



# Advanced Ceramic X Corporation

## 2024 Annual General Shareholders' Meeting

### Meeting Agenda

(Translation)

**Meeting Type:** Physical shareholders' meeting

**Date:** June 14, 2024

**Place:** No.165, Hanyang Road, Hsinchu Industrial District, Hsinchu Hsien, Taiwan

-----Disclaimer-----

This is a translation of the agenda for the 2024 Annual General Shareholders' Meeting of ACX. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

# Table of Contents

<b>1. Meeting Procedure</b>	1
<b>2. Meeting Agenda</b>	2
<b>3. Report Items</b>	3
<b>4. Approval Items</b>	4
<b>5. Extraordinary Motions</b>	5
<b>6. Attachment</b>	
(1) 2023 Business Report	6~7
(2) Audit Committee's Review Report	8
(3) Independent Auditors' Report and Financial Statements	9~15
(4) Earnings Distribution Proposal	16
<b>7. Appendices</b>	
(1) Articles of Incorporation	17~21
(2) Rules and Procedures of Shareholders' Meetings	22~24
(3) Shareholding of Directors	25

# **Advanced Ceramic X Corporation**

## **2024 Annual General Shareholders' Meeting Procedure**

1. Call Meeting to Order

2. Chairman's Address

3. Report Items

4. Approval Items

5. Extraordinary Motions

6. Meeting Adjournment

# **Advanced Ceramic X Corporation**

## **2024 Annual General Shareholders' Meeting Agenda**

Time: 9: 00AM, Wednesday, June 14, 2024

Place: No.165, Hanyang Road, Hsinchu Industrial District, Hsinchu Hsien, Taiwan

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
  - (1) 2023 Business Report
  - (2) Audit Committee's Review Report of 2023
  - (3) Distribution of directors' and employees' compensation in 2023
4. Approval Items
  - (1) To accept 2023 Business Report and Financial Statements
  - (2) To approve the proposal for distribution of 2023 earnings
5. Extraordinary Motions
6. Meeting Adjournment

# Report Items

## 1. 2023 Business Report

Explanation: The 2023 Business Report is attached on page 6~7, Attachment 1.

## 2. Audit Committee's Review Report of 2023

Explanation: The Audit Committee's Review Report is attached on page 8, Attachment 2.

## 3. Distribution of directors' and employees' compensation in 2023

Explanation: Distribution of NT\$5,719,931 and NT\$19,066,437 in cash as compensation to directors and employees, respectively, have been approved by the meeting of Board of Directors held on February 27, 2024.

## Approval Items

### **1. To accept 2023 Business Report and Financial Statements (Proposed by the Board of Directors)**

#### Explanation:

- (1) The 2023 Financial Statements were audited by KPMG CPAs, Chien-Hui Lu and Mei-Yu Tseng. The aforementioned and 2023 Business Report have been approved by the Audit Committee.
- (2) 2023 Business Report, Independent Auditors' Report and the Financial Statements are attached on page 6~7 and 9~15, Attachments 1 and 3.

#### Resolution:

### **2. To approve the proposal for distribution of 2023 earnings (Proposed by the Board of Directors)**

#### Explanation:

- (1) The proposal for distribution of 2023 earnings of the Company has been submitted by the Board of Directors, in accordance with Company Act and the Articles of Incorporation of the Company. The 2023 Earnings Distribution Proposal is attached on page 16, Attachment 4.
- (2) The Company plans to distribute dividends of NT\$253,979,616 to shareholders (Cash dividend NT\$3.68 per share).
- (3) The cash dividend distribution will be calculated to the nearest NT dollar, and the total amount of cash dividends less than NT\$1 was adjusted in accordance with the total amount of cash dividends.
- (4) The record date will be decided by the Chairman of the Board of Directors.
- (5) If the dividend distribution ratio is adjusted due to change of the Company's total number of outstanding common shares it is proposed that the Chairman of Board of Directors is authorized to adjust the ratio of dividend to be distributed to each common share based on the total amount approved by the 2024 Annual General Shareholders' Meeting to be distributed and the actual number of common shares outstanding on the record date for distribution.

#### Resolution:

## **Extraordinary Motions**

## **Meeting Adjournment**

## 2023 Business Report

In 2023, due to factors such as the tightening of U.S. monetary policy, geopolitical tensions, and China's poor economic growth after the COVID-19, global economic growth remained slowdown and sluggish end markets demand. ACX's 2023 revenue totaled NT\$1,488,195 thousand, and net profit after tax was NT\$282,439 thousand, with a basic earnings per share of NT\$4.09. The overall operating results are mainly attributed with the joint efforts of the management team and all staff, so that ACX still maintained a stable profit trend.

Looking back over the past year, although we are still facing the global macroeconomic uncertainties, ACX has continued insisting on product innovation and technology upgrades. As transmission volume and transmission rates continue to increase, ACX continues to tap into Internet of Things, wearable and automotive and mmWave related applications in broadband and high frequency applications, and has successfully developed multi-frequency multi-mode integration components that meet customer needs. In addition, ACX can provide the solutions needed for AI smart phones due to the continuous upgrade of handsets in global markets. Furthermore, ACX continues to actively develop a variety of WiFi, NBIoT, mobile-related RF front-end (FEM) modules, system-in-package (SiP) modules, high-power device for base station, and advanced LTCC antenna substrate and filter for 5G mmWave to complement the product portfolio and significantly improve product technology. In this way, ACX hopes to further enhance ACX's long-term competitive advantage.

The world's fifth-generation mobile communication technology (5G) still keeps constantly evolving and 6G could be ready to take off soon. They are expected to bring huge economic benefits. The future demand for automotive networks, Internet of Things, self driving cars, smart cities and Low-Earth Orbit will also drive the development of 5G and 6G. In the future, ACX will continue to invest in research and development resources and widely deploy wireless communication applications. With advanced core technologies in RF circuit design, material development, process design and product testing, ACX can provide customers with diverse, miniaturized and modular products and services as well as new products from new technology applications in response to the communications market for future development.



ACX is the first design and manufacturing company in Taiwan dedicated to RF front-end devices and modules, providing advanced value-added solutions for wireless communications products using advanced ceramic and circuit design techniques and module packaging technologies. Looking forward, the application of wireless products will be more diversified and popularized, and the rapid growth of transmission rate specifications, coupled with the miniaturization of terminal products and the trend of component integration, etc., the market demand of communication applications for RF integrated components and modules required will increase. ACX will continue to focus on the wireless communications arena, developing new technologies solutions, providing customers with high value-added integrated services by accelerating technological innovation and product upgrades. With the joint efforts of the team, we will actively develop domestic and foreign customers based on advance R&D technology and production strength, strengthen strategic partnerships, and comprehensively expand the company's operating scale and market share in order to create new business achievements.

With our moderate and pragmatic business philosophy, every colleague will do our best to maximize the company's overall value. And finally, we would like to appreciate for your supporting as usually.

Advanced Ceramic X Corporation  
Chairman: Shuang De Investment Corporation  
Representative: Chien-Wen Kuo  
President: Chien-Wen Kuo  
CFO: Hsien-Liang Chou

## Attachment 2

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. The financial statements were audited by independent auditors, Chien-Hui Lu and Mei-Yu Tseng, of KPMG with independent auditors' reports issued.

The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Advanced Ceramic X Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Advanced Ceramic X Corporation

Chairman of the Audit Committee: Shiu-Kao Chiang

February 27, 2024

## Attachment 3

### Independent Auditors' Report

To the Board of Directors of Advanced Ceramic X Corporation:

#### Opinion

We have audited the financial statements of Advanced Ceramic X Corporation (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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 and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, the key audit matters we communicated in the auditors’ report are as follows:

##### 1. Revenue recognition

Please refer to note 4(12) “Revenue” for accounting principles, and note 6(11) “Operating revenue from contracts with customers” for significant accounts to the financial statements.

##### Description of key audit matter:

Revenue is recognized when the risks and rewards specified in each individual contract with customers are transferred. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the significant risks and rewards of ownership have been transferred. Revenue before and after the balance sheet date may not be recorded in the correct period. Therefore, the accuracy and appropriateness of revenue recognition is a key matter when conducting our audit.

**How the matter was addressed in our audit:**

In relation to the key audit matter above, our principal audit procedures included testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understandings the Company's main revenue types, shipping terms, its related sales agreements, and sales terms; on a sample basis, inspecting customers' orders and sales terms and assessing whether the accounting treatment of the sales terms is applied appropriately; performing a test of details of sales revenue for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before and after the balance sheet date; assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

**2. Evaluation of inventory**

Please refer to note 4(7) "Inventories" for accounting principles, note 5 for valuation of inventories, and note 6(3) "Inventories" for significant accounts to the financial statements.

**Description of key audit matter:**

The inventories are measured at the lower of cost or net realizable value at the reporting date; therefore, the Company needs to use judgments and estimates to determine the net realizable value of the inventory on the financial reporting date. With the rapid development of technology and introduction of new products, these may significantly impact market demand, as well as the products themselves, which can lead to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Therefore, the impairment of inventory is one of the key areas in our audit.

**How the matter was addressed in our audit:**

Our audit procedures included: evaluating the reasonableness of the assessment policy including data basis, assumptions, functions, and verifying whether it is properly applied; inspecting the assessment on supporting documentation whether the estimation of provision for inventory obsolescence and devaluation loss is accurate; using sampling skills to verify inventory aging or testing age report; assessing whether the inventory allowance rate is reasonable and accurate, And assessing the reasonableness of the provision based on erosion and disposal of the obsolescence inventory.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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 the Company'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2024

#### **Notice to Readers**

The accompanying 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 and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' report and financial statements shall prevail.

**Advanced Ceramic X Corporation**  
**Balance Sheets**  
**December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and Cash Equivalents (Note 6(1))	\$ 445,258	11	596,367	14	2170	Accounts Payable	\$ 59,141	1	30,109	1
1170	Notes and Accounts Receivable, Net (Note 6(2))	155,975	4	216,164	5	2201	Salary and Bonus Payable	118,533	3	135,251	3
1180	Receivables from Related Parties (Note 6(2) and 7)	103,155	2	66,209	2	2213	Payables to Contractors and Equipment	16,842	-	32,535	1
1310	Inventories (Note 6(3))	139,208	3	186,008	5	2230	Income Tax Payable (Note 6(8))	152,465	4	130,392	3
1476	Other Current Financial Assets (Note 6(1))	852,950	20	322,836	8	2399	Other Current Liabilities (Note 6(6) and (11))	166,634	4	164,858	4
1479	Other Current Assets	17,811	1	15,679	-			513,615	12	493,145	12
		<u>1,714,357</u>	<u>41</u>	<u>1,403,263</u>	<u>34</u>						
<b>Noncurrent Assets :</b>						<b>Noncurrent Liabilities :</b>					
						2560	Current Tax Liabilities – Noncurrent (Note 6(8))	64,060	2	80,499	2
1600	Property, Plant and Equipment (Note 6(4) and 8)	2,437,365	58	2,707,740	65	2600	Other Noncurrent Liabilities	20,616	-	19,333	-
1780	Intangible Assets (Note 6(5))	2,911	-	2,941	-			84,676	2	99,832	2
1840	Deferred Tax Assets (Note 6(8))	18,151	1	17,687	1		<b>Total Liabilities</b>	598,291	14	592,977	14
1975	Net Defined Benefit Asset- Noncurrent (Note 6(7))	6,955	-	6,514	-		<b>Equity (Note 6(9)) :</b>				
1980	Other Noncurrent Financial Assets	810	-	1,210	-	3100	Capital Stock	690,162	16	690,162	17
1990	Other Noncurrent Assets	6,788	-	7,847	-	3200	Capital Surplus	573,532	14	573,532	14
		<u>2,472,980</u>	<u>59</u>	<u>2,743,939</u>	<u>66</u>	3300	Retained Earnings	2,325,352	56	2,290,531	55
							<b>Total Equity</b>	3,589,046	86	3,554,225	86
<b>Total Assets</b>		<u><u>\$ 4,187,337</u></u>	<u><u>100</u></u>	<u><u>4,147,202</u></u>	<u><u>100</u></u>	<b>Total Liabilities and Equity</b>		<u><u>\$ 4,187,337</u></u>	<u><u>100</u></u>	<u><u>4,147,202</u></u>	<u><u>100</u></u>

**Advanced Ceramic X Corporation**  
**Statements of Comprehensive Income**  
**Years Ended December 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net Revenue</b> (Note 6(11) and 7)	\$ 1,488,195	100	1,465,282	100
5000	<b>Cost of Sales</b> (Note 6(3) and (12))	<u>909,757</u>	<u>61</u>	<u>933,242</u>	<u>64</u>
	<b>Gross Profit</b>	<u>578,438</u>	<u>39</u>	<u>532,040</u>	<u>36</u>
	<b>Operating Expenses</b> (Note 6(12) and 7) :				
6100	Selling and Distribution Expenses	26,683	2	27,843	2
6200	General and Administrative Expenses	112,938	8	113,228	8
6300	Research and Development Expenses	94,514	6	94,447	6
6450	Gains on Expected Credit Impairment (Note 6(2))	<u>(235)</u>	<u>-</u>	<u>(2,766)</u>	<u>-</u>
		<u>233,900</u>	<u>16</u>	<u>232,752</u>	<u>16</u>
	<b>Gross Profit from Operations</b>	<u>344,538</u>	<u>23</u>	<u>299,288</u>	<u>20</u>
	<b>Non-Operating Income and Expenses :</b>				
7101	Interest Income	19,586	2	6,518	1
7190	Other Income	614	-	392	-
7210	Gains on Disposal of Property, Plant and Equipment, Net	809	-	720	-
7230	Foreign Exchange Gains (Losses), Net	<u>(9,005)</u>	<u>(1)</u>	<u>41,911</u>	<u>3</u>
		<u>12,004</u>	<u>1</u>	<u>49,541</u>	<u>4</u>
7900	<b>Profit Before Income Tax</b>	356,542	24	348,829	24
7950	<b>Less : Income Tax Expense</b> (Note 6(8))	<u>74,103</u>	<u>5</u>	<u>73,476</u>	<u>5</u>
8200	<b>Net Income</b>	<u>282,439</u>	<u>19</u>	<u>275,353</u>	<u>19</u>
8300	<b>Other Comprehensive Income :</b>				
8310	<b>Components of Other Comprehensive Income that Will Not Be Reclassified to Profit or Loss</b>				
8311	Gains on Remeasurements of Defined Benefit Plans (Note 6(7))	<u>150</u>	<u>-</u>	<u>5,032</u>	<u>-</u>
8300	<b>Other Comprehensive Income, Net of Tax</b>	<u>150</u>	<u>-</u>	<u>5,032</u>	<u>-</u>
8500	<b>Total Comprehensive Income</b>	<u><b>\$ 282,589</b></u>	<u><b>19</b></u>	<u><b>280,385</b></u>	<u><b>19</b></u>
	<b>Earnings Per Share (Expressed in Dollars)</b> (Note 6(10))				
9750	Basic Earnings Per Share	<u><b>\$ 4.09</b></u>		<u><b>3.99</b></u>	
9850	Diluted Earnings Per Share	<u><b>\$ 4.09</b></u>		<u><b>3.98</b></u>	

**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Common Stock	Capital Surplus	Retained Earnings		Subtotal	Capital Surplus
			Legal Reserve	Undistributed Earnings		
<b>Balance at January 1, 2022</b>	\$ 690,162	573,532	863,694	1,698,581	2,562,275	3,825,969
Net income in 2022	-	-	-	275,353	275,353	275,353
Other Comprehensive Income, Net of Tax	-	-	-	5,032	5,032	5,032
Total Comprehensive Income for the Year	-	-	-	280,385	280,385	280,385
Appropriation and Distribution of 2021 Earnings :						
Legal Reserve	-	-	102,671	(102,671)	-	-
Cash Dividends	-	-	-	(552,129)	(552,129)	(552,129)
<b>Balance at December 31, 2022</b>	<u>\$ 690,162</u>	<u>573,532</u>	<u>966,365</u>	<u>1,324,166</u>	<u>2,290,531</u>	<u>3,554,225</u>
Net income in 2023	\$ -	-	-	282,439	282,439	282,439
Other Comprehensive Income, Net of Tax	-	-	-	150	150	150
Total Comprehensive Income for the Year	-	-	-	282,589	282,589	282,589
Appropriation and Distribution of 2022 Earnings :						
Legal Reserve	-	-	28,039	(28,039)	-	-
Cash Dividends	-	-	-	(247,768)	(247,768)	(247,768)
<b>Balance at December 31, 2023</b>	<u>\$ 690,162</u>	<u>573,532</u>	<u>994,404</u>	<u>1,330,948</u>	<u>2,325,352</u>	<u>3,589,046</u>



**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 356,542	348,829
Adjustments for :		
Depreciation Expense	367,806	362,017
Amortization Expense	4,359	3,774
Expected Credit Gain	(235)	(2,766)
Interest Income	(19,586)	(6,518)
Gain on Disposal of Property, Plant and Equipment, Net	(809)	(720)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	(11,588)	31,713
Total Adjustments to Reconcile Profit	<u>339,947</u>	<u>387,500</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	60,797	35,907
Receivables from Related Parties	(37,319)	240,722
Inventories	58,388	101,226
Other Operating Current Assets	(2,132)	6,062
Net Defined Benefit Assets	(291)	(632)
Accounts Payable	29,032	(2,665)
Other Operating Current Liabilities	(14,942)	(84,041)
Other Noncurrent Liabilities	1,283	1,284
Total Net Changes in Operating Assets and Liabilities	<u>94,816</u>	<u>297,863</u>
Cash Inflow Generated from Operations	791,305	1,034,192
Interest Received	19,172	6,157
Income Taxes Paid	(68,933)	(26,834)
<b>Net Cash Flows from Operating Activities</b>	<u>741,544</u>	<u>1,013,515</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(113,124)	(208,889)
Proceeds from Disposal of Property, Plant and Equipment	809	720
Decrease in Guarantee Deposits	400	36
Acquisition of Intangible Assets	(1,000)	(1,000)
Increase in Other Noncurrent Assets	(529,700)	(106,600)
Increase in Prepaid of Equipment	(2,270)	(1,296)
<b>Net Cash Flows Used in Investing Activities</b>	<u>(644,885)</u>	<u>(317,029)</u>
<b>Cash Flows from Financing Activities :</b>		
Cash Dividends	(247,768)	(552,129)
<b>Net Cash Flows Used in Financing Activities</b>	<u>(247,768)</u>	<u>(552,129)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(151,109)	144,357
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<u>596,367</u>	<u>452,010</u>
<b>Cash and Cash Equivalents at the End of Period</b>	<u><u>\$ 445,258</u></u>	<u><u>596,367</u></u>

## Attachment 4

Advanced Ceramic X Corporation  
Earnings Distribution Proposal  
Year 2023

(Unit: New Taiwan Dollars)

Unappropriated retained earnings of previous	\$ 1,048,359,565
Net income of 2023	282,439,205
Less: Adjustments to remeasurement on the net defined benefit liability	149,976
Adjusted comprehensive income of 2023	<u>282,589,181</u>
Less: 10% provision as legal reserve	(28,258,918)
Retained earnings available for distribution	1,302,689,828
Less: Cash Dividends to Shareholders (Cash dividend NT\$3.68 per share)	(253,979,616)
Unappropriated retained earnings	<u>\$ 1,048,710,212</u>
Note: Earnings in 2023 are distributed first.	

## Appendix 1

### Advanced Ceramic X Corporation Articles of Incorporation

#### Section One – General Provisions

##### Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its English name is Advanced Ceramic X Corporation.

##### Article 2

The scope of business of the Company is as follows:

1. F219010 Electronic materials retail sales.
2. F113070 Wholesale of Telecom Instruments
3. F119010 Electronic materials wholesale trading.
4. CC01050 Data storage and processing equipment manufacturing.
5. CC01070 Wireless communication machinery and equipment manufacturing.
6. CC01080 Electronic parts and components manufacturing.
7. F213060 Retail Sale of Telecom Instruments
8. ZZ99999 In addition to licensed businesses, the Company may operate any other businesses that are not prohibited or restricted by law.

##### Article 3

The Company shall have its head office in Hsinchu County, Taiwan, Republic of China. Subject to the approval of the Board of Directors, the Company may, if necessary set up branches both inside and outside of the Republic of China.

##### Article 4

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

#### Section Two – Capital Stock

##### Article 5

The authorized capital of the Company is NT \$1.5 billion, representing 150 million common shares at a par value of NT \$10 per share. The share certificates of the Company shall be all in registered common stock. The Board of Directors is authorized to issue the unissued shares in installments. NT \$90 million of the aforementioned capital is reserved as 9 million shares worth of stock subscription warrants, to be issued to employees in installments pursuant to the resolution by the Board of Directors.

##### Article 6

The total amount of the Corporation's reinvestment shall not be subject to the restriction in Article 13 of the Company Act.

##### Article 7

The share certificates of the Company shall all be name-bearing share certificates. If the Company decides to print share certificates for shares issued, the share certificates shall be signed by or affixed with the seals of at least three Directors, and authenticated by the competent authorities of the government or the certification organization. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.

The Company shareholders affairs shall follow "Regulations Governing the Administration of Shareholder Services of Public Companies", relevant laws, rules and regulations of the Republic of China.

### **Section Three – Shareholders’ Meeting**

#### **Article 8**

There are two types of company shareholders’ meeting: (1) regular meetings – which shall be convened by the Board of Directors within 6 months after the close of each fiscal year, and (2) special meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

#### **Article 9**

The shareholders’ meeting shall be presided over by the Chairman of the Board of Directors of the Company. In his absence, the Chairman shall appoint a deputy to act in their place; otherwise, one Director shall be designated to preside over the shareholders’ meeting. If the shareholders’ meeting is convened by a person other than a member of the Board of Directors, the shareholders’ meeting shall be chaired by that convener. If there are two or more conveners for the shareholders’ meeting, one of them shall be elected to chair the meeting.

#### **Article 10**

Written notices shall be sent to all shareholders for the convening of shareholders’ meetings at least 30 days in advance for regular meetings; and at least 15 days in advance for special meetings. The meeting date, venue and the purpose(s) for convening such shareholders’ meeting shall be clearly stated in the meeting notices.

The notice may be given as a means of electronic transmission after obtaining a prior consent from the recipients thereof. Shareholders holding less than 1000 shares shall be notified of the shareholders’ meeting by public notice.

#### **Article 11**

If a shareholder is unable to attend a shareholders’ meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance of the Company Act and the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

#### **Article 12**

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

#### **Article 13**

Except as regulated in the Company Act, shareholders’ meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders of the Company can vote through the electronic voting system, the details of which shall be handled in accordance with relevant laws and regulations.

The resolutions of the shareholders’ meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The distribution of the minutes above may be disclosed to the shareholders through a public notice.

#### **Article 13-1**

The Company may apply for an approval of ceasing its status as a public company by shareholders’ meeting for review and approval. The present Article shall remain unchanged during the Company’s listing in emerging, TPEX and TWSE markets.

## **Article 13-2**

The Company may transfer stock to employees at a price that is lower than the actual average price of the shares, or the Company may issue employee stock options at a price that is lower than the common stock closing price of the issue date, pursuant to a resolution approved by the majority of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.

## **Section Four – Directors**

### **Article 14**

The Company shall have five to eleven Directors. The Board of Directors must have at least three independent directors. Directors shall be elected in the shareholders' meetings. The term of office for Directors shall be three years, and shall be eligible for re-election.

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The Company directors shall be elected by adopting candidates nomination system. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Act and Securities and Exchange Act. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The Company total number of shares that all Directors shall hold should be in accordance with the requirements of the competent authorities.

### **Article 15**

The Board of Directors shall be formed by elected Directors and shall have the following responsibilities:

1. Preparing business plans.
2. Proposing allocation plans of earnings or proposals to recover loss.
3. Proposing plans for increasing or decreasing capital.
4. Drafting important rules and contracts.
5. Appointing or discharging the Company's management.
6. Setting up or dissolving branches.
7. Compiling Budget Reports and Final Reports.
8. Performing other duties authorized by the Company Act or shareholders' meeting.

### **Article 16**

The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

### **Article 16-1**

Meetings of the Board of Directors shall be called once per quarter, seven days prior to the convening of a meeting of the Board of Directors, notice shall be sent to all directors, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary. Notice of the convening of a meeting described in the preceding paragraph may be in writing, by fax or by e-mail notification thereof.

### **Article 17**

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors,

unless otherwise regulated by the Company Act. Except as otherwise provided in the Company Act, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting.

#### **Article 18**

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In their absence, one of the Directors appointed by the Chairman shall preside over the meeting. When a Director is unable to attend the Meeting of the Board of Directors, he may appoint another Director to attend on their behalf, but no Director may act as proxy for more than one other Director.

#### **Article 19**

In Accordance of the Securities and Exchange Act, the Company shall establish an Audit Committee comprising of all independent directors. The exercise of authority of the Audit Committee and other compliance requirements are stipulated by the Company Act, Securities and Exchange Act, and the Company's Articles of Incorporation.

#### **Article 20**

Irrespective of whether the Company makes profits or incurs losses, remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, in addition to the remuneration distributed pursuant to Article 25 hereof, monthly payment of salary based on the standard of general managers may also be granted.

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

### **Section Five – Management of the Company**

#### **Article 21**

The Company shall appoint one President, and more officers. The appointment, discharge, and compensation of the Management shall be in accordance with Article 29 of the Company Act.

#### **Article 22**

The President is responsible for managing all business at the Company in accordance with the Board of Directors.

### **Section Six – Financial Reports**

#### **Article 23**

The Company's fiscal year shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the Company shall prepare final accounts for that year.

#### **Article 24**

After the close of each fiscal year, in accordance with Article 228 of the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposal Concerning Appropriation of Net Profits or Covering of Losses.

## **Article 25**

If there is any profit for a specific fiscal year, the Company shall allocate at a maximum of 1.5% of the profit as remuneration to Directors and shall allocate no less than 5% of the profit as employees' compensation, provided that the Company's accumulated losses shall have been covered in advance.

In this Article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification.

## **Article 26**

When allocating the net profits for each fiscal year, the following order shall be followed:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Set aside 10% of said profits as legal reserve, except for when accumulated legal reserve has reached the total paid-in capital.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the Board of Directors is authorized to draft an appropriation plan in accordance with the dividend policy in this Article Section 2.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the entire distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

## **Section Seven – Supplementary Provisions**

### **Article 27**

The Company shall not be endorsement and guarantee for business and investment relation.

### **Article 28**

Matters not provided in these Articles of Incorporation shall be conducted pursuant to the Company Act.

### **Article 29**

These Articles of Incorporation were agreed and signed on April 7, 1998.

The first amendment was made on June 25, 1999, the second amendment on February 21, 2000, the third amendment on April 19, 2002, the fourth amendment on April 29, 2005, the fifth amendment on April 19, 2006, the sixth amendment on September 13, 2006, the seventh amendment on May 9, 2007, the eighth amendment on June 16, 2008, the ninth amendment on June 10, 2009, the tenth amendment on June 17, 2010, the eleventh amendment on June 18, 2012, the twelfth amendment on June 25, 2013, the thirteenth amendment on May 29, 2014, the fourteenth amendment on June 29, 2016, and the fifteenth amendment on June 19, 2018.

## Appendix 2

### Advanced Ceramic X Corporation Rules and Procedures of Shareholders' Meetings

#### **Article 1**

The rules and procedures for the Company's shareholders meetings, except as otherwise provided by laws and regulations, shall be as provided in these Rules.

#### **Article 2**

The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards.

To verify the identity of the present shareholders, the present shareholders shall have identity certificates ready for checking and verification upon their sign-in process.

#### **Article 3**

Attendance at shareholders meetings shall be calculated based on numbers of shares. When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

#### **Article 4**

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the managing directors to act as chair, where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

#### **Article 5**

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

#### **Article 6**

The Company shall make an uninterrupted audio or video recording of whole proceedings of the shareholders meeting, and the recorded materials of the proceeding paragraph shall be retained for at least one year.

#### **Article 7**

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may



announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### **Article 8**

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

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, new chair in accordance by agreement of a majority of the votes represented by the attending shareholders, then continues the meeting. After close of the said meeting, shareholders shall not elect another chair to hold another meeting at the same place or at any other place.

#### **Article 9**

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

#### **Article 10**

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

#### **Article 11**

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

#### **Article 12**

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

**Article 13**

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

**Article 14**

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

The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

**Article 15**

When a meeting is in progress, the chair may announce a break based on time considerations.

**Article 16**

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of proposal shall required an affirmative vote of a majority of the votes represented by the attending shareholders.

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chair.

**Article 17**

If there is amendment to or substitute for a discussion item, the chair shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any of them has been adopted, the other proposals will then be deemed vetoed and no further voting shall be required.

**Article 18**

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

**Article 19**

In the event that a shareholders' meeting cannot be convened on the day as shown on the notice for any reason, or the meeting cannot be continued due to any reason during the process, the chair of that shareholders' meeting is authorized to announce to postpone or to resume within five days in accordance with Article 182 of the Company Act. The postponement or resumption mentioned in the preceding paragraph is not applicable to the convening procedures set forth in Article 172 of the Company Act.

**Article 20**

Any matters not provided this rules shall be handled in accordance with the Company Act and other related laws and regulations.

**Article 21**

These Rules and any amendments hereto shall be implemented after adoption by shareholders meetings.

## Appendix 3

### Advanced Ceramic X Corporation Shareholding of Directors

1. The standing issued shares of the Company amounted to NT\$690,162,000, representing 69,016,200 common shares.
2. According to Article 26 of Securities and Exchange Act, the minimum number of shares held by all directors of the Company shall be 5,521,296.
3. According to Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent. As the Company has established the Audit Committee, the minimum shareholding requirements for supervisors do not apply.
4. As of the date of transfer termination (April 16, 2024), the respective and current shareholding of directors recorded in the shareholder register is as follows: (The shareholding of directors of the Company has reached the statutory standard)

Title	Name	Date Elected	Term	Shares	%
Chairman	Shuang De Investment Corp.	06/17/2022	3 year	60,000	0.09%
Director	Kuo Chia Fu Investment Corp.	06/17/2022	3 year	5,485,189	7.95%
Director	Hsin Chang Construction Corp.	06/17/2022	3 year	1,552,344	2.25%
Director	Lin Li Construction Corp.	06/17/2022	3 year	1,808,271	2.62%
Director	Johanson Technology Inc.	06/17/2022	3 year	2,881,810	4.17%
Director	Scientific Components Corp.	06/17/2022	3 year	3,068,477	4.45%
Independent Director	Shiuh-Kao Chiang	06/17/2022	3 year	0	0
Independent Director	Shang-Ming Chin	06/17/2022	3 year	0	0
Independent Director	Chiu-Feng Lien	06/17/2022	3 year	20,000	0.03%
Independent Director	Yu-Hui Ning	06/17/2022	3 year	0	0
Holdings of all Directors				14,874,091	21.55%