authority with reference to the subjects to be discussed at the meeting. However, a director may accept the appointment to act as the proxy of one other director only. In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20-1 In calling a meeting of the Board of Directors, a notice shall be given to each director seven (7) days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time. The preceding notice shall set forth the subject(s) to be discussed at the meeting and be sent in writing, or by email or fax.

Article 21 Resolutions adopted at a meeting of the Board of Directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all directors within twenty (20) days after the close of the meeting. The meeting minutes shall record a summary of the essential points of the proceedings and the results of the meeting and shall be kept

by the Company together with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies for a period specified in Article 183 of the Company Act.

Article 22 This article is deleted.

#### Chapter V Managers and Employees

Article 23 The Company has one (1) general manager, and the appointment, dismissal, and remuneration of the general manager shall be handled in accordance with Article 29 of the Company Act.

Article 24 The general manager shall be in charge of the Company's operations, except for those that are under the charge of the chairman as specified in the Company Act, and report work to the Board of Directors.

Article 25 Where a shareholder or director of the Company serves concurrently as the manager or employee, he/she shall be deemed as a general employee and may receive salary from the Company, regardless of whether the Company makes profits or suffers losses.

#### Chapter VI Final Accounting

Article 26 At the end of each fiscal year, the Board of Directors shall prepare the following reports and statements and shall, thirty (30) days prior to the regular shareholders' meeting, submit them to the Audit Committee for review and then to the regular shareholders' meeting for approval: 1. business report. 2. financial statements; and 3. surplus earning distribution or loss off-setting proposals.

Article 27 If the Company makes profits in a year, it shall set aside five percent (5%) to twelve percent (12%) of the profits as remunerations to employees, and no more than three percent (3%) as remunerations to directors. However, the Company's accumulated losses shall first have been covered. Qualified employees of the Company's parent company or subsidiaries may be eligible to receive the preceding remunerations distributed in the form of shares or in cash.

Article 27-1 If the Company has surplus earnings upon the annual final accounting, it shall use the surplus earnings to pay taxes and cover losses in the previous years, and then set aside ten percent (10%) of the surplus earnings as the statutory surplus reserve, unless the amount of the statutory surplus reserve has reached the Company's paid-in capital. In addition, based on operational requirements and applicable laws and regulations, the Company may set aside or reverse special surplus reserve. If there are still surplus earnings after the aforesaid deductions and no surplus earnings are distributed at the beginning of the same period, the Board of Directors shall prepare a surplus earning distribution proposal and submit it to the shareholders' meeting for resolution.

The Company is in the growing stage to develop its business. Therefore, in addition to the provisions of the Company Act and the Company's Articles of Incorporation, the distribution of earnings will be determined annually based on the Company's capital planning, operating results, financial condition and future development of the Company. Nevertheless, the Company adopts a stable and well-balanced dividend policy to pay cash dividends to shareholders at a rate not less than 10% of the total dividends each year.

#### Chapter VII Supplementary Provisions

Article 28 The organizational rules and detailed rules shall be separately established by the Board



of Directors.

Article 29 Matters not covered herein shall be handled in accordance with the Company Act and other applicable laws and regulations.

Article 30 These Articles of Incorporation were made on November 8, 1986; the 1st Amendment was approved on January 21, 1988; the 2nd Amendment on October 27, 1988; the 3rd Amendment on December 1, 1989; the 4th Amendment on August 5, 1995; the 5th Amendment on February 15, 1997; the 6th Amendment on April 1, 1997; the 7th Amendment on October 21, 1997; the 8th Amendment on December 26, 1997; the 9th Amendment on April 28, 1998; the 10th Amendment on April 13, 2000; the 11th Amendment on January 30, 2001; the 12th Amendment on March 8, 2001; the 13th Amendment on May 10, 2001; the 14th Amendment on July 26, 2001; the 15th Amendment on June 13, 2002; the 16th Amendment on June 26, 2003; the 17th Amendment on June 24, 2004; the 18th Amendment on May 23, 2005; the 19th Amendment on June 12, 2006; the 20th Amendment on February 12, 2007; the 21st Amendment on June 25, 2007; the 22nd Amendment on November 21, 2007; the 23rd Amendment on June 13, 2008; the 24th Amendment on June 11, 2009; the 25th Amendment on June 9, 2010; the 26th Amendment on June 21, 2011; the 27th Amendment on June 5, 2012; the 28th Amendment on June 13, 2013; and the 29th Amendment on June 29, 2016. the 30th Amendment on June 20, 2018; the 31st Amendment on June 11, 2020; the 32th Amendment on October 5, 2021; and the 33th Amendment on June 22, 2022 ; and the 34th Amendment on June 14, 2023.

## **Appendix 4**

### **Proposals by Shareholders Holding More Than One Percent (1%) of the Total Number of Issued Shares**

1. In accordance with Article 172-1 of the Company Act, shareholders holding more than one percent (1%) of the total number of issued shares may submit proposals for the 2025 Annual General Meeting to the Company in writing. Proposal submission period: from April 11 to April 21, 2025.
2. Proposals submitted by shareholders holding more than one percent (1%) of the Company's total number of issued shares to the 2025 Annual General Meeting of Shareholders: N/A.

## Appendix 5

### Ability opto-Electronics Technology Co., Ltd.

#### Shareholdings of All Directors

As of the book closure period for the 2025 Annual General Meeting of Shareholders (from April 21 to June 20, 2025), the number of shares held by individual and all directors in the shareholders register is as follows:

April 21, 2025

Job Title	Name	Election Date	Number of Shares Held in the Shareholders Register as of the Book Closure Period	
			No. of shares	Shareholding Ratio
Chairman	Victor Kao	June 22, 2022	3,469,257	2.43%
Director	Tsung Yi Investment Limited Representative: Chien-Hsun Lai	June 22, 2022	5,329,521	3.74%
Director	Chuan Chao Investment Co., Ltd. Representative: Chung-He Lin	June 22, 2022	6,788,218	4.76%
Director	Tsung Yi Investment Limited Representative: Mao-San Lai	June 22, 2022	5,329,521	3.74%
Director	Chuan Chao Investment Co., Ltd. Representative: Mao-Sheng Lee	June 22, 2022	6,788,218	4.76%
Director	Chin Yu Lung Investment Limited Representative: Chin-Lung Hsu	June 22, 2022	1,343,752	0.94%
Independent Director	Yung-Jen Tsao	June 22, 2022	—	—
Independent Director	Wei-Chun Chen	June 22, 2022	—	—
Independent Director	Sen-He Chang	June 22, 2022	—	—
Independent Director	Yung-Jui Chen	June 22, 2022	—	—
Number of shares held by all non-independent directors			16,930,748	11.88%
Statutory minimum number of shares held by all directors			8,547,617	6.00%