

# **Advanced Ceramic X Corporation 2021 Annual General Shareholders' Meeting Minutes**

**Time:** 9: 30 a.m., August 23, 2021

**Place:** No.165, Hanyang Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan

**The number of shares of attendance:**

Total outstanding ACX shares: 69,016,200 shares

Total shares represented by shareholders present in person or by proxy: 54,815,092 shares (including 21,436,825 shares casted electronically)

Percentage of shares held by shareholders present in person or by proxy: 79.42%

**Chairman:** Shuang De Investment Corporation (Rep.: Chien-Wen Kuo), the chairman of the Board of Directors

**Recorder:** Jui-Yun Hsu

**Directors present:**

Shuang De Investment Corporation (Rep.: Chien-Wen Kuo), Lin Li Construction Corporation (Rep.: Te-Ti Han)

**Other present:** Wan-Yuan Yu (KPMG CPA)

**1. Call the Meeting to Order:**

The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

**2. Chairman's Address:** Omitted.

**3. Report Items:**

(1) 2020 Business Report (see Attachment 1)

(2) Audit Committee's Review Report of 2020 (see Attachment 2)

(3) Distribution of directors' and employees' compensation in 2020

Explanation Notes:

Distribution of NT\$16,635,058 and NT\$55,450,195 in cash as compensation to directors and employees, respectively, have been approved by the meeting of Board of Directors held on February 23, 2021.

(4) Amendments of Codes of Ethical Conduct (see Attachment 3)

#### 4. Approval Items

##### Approval Items (1):

Subject: To accept 2020 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation Notes:

- (1) The 2020 Financial Statements were audited by KPMG CPAs, Mei-Yu Tseng and Wan-Yuan Yu. The aforementioned and 2020 Business Report have been approved by the Audit Committee.
- (2) 2020 Business Report, Independent Auditors' Report and the Financial Statements are attached hereto as Attachments 1 and 4.

Voting Results: 54,815,092 shares were represented at the time of voting

Voting Results	% of the total represented at the time of voting
Votes in favor: 53,566,886 votes (including 20,235,311 shares casted electronically)	97.72%
Votes against: 7,030 votes (including 7,030 shares casted electronically)	0.01%
Votes invalid: 0 votes (including 0 shares casted electronically)	0%
Votes abstained: 1,241,176 votes (including 1,194,484 shares casted electronically)	2.26%

RESOLVED, that the 2020 Business Report and Financial Statements be and hereby were accepted as submitted.

##### Approval Items (2):

Subject: To approve the proposal for distribution of 2020 earnings (Proposed by the Board of Directors)

Explanation Notes:

- (1) The proposal for distribution of 2020 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 2020 Earnings Distribution Proposal is attached hereto as Attachment 5.
- (2) The Company plans to distribute dividends of NT\$745,374,960 to shareholders (Cash dividend NT\$10.80 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 number of total shares outstanding, prior to the ex-dividend date for the distribution, has changed due to the repurchasing of shares by the Company, or the transfer of treasury shares to employees, or the conversion of shares from domestic convertible bonds, or other convertible securities or employee stock options, etc., such that the ratios of the stock dividends and cash dividends are

affected and must be adjusted. The Chairman of the Board of Directors is authorized to make such adjustments.

Voting Results: 54,815,092 shares were represented at the time of voting

Voting Results	% of the total represented at the time of voting
Votes in favor: 53,566,836 votes (including 20,235,261 shares casted electronically)	97.72%
Votes against: 7,130 votes (including 7,130 shares casted electronically)	0.01%
Votes invalid: 0 votes (including 0 shares casted electronically)	0%
Votes abstained: 1,241,126 votes (including 1,194,434 shares casted electronically)	2.26%

RESOLVED, that the above proposal be and hereby was approved as proposed.

## 5. Discussion Items

### Discussion Items (1):

Subject: Amendments of Rules for Election of Directors (Proposed by the Board of Directors)

Explanation Notes:

- (1) To comply with the new candidate nomination system for directors, it is proposed to amend the Company's Rules for Election of Directors.
- (2) A comparison table of the Rules for Election of Directors before and after the amendment is attached hereto as Attachment 6.

Voting Results: 54,815,092 shares were represented at the time of voting

Voting Results	% of the total represented at the time of voting
Votes in favor: 53,568,937 votes (including 20,237,362 shares casted electronically)	97.72%
Votes against: 5,030 votes (including 5,030 shares casted electronically)	0%
Votes invalid: 0 votes (including 0 shares casted electronically)	0%
Votes abstained: 1,241,125 votes (including 1,194,433 shares casted electronically)	2.26%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**6. Extraordinary Motions:** None.

**7. Meeting Adjournment:** The meeting was adjourned at 9:43 a.m.

### **2020 Business Report**

In 2020, the communications industry benefited from the emerging demand for 4G-to-5G smart phone and Wi-Fi6, driving strongly demand for LTCC (low-temperature cofired ceramics) and generating revenue to a new record high. Looking back at the performance for 2020, ACX's revenue was NT\$2,192,650 thousand, and net profit after tax was NT\$829,866 thousand, with a basic earnings per share of NT\$12.02. Net revenue and net profit increased by 28.4% and 28.3% respectively, compared with the previous year. The overall operating results are mainly attributed to the management effort to grasp the market growth opportunities, so that ACX can growth in profit continually.

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 back over the past year, despite the global economic slowdown due to COVID-19, 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 applications, and has successfully developed multi-frequency multi-mode integration components that meet customer needs. In addition, ACX can provide the solutions needed for LTE smart phones due to the continuous upgrade of handsets in China and emerging 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 and smart cities 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.

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, 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: Mei-Lan Peng

## Attachment 2

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

The Board of Directors has prepared the Company's 2020 business report, financial statements and earnings distribution proposal. The financial statements were audited by independent auditors, Mei-Yu Tseng and Wan-Yuan Yu, 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: Shih-Kao Chiang  
February 23, 2021

# Attachment 3

## Comparison Table of the Codes of Ethical Conduct Before and After Amendment

Before amendment	After amendment	Reason of amendment
<p><b>Article 2</b></p> <p>1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, <u>parents, children,</u> or relatives within the second degree of kinship.</p> <p>The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works.</p> <p>The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>(Omitted)</p> <p>7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.</p> <p>(Omitted)</p>	<p><b>Article 2</b></p> <p>1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship.</p> <p>The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works.</p> <p>The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>(Omitted)</p> <p>7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, <u>allow anonymous reporting,</u> and make employees aware that the company will use its best efforts to ensure the safety of <u>whistleblowers</u> and protect them from reprisals.</p> <p>(Omitted)</p>	<p>In accordance with letter No.1090338980 issued by the FSC</p>

## Attachment 4

### 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, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020. 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(11) “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. 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 23, 2021

#### **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, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and Cash Equivalents (Note 6(1))	\$ 1,050,489	25	1,727,244	46	2170	Accounts Payable	\$ 111,282	3	50,504	1
1170	Notes and Accounts Receivable, Net (Note 6(2))	233,184	5	178,135	5	2201	Salary and Bonus Payable	145,239	3	120,688	3
1180	Receivables from Related Parties (Note 6(2) and 7)	145,800	3	84,294	2	2213	Payables to Contractors and Equipment (Note 7)	164,772	4	91,046	3
1310	Inventories (Note 6(3))	173,522	4	117,516	3	2230	Income Tax Payable	124,719	3	68,006	2
1476	Other Current Financial Assets (Note 6(1))	215,975	5	216,237	6	2399	Other Current Liabilities (Note 6(6) and 7)	191,720	5	137,282	4
1479	Other Current Assets	34,039	1	25,642	-			737,732	18	467,526	13
		<u>1,853,009</u>	<u>43</u>	<u>2,349,068</u>	<u>62</u>						
<b>Noncurrent Assets :</b>						<b>Noncurrent Liabilities :</b>					
1600	Property, Plant and Equipment (Note 6(4), 7 and 8)	2,400,773	56	1,417,742	38	2600	Other Noncurrent Liabilities	16,783	-	14,061	-
1780	Intangible Assets (Note 6(5))	2,692	-	1,783	-			16,783	-	14,061	-
1840	Deferred Tax Assets (Note 6(8))	7,275	-	9,497	-			<u>754,515</u>	<u>18</u>	<u>481,587</u>	<u>13</u>
1900	Other Noncurrent Assets	34,473	1	-	-						
1980	Other Noncurrent Financial Assets	632	-	447	-						
1975	Net Defined Benefit Asset- Noncurrent (Note 6(7))	293	-	1,094	-						
		<u>2,446,138</u>	<u>57</u>	<u>1,430,563</u>	<u>38</u>						
<b>Total Assets</b>		<b>\$ 4,299,147</b>	<b>100</b>	<b>3,779,631</b>	<b>100</b>						
						<b>Equity (Note 6(9)) :</b>					
						3100	Capital Stock	690,162	16	690,162	18
						3200	Capital Surplus	573,532	13	573,532	15
						3300	Retained Earnings	2,280,938	53	2,034,350	54
								<u>3,544,632</u>	<u>82</u>	<u>3,298,044</u>	<u>87</u>
						<b>Total Equity</b>		<u>3,544,632</u>	<u>82</u>	<u>3,298,044</u>	<u>87</u>
						<b>Total Liabilities and Equity</b>		<b>\$ 4,299,147</b>	<b>100</b>	<b>3,779,631</b>	<b>100</b>

**Advanced Ceramic X Corporation**  
**Statements of Comprehensive Income**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 <b>Net Revenue</b> (Note 6(11) and 7)	\$ 2,192,650	100	1,707,626	100
5000 <b>Cost of Sales</b> (Note 6(3), (7), (13) and 7)	898,597	41	689,886	40
<b>Gross Profit</b>	<u>1,294,053</u>	<u>59</u>	<u>1,017,740</u>	<u>60</u>
<b>Operating Expenses</b> (Note 6(7), (13) and 7) :				
6100 Selling and Distribution Expenses	32,370	1	36,450	2
6200 General and Administrative Expenses	94,677	4	78,366	5
6300 Research and Development Expenses	121,671	6	110,403	6
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	1,178	-	(625)	-
	<u>249,896</u>	<u>11</u>	<u>224,594</u>	<u>13</u>
<b>Gross Profit from Operations</b>	<u>1,044,157</u>	<u>48</u>	<u>793,146</u>	<u>47</u>
<b>Non-Operating Income and Expenses :</b>				
7101 Interest Income	7,044	-	14,711	1
7190 Other Income (Note 6(12))	8,406	-	7,286	-
7230 Foreign Exchange Losses, Net	(24,439)	(1)	(9,702)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	1,750	-	100	-
	<u>(7,239)</u>	<u>(1)</u>	<u>12,395</u>	<u>-</u>
7900 <b>Profit Before Income Tax</b>	1,036,918	47	805,541	47
7950 <b>Less : Income Tax Expense</b> (Note 6(8))	207,052	9	158,876	9
8200 <b>Net Income</b>	<u>829,866</u>	<u>38</u>	<u>646,665</u>	<u>38</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 Losses on Remeasurements of Defined Benefit Plans (Note 6(7))	(1,471)	-	(98)	-
8300 <b>Other Comprehensive Income, Net of Tax</b>	<u>(1,471)</u>	<u>-</u>	<u>(98)</u>	<u>-</u>
8500 <b>Total Comprehensive Income</b>	<u>\$ 828,395</u>	<u>38</u>	<u>646,567</u>	<u>38</u>
<b>Earnings Per Share (Expressed in Dollars)</b> (Note 6(10))				
9750 Basic Earnings Per Share	<u>\$ 12.02</u>		<u>9.37</u>	
9850 Diluted Earnings Per Share	<u>\$ 12.01</u>		<u>9.35</u>	

**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
<b>Balance at January 1, 2019</b>	\$ 690,162	573,532	640,414	1,429,249	2,069,663	3,333,357
Net income in 2019	-	-	-	646,665	646,665	646,665
Other Comprehensive Income, Net of Tax	-	-	-	(98)	(98)	(98)
Total Comprehensive Income for the Year	-	-	-	646,567	646,567	646,567
Appropriation and Distribution of 2018 Earnings :						
Legal Reserve	-	-	75,774	(75,774)	-	-
Cash Dividends	-	-	-	(681,880)	(681,880)	(681,880)
<b>Balance at December 31, 2019</b>	<b>690,162</b>	<b>573,532</b>	<b>716,188</b>	<b>1,318,162</b>	<b>2,034,350</b>	<b>3,298,044</b>
Net income in 2020	-	-	-	829,866	829,866	829,866
Other Comprehensive Income, Net of Tax	-	-	-	(1,471)	(1,471)	(1,471)
Total Comprehensive Income for the Year	-	-	-	828,395	828,395	828,395
Appropriation and Distribution of 2019 Earnings :						
Legal Reserve	-	-	64,666	(64,666)	-	-
Cash Dividends	-	-	-	(581,807)	(581,807)	(581,807)
<b>Balance at December 31, 2020</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>780,854</b>	<b>1,500,084</b>	<b>2,280,938</b>	<b>3,544,632</b>

**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 1,036,918	805,541
Adjustments for :		
Depreciation Expense	152,403	147,587
Amortization Expense	1,536	400
Expected Credit Loss(Gain)	1,178	(625)
Interest Income	(7,044)	(14,711)
Gain on Disposal of Property, Plant and Equipment, Net	(1,750)	(100)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	(1,468)	(7,227)
Total Adjustments to Reconcile Profit	144,855	125,324
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(55,605)	12,467
Receivables from Related Parties	(62,128)	49,997
Inventories	(54,538)	20,119
Other Operating Current Assets	(8,397)	(6,754)
Net Defined Benefit Assets	(670)	(570)
Accounts Payable	60,778	4,800
Other Operating Current Liabilities		
(Including Salary Payable and Other Current Liabilities)	78,989	4,182
Other Noncurrent Liabilities	2,722	3,584
Total Net Changes in Operating Assets and Liabilities	(38,849)	87,825
Cash Inflow Generated from Operations	1,142,924	1,018,690
Interest Received	7,306	14,981
Income Taxes Paid	(148,117)	(192,656)
<b>Net Cash Flows from Operating Activities</b>	<b>1,002,113</b>	<b>841,015</b>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(1,061,708)	(425,861)
Proceeds from Disposal of Property, Plant and Equipment	1,750	100
Decrease (Increase) in Guarantee Deposits	(185)	54
Acquisition of Intangible Assets	(1,500)	(1,500)
Decrease in Other Financial Assets	-	286,100
Increase in Other Noncurrent Assets	(8,100)	-
Increase in Prepaid of Equipment	(27,318)	-
<b>Net Cash Flows Used in Investing Activities</b>	<b>(1,097,061)</b>	<b>(141,107)</b>
<b>Cash Flows from Financing Activities :</b>		
Cash Dividends	(581,807)	(681,880)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(581,807)</b>	<b>(681,880)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(676,755)	18,028
<b>Cash and Cash Equivalents at the Beginning of Period</b>	1,727,244	1,709,216
<b>Cash and Cash Equivalents at the End of Period</b>	<b>\$ 1,050,489</b>	<b>1,727,244</b>

Attachment 5

Advanced Ceramic X Corporation  
Earnings Distribution Proposal  
Year 2020

(Unit: New Taiwan Dollars)

Unappropriated retained earnings of previous	\$ 671,688,676
Net income of 2020	829,866,443
Less: Adjustments to remeasurement on the net defined benefit liability	(1,470,844)
Adjusted comprehensive income of 2020	<u>828,395,599</u>
Less: 10% provision as legal reserve	(82,839,560)
Retained earnings available for distribution	1,417,244,715
Less: Cash Dividends to Shareholders (Cash dividend NT\$10.80 per share)	(745,374,960)
Unappropriated retained earnings	<u>\$ 671,869,755</u>
Note: Earnings in 2020 are distributed first.	



## Attachment 6

Comparison Table of the Rules for Election of Directors  
Before and After Amendment

Before amendment	After amendment	Reason of amendment
<p><b>Article 8</b>  <u>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</u></p>	(Deleted)	In accordance with letter No.1090338980 issued by the FSC
<p><b>Article 9</b>            A ballot is invalid under any of the following circumstances:            1. The ballot was not prepared by <u>the Company</u>.            2. A blank ballot is placed in the ballot box.            3. The writing is unclear and indecipherable or has been altered.            4. <u>The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u>            5. Other words or marks are entered in addition to the <u>candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u>            6. <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u></p>	<p><b>Article 8</b>            A ballot is invalid under any of the following circumstances:            1. The ballot was not prepared by <u>a person with the right to convene</u>.            2. A blank ballot is placed in the ballot box.            3. The writing is unclear and indecipherable or has been altered.            4. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u>            5. Other words or marks are entered in addition to the number of voting rights allotted.</p> <p>(Deleted)</p>	In accordance with letter No.1090338980 issued by the FSC and article number changed

<p>7. <u>The number of candidates filled in the ballot exceeding the number of the seats to be elected.</u></p> <p>8. <u>The total votes cast by the voter exceeding the total voting rights of such voter.</u></p>		
<p><b>Article <u>10</u></b> (Omitted)</p>	<p><b>Article <u>9</u></b> (Omitted)</p>	<p>Article number changed</p>
<p><b>Article <u>11</u></b> (Omitted)</p>	<p><b>Article <u>10</u></b> (Omitted)</p>	<p>Article number changed</p>