



August 4, 2023

ACSL Ltd.

**Notice Concerning MOU with Xiangqi Technology Inc.,
SENTRA INT. Co., Ltd. and Stark Technology Inc.
for Strategic Distributor Partnership in the Taiwan Market**

ACSL Ltd. (ACSL) hereby announces that on August 4, 2023 entered into a Memorandum of Understanding (MOU) with Xiangqi Technology Inc. (XQTI), SENTRA INT. Co., Ltd. (SENTRA) and Stark Technology Inc. (STI) for a strategic distributorship partnership to provide sales for ACSL products in the Taiwan market.

1. Reason and details of the MOU

In the global drone market, there is a growing interest in economic security and security measures due to rising geopolitical risks and unstable global conditions. ACSL not only has domestically produced drones that guarantee security, but also possesses both hardware and software technologies for industrial drones and is developing application-specific drones for specific purposes, enabling us to form a positioning with the keywords "enterprise-ready" and "application-specific". ACSL expects demand for secure drones to grow in overseas markets.

SENTRA is a leading Taiwanese distributor of drones and related equipment, as well as providing solutions such as aerial photography and UAV licensing training in Taiwan. STI is the largest system integrator in Taiwan listed on the TWSE (Taiwan Stock Exchange) and provides ICT solutions in a wide range of industries. Under the MOU, SENTRA and STI are designated as secondary distributors for the promotion and sales activities of ACSL products in Taiwan, and XQTI, which oversees these activities in Taiwan, is designated as the primary distributor.

ACSL entered a MOU with XQTI, SENTRA and STI for a strategic distributorship partnership to expand sales in the Taiwan market, aims to sell 1 billion Japanese yen of our products in the Taiwan market by end of 2025.

2. Overview of MOU counterparties

(1) Xiangqi Technology Inc.

① Name	Xiangqi Technology Inc.
② Headquarter	6F.-1, No. 171, Xuefu Rd., South Dist., Taichung City, Taiwan (R.O.C.)
③ Position and name of representative	Chairman Kuo, Hung-Yu
④ Business	Drone application resource integration

	and project feasibility assessment	
⑤ Capital stock	1,000 NTD thousands	
⑥ Established date	July 27, 2021	
⑦ Shareholder	Kuo, Hung-Yu	16.66%
	Chang, Chih-Hung	16.66%
⑧ Relationship between the listed company and the said company	Capital ties	None
	Personnel relations	None
	Business relations	None
	Related party status	None

(Notice) Due to confidentiality obligations under the MOU, "Financial position and operating results for the past three years" will not be disclosed.

(2) SENTRA INT. Co., Ltd.

① Name	SENTRA INT. Co., Ltd.	
② Headquarter	1F., No. 25, Ln. 66, Ruiguang Rd., Neihsu Dist., Taipei City, Taiwan (R.O.C.)	
③ Position and name of representative	Chairman Chen, Ming-Hui	
④ Business	Sales of drones and related equipment, provision of solutions such as aerial photography, teleconferencing systems, augmented/virtual reality systems and UAV licensing training	
⑤ Capital stock	400,113 NTD thousands	
⑥ Established date	October 3, 2002	
⑦ Shareholder	Kuo, Chiung-Fei	19.98%
	Chen, Ming-Hui	11.81%
	Chen, Shui-Sheng	4.41%
	Chen, Shui-Pin	1.10%
⑧ Relationship between the listed company and the said company	Capital ties	None
	Personnel relations	None
	Business relations	None
	Related party status	None

(Notice) Due to confidentiality obligations under the MOU, "Financial position and operating results for the past three years" will not be disclosed.

(3) Stark Technology Inc.

① Name	Stark Technology Inc.		
② Headquarter	12F., No.83, Sec. 2, Dongda Rd., North Dist., Hsinchu City, Taiwan (R.O.C.)		
③ Position and name of representative	Chairman Liang, Hsiu Chung		
④ Business	Providing ICT Solutions		
⑤ Capital stock	1,063,603 NTD thousands		
⑥ Established date	March 24, 1993		
⑦ Shareholder	Liang, Hsiu-Chung	3.58%	
	Ting, Ching	2.26%	
	BANK SINOPAC COMPANY LIMITED	1.88%	
	Business department of Standard Chartered International Commercial Bank is entrusted with the custody of the Special Account for Emerging Market ETF	1.64%	
	Investment in SPDR Portfolio of SPDR (R) Index Share Funds		
	Cheng Fa Investment Co., Ltd.	1.16%	
	Yu, Ming-Chang	1.15%	
	Xin Chuan Investment Co., Ltd	1.11%	
	Chen, Hsing-Chou	1.05%	
	Tseng, I-Shun	0.97%	
Ge Mao Rubber Industrial Co., Ltd Inc.	0.94%		
⑧ Relationship between the listed company and the said company	Capital ties	None	
	Personnel relations	None	
	Business relations	None	
	Related party status	None	
⑨ Financial position and operating results for the past three years (consolidated)			
Fiscal year end	December 31, 2020	December 31, 2021	December 31, 2022
Total assets (NTD thousands)	5,743,047	5,786,869	6,508,298
Total equity (NTD thousands)	2,829,012	3,019,873	3,125,327
Net operating revenue	5,542,811	6,579,554	6,728,995

(NTD thousands)			
Operating income (NTD thousands)	543,421	760,533	803,612
Net income attributable to shareholders of the parent (NTD thousands)	497,618	638,162	735,171
Earnings per share (NTD)	4.68	6.00	6.91
Dividends per share (NTD)	4.30	5.62	6.26

3. Outlook

ACSL has decided to postpone the disclosure of earnings forecasts for the fiscal year ending December 31, 2023 although net sales in Japan are expected to be at least at the same level as the previous fiscal year, the company has determined that it is difficult at this point in time to appropriately and reasonably calculate figures for net sales overseas.

As for the impact of the above MOU on ACSL's business performance, we believe that it will contribute to our sales, as we aim to sell 1 billion Japanese yen in the Taiwan market by end of 2025. However, the actual number of drones to be sold has not yet been determined, and the impact on our business performance is undetermined. ACSL is currently examining other factors and will promptly disclose the earnings forecast it becomes possible to do.

Attention

This document is an unofficial translation of the timely disclosure on August 4, 2023 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.