



ACES ELECTRONICS CO., LTD.

2025 Annual Shareholders' Meeting

# Meeting Handbook (Translation)

June 25, 2025

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# **ACES ELECTRONICS CO., LTD.**

## **2025 Annual Shareholders' Meeting**

### **Meeting Procedure**

- 1 、 Call the Meeting to Order**
- 2 、 Chairman Remarks**
- 3 、 Report Items**
- 4 、 Proposals Items**
- 5 、 Discussion Items**
- 6 、 Election Items**
- 7 、 Other Proposals**
- 8 、 Extemporaneous Motions**
- 9 、 Adjournment**

# **ACES ELECTRONICS CO., LTD.**

## **2025 Annual Shareholders' Meeting**

### **Meeting Agenda**

**Type of Meeting: Physical Meeting**

**Time: June 25, 2025 (Wednesday) at 9:00 am**

**Location: 3F, No. 398, Minquan Road, Zhongli District, Taoyuan City**  
**(Peach Blossom Hall, Kuva Chateau Hotel)**

**I. Report on attending shares of shareholders and call the Meeting to Order**

**II. Chairman Remarks**

**III. Report Items**

1. 2024 Business Report
2. Audit Committee's Review Report on the 2024 Financial Statements
3. Report on employee and director remuneration distribution for 2024
4. Report on cash dividend distribution from surplus in 2024
5. Report on the third domestic unsecured convertible corporate bond issuance
6. Report on the implementation of treasury stock repurchase

**IV. Proposals Items**

1. Adoption of 2024 Business Report and Financial Statements
2. Adoption of the Proposal for Distribution of 2024 Profits

**V. Discussion Items**

1. Proposal to amend the Articles of Association.

**VI. Election Items**

1. Re-election of the Company's directors.

**VII. Other proposals**

1. Lifting the non-compete clause for directors.

**VIII. Extemporaneous Motions**

**IX. Adjournment**

## Report Items

### 1. 2024 Business Report

Explanation: For the business report, please refer to Annex 1 on page 9-10 of this handbook.

### 2. Audit Committee's Review Report on the 2024 Financial Statements

Explanation: For Audit Committee's Review Report, please refer to Annex 2 on page 11 of this handbook.

### 3. Report on employee and director remuneration distribution for 2024.

Explanation: On March 14, 2025, the Company's Board of Directors approved employee remuneration for 2024 totaling NT\$12,091,769 and director remuneration totaling NT\$8,992,016, all of which will be paid in cash.

### 4. Report on cash dividend distribution from surplus in 2024.

Explanation:

- (1) In accordance with Article 25 of the Company's Articles of Association, the Board of Directors is authorized to resolve that all or part of the dividends and bonuses to be distributed shall be distributed in cash and report to the Shareholders' Meeting.
- (2) On March 14, 2025, the Board of Directors of the Company approved the distribution of earnings for 2024, distributing a cash dividend of NT\$111,533,813, or NT\$0.75 per share, until the dividend is equal to NT\$1. Any fraction less than NT\$1 will be included in the Company's other income.
- (3) When the number of outstanding shares of the Company changes, resulting in a change in the dividend rate, the Chairman is authorized to adjust it. The dividend base date, payment date or other related matters regarding cash dividends are authorized to be determined by the Chairman.

### 5. Report on the issuance of the third domestic unsecured convertible corporate bonds.

Explanation: In order to repay the capital demand and bank loans of the second domestic unsecured convertible corporate bonds, the Company issued the third domestic unsecured convertible corporate bonds on August 6, 2024. The issuance conditions and related matters are detailed in the following table:

Types of corporate bonds	The third domestic unsecured convertible corporate bond (code: 36053, referred to as ACES III)
Board resolution date	2024/5/10
Approval number of the competent authority	July 16, 2024 Financial Management Certificate Issued No. 1130348887 July 31, 2024, Securities and Exchange Commission Bond No. 11300069822
Issued date	On August 6, 2024, it was listed on Taipei Exchange (TPEX).
Issued denomination	NT\$100,000
Total issuance	Number of Issues: 10,000 units, Total Amount: NT\$1 billion.
Issue period	3-year term; expiration date: 2027/8/6
Issue price	Issued at 100.5% of par value
Annual interest rate	0%
Conversion price	Conversion price at time of issuance: NT\$51 Latest conversion price: NT\$51

Conversion target	The Company's common stock: The Company will fulfill its conversion obligations by issuing new shares.
Conversion period	2024/11/7 ~ 2027/8/6
Conversion situation	As of April 30, 2025, 2,346 corporate bonds have been converted.
Repayment method	Except for the holders of this convertible corporate bonds who convert them into the Company's common shares in accordance with Article 10 of these Rules, or the Company redeems them in advance in accordance with Article 18 of these Rules, or the Company repurchases and cancels them through securities dealers' business offices, the Company will repay the bonds in a lump sum in cash upon maturity based on the par value of the bonds plus interest compensation (the interest compensation upon maturity is 1.5075% of the par value of the bonds, with an actual annual yield of 0.5%).

#### 6. Report on the implementation of treasury stock repurchase

Explanation: In order to maintain the credit and interests of shareholders, the Company's Board of Directors passed a resolution on April 15, 2025 to repurchase 5,000,000 shares of the Company's common stock from the stock centralized trading market. The scheduled repurchase period, quantity, price range, etc. and the actual repurchase execution as approved by the resolution are as follows:

Buyback Period	1 <sup>st</sup> time in 2025
Purpose of buyback	Maintain the Company's credit and shareholders' rights
Type of shares repurchased	Common stock
Maximum amount of shares repurchased	NT\$4,475,475,998
Scheduled buyback period	2025/4/16~2025/6/15
Scheduled buyback quantity	5,000,000 shares
Buyback range price	NT\$32.8~NT\$70
Type and quantity of shares repurchased (Note)	Common stock 1,702,000 shares
Amount of shares repurchased (Note)	NT\$82,073,350
The ratio of the purchased quantity to the scheduled quantity (%) (Note)	34.04%

Note : The above repurchased information is the information up to the date of publication of this handbook, May 9, 2025. The final actual repurchase situation will be reported at the 2025 General Meeting of Shareholders.

## Proposals Items

1. Adoption of 2024 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2024 Financial Statements was reviewed and certified by Lin Heng-Sheng and Chen Zheng-Xue, accountants at CPA firm of KPMG, and an audit report has been issued.
- (2) The above-mentioned "Financial Statements" and "2024 Annual Business Report" have been audited by the Audit Committee and an audit report has been issued.
- (3) For the 2024 Business Report, Independent Auditors' Report and Financial Statements, please refer to Annex 1 on page 9~10 and Annex 3 on page 12~27 of this handbook.
- (4) The proposal is submitted for Ratification.

Resolution:

2. Adoption of the Proposal for Distribution of 2024 Profits. (Proposed by the Board of Directors)

Explanation:

- (1) In accordance with the provisions of the Company's "Articles of Association", a profit distribution table for 2024 is proposed, please refer to Annex 4 on page 28 of this handbook.
- (2) This profit distribution proposal has been audited by the Audit Committee and an audit report has been issued.
- (3) The proposal is submitted for Ratification.

Resolution:

## **Discussion Items**

1. Amendment of the Company's "Articles of Association" (Proposed by the Board of Directors)

Explanation:

- (1) In accordance with the amendment to Article 14 of the Securities and Exchange Act, the Company's Articles of Association are to be amended.
- (2) For a comparison table of the revised articles of the Articles of Association, please refer to Annex 5 on page 29 of this handbook.
- (3) Please discuss this amendment.

Resolution:

## **Election Items**

### **1. Re-election of the Company's directors. (Proposed by the Board of Directors)**

Explanation:

- (1) The term of office of the current directors will expire on June 28, 2025 and they shall be re-elected at this General Meeting of Shareholders in accordance with the law.
- (2) The seven new directors to be elected this time (including three independent directors) will take office after the Shareholders' Meeting re-election. Their term of office will be three years, from June 25, 2025 to June 24, 2028.
- (3) The election of the Company's directors (including independent directors) is based on the candidate nomination system, and shareholders should elect from the list of candidates. The list of candidates was reviewed and approved by the Company's Board of Directors on May 9, 2025. Please refer to Annex 6 on pages 30 to 32 of this handbook.
- (4) Please elect.

Election results:

## **Other Proposals**

1. Proposal to lift the non-competition clause for directors. (Proposed by the Board of Directors)

Explanation:

- (1) Regarding the newly elected directors of the Company at the 2025 General Meeting of Shareholders, if they engage in any conduct that is within the scope of the Company's business for themselves or others, and provided that it does not harm the interests of the Company, in accordance with Article 209 of the Company Act, we request the Shareholders' Meeting to agree to lift the non-competition restrictions on the newly elected directors at this General Meeting of Shareholders from the date of their appointment.
- (2) Candidates for directors (including independent directors) concurrently hold other company positions. Please refer to Annex 7 on page 33 of this handbook.
- (3) Please discuss this proposal.

Resolution:

## **Extemporary Motions**

## **Adjournment**

## Annex 1.

# ACES ELECTRONICS CO., LTD.

## 2024 Business Report

First of all, on behalf of the management team of ACES Electronics Co., Ltd., I would like to express our sincere gratitude for all shareholders for the unwavering support and concern for the company over the years. Looking back over the past year, we have seen signs of global economic recovery, but the world continues to suffer from geopolitical risks. High interest rate policies and trade and technology wars have jointly pushed the supply chain towards regionalization. Meanwhile, the new momentum of AI applications, 5G communication transmission server demand, and electric vehicle growth has brought about epic changes to the global business community, including the electronics industry.

In response to changes in the industry, the Company has gradually shifted our focus from traditional product design and manufacturing to joint design and development of systems and modules with customers in the development layout of connectors and connecting lines; at the same time, by integrating the technical capabilities of the group, we aim to acquire more growth momentum in the future. This transformation will have a significant impact on our future industrial competitiveness.

Looking ahead for 2025, the global macro economy is predicted to remain fluctuating drastically this year. The Company will pay close attention to changes in the industrial environment, face the challenges prudently, and continue to enhance market competitiveness in the future. We expect that continued efforts to strengthen product research and development, optimize production and expand markets will contribute to future profit growth and positive operational development.

### In terms of implementation results of the business plan

In terms of consolidated financial statements for 2024, the consolidated net operating revenue amounted to NT\$9.771 billion, consolidated operating net profit was NT\$278 million, consolidated pre-tax net profit was NT\$387 million, and consolidated net profit for the current period was NT\$344 million (attributable to the net profit of the parent company's shareholders), translating to basic earnings per share after tax of NT\$2.51.

Unit: NT\$ Thousands

Item	2024	2023	Annual increase/decrease rate
Consolidated Net Revenue from Operations	9,770,897	8,486,228	15.14%
Consolidated Profit from Operations	278,480	-330,729	184.20%
Consolidated Profit before Income Tax	387,213	-269,692	243.58%
Consolidated Profit for the year	344,355	-268,188	228.40%
Net Profit Attributable to Shareholders of the Parent	344,060	-266,543	229.08%

The Company did not formally prepare financial forecasts for 2024. However, based on the Company's internal operating plan, the actual shipment amount for 2024 achieved 92% of the original target, and the overall revenue increased by 15% compared to the previous year.

### In terms of financial balance and profitability

Item		2024	2023
Return on Assets		3.30%	(1.43%)
Return on Equity		5.87%	(4.89%)
Profit Ratio of Paid up Capital	Profit from Operations	18.72%	(24.60%)
	Profit before Income Tax	26.03%	(20.06%)
Net Profit Margin		3.52%	(3.14%)
Earnings per Share (NT\$)		NT\$2.51	NT\$(1.98)

### **In terms of research and development**

In response to market demand trends, in terms of connector development, the Company continues to develop high-end connectors with fine-pitch, low-profile, high-frequency, and high-power. In terms of cable development, the Company is focusing on high-speed transmission cables for server internal cables and data center external cables, and chassis for data centers, auxiliary driving systems for automotive electronics, intelligent cabins, car networking, etc., as well as the assemblies of professional cables with high current and high power for industrial use. The Company has rapid development capabilities in product R&D and design, which shortens product development time, and can provide customized connectors and cable products according to customer needs; meanwhile, with the support of the overseas marketing network, the Company promotes new designs and new products to large international customers to meet their comprehensive needs and continue to achieve high growth goals.

### **This year's business plan, business policy and future outlook**

The Company has always adhered to the concept of "knowledge, vision, value, attitude, commitment, and execution", operates with integrity, and strives to improve the operating efficiency of the group. In order to meet the long-term strategic development needs and promote the maximum value and efficiency of each business entity, and to focus on overseas markets and the mainland market, the Company's overseas sales bases cover the United States, Japan, Germany, Philippines, Vietnam, and Singapore, thus deeply cultivating regional industrial development and enhancing penetration rates to target customers. In response to the growing market demand for AI, high-speed computing, cloud services and new energy vehicles, the Company will use its technological innovation and market penetration to enhance product competitiveness and market share. This includes: connectors, cables, electromagnetic shielding covers, internal mechanical components, external casings, and complete assembly and testing services needed for consumer electronics, automotive electronics, cloud servers, industrial control industries, etc., an attempt to provide higher value-added products and services and increase growth momentum.

In terms of production and manufacturing, the Company has built a research and development headquarters building in Taoyuan, Taiwan for long-term development. The Company's Precision Center R&D Headquarters building was completed in the first quarter of 2025, expanding the production capacity of Taiwan's product line in the future and enhance the group's competitiveness. The Company has also established strong production capacity in Asia with manufacturing factories located in Taiwan, mainland China (Kunshan, Dongguan, Zhuhai), Philippine and Vietnam. We will continue to implement the process lean plan and optimize the cost structure by increasing the proportion of automated production, and strive to reach the goal of becoming the preferred supplier for international customers.

Looking forward to this year (2025), we are still facing a market environment full of variables and fierce competition. The Company will continue to adopt a pragmatic attitude, face future challenges prudently, maintain our existing competitive advantages, and strive to achieve this year's operational growth goals. We hope to gradually become a leading brand in the connectivity industry in the future.

Finally, we hope that all shareholders can continue to give encouragement and guidance to the management team by upholding the love and support for the Company in the future.

Wishing you all good health and all the best.

Chairman: Yuan Wan-Ting

General Manager: Huang Tien-Fu

Accounting Supervisor: Lee Shu-Yun

**Annex 2.**

**ACES ELECTRONICS CO., LTD.  
Audit Committee's Review Report**

The Board of Directors has submitted the Company's 2024 business report, financial statements, and proposal for profit distribution, in which the financial statements were audited by CPAs Lin Heng-Sheng and Chen Zheng-Xue of KPMG, and an audit report has been issued. The business report referred to in the preceding paragraph, financial statement and proposal for profit distribution have been completed the deliberation by the Audit Committee and found there is no discrepancy. Reported above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, please verify.

Sincerely,

The 2025 Annual Shareholders' Meeting of the Company

Audit Committee Convener: Liaw Dar-Lii

March 14, 2025

### **Annex 3.**

## **Independent Auditors' Report**

To the Board of Directors of ACES Electronics Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of ACES Electronics Co., Ltd. And its subsidiaries (the ACES Group), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the ACES Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of 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 the 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 ACES Electronics Co., Ltd. and its subsidiaries 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 of our opinion.

### **Description of key audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue Recognition**

Please refer to Notes 4(16) to the consolidated financial statements for the accounting policy on operating revenue; and refer to Notes 6(20) for disclosures relating to revenue.  
Description of key audit matter:

ACES Groups engage mainly in processing, manufacturing and sales of connectors, connector sets and other electronic components. Sales revenue is one of the key matters to the financial statements. Therefore, the assessment for recognition of sales revenue is one of the key evaluation matter when we audit the Groups' financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We inspected whether the Company's revenue recognition policies are in accordance with relevant guidelines.
- We tested the design of internal control process and its efficiency of execution for sales revenue.
- We selected sales transaction samples from a certain period before and after the end of current year, and examined revenue transaction records with vouchers arising from appropriate time period.

## 2. Valuation of inventory

Please refer to Notes 4(8) to the consolidated financial statements for the accounting policy on inventory valuation, Notes 5(1) for accounting estimates and assumptions of inventory, and Notes 6(4) for disclosure disclosures relating to inventory.

Description of key audit matter:

Inventory is valued at the lower of cost or net realizable value ACES Groups mainly produces electronic products such as high precision connectors and connector sets which are affected by the fast change of technology and updates of manufacturing technique; its product sales might have tremendous fluctuation which may cause the cost of inventory to be higher than its net realizable value. Therefore, the assessment for inventory valuation is one of the key evaluation matter when we audit the Groups' financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We assessed the inventory aging report, and analyzed changes in the inventory aging report from the previous to current year.
- We tested samples provided by the ACES Group on inventory valued at the lower of cost and net realizable value.
- We assessed if the inventory valuation is recorded according to the accounting policies of the Group.

## Other matter

ACES Electronics Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit opinion.

## 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRS, IAS, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 ACES Electronics Co., Ltd. and its subsidiaries' 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 ACES Electronics Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee) from ACES Electronics Co., Ltd and its subsidiaries are responsible for overseeing the Company'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. Identified and assessed 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. Obtained 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 ACES Group and its subsidiaries' internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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 ACES Electronics Co., Ltd. and its subsidiaries' 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 ACES Group to cease to continue as a going concern.
5. Evaluated 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. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined 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.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Heng-Shen and Chen, Zheng-Xue.

KPMG

Taipei, Taiwan (Republic of China)  
March 14, 2025

**ACES Electronics Co., Ltd. and Subsidiaries**  
**Consolidated Financial Statements**  
**December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars)**

		<b>December 31, 2024</b>		<b>December 31, 2023</b>				<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets :</b>						<b>Current liabilities :</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 2,000,889	15	2,058,206	17	2100	Short-term borrowings (Note 6(11) and 8)	\$ 195,000	1	1,467,000	12
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	1,818	-	-	-	2321	Current portion of corporate bonds (Note 6(13))	-	-	578,202	5
1150	Notes receivable, net (Note 6(3)(20))	73,196	1	46,942	-	2150	Notes payable	167	-	1,868	-
1160	Notes receivable – related parties, net (Note 6(3), (20), and 7)	4,821	-	-	-	2170	Accounts payable	1,959,781	14	1,406,861	11
1170	Accounts receivable, net (Note 6(3), (20))	2,973,105	22	2,221,528	18	2180	Accounts payable to related parties (Note 7)	724	-	65	-
1180	Net trade receivable from related parties (Note 6(3), (20), and 7)	28,935	-	25,422	-	2200	Other payables (Note 6(6))	955,676	7	830,356	7
1200	Other receivables (Note 6(3))	271,573	2	448,619	4	2220	Other payables to related parties (Note 7)	808	-	813	-
1212	Other receivables- related parties – others (Note 6(3) and 7)	29	-	528	-	2280	Lease liabilities - current (Note 6(14) and 7)	45,861	-	51,258	-
1310	Inventories (Note 6(4))	1,394,311	10	1,189,410	10	2230	Current tax liabilities	50,227	-	11,769	-
1410	Prepayments	79,341	1	87,022	1	2322	Current installments of long-term borrowings (Note 6(12) and 8)	233,131	2	195,740	2
1470	Other current assets (Note 6(1))	140,577	1	97,739	1	2399	Other current liabilities - others	129,053	1	119,803	1
		<u>6,968,595</u>	<u>52</u>	<u>6,175,416</u>	<u>51</u>			<u>3,570,428</u>	<u>25</u>	<u>4,663,735</u>	<u>38</u>
<b>Non-current assets :</b>						<b>Non-current liabilities :</b>					
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	177,683	1	167,452	1	2530	Bonds payable (Note 6(13))	952,248	7	-	-
1517	Financial assets at fair value through other comprehensive income- non-current (Note 6(2))	24,097	-	-	-	2540	Long-term borrowings (Note 6(12) and 8)	2,038,451	15	1,737,355	14
1550	Investments in equity-accounted investees (Note 6(5))	439,446	3	428,470	3	2570	Deferred tax liabilities	356,015	3	307,893	3
1600	Property, plant and equipment (Note 6(7), 7and 8)	4,414,845	33	3,740,842	31	2580	Lease liabilities - non-current (Note 6(14) and 7)	91,169	1	110,084	1
1755	Right-of-use assets (Note 6(8) and 7)	569,686	4	598,340	5	2600	Other non-current liabilities	126,086	1	175,318	1
1760	Investment properties, net (Note 6(9) and 8)	312,386	2	304,881	2			<u>3,563,969</u>	<u>27</u>	<u>2,330,650</u>	<u>19</u>
1780	Intangible assets (Note 6(10))	154,315	1	142,030	1			<u>7,134,397</u>	<u>52</u>	<u>6,994,385</u>	<u>57</u>
1915	Prepayment for equipment	334,271	2	227,093	2	<b>Total liabilities</b>					
1840	Deferred tax assets	69,265	1	80,566	1	<b>Equity attributable to shareholders of the parent (Note 6(17)):</b>					
1990	Other non-current assets - others(Note 6(7) and (10))	131,778	1	385,799	3	3110	Common stock	1,418,757	10	1,344,177	11
		<u>6,627,772</u>	<u>48</u>	<u>6,075,473</u>	<u>49</u>	3140	Capital collected in advance	68,570	1	-	-
						3170	Share capital awaiting retirement	(210)	-	-	-
							Total share capital	1,487,117	11	1,344,177	11
						3200	Capital surplus (Note 6(6)	1,586,415	12	993,270	8
							Retained earnings :				
						3310	Legal Reserve	726,030	5	726,030	6
						3320	Special Reserve	116,887	1	62,371	1
						3350	Unappropriated earnings	2,529,233	19	2,236,482	18
								<u>3,372,150</u>	<u>25</u>	<u>3,024,883</u>	<u>25</u>
							Other equity:				
						3410	Exchange differences on translation of the Financial Statements foreign operations	26,323	-	(140,790)	(1)
						3460	Gain on property revaluation	33,219	-	33,219	-
						3491	Unearned employees' remunerations	(44,064)	-	-	-
								<u>15,478</u>	<u>-</u>	<u>(107,571)</u>	<u>(1)</u>
							<b>Total equity attributable to shareholders of the parent</b>	<u>6,461,160</u>	<u>48</u>	<u>5,254,759</u>	<u>43</u>
						36XX	<b>Non-controlling interests</b>	810	-	1,745	-
							<b>Non-controlling interests</b>	6,461,970	48	5,256,504	43
							<b>Total liabilities and equity</b>	<u>\$ 13,596,367</u>	<u>100</u>	<u>12,250,889</u>	<u>100</u>
<b>Total assets</b>		<u>\$ 13,596,367</u>	<u>100</u>	<u>12,250,889</u>	<u>100</u>						

**ACES ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars, except for Earnings per share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
	<b>Operating Revenue</b> (Note 6(20) and 7):				
4100	Net sales revenue	\$ 9,372,538	96	8,188,173	96
4800	Other operating revenue	398,359	4	298,055	4
	<b>Net revenue from operations</b>	9,770,897	100	8,486,228	100
5000	<b>Operating costs</b> (Note 6(4), (14), (15), and 7)	7,449,095	76	6,734,424	79
	<b>Gross profit</b>	2,321,802	24	1,751,804	21
	<b>Operating expenses</b> (Note 6(6), (14), (15), (18), (21), and 7):				
6100	Selling expenses	592,672	6	585,051	7
6200	General and administrative expenses	860,976	9	876,700	10
6300	Research and development expenses	592,518	6	621,268	7
6450	Expected credit loss (gain) (Note 6(3))	(2,844)	-	(486)	-
	<b>Total operating expenses</b>	2,043,322	21	2,082,533	24
	<b>Profit from operations</b>	278,480	3	(330,729)	(3)
	<b>Non-operating income and expenses</b> (Note 6(22)):				
7100	Interest income	41,901	-	49,730	-
7010	Other income	153,980	2	124,934	1
7020	Other gains and losses (Note 6(6))	24,022	-	5,746	-
7050	Finance costs (Note 6(14))	(103,543)	(1)	(108,725)	(1)
7060	Share of profit of equity-accounted investees(Note 6(5))	(7,627)	-	(10,648)	-
	<b>Total non-operating income and expenses</b>	108,733	1	61,037	-
7900	<b>Profit before income tax</b>	387,213	4	(269,692)	(3)
7950	<b>Less: income tax expenses (gains)</b> (Note 6(16))	42,858	1	(1,504)	-
	<b>Profit for the year</b>	344,355	3	(268,188)	(3)
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will never be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans	3,207	-	1,911	-
8349	Less: Income tax related to non-reclassified items	-	-	-	-
	<b>Total items that will never be reclassified to profit or loss</b>	3,207	-	1,911	-
8360	<b>Items that are or may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation to the presentation currency	209,009	2	(60,484)	(1)
8399	Less: Income tax related to items that may be reclassified(Note 6(16))	41,802	-	(12,097)	-
	<b>Total items that are or may be reclassified subsequently to profit or loss</b>	167,207	2	(48,387)	(1)
8300	<b>Total other comprehensive income(net of tax) for the year</b>	170,414	2	(46,476)	(1)
	<b>Total comprehensive income for the year</b>	<b>\$ 514,769</b>	<b>5</b>	<b>(314,664)</b>	<b>(4)</b>
	<b>Net profit attributable to:</b>				
8610	Shareholders of the parent	\$ 344,060	3	(266,543)	(3)
8620	Non-controlling interests	295	-	(1,645)	-
		<b>\$ 344,355</b>	<b>3</b>	<b>(268,188)</b>	<b>(3)</b>
	<b>Total comprehensive income attributable to:</b>				
8710	Shareholders of the parent	\$ 514,380	5	(313,086)	(4)
8720	Non-controlling interests	389	-	(1,578)	-
		<b>\$ 514,769</b>	<b>5</b>	<b>(314,664)</b>	<b>(4)</b>
	<b>Earnings per share</b> (NT\$, Note 6(19))				
9750	Basic earnings per share	<b>\$ 2.51</b>		<b>(1.98)</b>	
9850	Diluted earnings per share	<b>\$ 2.34</b>		<b>(1.98)</b>	

ACES ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023  
(Expressed in thousands of New Taiwan dollars)

	Share Capital			Equity Attributable to Shareholders of the parent				Other equity interests					Total equity
	Common stock	Capital collected in advance	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Undistributed surplus earnings	Difference on translation of financial statements of foreign operations	Gains on property revaluation	Unearned employees' remuneration	Equity Attributable to Shareholders of the parent	Non-controlling interests	
<b>Balance at January 1, 2023</b>	\$ 1,344,177	-	-	988,615	702,410	168,631	2,492,404	(92,336)	33,219	-	5,637,120	18,234	5,655,354
Appropriation of earnings :													
Legal Reserve	-	-	-	-	23,620	-	(23,620)	-	-	-	-	-	-
Special Reserve	-	-	-	-	-	(106,260)	106,260	-	-	-	-	-	-
Cash dividend distributed to shareholders	-	-	-	-	-	-	(73,930)	-	-	-	(73,930)	-	(73,930)
Profit (loss) for the year	-	-	-	-	-	-	(266,543)	-	-	-	(266,543)	(1,645)	(268,188)
Other comprehensive income	-	-	-	-	-	-	1,911	(48,454)	-	-	(46,543)	67	(46,476)
Total comprehensive income for the year	-	-	-	-	-	-	(264,632)	(48,454)	-	-	(313,086)	(1,578)	(314,664)
Changes in ownership of subsidiary equity	-	-	-	4,655	-	-	-	-	-	-	4,655	(14,911)	(10,256)
<b>Balance at December 31, 2023</b>	1,344,177	-	-	993,270	726,030	62,371	2,236,482	(140,790)	33,219	-	5,254,759	1,745	5,256,504
Appropriation of earnings :													
Special Reserve	-	-	-	-	-	54,516	(54,516)	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	-	-	344,060	-	-	-	344,060	295	344,355
Other comprehensive income	-	-	-	-	-	-	3,207	167,113	-	-	170,320	94	170,414
Total comprehensive income for the year	-	-	-	-	-	-	347,267	167,113	-	-	514,380	389	514,769
Equity components – stock options recognized													
arising from issue of convertible bonds	-	-	-	54,866	-	-	-	-	-	-	54,866	-	54,866
Conversion of convertible bonds	57,100	68,570	-	470,318	-	-	-	-	-	-	595,988	-	595,988
Issue of restricted stock awards	17,480	-	-	66,074	-	-	-	-	-	(66,074)	17,480	-	17,480
Expiration of restricted stock awards	-	-	(210)	(794)	-	-	-	-	-	794	(210)	-	(210)
Changes in ownership of subsidiary equity	-	-	-	2,681	-	-	-	-	-	-	2,681	(1,324)	1,357
Share-based payments transactions	-	-	-	-	-	-	-	-	-	21,216	21,216	-	21,216
<b>Balance at December 31, 2024</b>	<b>\$ 1,418,757</b>	<b>68,570</b>	<b>(210)</b>	<b>1,586,415</b>	<b>726,030</b>	<b>116,887</b>	<b>2,529,233</b>	<b>26,323</b>	<b>33,219</b>	<b>(44,064)</b>	<b>6,461,160</b>	<b>810</b>	<b>6,461,970</b>

**ACES ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Profit before income tax	\$ 387,213	(269,692)
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	661,212	651,330
Amortization expense	78,333	55,102
Expected credit gain recognized	(2,844)	(486)
Net gain on financial assets at fair value through profit or loss	(3,546)	(27,635)
Interest expense	103,543	108,725
Interest income	(41,901)	(49,730)
Impairment loss	21,216	-
Share of loss of equity-account investees	7,627	10,648
Loss (gain) on disposals of property, plant and equipment	(792)	9,007
Loss (gain) on disposals of equity-account investees	(17,566)	24,140
Gain on lease modification	-	(48)
Gain on investment property revaluation	(7,505)	(6,067)
Total adjustments to reconcile profit	797,777	774,986
Changes in operating assets and liabilities :		
Net changes in operating assets :		
Decrease (increase) in notes receivable	(26,254)	35,551
Increase in notes receivable from related parties	(4,821)	-
Decrease (increase) in accounts receivable	(752,628)	253,783
Increase in accounts receivable from related parties	(3,513)	(1,869)
Decrease (increase) in other receivables	177,046	(251,719)
Decrease (increase) in other receivables from related parties	499	(528)
Decrease (increase) in inventories	(189,454)	268,824
Decrease in prepaid expenses	7,681	54,304
Decrease (increase) in other current assets	(42,838)	37,074
Decrease in other financial assets	-	220,400
Total net changes in operating assets	(834,282)	615,820
Net changes in operating liabilities :		
Increase (decrease) in notes payable	(1,701)	1,350
Increase (decrease) in accounts payable	552,920	(216,712)
Increase (decrease) in accounts payable to related parties	659	(262)
Increase (decrease) in other payables	125,320	(182,738)
Decrease in other payables to related parties	(5)	(2,010)
Increase in other current liabilities	4,936	14,536
Increase in net defined benefit liabilities	5,318	1,316
Total net changes in operating liabilities	687,447	(384,520)
Total adjustments	650,942	1,006,286
Cash generated from operations	1,038,155	736,594
Interest received	41,901	49,730
Interest paid	(77,849)	(86,429)
Income tax paid	17,459	(36,576)
Net cash provided by operating activities	1,019,666	663,319
Cash flows from investing activities :		
Acquisitions of financial assets at fair value through other comprehensive income	(24,097)	-
Acquisitions of financial assets at fair value through profit or loss	(21,400)	-
Disposals of financial assets at fair value through profit or loss	9,375	22,257
Acquisitions of subsidiaries (less cash acquired)	-	(7,691)
Disposals of subsidiaries	-	21,157
Acquisitions of property, plant, and equipment	(800,037)	(865,435)
Disposals of property, plant, and equipment	33,912	97,868
Acquisitions of intangible assets	(35,177)	(39,357)
Disposal of intangible assets	419	-
Acquisition of right-of-use assets	-	(71,611)
Increase in other non-current assets	173,503	(185,007)
Increase in prepaid equipment payments	(453,425)	(21,827)
Net cash used in investing activities	(1,116,927)	(1,049,646)
Cash flows from financing activities :		
Increase (decrease) in short-term borrowings	(1,272,000)	51,602
Issue of corporate bonds	998,906	-
Repayment of corporate bonds	(700)	-
Proceeds from long-term borrowings	3,823,480	3,775,000
Repayment of long-term borrowings	(3,487,220)	(3,624,549)
Repayment of principal of lease liabilities	(58,614)	(70,245)
Decrease in other non-current liabilities	(49,116)	(4,521)
Cash dividends	-	(73,930)
Acquisitions of subsidiary's equity	(2,096)	(10,256)
Issue of restricted stock awards	17,480	-
Repurchase of restricted stock awards	(210)	-
Net cash (used in) provided by financing activities	(30,090)	43,101
Effect of exchange rate change on cash and cash equivalents	70,034	(57,185)
Decrease in cash and cash equivalents	(57,317)	(400,411)
Cash and cash equivalents at January 1	2,058,206	2,458,617
Cash and cash equivalents at December 31	\$ 2,000,889	2,058,206

## **Independent Auditors' Report**

To the Board of Directors of ACES Electronics Co., Ltd.:

### **Opinion**

We have audited the parent company only financial statements of ACES Electronics Co., Ltd., which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of ACES Electronics Co., Ltd. as of December 31, 2024 and 2023, and its financial performance and its cash flows for each of 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 the 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 Financial Statements section of our report. We are independent of ACES Electronics Co., Ltd. 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.

### **Description of key audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. 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, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue Recognition**

Please refer to Notes 4(14) to the parent only financial statements for the accounting policy on operating revenue; and refer to Notes 6(19) for disclosures relating to revenue.

Description of key audit matter:

ACES Electronics Co., Ltd. is mainly engaging in processing, manufacturing and selling of connectors. Sales revenue is one of the key audit matters to the financial statements. Therefore, the assessment for recognition of sales revenue is one of the key evaluation matter when we audit the Company's financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We tested the design of internal control process and its efficiency of execution for sales revenue.
- We spot checked the samples of sales revenue with possible risks, verified documents, including external purchase orders from customers, shipping documents, and invoices, etc., to confirm whether revenue is correctly recorded.
- We selected sales transaction samples from a certain period before and after the end of current year, and examined revenue transaction records with vouchers arising from appropriate time period.

## 2. Valuation of inventory

Please refer to Notes 4(7) to the parent only financial statements for the accounting policy on inventory valuation, Notes 5(1) for accounting estimates and assumptions of inventory, and Notes 6(4) for disclosure disclosures relating to inventory.

Description of key audit matter:

Inventory is valued at the lower of cost or net realizable value ACES Electronics Co., Ltd. mainly produces electronic products such as high precision connectors which are affected by the fast change of technology and updates of manufacturing technique; its product sales might have tremendous fluctuation which may cause the cost of inventory to be higher than its net realizable value. Therefore, the assessment for inventory valuation is one of the key evaluation matter when we audit the Company's financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We assessed the rationality of the inventory valuation policies.
- We tested samples provided by the Company on inventory valued at the lower of cost and net realizable value.
- We assessed if the inventory valuation is recorded according to the accounting policies of the Group.

## **Responsibilities of Management and Those Charged with Governance for the Parent Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with 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 only financial statements, management is responsible for assessing ACES Electronics Co., Ltd.'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 ACES Electronics Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee) from ACES Electronics Co., Ltd are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent only 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 parent 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 professional skepticism throughout the audit. We also:

1. Identified and assessed the risks of material misstatement of the parent 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. Obtained 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 ACES Electronics Co., Ltd.'s internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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 ACES Electronics Co., Ltd.'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 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 ACES Electronics Co., Ltd. to cease to continue as a going concern.
5. Evaluated 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. Obtained sufficient and 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 ACES Electronics Co., Ltd.'s audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Heng-Shen and Chen, Zheng-Xue.

KPMG

Taipei, Taiwan (Republic of China)  
March 14, 2025

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The standards, procedures, and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

**ACES ELECTRONICS CO., LTD.**  
**Balance Sheets**  
**December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars)**

		<b>December 31, 2024</b>		<b>December 31, 2023</b>				<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets :</b>						<b>Current liabilities :</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 516,873	4	472,031	5	2100	Short-term borrowings (Note 6(10))	\$ -	-	1,120,000	11
1110	Financial assets at fair value through profit or loss - current	1,818	-	-	-	2321	Current portion of corporate bonds (Note 6(12))	-	-	578,202	5
	(Note 6(2) and (12))					2150	Notes payable	167	-	1,868	-
1150	Notes receivable, net (Note 6(3) and (19))	351	-	122	-	2170	Accounts payable	302,252	3	179,236	2
1170	Accounts receivable, net (Note 6(3) and (19))	1,023,934	9	762,149	7	2180	Accounts payable to related parties (Note 7)	1,097,761	9	829,395	8
1180	Net trade receivable from related parties (Note 6(3), (19) and 7)	222,980	2	120,929	1	2200	Other payables (Note 6(6) and (14))	370,265	3	325,166	3
1200	Other receivables (Note 6(3))	83,471	1	246,248	2	2220	Other payables to related parties (Note 7)	12,549	-	57,752	-
1210	Other receivables from related parties (Note 6(3) and 7)	18,826	-	4,739	-	2230	Current tax liabilities (Note 6(15))	11,717	-	-	-
1310	Inventories (Note 6(4))	370,392	3	314,369	3	2280	Lease liabilities - current (Note 6(13) and 7)	10,123	-	4,176	-
1470	Other current assets	28,681	-	35,265	-	2322	Current installments of long-term borrowings (Note 6(11))	224,891	2	187,500	2
		<u>2,267,326</u>	<u>19</u>	<u>1,955,852</u>	<u>18</u>	2399	Other current liabilities - others	47,076	-	35,078	-
								<u>2,076,801</u>	<u>17</u>	<u>3,318,373</u>	<u>31</u>
<b>Non-current assets :</b>						<b>Non-current liabilities :</b>					
1510	Financial assets at fair value through profit or loss - non-current	82,720	1	71,866	1						
	(Note 6(2))					2530	Bonds payable (Note 6(12))	952,248	8	-	-
1550	Investments in equity-accounted investees (Note 6(5) and (6))	6,758,291	57	6,295,080	60	2540	Long-term borrowings (Note 6(11))	2,018,310	17	1,683,974	16
1600	Property, plant and equipment (Note 6(7), 7 and 8)	2,454,682	21	1,759,922	17	2570	Deferred tax liabilities (Note 6(15))	310,661	3	266,508	3
1755	Right-of-use assets (Note 6(8) and 7)	21,243	-	9,901	-	2580	Lease liabilities - non-current (Note 6(13) and 7)	11,341	-	5,811	-
1780	Intangible assets (Note 6(9))	66,469	-	38,093	-	2600	Other non-current liabilities (Note 6(11) and (14))	58,789	1	16,061	-
1915	Prepayment for equipment	203,976	2	166,698	2			<u>3,351,349</u>	<u>29</u>	<u>1,972,354</u>	<u>19</u>
1840	Deferred tax assets (Note 6(15))	10,470	-	21,491	-		<b>Total liabilities</b>	<u>5,428,150</u>	<u>46</u>	<u>5,290,727</u>	<u>50</u>
1990	Other non-current assets – others (Note 6(7) and 7)	24,133	-	226,583	2		<b>Equity (Note 6(16)):</b>				
	<b>Assets</b>	<u>9,621,984</u>	<u>81</u>	<u>8,589,634</u>	<u>82</u>	3110	Common stock	1,418,757	12	1,344,177	13
						3140	Capital collected in advance	68,570	1	-	-
						3170	Share capital awaiting retirement	(210)	-	-	-
							Total share capital	<u>1,487,117</u>	<u>13</u>	<u>1,344,177</u>	<u>13</u>
						3200	Capital surplus (Note 6(12) and (17))	<u>1,586,415</u>	<u>13</u>	<u>993,270</u>	<u>9</u>
							Retained earnings :				
						3310	Legal Reserve	726,030	6	726,030	7
						3320	Special Reserve	116,887	1	62,371	1
						3350	Unappropriated earnings	<u>2,529,233</u>	<u>21</u>	<u>2,236,482</u>	<u>21</u>
								<u>3,372,150</u>	<u>28</u>	<u>3,024,883</u>	<u>29</u>
							Other equity:				
						3410	Exchange differences on translation of the Financial	26,323	-	(140,790)	(1)
							Statements foreign operations				
						3460	Gain on property revaluation (Note 6(17))	33,219	-	33,219	-
						3490	Other equity - others	<u>(44,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>
							<b>Total equity</b>	<u>6,461,160</u>	<u>54</u>	<u>5,254,759</u>	<u>50</u>
							<b>Total liabilities and equity</b>	<u>\$ 11,889,310</u>	<u>100</u>	<u>10,545,486</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 11,889,310</u>	<u>100</u>	<u>10,545,486</u>	<u>100</u>						

See accompanying notes to parent company only financial statements.

**ACES ELECTRONICS CO., LTD.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars, except for Earnings per share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
	<b>Operating Revenue</b> (Note 6(19) and 7):				
4100	Net sales revenue	\$ 3,592,237	96	2,990,226	97
4800	Other operating revenue	<u>133,181</u>	<u>4</u>	<u>100,092</u>	<u>3</u>
	<b>Net revenue from operations</b>	<b>3,725,418</b>	<b>100</b>	<b>3,090,318</b>	<b>100</b>
5000	<b>Operating costs</b> (Note 6(4), (13), (14), and 7)	<u>2,731,451</u>	<u>73</u>	<u>2,399,083</u>	<u>78</u>
	<b>Gross profit</b>	<b>993,967</b>	<b>27</b>	<b>691,235</b>	<b>22</b>
5910	Unrealized gains or losses from sales	<u>(3,969)</u>	<u>-</u>	<u>412</u>	<u>-</u>
	<b>Gross profit, net</b>	<u><b>989,998</b></u>	<u><b>27</b></u>	<u><b>691,647</b></u>	<u><b>22</b></u>
	<b>Operating expenses</b> (Note 6(13), (14), (17), (20), and 7):				
6100	Selling expenses	172,643	5	160,669	5
6200	General and administrative expenses	343,573	9	300,917	10
6300	Research and development expenses	292,904	8	295,670	10
6450	Expected credit loss (gain) (Note 6(3))	<u>(361)</u>	<u>-</u>	<u>(745)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u><b>808,759</b></u>	<u><b>22</b></u>	<u><b>756,511</b></u>	<u><b>25</b></u>
	<b>Profit (loss) from operations</b>	<u><b>181,239</b></u>	<u><b>5</b></u>	<u><b>(64,864)</b></u>	<u><b>(3)</b></u>
	<b>Non-operating income and expenses</b> (Note 6(21)):				
7100	Interest income	7,057	-	3,859	-
7010	Other income	24,540	1	17,415	1
7020	Other gains and losses (Note 6(12))	24,277	1	(6,418)	-
7050	Finance costs (Note 6(12) and (13))	(85,530)	(2)	(69,189)	(2)
7070	Share of gains or losses from subsidiaries accounted for using equity method	<u>187,014</u>	<u>5</u>	<u>(167,794)</u>	<u>(5)</u>
	<b>Total non-operating income and expenses</b>	<u><b>157,358</b></u>	<u><b>5</b></u>	<u><b>(222,127)</b></u>	<u><b>(6)</b></u>
	<b>Profit (loss) before income tax</b>	<b>338,597</b>	<b>10</b>	<b>(286,991)</b>	<b>(9)</b>
7950	<b>Less: income tax expenses (gains)</b> (Note 6(15))	<u><b>(5,463)</b></u>	<u><b>-</b></u>	<u><b>(20,448)</b></u>	<u><b>(1)</b></u>
	<b>Profit (loss) for the year</b>	<u><b>344,060</b></u>	<u><b>10</b></u>	<u><b>(266,543)</b></u>	<u><b>(8)</b></u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will never be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans (Note 6(14))	3,207	-	1,911	-
8349	Less: Income tax related to non-reclassified items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that will never be reclassified to profit or loss</b>	<u><b>3,207</b></u>	<u><b>-</b></u>	<u><b>1,911</b></u>	<u><b>-</b></u>
8360	<b>Items that are or may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation to the presentation currency	208,143	6	(59,819)	(2)
8399	Less: Income tax related to items that may be reclassified(Note 6(15))	<u>41,030</u>	<u>(1)</u>	<u>(11,365)</u>	<u>-</u>
	<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<u><b>167,113</b></u>	<u><b>5</b></u>	<u><b>(48,454)</b></u>	<u><b>(2)</b></u>
8300	<b>Total other comprehensive income (net of tax) for the year</b>	<u><b>170,320</b></u>	<u><b>5</b></u>	<u><b>(46,543)</b></u>	<u><b>(2)</b></u>
8500	<b>Total comprehensive income for the year</b>	<u><b>\$ 514,380</b></u>	<u><b>15</b></u>	<u><b>(313,086)</b></u>	<u><b>(10)</b></u>
	<b>Earnings per share</b> (NT\$, Note 6(18))				
9750	Basic earnings per share	<u><b>\$ 2.51</b></u>		<u><b>(1.98)</b></u>	
9850	Diluted earnings per share	<u><b>\$ 2.34</b></u>		<u><b>(1.98)</b></u>	

**ACES ELECTRONICS CO., LTD.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars)**

	Share capital				Retained earnings			Other equity interests			
	Common Stock	Capital collected in advance	Share capital awaiting retirement	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translation of Financial Statements of Foreign Operations	Gain on Property Revaluation	Unearned Employees' remuneration	Total Equity
Balance at January 1,2023	\$ 1,344,177	-	-	988,615	702,410	168,631	2,492,404	(92,336)	33,219	-	5,637,120
Appropriation of earnings :											
Legal Reserve	-	-	-	-	23,620	-	(23,620)	-	-	-	-
Cash dividend distributed to shareholders	-	-	-	-	-	-	(73,930)	-	-	-	(73,930)
Reversal of Special Reserve	-	-	-	-	-	(106,260)	106,260	-	-	-	-
Loss for the year	-	-	-	-	-	-	(266,543)	-	-	-	(266,543)
Other comprehensive income, net of tax	-	-	-	-	-	-	1,911	(48,454)	-	-	(46,543)
Total comprehensive income for the year	-	-	-	-	-	-	(264,632)	(48,454)	-	-	(313,086)
Other changes in capital surplus :											
Changes in ownership of subsidiary equity	-	-	-	4,655	-	-	-	-	-	-	4,655
Balance at December 31, 2023	1,344,177	-	-	993,270	726,030	62,371	2,236,482	(140,790)	33,219	-	5,254,759
Appropriation of earnings :											
Special reserve	-	-	-	-	-	54,516	(54,516)	-	-	-	-
Profit for the year	-	-	-	-	-	-	344,060	-	-	-	344,060
Other comprehensive income, net of tax	-	-	-	-	-	-	3,207	167,113	-	-	170,320
Total comprehensive income for the year	-	-	-	-	-	-	347,267	167,113	-	-	514,380
Conversion of convertible bonds	57,100	68,570	-	470,318	-	-	-	-	-	-	595,988
Originated from recognition of equity components of issue of convertible bonds – stock options	-	-	-	54,866	-	-	-	-	-	-	54,866
Restricted stock awards	17,480	-	-	66,074	-	-	-	-	-	(66,074)	17,480
Expired restricted stock awards	-	-	(210)	(794)	-	-	-	-	-	794	(210)
Compensation costs of share-based payments	-	-	-	-	-	-	-	-	-	21,216	21,216
Changes in ownership of subsidiary equity	-	-	-	2,681	-	-	-	-	-	-	2,681
Balance at December 31, 2024	\$ 1,418,757	68,570	(210)	1,586,415	726,030	116,887	2,529,233	26,323	33,219	(44,064)	6,461,160

See accompanying notes to parent company only financial statements.

**ACES ELECTRONICS CO., LTD.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2024 and 2023  
(Expressed in thousands of New Taiwan dollars)

	2024	2023
<b>Cash flows from operating activities:</b>		
Profit (loss) before income tax	\$ 338,597	(286,991)
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	219,798	206,523
Amortization expense	36,885	25,904
Expected credit reversal gain	(361)	(745)
Net gain on financial assets at fair value through profit or loss	(3,546)	(14,034)
Interest expense	85,530	69,189
Interest income	(7,057)	(3,859)
Compensation costs of share-based payments	21,216	-
Share of loss (profit) of equity-account investees	(187,014)	167,794
Loss (gain) on disposals and scraps of property, plant and equipment	(404)	907
Gain on disposal of intangible assets	(68)	-
Loss on disposals of equity-account investees	-	26,725
Unrealized (realized) gain (loss) between affiliated companies	3,969	(412)
Gain on lease modification	-	(48)
Total adjustments to reconcile profit (loss)	168,948	477,944
<b>Changes in operating assets and liabilities :</b>		
Net changes in operating assets :		
Notes receivable	(229)	(80)
Accounts receivable	(261,424)	43,184
Accounts receivable from related parties	(102,051)	27,960
Other receivables	162,777	(190,786)
Other receivables from related parties	(14,087)	536
Inventories	(56,023)	(9,764)
Other current assets	3,301	(1,151)
Total net changes in operating assets	(267,736)	(130,101)
Net changes in operating liabilities :		
Notes payable	(1,701)	1,350
Accounts payable	123,016	12,713
Accounts payable to related parties	268,366	65,526
Other payables	45,099	(1,977)
Other payables to related parties	(45,203)	(72,661)
Other current liabilities	11,998	(152)
Net defined benefit liabilities	(665)	(500)
Total net changes in operating liabilities	400,910	4,299
Total net changes in operating assets and liabilities	133,174	(125,802)
Total adjustments	302,122	352,142
Cash generated from operations	640,719	65,151
Interest received	7,057	3,859
Interest paid	(59,836)	(46,893)
Income tax refunded (paid)	34,606	(1,626)
<b>Net cash provided by operating activities</b>	622,546	20,491
<b>Cash flows from investing activities :</b>		
Acquisitions of financial assets at fair value through profit or loss	(21,400)	-
Disposals of financial assets at fair value through profit or loss	13,274	13,300
Acquisitions of subsidiaries (deducting cash obtained)	-	(1,857)
Refund of paid-up capital from liquidated subsidiaries	-	14,860
Acquisitions of property, plant, and equipment	(685,725)	(584,846)
Disposals of property, plant, and equipment	5,588	422
Acquisitions of intangible assets	(23,992)	(28,912)
Disposals of intangible assets	8,617	-
Decrease (increase) in other non-current assets	152,632	(183,640)
Increase in prepaid equipment payments	(261,173)	(16,126)
Dividends received	-	125,000
<b>Net cash used in investing activities</b>	(812,179)	(661,799)
<b>Cash flows from financing activities :</b>		
Increase (decrease) in short-term borrowings	(1,120,000)	470,000
Issue of corporate bonds	998,906	-
Repayment of corporate bonds	(700)	-
Proceeds from long-term borrowings	3,807,000	3,670,368
Repayment of long-term borrowings	(3,437,500)	(3,526,368)
Issue of restricted stock awards	17,480	-
Repurchase of restricted stock awards	(210)	-
Repayment of principal of lease liabilities	(9,987)	(12,537)
Increase (decrease) in other non-current liabilities	47,605	(131)
Cash dividends	-	(73,930)
Acquisitions of investments accounted for using equity method (capital increase of subsidiaries)	(68,119)	(280,257)
<b>Net cash (used in) provided by financing activities</b>	234,475	247,145
<b>Decrease in cash and cash equivalents</b>	44,842	(394,163)
<b>Cash and cash equivalents at January 1</b>	472,031	866,194
<b>Cash and cash equivalents at December 31</b>	<b>\$ 516,873</b>	<b>472,031</b>

**Annex 4.**

**ACES ELECTRONICS CO., LTD.**  
**Profit Distribution Table**  
**for 2024**

Unit: Thousands of NT\$

Item	Amount
Opening retained earnings	2,181,967,159
Add: Change in the remeasurement of the defined benefit plan for the current period	3,205,918
Add: Net profit after tax for this period (net profit after tax for 2024)	344,059,780
Less: Provision for statutory surplus reserve	34,726,570
Less: Equity reduction provision (reversal) Special surplus reserve	(107,571,752)
Less: Special surplus reserve for net increase (reversal) in subsequent measurement of investment properties using the fair value model.	7,494,235
Ending retained earnings	2,594,583,804
Less: Allocation Items	
Shareholder dividends	111,533,813
Total distribution	111,533,813
Ending retained earnings	2,483,049,991

Chairman: Yuan Wan-Ting; General Manager: Huang Tien-Fu; Accounting Supervisor: Lee Shu-Yun

Annex 5

ACES ELECTRONICS CO., LTD.  
Comparison Table of Amendments to the Articles of Association

Article	The article after amendment	The article before amendment	Detail
Article 24	<p>If the Company have profits in the year (profit refers to the pre-tax income deducting the distribution of employee remuneration and director's remuneration), then no less than <u>3%</u> of the profit should be allocated as employee remuneration (of which no less than 0.5% is for grassroots employee remuneration), and no more than 3% should be allocated as director's remuneration. However, when the Company still has accumulated losses, it should reserve the amount to offset the losses in advance.</p> <p>The employee remuneration referred to in the preceding paragraph may be paid in stock or in cash. If the Board of Directors decides to issue stock as a payment, the same resolution may be made in the form of issuing new shares or repurchasing its own shares. The director remuneration referred to in the preceding paragraph shall be paid in cash only.</p> <p>The preceding two items shall be implemented by a resolution of the Board of Directors and reported to the Shareholders' Meeting.</p>	<p>If the Company have profits in the year (profit refers to the pre-tax income deducting the distribution of employee remuneration and director's remuneration), then no less than <u>1%</u> of the profit should be allocated as employee remuneration and no more than 3% should be allocated as director's remuneration. However, when the Company still has accumulated losses, it should reserve the amount to offset the losses in advance.</p> <p>The employee remuneration referred to in the preceding paragraph may be paid in stock or in cash. If the Board of Directors decides to issue stock as a payment, the same resolution may be made in the form of issuing new shares or repurchasing its own shares. The director remuneration referred to in the preceding paragraph shall be paid in cash only.</p> <p>The preceding two items shall be implemented by a resolution of the Board of Directors and reported to the shareholders' meeting.</p>	<p>This is in compliance with the revision of Article 14 of the Securities and Exchange Act.</p>
Article 28	<p>This article was established on November 4, 1996.</p> <p>The first to twenty-sixth amendment (Omit)</p> <p>The twenty-seventh amendment was on June 27, 2023.</p> <p><u>The twenty-eighth revision was on June 25, 2025.</u></p>	<p>This article was established on November 4, 1996.</p> <p>The first to twenty-sixth amendment (Omit)</p> <p>The twenty-seventh amendment was on June 27, 2023.</p>	<p>The revision date is added.</p>

**Annex 6**

**ACES ELECTRONICS CO., LTD.**

**List of Candidates for Directors (Including Independent Directors) for the 2025 General Shareholders' Meeting**

Nominee Category	Name of nominee	Gender	Educational qualifications	Experience	Current position	Whether the nominee has served as an independent director for three consecutive terms	Number of shares held
Director	Yuan Wan-Ting	Male	<ul style="list-style-type: none"> <li>● Executive Master of Business Administration, National Central University</li> <li>● EMBA, Guanghua School of Management, Peking University</li> </ul>	<ul style="list-style-type: none"> <li>● Manager of MOLEX, an American company in Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>● Chairman of Aces Electronics Co., Ltd.</li> <li>● Director or Chairman of Aces Electronics-related companies</li> <li>● Independent Director of YOUNG OPTICS INC.</li> </ul>	None	8,863,487
Director	Huang Wen-Cheng	Male	<ul style="list-style-type: none"> <li>● Department of Mechanical Engineering, National Cheng Kung University</li> <li>● Master of Business Administration, National Chengchi University</li> </ul>	<ul style="list-style-type: none"> <li>● General Manager of China Motor Corporation</li> <li>● Deputy CEO of Yulon Group</li> <li>● Chairman of the Vehicle Research and Testing Center</li> </ul>	<ul style="list-style-type: none"> <li>● Chairman of Hung Ching Development &amp; Construction Co. Ltd.</li> <li>● Chairman of GLOBAL FORTUNE MANAGEMENT CORP.</li> <li>● Independent Director of ENTIRE TECHNOLOGY CO., LTD.</li> <li>● Director of Eland Information Co., Ltd.</li> <li>● Supervisor of ezTravel Co., Ltd.</li> <li>● Legal representative of ezTravel.com Co., Ltd.</li> <li>● Director of Global Fortune Investment Co., Ltd.</li> <li>● Legal representative of MULT Private CO., LTD.</li> <li>● Legal representative of HONG JING INTERNATIONAL INVESTMENT CO., LTD.</li> <li>● Legal representative of Phoenix Lu Innovation and Venture Capital Co., Ltd.</li> </ul>	None	0

Nominee Category	Name of nominee	Gender	Educational qualifications	Experience	Current position	Whether the nominee has served as an independent director for three consecutive terms	Number of shares held
					<ul style="list-style-type: none"> <li>● Director of Conserve &amp; Associates, Inc.</li> <li>● Director of Aces Electronics-related companies</li> </ul>		
Director	Hsieh Han-Chang	Male	● National Chengchi University Entrepreneurship Class	<ul style="list-style-type: none"> <li>● Deputy CEO of Yeangder Group General Management Office</li> <li>● General Manager of Shihlin Electric Co., Ltd.</li> <li>● General Manager of Ambassador Hotel</li> </ul>	<ul style="list-style-type: none"> <li>● Deputy CEO of Yeangder Group General Management Office</li> <li>● Managing Director and General Manager of Shihlin Electric Co., Ltd.</li> <li>● Director of Ambassador Hotel</li> <li>● Director of HCT LOGISTICS CO., LTD.</li> <li>● Supervisor of Yeangder Investment Co., Ltd.</li> <li>● Chairman of Shinlin Electric Co., Ltd.</li> <li>● Director of CHUAN LIN SCIEN-TECHNICAL CORP.</li> <li>● Director of Ruilin Electric Co., Ltd.</li> <li>● Director of Yeangder Entertainment Co., Ltd.</li> <li>● Director of Yeangder High School</li> <li>● Director of Shihlin Electric International Investment Co., Ltd., British Virgin Islands</li> <li>● Director of Shihlin Electric (Suzhou) Power Equipment Co., Ltd.</li> <li>● Director of Yeangder Educational Foundation</li> <li>● Director of the Xu Jinde Memorial Foundation</li> <li>● Supervisor of Yeangder Safety Management Consultant Co., Ltd.</li> <li>● Director of Sankyo Transport Co., Ltd.</li> </ul>	None	0

Nominee Category	Name of nominee	Gender	Educational qualifications	Experience	Current position	Whether the nominee has served as an independent director for three consecutive terms	Number of shares held
Director	Hsu Chang-Fei	Female	● Department of Foreign Languages and Literature, National Chung Hsing University	● Supervisor of Aces Electronics Co. Ltd.	● Director of Aces Electronics Co. Ltd.	None	6,128,631
Independent director	Hong Kuo-Ching	Male	● Department of Electronic Engineering, National Taipei Institute of Technology ● Master of Business Administration, National Chengchi University	● Inventec Corporation Senior Manager of Engineering Department; Associate Manager of Purchasing Department; Deputy General Manager of Supply Chain Division	● Consultant of Inventec Corporation	None	20,000
Independent director	Wu Shiang-Shiang	Female	● Master of Business Administration, University of St. Thomas, USA	● Pegatron Corporation Chief Investment Officer; Chief Financial Officer; Deputy general manager	● Director of KINSUS INTERCONNECT TECHNOLOGY CORP. ● Director of Eslite Corporation	None	0
Independent director	Lin Huei-Zih	Female	● Department of International Trade, National Chengchi University	● General Manager of Young Lighting Technology Inc. ● General Manager of CORETRONIC CORP. ● Chairman of YOUNG OPTICS INC.	● General Manager of CORETRONIC CORP. ● Chairman of YOUNG OPTICS INC.	None	0

**Annex 7**

**Candidates for Directors (Including Independent Directors)  
Concurrently Holding Other Positions in the Company**

Title	Name	Concurrently Holding Other Positions in the Company
Director	Yuan Wan-Ting	Legal representative of MEC IMEX INC. Independent Director of YOUNG OPTICS INC.
Director	Huang Wen-Cheng	Chairman of Hung Ching Development & Construction Co. Ltd. Chairman of GLOBAL FORTUNE MANAGEMENT CORP. Independent Director of ENTIRE TECHNOLOGY CO., LTD. Director of Eland Information Co., Ltd. Supervisor of ezTravel Co., Ltd. Legal representative of ezTravel.com Co., Ltd. Director of Global Fortune Investment Co., Ltd. Legal representative of MULT Private CO., LTD. Legal representative of HONG JING INTERNATIONAL INVESTMENT CO., LTD. Legal representative of Phoenix Lu Innovation and Venture Capital Co., Ltd. Director of Conserve & Associates, Inc.
Director	Hsieh Han-Chang	Deputy CEO of Yeangder Group General Management Office Managing Director and General Manager of Shihlin Electric Co., Ltd. Director General of Ambassador Hotel Director of HCT LOGISTICS CO., LTD. Supervisor of Yeangder Investment Co., Ltd. Chairman of Shinlin Electric Co., Ltd. Director of CHUAN LIN SCIEN-TECHNICAL CORP. Director of Ruilin Electric Co., Ltd. Director of Yeangder Entertainment Co., Ltd. Director of Yeangder High School Director of Shihlin Electric International Investment Co., Ltd., British Virgin Islands Director of Shihlin Electric (Suzhou) Power Equipment Co., Ltd. Director of Yeangder Educational Foundation Director of the Xu Jinde Memorial Foundation Supervisor of Yeangder Safety Management Consultant Co., Ltd. Director of Sankyo Transport Co., Ltd.
Independent director	Wu Shiang-Shiang	Director of KINSUS INTERCONNECT TECHNOLOGY CORP. Director of Eslite Corporation
Independent director	Lin Huei-Zih	General Manager of CORETRONIC CORP. Chairman of YOUNG OPTICS INC.

## Appendix 1.

# ACES ELECTRONICS CO., LTD.

## Rules of Procedure for Shareholders' Meeting

- Article 1 The rules of procedure of the Company's shareholders' meeting shall be handled in accordance with these rules, unless otherwise stipulated by laws, regulations or the articles of association.
- Article 2 The Company shall set up a signature book for the attendance of the shareholders themselves or their authorized agents (hereinafter referred to as "shareholders"), or an attendance card for proxy sign-in shall be submitted by the shareholders in attendance.
- Article 3 Attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares attended shall be calculated according to the shares indicated by the signature book or attendance card handed and video conferencing platform, in plus the number of shares that voting rights are exercised by correspondence or electronically. When the meeting time has expired, the chairman shall immediately call the meeting to order at the appointed meeting time, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. However, when attending shareholders do not represent more than half of the total number of issued shares, the chairman may announce a postponement of the meeting. The number of postponements is limited to two, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total number of issued shares after the second postponement, the chairman may announce adjournment. If the shareholders' meeting is held by video conference, the Company shall also announce the adjournment on the video conference platform of the shareholders' meeting.
- Article 4 The company shall make audio or video recordings of the entire shareholders' meeting process and keep them for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Art, the recording shall be preserved until the conclusion of the litigation.
- Article 5 If the shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be determined by the Board of Directors, and the meeting shall be conducted in accordance with the agenda, which may not be changed without a resolution of the shareholders' meeting.  
If a shareholders' meeting is convened by a party with the right to convene that is not the board of directors, the provisions of the preceding paragraph shall apply mutatis mutandis.  
The chairman shall not announce the adjournment of the meeting to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting; if the chairman violates the rules of procedure and announces the adjournment, other members of the Board of Directors shall promptly assist the attending shareholders in accordance with legal procedures to elect a person as chairman with the consent of more than half of the voting rights of the attending shareholders, and continue the meeting.  
The chairman shall provide sufficient explanation and opportunities for discussion on proposals, amendments or interim motions proposed by shareholders, and may announce the suspension of discussion and put them up for voting when the resolution has reached a point where it is ready for voting.
- Article 6 Before attending the speech of shareholders, they must first fill in a speech slip to specify the subject of the speech, shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.  
A shareholder in attendance who has only submitted speech slip but does not make speech shall be deemed to have not spoken. If the content of the speech is inconsistent with the subject given on the speech slip, the content of the speech shall prevail.

Each shareholder's speech on the same proposal shall not exceed twice without the consent of the chairman, and a single speech shall not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When a shareholder present is speaking, other shareholders are not allowed to interfere with the speech unless they have obtained the consent of the chairman and the shareholder who is speaking, and the chairman shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal

After attending shareholders' speeches, the chairman may reply in person or direct relevant personnel to respond.

If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may submit questions in text on the shareholders meeting video conference platform, during the period from the announcement of the meeting by the chairman until the adjournment. The number of questions for each agenda item shall not exceed twice and with a limit of 200 characters per question, and the provisions of items 1 to 5 shall not apply in this case.

Article 7 Shareholders who hold more than 1% of the total number of issued shares may submit a proposal to the company in writing for the shareholder's meeting in accordance with the provisions of the Company Art. However, it is limited to one proposal, and those with more than one proposal shall not be included in the agenda.

Article 8 Voting at a shareholders' meeting shall be calculated based on the number of shares. For the resolution of the shareholders' meeting, the number of shares held by a shareholder with no voting rights shall not be included as part of the total number of issued shares.

Shareholders are not allowed to participate in voting if they have an interest in relation to an agenda item, and there is likelihood that such a relationship would prejudice the interests of the Company, and they are not allowed to exercise their voting rights as proxy for any other shareholders.

The number of shares that cannot exercise voting rights under the preceding paragraph shall not be included as part of the voting rights represented by attending shareholders.

Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is entrusted as proxy by two or more shareholders at the same time, the voting rights represented by that proxy shall not exceed 3% of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 9 Each shareholder is entitled to one vote per share; however, those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act, are not limited to this.

Article 10 When voting on each proposal, the chairman or the designated person shall announce the total number of voting rights represented by the attending shareholders. The shareholders shall vote on a case-by-case basis, and on the same day of the shareholders' meeting, the voting results of the shareholders' meeting, including approval, objection, and abstention results shall be reported to the Public Information Observatory.

Article 11 The scrutiny and counting personnel for voting on proposals shall be appointed by the chairman, provided that all the scrutiny personnel shall have the status of shareholders. The votes shall be counted publicly at the shareholders' meeting, and the results of the voting shall be announced on the spot and recorded.

When the Company holds a video meeting of the shareholders' meeting, shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the commencement of the meeting. The voting must be completed before the chairman announces the end of the voting, and any vote cast after the deadline will be considered as abstained.

If the shareholders meeting is convened by video conference, after the chairman

announces the end of the vote, a one-time counting of the votes shall be counted, and the results of the vote and election shall be announced.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with the regulations, but want to attend the physical shareholders' meeting in person, should cancel the registration in the same way as the registration two days before the shareholders' meeting. Failure to cancel on time will result in the shareholder only being able to attend the shareholders meeting via video conference.

Article 12 When the shareholders' meeting elects directors, it shall be handled in accordance with the relevant election rules stipulated by the Company, and the election results shall be announced on the spot, including the list of elected directors and their number of votes, as well as the list of unsuccessful directors and their number of votes. The ballots for the elections referred to in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be kept in a safe place for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Art, it shall be preserved until the conclusion of the lawsuit.

Article 13 The resolutions of the shareholders' meeting shall be recorded in minutes, signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The distribution of the meeting minutes may be done by announcement.

The minutes of the meeting shall be accurately recorded in terms of the year, month, day, place, name of the chairman, resolution method, essentials of the proceedings and the results of the meeting, and shall be permanently preserved during the existence of the Company.

If the shareholders meeting is convened by video conference, in addition to the requirement referred to in the preceding paragraph, the minutes shall record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and recorder, the alternative measures provided to shareholders who will be in difficulty for participating via video conference, and the handling procedures and situations in the event of obstacles to the video conferencing platform or participation in the form of video conferencing due to natural disasters, accidents or other force majeure circumstances.

Article 14 When a meeting is in progress, the chairman may announce a break at a discretionary time. In the event of an irresistible event, the chairman may rule to temporarily suspend the meeting and announce a time for the continuation of the meeting as appropriate. Before the end of the agenda scheduled by the shareholders' meeting (including extraordinary motions), the venue for the meeting is no longer available for continued use at that time, the shareholders' meeting may resolve to find another venue to continue. The shareholders' meeting may, in accordance with Article 182 of the Company Art, resolve to postpone or continue the meeting within five days.

Article 15 If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the shareholders' meeting video conference platform in accordance with regulations after the voting is completed, and continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting.

Article 16 When the Company holds a shareholders' meeting via video conference, the chairman and the recorder should be at the same place in the country, and the chairman should announce the address of the place at the time of the start of meeting.

Article 17 If the shareholders' meeting is held by video conference, the Company shall provide shareholders with a simple connection test before the meeting, and provide relevant services in a timely manner before and during the meeting to assist in dealing with technical issues related to communication.

If the shareholders' meeting is convened by video conference, the chairman shall, when announcing the beginning of the meeting, separately announce that it is no necessary to postpone or continue the meeting except for the circumstances specified in Paragraph 24, Article 44 of the Regulations Governing the Administration of Shareholder Services

of Public Companies. Before the chairman announces the adjournment of the meeting, if there is a technical obstacle on the video conferencing platform or participation in video conferencing due to natural disasters, accidents or other force majeure events that lasts for more than 30 minutes, the date of meeting shall be postponed or continued within five days, and the provisions of Article 182 of the Company Art shall not apply. For the meeting referred to in the preceding paragraph which is postponed or resumed, shareholders who did not register to participate in the original shareholders' meeting via video conference are not allowed to participate in the postponed or continued meeting. For the meeting which is postponed or resumed according to the provisions of Paragraph 2, shareholders who have registered to participate in the original shareholders' meeting via video conference and completed the registration, but did not participate in the postponed or continued meeting, shall have their attended number of shares, the exercised voting rights and election rights at the original shareholders' meeting, counted towards the total number of shares, voting rights, and election rights of shareholders attending the postponed or continued meeting.

In accordance with the provisions of Paragraph 2, when the shareholders' meeting is postponed or continued, no re-discussion and resolution is required for proposals that have completed voting, counting, and announcing the voting results or the list of directors elected.

When the Company convenes a video-assisted shareholders' meeting and is unable to continue the video conference as stipulated in Paragraph 2, if the total number of shares in attendance still meets the statutory quota for the convening of a shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference, the shareholders' meeting shall proceed without postponed or continued in accordance with the provisions of the Paragraph 2.

If the meeting should continue as stated in the preceding paragraph, shareholders who participate in the shareholders' meeting via video conference shall have their shares counted in the total number of shares of the shareholders present, but their vote shall be deemed as abstention for all the proposals of the shareholders' meeting.

When the company postpones or continues a meeting in accordance with the provisions of the Paragraph 2, it shall follow the provisions listed in Paragraph 7, Article 44-27 of Regulations Governing the Administration of Shareholder Services of Public Companies, and handle pre-work relevant matters in accordance with the original date of the shareholders' meeting and the provisions of the article.

During the period prescribed in the latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies, the Paragraph 2 of Article 44-5, Paragraph 15 of Article 44-10, and Paragraph 1 of Article 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall postpone or continue the date of the shareholders' meeting in accordance with the provisions of Paragraph 2.

Article 18 When the company convenes a shareholders' meeting via video conference, it shall provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders' meeting via video conference.

Article 19 These rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.

Article 20 The rules of procedure for the shareholders' meeting were established on June 25, 2005.

The first amendment was on June 28, 2007.

The second amendment was on June 6, 2012.

The third amendment was on June 29, 2022.

## Appendix 2.

# ACES ELECTRONICS CO., LTD. Articles of Association

- Chapter I. General Provisions
- Article 1 The company is incorporated in accordance with the provisions of the Company Act and registered under the business name "宏致電子股份有限公司", and the English name is "ACES ELECTRONICS CO., LTD."
- Article 2 The company's scope of businesses are as follows:
1. C805050 Industrial Plastic Products Manufacturing
  2. CC01080 Electronic Component Manufacturing
  3. CF01011 Medical equipment manufacturing
  4. CQ01010 Mold Manufacturing
  5. E605010 Computer Equipment Installation
  6. F108031 Wholesale of Medical equipment
  7. F113050 Wholesale of Computer and Clerical Machinery Equipment
  8. F113070 Wholesales of Telecom Materials
  9. F118010 Wholesales of Computer Software
  10. F119010 Wholesale of Electronic Materials
  11. F208031 Retail Sale of Medical equipment
  12. F213030 Retail Sale of Computer and Clerical Machinery Equipment
  13. F213060 Retails Sale of Telecom Materials
  14. F218010 Retails Sale of Computer Software
  15. F219010 Retails Sale of Electronic Materials
  16. I301010 Software Design Service
  17. ZZ99999 All business activities that are not prohibited or restricted by law, expect those that are subject to special approval.
- Article 3 The Company needs to provide assurances to external parties due to business needs.
- Article 4 The total amount of investment transferred by the Company is not subject to the restrictions by Article 13 of the Company Art.
- Article 5 The Company has its head office located in Taoyuan City, and may establish branch offices domestically and internationally when deemed necessary, subject to the approval of the Board of Directors and the competent authorities.
- Chapter II. Shares
- Article 6 The total amount of the Company's capital is NT\$2.0 billion, which is further divided into 200 million shares, and the value per share is NT\$10. All of them are ordinary shares. The Board of Directors is authorized to issue unissued shares as deemed necessary for business needs.
- NT\$1,000 million of the capital in the preceding paragraph shall be reserved for the issuance of share warrant, special shares with warrants, or corporate bonds with warrants, totaling 10 million shares at NT\$10 per share, which may be issued in installments according to the resolution of the Board of Directors. If the Company's shares can be repurchased by the Company itself according to law, the Board of Directors is authorized to do so in accordance with laws and regulations.
- If the stock option price issued by the Company for employee stock option is lower than the closing price of the Company's stock on the date of issuance, or if the price of treasury stock transferred to employees is lower than the average price of the

- Company's repurchased shares, the shareholders' meeting shall represent the issued shares, it shall be approved by a resolution of the shareholders' meeting with the attendance of more than half of the total shareholders, and the consent of more than two-thirds of the voting rights of the present shareholders.
- Article 6-1 The objects of treasury stocks, employee stock option certificates, employee remuneration, pre-emptive right for issuance of new shares, and employee restricted stock that the company transfers or distributes to employees, may include employees of the controlling or subordinate companies who meet the conditions set by the Board of Directors or its authorized personnel.
- Article 7 The stock of the Company shall be registered stocks, signed or sealed by the director representing the Company, and issued according to legal requirements. Shares issued by the Company can be exempted from printing stock certificates after being registered by a centralized securities depository institution, and the same applies to the issuance of other securities.
- Article 8 The transfer of ownership and renaming of stocks shall be stopped within 30 days prior to the regular meeting of shareholders, within 15 days prior to the extraordinary meeting of shareholders, or within 5 days prior to the reference date for distribution of dividends, bonuses, or other benefits. After the public issuance of the Company's stock, the transfer of ownership and renaming of stocks shall be suspended within 60 days prior to the regular meeting of shareholders, within 30 days prior to the extraordinary general meeting of shareholders, or within 5 days prior to the reference date for distribution of dividends, bonuses, or other benefits.
- Chapter III. Shareholders' Meeting
- Article 9 Shareholders' meetings are divided into two types: regular meeting and extraordinary meeting. Regular meeting shall be convened at least once a year within six months after the close of each fiscal year. Extraordinary meeting shall be convened when necessary, in accordance with the law. Except as otherwise provided by the Company Art, the shareholder meeting referred to in the preceding paragraph shall be convened by the Board of Directors.
- Article 10 When a shareholder is unable to attend the shareholders' meeting for any reason, he or she shall submit a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization, with signature or company seal thereon. The use of the power of attorney shall be conducted in accordance with Article 177 of the Company Art. After the Company's stock is publicly issued, it shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" by the corresponding government department.
- Article 11 Unless otherwise stipulated by the Company Art, resolutions of the shareholders' meeting shall be executed by shareholders representing more than half of the total number of issued shares present in person or by proxy, and shall be carried out with the consent of more than half of the voting rights of the attending shareholders.
- Article 12 When the Company's shareholders consist of only one legal person shareholder, the powers of the Company's shareholders' meeting shall be exercised by the Board of Directors, and the provisions related to the shareholders' meeting in this charter shall not apply.
- Article 13 Each shareholder of the Company shall have one voting right, unless otherwise stipulated in Article 179 of the Company Art relating to the circumstances of certain shares as having no voting right.
- Article 14 The shareholders' meeting shall be convened by the Board of Directors, with the chairman of the board as the chairman of the meeting. In the absence of the chairman, the chairman shall designate a director to act as the proxy. If no such designation is made, a director shall be elected by the board to act as the proxy; if the meeting is convened by a person other than the Board of Directors, the chairman shall be appointed by the convener, and when there are two or more convener, one person should be elected from among themselves.
- Article 15 Resolutions adopted at the shareholders' meeting shall be recorded in minutes, signed or sealed by the chairman of the shareholders' meeting, and distributed to all shareholders within 20 days after the meeting. The distribution of the meeting

- minutes may be done by announcement.
- Article 15-1 When the Company's shareholders' meeting is held, it may be held by video conference or other methods announced by the Ministry of Economic Affairs.

#### Chapter IV. Directors and Functional Committees

- Article 16 The company shall have five to seven directors, with a term of three years, who shall be elected by the shareholders' meeting from among individuals with legal capacity, and may be re-elected for consecutive terms. The total shareholding ratio of all directors of the Company will be in accordance with the regulations of the security's regulatory authority. During the tenure of the directors, the Company may purchase liability insurance for them in respect of the compensation liability that he should bear in accordance with the law in the scope of his executes within the scope of their business.
- In accordance with the provisions of the Securities and Exchange Art, the Company shall appoint independent directors among the total number of directors referred to in the preceding paragraph. The number of independent directors shall not be less than three, and shall not be less than one-fifth of the total number of directors. The relevant matters shall be handled in accordance with the regulations of the competent securities authority.
- The election of the Company's directors (including independent directors) adopts a candidate nomination system, and they shall be elected by the shareholders' meeting from the list of nominated candidates for directors.
- The Company may set up various functional committees, and each committee shall formulate regulations for exercising its duties, which shall be implemented after being approved by the Board of Directors.
- The Company has set up an audit committee composed of all independent directors, one of whom is the convener, and at least one of them shall have expertise in accounting or finance; the exercise of its powers and other matters to be complied with shall be handled in accordance with the relevant regulations of the security's regulatory authority and the Company.
- Article 16-1 The Company's shareholders' meeting adopts a cumulative voting system for the election of directors, with each share having the same number of voting right as the number of directors to be elected. One person can be elected collectively, or several people can be allocated for election. The candidate who receives the most voting rights will be elected as a director.
- Article 17 When the vacancy of directors reaches one-third, the Board of Directors shall convene an extraordinary meeting of shareholders within 30 days for by-election, and the term of office for the new members shall not exceed the original term of office. After the public issuing of the Company's stocks, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days for a by-election.
- Article 18 The Board of Directors is organized by directors, and the chairman is elected by mutual recommendation of two-thirds or more of the directors present and the agreement of more than half of the attending directors. The chairman represents the company externally.
- Article 18-1 The convening of the Board of Directors of the Company shall state the reasons and notify all directors seven days in advance. However, in case of emergency, it may be convened at any time.
- The convening of the Board of Directors of the Company may be notified to all directors in writing, by email or by fax.
- Article 19 Unless otherwise provided by the Company Act, the resolutions of the Board of Directors shall be attended by the presence of more than half of the directors, and shall be carried out with the consent of more than half of the attended directors. A director who participates in a meeting through a video screen is deemed to be present in person; if a director is unable to attend the board meeting due to unavoidable reasons, the director may appoint another director as his/her proxy, and the appointment shall be handled in accordance with Article 205 of the Company Art.
- Article 20 When the chairman is on leave or unable to execute his/her duties due to reason,

- his/her proxy shall handle the matter in accordance with the provisions of Article 208 of the Company Art.
- Article 21 The remuneration of the directors of the Company may be determined by the Board of Directors according to their level of participation and contribution to the Company's operations, and with reference to the usual industry standards.
- Chapter V. Managers
- Article 22 The Company may set a position of manager whose appointment, discharge and remuneration shall be subject to Article 29 of the Company Art.
- Chapter VI. Accounting
- Article 23 At the end of each fiscal year, the Company shall prepare the following list by the Board of Directors and submit to the general meeting of shareholders for approval:
- 1) Business Report
  - 2) Financial Statements
  - 3) Surplus earning distribution or loss off-setting proposals
- Article 24 If the Company have profits in the year (profit refers to the pre-tax income deducting the distribution of employee remuneration and director's remuneration), then no less than 1% of the profit should be allocated as employee remuneration and no more than 3% should be allocated as director's remuneration. However, when the Company still has accumulated losses, it should reserve the amount to offset the losses in advance.
- The employee remuneration referred to in the preceding paragraph may be paid in stock or in cash. If the Board of Directors decides to issue stock as a payment, the same resolution may be made in the form of issuing new shares or repurchasing its own shares. The director remuneration referred to in the preceding paragraph shall be paid in cash only.
- The preceding two items shall be implemented by a resolution of the Board of Directors and reported to the shareholders' meeting.
- Article 25 If there is a surplus in the Company's annual final accounts, taxes should be paid first to make up for previous losses, and then 10% should be set aside as legal reserve, but where such legal reserve amounts to the total authorized capital, this provision shall not apply. In addition, the Company may set up a special reserve according to its operating needs and legal requirements. If there is still surplus and undistributed surplus at the beginning of the same period, the Board of Directors shall propose a surplus earnings distribution proposal and submit it to the shareholders' meeting for resolution.
- The profit distribution proposal referred to in the preceding paragraph, authorized the Board of Directors to distribute dividends and bonuses, or all or part of the legal reserve and capital surplus in accordance with Article 241 of the Company Art, with more than two-thirds of the directors present and a resolution passed by more than half of the directors present, in cash form, and report to the shareholders' meeting.
- The dividend distribution of the Company is coordinating with the current year's earnings status and based on the principle of maintaining dividend stability; in consideration of the Company's future capital needs and long-term financial planning, among the distributed shareholder dividends, the cash dividends shall not be less than 20% of the total dividends amount. However, the shareholders' meeting may adjust it depending on the actual earning status of the current year and future capital planning.
- Chapter VII. Supplemental Provisions
- Article 26 When the Company intends to revoke the public issuance of its stock, a resolution shall be passed by the shareholders' meeting, and this article shall not be changed during the emerging period and the listing period.
- Article 27 If there are any matters not covered in this Articles of Association, they shall be handled in accordance with the Company Art and relevant laws and regulations.
- Article 28 This article was established on November 4, 1996.  
The first amendment was on January 25, 1997.  
The second amendment was on September 1, 1997.  
The third amendment was on July 20, 1999.

The fourth amendment was made on March 5, 2000.  
The fifth amendment was made on April 12, 2001.  
The sixth amendment was made on May 18, 2001.  
The seventh amendment was on October 8, 2001.  
The eighth amendment was made on May 10, 2002.  
The ninth amendment was made on February 12, 2003.  
The tenth amendment was made on June 30, 2004.  
The eleventh amendment was made on September 14, 2004.  
The twelfth amendment was made on November 17, 2004.  
The thirteenth amendment was made on August 8, 2005.  
The fourteenth amendment was made on May 17, 2006.  
The fifteenth amendment was on June 23, 2006.  
The sixteenth amendment was made on June 28, 2007.  
The seventeenth amendment was made on June 6, 2008.  
The eighteenth amendment was made on June 8, 2010.  
The nineteenth amendment was made on June 15, 2011.  
The twentieth amendment was made on June 6, 2012.  
The twenty-first amendment was made on June 20, 2013.  
The twenty-second amendment was made on June 28, 2016.  
The twenty-third amendment was made on June 22, 2017.  
The twenty-fourth amendment was made on June 28, 2019.  
The twenty-fifth amendment was made on August 31, 2021.  
The twenty-sixth amendment was on June 29, 2022.  
The twenty-seventh amendment was on June 27, 2023.

ACES ELECTRONICS CO., LTD.

Chairman: Yuan Wan-Ting

### Appendix 3.

## ACES ELECTRONICS CO., LTD.

### Election Procedures of Directors

- Article 1      The election of directors of the Company shall be conducted in accordance with these procedures unless otherwise provided by law or the Company's Articles of Association.
- Article 2      The Shareholders' Meeting of the Company shall adopt the "cumulative voting system" to elect directors, that is, each share has the same voting rights as the number of directors to be elected and can be concentrated to elect one person, or distributed to elect several people, and the person with the most votes representing voting rights will be elected as a director.  
In the election of directors, independent directors and non-independent directors shall be elected together but the number of elected directors shall be calculated separately.
- Article 3      The directors of the Company shall be elected in order of the number of seats prescribed by the Company's Articles of Association by those who have obtained the most votes representing voting rights. When two or more persons have the same number of voting rights and the number of seats exceeds the prescribed number, the persons having the same number of voting rights shall decide by drawing lots. If those are not present, the chairman shall draw lots on their behalf.
- Article 4      If the candidate is a shareholder, he/she shall fill in the name of the account and the shareholder account number in the candidate column of the ballot. If the candidate is not a shareholder, he/she shall fill in the name of the candidate and the identification document number. However, when a government or legal person shareholder is the candidate, the "name of the candidate" column on the ballot should be filled in with the name of the government or legal person and the name of its representative. If there are multiple representatives, the individual names must also be filled in.
- Article 5      The Board of Directors shall prepare ballots equal to the number of directors to be elected and fill in their weights, and distribute them to shareholders attending the Shareholders' Meeting. The registration of electors may be replaced by the attendance certificate number printed on the ballot. Before the election begins, the chairman shall designate a number of persons who are shareholders to monitor and count votes and perform the relevant duties. The ballot box is prepared by the Board of Directors and must be opened and inspected in public by the observers before voting.
- Article 6      A ballot paper shall be deemed invalid if any of the following circumstances occur:
1. Failure to use the ballot paper prepared by the Board of Directors.
  2. A blank ballot paper is put into the ballot box.
  3. The handwriting is illegible or has been altered.
  4. If the nominated person is a shareholder, his/her account name and shareholder number do not match those listed in the shareholder register.  
If the nominated person is not a shareholder, his/her name and identity

document number may not match after verification.

5. The number of candidates listed on the same ballot exceeds the prescribed number of seats.
6. In addition to the name of the elected person (full name) or shareholder account number (identification document number) and the number of voting rights allocated, other text may be entered.
7. The name of the nominated person is the same as that of another shareholder but the shareholder account number or identity document number is not filled in for identification.

Article 7

The qualifications of the Company's independent directors shall comply with the relevant provisions of the "Regulations on the Establishment of Independent Directors of Publicly Issued Companies and Matters to be Complied with" and the "Code of Corporate Governance for Listed Companies".

Article 8

The selection of directors of the Company shall take into account the overall configuration of the Board of Directors. Members should generally possess the knowledge, skills and qualities necessary to perform their duties, and their overall capabilities should refer to the "Code of Corporate Governance Practices for Listed and OTC Companies".

Article 9

After the voting is completed, the ballots will be counted on the spot and the chairman will announce the list of elected directors immediately after the counting results.

Article 10

The Company shall register the elected directors with the competent authority.

Article 11

These Election Procedures shall be implemented after being approved by the Shareholders' Meeting, and the same shall apply to any amendments.

First Edition, formulated June 25, 2005

Second Edition, revised on June 28, 2007

Third Edition, revised on June 8, 2010.

Fourth Edition, revised on June 6, 2012.

Fifth Edition, revised on June 29, 2022.

**Appendix 4.****ACES ELECTRONICS CO., LTD.****Shareholding of All Directors**

Reference Date: April 27, 2025

<b>Position</b>	<b>Name</b>	<b>Numbers of share held (shares)</b>	<b>Shareholding ratio (%)</b>
Chairman	Yuan Wan-Ting	8,863,487	5.78
Director	Weiji Investment Co., Ltd.	5,583,185	3.64
Director	Hsieh Han-Chang	0	0.00
Director	Hsu Chang-Fei	6,128,631	4.00
Independent Director	Lee An-Chen	0	0.00
Independent Director	Liaw Dar-Lii	0	0.00
Independent Director	Sheen Gwo-Ji	0	0.00
Total number of shareholdings of all directors (excluding independent directors)		20,575,303	13.42

Note: As of the book closure date of the general meeting of shareholders on April 27, 2025, the total number of issued shares of the Company is 153,311,721 shares. According to Article 26 of the Securities and Exchange Act and regulations of "Rules and Review Procedures for Directors and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares which is required to be held by all directors of the Company is 9,198,703 shares.