



December 27, 2023

ACSL Ltd.

## **Notice of Distributorship Agreement with Xiangqi Technology Inc. in Taiwan Area**

ACSL Ltd. (ACSL) signed a Memorandum of Understanding (MOU) with Taiwan-based Xiangqi Technology Inc. ("XQTI") for a strategic distributor partnership for the sale of our products in the Taiwan market on August 4, 2023. Based on this MOU, ACSL are pleased to announce that we have entered into a distributorship agreement with XQTI for the Taiwan area, dated December 27, 2023, as follows.

### 1. Details and reason for distributorship agreement

Policies related to economic security and environmental considerations are accelerating in the global drone market. Taiwan's policy on government procurement of drones was announced in January 2023, restricting government procurement of Chinese-made drones due to security concerns.

In this market environment, ACSL believe that we can formulate a positioning based on the keywords "economic security," "enterprise-oriented," and "application-specific. In the Taiwan market, ACSL concluded an MOU with XQTI, SENTRA INT. Co., Ltd. and Stark Technology Inc. for a strategic distributor partnership to expand sales on August 4, 2023, and we had been promoting the demonstration of the products to customers and exhibiting at local exhibitions through XQTI. In this situation, ACSL's industrial drones were evaluated as being capable of performing tasks such as infrastructure inspections, crop growth surveys, and disaster surveys.

Against this backdrop, we have decided to conclude a distributorship agreement with XQTI in anticipation of the potential sales of our products in the Taiwanese market and XQTI's broad customer base. Under the terms of the agreement, we will allow XQTI to sell our products in the Taiwan area.

### 2. Outline of the distributor

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 distributorship agreement, "Financial position and operating results for the past three years" will not be disclosed.

### 3. Outlook

With regard to the consolidated earnings forecast of ACSL group for the fiscal year ending December 31, 2023, we have determined that it is difficult to calculate appropriate and reasonable figures for overseas sales at this time, and we have decided not to disclose a consolidated earnings forecast for the year ending December 31, 2023.

We believe that the above-mentioned distributorship agreement will have a negligible impact on our business performance in the fiscal year ending December 31, 2023. However, we believe that it will contribute to our group's sales in the mid- to long-term through our efforts to conclude a distributorship agreement in the future. We are currently examining our business performance, including other factors, and will disclose the forecast as soon as we are able to do so.

#### *Attention*

*This document is an unofficial translation of the timely disclosure on December 27, 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.*