



ACES ELECTRONICS CO., LTD.

**Handbook for the 2018 Annual
Meeting of Shareholders**

Date: June 26, 2018

Place: 3F, No.398, Minquan Rd, Zhongli District,
Taoyuan City (Hotel Kuva Chateau)

Table of Contents

Item	Page
I. Meeting procedure.....	1
II. Meeting Agenda.....	2
1. Company Reports	3
2. Proposals	4
3. Discussion	5
4. Questions and Motions	5

ACES ELECTRONICS CO., LTD.

Procedure for the 2018 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Company Reports
4. Proposals
5. Discussion
6. Questions and Motions
7. Adjournment

ACES ELECTRONICS CO., LTD.

Agenda of 2018 Annual Meeting of Shareholders

Time : 9:00 a.m. on Tuesday, June 26, 2018

Place : 3F, No.398, Minquan Rd, Zhongli District, Taoyuan City (Hotel Kuva Chateau)

Meeting Agenda :

1. Report on attending shares of shareholders
2. Call the Meeting to Order
3. Chairman Remarks
4. Company Report
 - (1) 2017 Business Report
 - (2) Supervisor's Review Report on the 2017 Financial Statements
 - (3) Report on 2017 Employees', Directors' and Supervisors' Remuneration
 - (4) Report on implementation of treasury stock
5. Proposal
 - (1) Adoption of the 2017 Financial Statements and Business Report
 - (2) Adoption of the proposal for Distribution of 2017 profits
6. Discussion
 - (1) Amendment to the Operational procedures for Acquisition and Disposal of Assets
7. Questions and Motions
8. Adjournment

Company Reports

1. 2017 Business Report.

The 2017 Business Report is attached as page 6-7.

2. Supervisor's Review Report on the 2017 Financial Statements.

The 2017 Supervisor's Review Report is attached as page 8-10.

3. Report on 2017 Employees', Directors' and Supervisor's Remuneration.

The Board of Directors meeting on March 29, 2018 proposed the employees' remuneration totaling NT\$5,044,554 and the Directors' and Supervisors' remuneration totaling NT\$2,522,277, both are paid in cash.

4. Report on implementation of Treasury stock.

(1) In accordance with the Company Act Article 187, 317 and Article 12 of the Business Mergers and Acquisitions Act, buyback 960,000 shares from the shareholders who were disagree on Aces and MEC IMEX merger matter. The number of shares bought back as a percentage of total issued shares is 0.78%.

(2) Cancelled the above shares bought back by resolution of the board of directors on November 9, 2017 and completed the registration of change in capital on December 13th, 2017.

Proposals

1. Adoption of the 2017 Financial Statements and Business Report. (Proposed by the Board)

Explanation :

- (1)The Company's 2017 Financial Statement, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by Shu-Chih Yang and Pei-Chi Chen, accountants at CPA firm of KPMG.
- (2)The 2017 Business report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, page 6-7 and page 11-27.
- (3)The proposal is submitted for discussion.

Resolution :

2. Adoption of the proposal for Distribution of 2017 profits (Proposed by the Board)

Explanation :

- (1)2017 net profit after tax is NT\$ 75,166,777. After setting aside the legal reserve and special reserve, and then adding beginning retained earnings and other adjustments, the distributable net profit is NT\$ 1,724,436,190.
- (2)The proposal for distribution of 2017 profits is to set aside NT\$48,958,354 for cash dividends. Each shareholder will be entitled to receive a cash dividend of NT\$0.4 per share.
- (3)2017 Earnings Distribution Table, please refer to the page 28.
- (4)In the event of that the outstanding shares is affected by capital increase, conversion of convertible bonds, buyback of treasury stock or transfer of treasury stock, conduct of Employee stock options or any other factors, it is proposed that the Board of Directors be authorized to adjust the cash and to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (5)Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman be authorized to resolve the ex-dividend date and other relevant issues.

- (6)The proposal is submitted for discussion.

Resolution :

Discussion

1. Amendment to the Operational procedures for Acquisition and Disposal of Assets.
(Proposed by the Board)

Explanation :

- (1) In order to conform to the needs of amendments to related commercial laws, the company hereby proposes to amend the Operational procedures for Acquisition and Disposal of Assets.
- (2) Please refer to Page 29 for details.
- (3) The proposal is submitted for discussion.

Resolution :

Questions and Motions

Adjournment