

Stock Code : 3152



Advanced Ceramic X Corporation

2022 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Mode: Physical shareholder meeting

Time: June 17, 2022

Place: No.16, Tzu Chiang Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan

Table of Contents

1. Meeting Procedure	1
2. Meeting Agenda	2
3. Report Items	3
4. Approval Items	4
5. Election Items	5
6. Discussion Items	6
7. Extraordinary Motions	6
8. Attachment	
(1) 2021 Business Report	7~8
(2) Audit Committee's Review Report	9
(3) Comparison Table of the Corporate Social Responsibility Practice Principles Before and After the Amendment	10~15
(4) Independent Auditors' Report and Financial Statements	16~22
(5) Earnings Distribution Proposal	23
(6) Comparison table for the Procedures for Acquisition or Disposal of Assets Before and After the Amendment	24~31
9. Appendices	
(1) Articles of Incorporation	32~36
(2) Rules and Procedures of Shareholders' Meetings	37~39
(3) Rules for Election of Directors	40~41
(4) Shareholding of Directors	42

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This is a translation of the agenda for the 2022 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.

Advanced Ceramic X Corporation

2022 Annual General Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Approval Items
5. Election Items
6. Discussion Items
7. Extraordinary Motions
8. Meeting Adjournment

Advanced Ceramic X Corporation

2022 Annual General Shareholders' Meeting Agenda

Time: 9: 00AM, June 17, 2022

Place: No.16, Tzu Chiang Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
 - (1) 2021 Business Report
 - (2) Audit Committee's Review Report of 2021
 - (3) Distribution of directors' and employees' compensation in 2021
 - (4) Amendments of Corporate Social Responsibility Practice Principles
4. Approval Items
 - (1) To accept 2021 Business Report and Financial Statements
 - (2) To approve the proposal for distribution of 2021 earnings
5. Election Items

To elect ten directors (including four independent directors) being the ninth term of directors
6. Discussion Items
 - (1) To approve the amendment to Procedures for Acquisition or Disposal of Assets
 - (2) To lift non-competition restrictions on newly elected board members
7. Extraordinary Motions
8. Meeting Adjournment

Report Items

1. 2021 Business Report

Explanation: The 2021 Business Report is attached on page 7~8, Attachment 1.

2. Audit Committee's Review Report of 2021

Explanation: The Audit Committee's Review Report is attached on page 9, Attachment 2.

3. Distribution of directors' and employees' compensation in 2021

Explanation: Distribution of NT\$20,614,507 and NT\$68,715,025 in cash as compensation to directors and employees, respectively, have been approved by the meeting of Board of Directors held on February 22, 2022.

4. Amendments of the Corporate Social Responsibility Practice Principles

Explanation:

- (1) To comply with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, it is proposed to amend the Company's "Corporate Social Responsibility Practice Principles" and renamed the "Sustainable Development Practice Principles".
- (2) A comparison table of the Corporate Social Responsibility Practice Principles before and after the amendment is attached on page 10~15, Attachment 3.

Approval Items

1. To accept 2021 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

- (1) The 2021 Financial Statements were audited by KPMG CPAs, Lu, Chien-Hui and Mei-Yu Tseng. The aforementioned and 2021 Business Report have been approved by the Audit Committee.
- (2) 2021 Business Report, Independent Auditors' Report and the Financial Statements are attached on page 7~8 and 16~22, Attachments 1 and 4.

Resolution:

2. To approve the proposal for distribution of 2021 earnings (Proposed by the Board of Directors)

Explanation:

- (1) The proposal for distribution of 2021 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 2021 Earnings Distribution Proposal is attached on page 23, Attachment 5.
- (2) The Company plans to distribute dividends of NT\$552,129,600 to shareholders (Cash dividend NT\$8.0 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 2022 Annual General Shareholders' Meeting to be distributed and the actual number of common shares outstanding on the record date for distribution.

Resolution:

Election Items

To elect ten directors (including four independent directors) being the ninth term of directors (Proposed by the Board of Directors)

Explanation:

- (1) The term of the office of the eighth term of directors will expire on June 17, 2022. Thus, it is proposed to elect ten directors (including four independent directors) at the 2022 Annual General Shareholders' Meeting. The tenure of newly elected directors shall be 3 years, commencing on June 17, 2022 and expiring on June 16, 2025. The term of office of the former directors shall expire upon the completion of this annual shareholders' meeting.
- (2) According to the Company's Articles of Incorporation, directors shall be elected through candidate nomination system. Shareholders shall elect the directors from the nominated candidates. The academic background, experience and relevant information of the nominated candidates are as follows:

Name	Shareholding	Education & Experience	Major Current Positions
Director Shuang De Investment Corp.	46,000	N/A	Chairman of Advanced Ceramic X Corporation
Director Kuo Chia Fu Investment Corp.	5,485,189	N/A	Director of Advanced Ceramic X Corporation
Director Hsin Chang Construction Corp.	1,552,344	N/A	Director of Advanced Ceramic X Corporation
Director Lin Li Construction Corp.	1,808,271	N/A	Director of Advanced Ceramic X Corporation
Director Johanson Technology Inc.	2,881,810	N/A	Director of Advanced Ceramic X Corporation
Director Scientific Components Corp.	3,068,477	N/A	Director of Advanced Ceramic X Corporation
Independent Director Shiuh-Kao Chiang	0	<ul style="list-style-type: none"> • Ph. D. in Ceramic Engineering, Ohio State University • EMBA in Cleveland State University • Technical director of Gould Electronics Inc. 	Managing Partner of Prismark Partners LLC Independent Director of Advanced Ceramic X Corporation
Independent Director Shang-Min Chin	0	<ul style="list-style-type: none"> • Master Degree in International Management, American Graduate School • Vice President of IBM 	Independent Director of Advanced Ceramic X Corporation
Independent Director Chiu-Feng Lien	20,000	<ul style="list-style-type: none"> • Master Degree in Electronics Engineering, National Chiao Tung University • Director of Advanced Ceramic X Corporation 	Director of Explore Semiconductor Inc. Supervisor of Explore Microelectronics Inc.
Independent Director Yu-Hui Ning	0	<ul style="list-style-type: none"> • Master Degree in Accounting, University of California • Financial Director of Advanced Ceramic X Corporation • Vice President of Advantech semiconductor Inc. 	None

Mr. Shiuh-Kao Chiang and Mr. Shang-Min Chin, they were served as independent directors of the Company for three consecutive terms. In view of the expertise in business management and experience in corporate governance, which will be of significant benefit to the Company, they were nominated as one of the independent director candidates.

Result:

Discussion Items

1. To approve the amendment to Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanation:

- (1) In accordance with permit No. 1110380465 issued by the FSC on January 28, 2022, to amend the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, it is proposed to amend the Company's Procedures for Acquisition or Disposal of Assets.
- (2) A comparison table of the Procedures for Acquisition or Disposal of Assets before and after the amendment is attached on page 24~31, Attachment 6.

Resolution:

2. To lift non-competition restrictions on newly elected board members (Proposed by the Board of Directors)

Explanation:

- (1) According to Article 209 of the Company Act, if directors' activities for personal or others' interests are related to the Company's business scope, directors shall explain the content of their activities and ask the approval from shareholders at the meeting.
- (2) The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions, were as follows:

Name	Scope of business / Released restriction
Johanson Technology Inc.	Design, manufacture and sale of high frequency capacitor products
Scientific Components Corp.	Design, manufacture and sale of RF/IF signal processing components

Resolution:

Extraordinary Motions

Meeting Adjournment

2021 Business Report

In 2021, 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 2021, ACX's revenue was NT\$2,846,304 thousand, and net profit after tax was NT\$1,026,825 thousand, with a basic earnings per share of NT\$14.88. Net revenue and net profit increased by 29.8% and 23.7% respectively, compared with the previous year. The overall operating results are mainly attributed with the joint efforts of the management team and all staff, 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, almost every element of society was touched by the upheaval of the COVID-19 pandemic occurring around the world, despite the global economic slowdown due to COVID-19, and 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, 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.

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 2021 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 22, 2022

Attachment 3

Comparison Table of the Corporate Social Responsibility Practice Principles Before and After Amendment

Before amendment	After amendment	Reason of amendment
<u>Corporate Social Responsibility Practice Principles</u>	<u>Sustainable Development Practice Principles</u>	In accordance with letter No.1100375814 issued by the FSC
<p>Article 1 The Company adopts the Principles to be followed by Taiwan Stock Exchange Corporation ("TWSE") and Taipei Exchange ("TPEX") listed companies, to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development. <u>Corporate Social Responsibility Practice Principles</u> apply to manage economic, environmental and social risks and impact.</p>	<p>Article 1 The Company adopts the Principles to be followed by Taiwan Stock Exchange Corporation ("TWSE") and Taipei Exchange ("TPEX") listed companies, to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development. <u>Sustainable Development Practice Principles</u> apply to manage economic, environmental and social risks and impact.</p>	In accordance with letter No.1100375814 issued by the FSC
<p>Article 2 The Principles apply to operations of company and business group. The Company shall to actively fulfill <u>corporate social responsibility</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>corporate social responsibility</u>.</p>	<p>Article 2 The Principles apply to operations of company and business group. The Company shall to actively fulfill <u>sustainable development</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u>.</p>	In accordance with letter No.1100375814 issued by the FSC
<p>Article 3 <u>In fulfilling corporate social responsibility</u> initiatives, the Company shall in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</p>	<p>Article 3 <u>In promotion sustainable development</u> initiatives, the Company shall in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</p>	In accordance with letter No.1100375814 issued by the FSC

<p>Article 4 To implement <u>corporate social responsibility</u> initiatives, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <u>corporate social responsibility</u> information. 	<p>Article 4 To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <u>sustainable development</u> information. 	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>corporate social responsibility</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>corporate social responsibility</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>sustainable development</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 7 The directors shall exercise the due care of good administrators to urge the company to perform its <u>corporate social responsibility</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>corporate social responsibility</u> policies. The board of directors is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>performance</u> of its <u>corporate social responsibility</u> initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, systems or relevant management guidelines; 2. Making <u>corporate social responsibility</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>corporate social responsibility</u> initiatives; and 	<p>Article 7 The directors shall exercise the due care of good administrators to urge the company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies. The board of directors is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>promotion</u> of its <u>sustainable development</u> initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; 2. Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives; and 	<p>In accordance with letter No.1100375814 issued by the FSC</p>

<p>3. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information.</p> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</p>	<p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information.</p> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</p>	
<p>Article 8</p> <p>The Company is advised to on a regular basis organize education and training on the <u>implementation of corporate social responsibility</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Article 8</p> <p>The Company is advised to on a regular basis organize education and training on the <u>promotion of sustainable development</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 9</p> <p>For the purpose of managing <u>corporate social responsibility</u> initiatives, the Company is advised to establish an exclusively dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>The Company is advised that the employee performance evaluation system be combined with <u>corporate social responsibility</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Article 9</p> <p>For the purpose of managing <u>sustainable development</u> initiatives, the Company <u>shall establish a governance structure to promote sustainable development, and is</u> advised to establish an exclusively (or <u>concurrently</u>) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>The Company is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 10</p> <p>The Company shall based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.</p>	<p>Article 10</p> <p>The Company shall based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>

<p>Article 12 The Company is advised to endeavor to <u>utilize all resources</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 12 The Company is advised to endeavor to <u>consume energy</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>climate related</u> measures. The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally <u>purchased or acquired</u> electricity, heating, or steam. <p>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</p>	<p>Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>relevant</u> measures. The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally <u>imported</u> electricity, heating, or steam. 3. <u>Other indirect emissions: Emissions generated by corporate activities that are not indirect emissions from energy use, but come from emission sources owned or controlled by other companies.</u> <p>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 28 The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their <u>corporate social responsibility</u> initiatives to improve information transparency. Relevant information relating to <u>corporate social responsibility</u> which the Company shall disclose includes:</p>	<p>Article 28 The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their <u>sustainable development</u> initiatives to improve information transparency. Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes:</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>

<ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the <u>corporate social responsibility</u> initiatives established by the companies, and <u>performance</u> in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>corporate social responsibility</u> initiatives. 	<ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the <u>sustainable development</u> initiatives established by the companies, and <u>promotional</u> in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>sustainable development</u> initiatives. 	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> reports, to disclose the status of their implementation of the <u>corporate social responsibility</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>corporate social responsibility</u> initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals. 	<p>Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of their implementation of the <u>sustainable development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals. 	<p>In accordance with letter No.1100375814 issued by the FSC</p>
<p>Article 30 The Company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve their established <u>corporate social responsibility</u> framework and to obtain better results from the implementation of the <u>corporate social responsibility</u> policy.</p>	<p>Article 30 The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>In accordance with letter No.1100375814 issued by the FSC</p>

<p><u>(New)</u></p>	<p><u>Article 31</u> <u>The Principles shall be adopted by the approval of the board of directors and shall be reported to shareholders' meeting. The same procedure shall be followed when the principles have been amended.</u></p>	<p>Add rules for established and amended by this Principles</p>
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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, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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 22, 2022

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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and Cash Equivalents (Note 6(1))	\$ 452,010	10	1,050,489	25	2170	Accounts Payable	\$ 32,774	1	111,282	3
1170	Notes and Accounts Receivable, Net (Note 6(2))	251,712	6	233,184	5	2201	Salary and Bonus Payable	174,719	4	145,239	3
1180	Receivables from Related Parties (Note 6(2) and 7)	304,524	7	145,800	3	2213	Payables to Contractors and Equipment	103,550	2	164,772	4
1310	Inventories (Note 6(3))	318,947	7	173,522	4	2230	Income Tax Payable	157,289	3	124,719	3
1476	Other Current Financial Assets (Note 6(1))	215,875	5	215,975	5	2399	Other Current Liabilities (Note 6(6) and 7)	209,431	5	191,720	5
1479	Other Current Assets	21,741	-	34,039	1			677,763	15	737,732	18
		<u>1,564,809</u>	<u>35</u>	<u>1,853,009</u>	<u>43</u>						
Noncurrent Assets :						Noncurrent Liabilities :					
1600	Property, Plant and Equipment (Note 6(4) and 8)	2,931,883	65	2,400,773	56	2600	Other Noncurrent Liabilities	18,049	-	16,783	-
1780	Intangible Assets (Note 6(5))	2,788	-	2,692	-			18,049	-	16,783	-
1840	Deferred Tax Assets (Note 6(8))	10,727	-	7,275	-		Total Liabilities	695,812	15	754,515	18
1900	Other Noncurrent Assets	9,478	-	34,473	1		Equity (Note 6(9)) :				
1980	Other Noncurrent Financial Assets	1,246	-	632	-	3100	Capital Stock	690,162	15	690,162	16
1975	Net Defined Benefit Asset- Noncurrent (Note 6(7))	850	-	293	-	3200	Capital Surplus	573,532	13	573,532	13
		<u>2,956,972</u>	<u>65</u>	<u>2,446,138</u>	<u>57</u>	3300	Retained Earnings	2,562,275	57	2,280,938	53
		<u>2,956,972</u>	<u>65</u>	<u>2,446,138</u>	<u>57</u>		Total Equity	3,825,969	85	3,544,632	82
Total Assets		<u>\$ 4,521,781</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>		Total Liabilities and Equity	<u>\$ 4,521,781</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>

Advanced Ceramic X Corporation
Statements of Comprehensive Income
Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 Net Revenue (Note 6(11) and 7)	\$ 2,846,304	100	2,192,650	100
5000 Cost of Sales (Note 6(3), (7), (13) and 7)	<u>1,211,435</u>	<u>43</u>	<u>898,597</u>	<u>41</u>
Gross Profit	<u>1,634,869</u>	<u>57</u>	<u>1,294,053</u>	<u>59</u>
Operating Expenses (Note 6(7), (13) and 7) :				
6100 Selling and Distribution Expenses	45,673	1	32,370	1
6200 General and Administrative Expenses	137,268	5	94,677	4
6300 Research and Development Expenses	150,171	5	121,671	6
6450 Losses on Expected Credit Impairment (Note 6(2))	<u>1,790</u>	<u>-</u>	<u>1,178</u>	<u>-</u>
	<u>334,902</u>	<u>11</u>	<u>249,896</u>	<u>11</u>
Gross Profit from Operations	<u>1,299,967</u>	<u>46</u>	<u>1,044,157</u>	<u>48</u>
Non-Operating Income and Expenses :				
7101 Interest Income	3,717	-	7,044	-
7190 Other Income (Note 6(12))	5,735	-	8,406	-
7230 Foreign Exchange Losses, Net	(24,448)	(1)	(24,439)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>-</u>
	<u>(14,996)</u>	<u>(1)</u>	<u>(7,239)</u>	<u>(1)</u>
7900 Profit Before Income Tax	1,284,971	45	1,036,918	47
7950 Less : Income Tax Expense (Note 6(8))	<u>258,146</u>	<u>9</u>	<u>207,052</u>	<u>9</u>
8200 Net Income	<u>1,026,825</u>	<u>36</u>	<u>829,866</u>	<u>38</u>
8300 Other Comprehensive Income :				
8310 Components of Other Comprehensive Income that Will Not Be Reclassified to Profit or Loss				
8311 Losses on Remeasurements of Defined Benefit Plans (Note 6(7))	<u>(113)</u>	<u>-</u>	<u>(1,471)</u>	<u>-</u>
8300 Other Comprehensive Income, Net of Tax	<u>(113)</u>	<u>-</u>	<u>(1,471)</u>	<u>-</u>
8500 Total Comprehensive Income	<u><u>\$ 1,026,712</u></u>	<u><u>36</u></u>	<u><u>828,395</u></u>	<u><u>38</u></u>
Earnings Per Share (Expressed in Dollars) (Note 6(10))				
9750 Basic Earnings Per Share	<u>\$ 14.88</u>		<u>12.02</u>	
9850 Diluted Earnings Per Share	<u>\$ 14.84</u>		<u>12.01</u>	

Advanced Ceramic X Corporation
Statements of Changes in Equity
Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		Subtotal
Balance at January 1, 2020	\$ 690,162	573,532	716,188	1,318,162	2,034,350	3,298,044
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)
Balance at December 31, 2020	690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Net income in 2021	-	-	-	1,026,825	1,026,825	1,026,825
Other Comprehensive Income, Net of Tax	-	-	-	(113)	(113)	(113)
Total Comprehensive Income for the Year	-	-	-	1,026,712	1,026,712	1,026,712
Appropriation and Distribution of 2020 Earnings :						
Legal Reserve	-	-	82,840	(82,840)	-	-
Cash Dividends	-	-	-	(745,375)	(745,375)	(745,375)
Balance at December 31, 2021	\$ 690,162	573,532	863,694	1,698,581	2,562,275	3,825,969

Advanced Ceramic X Corporation
Statements of Cash Flows
Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 1,284,971	1,036,918
Adjustments for :		
Depreciation Expense	277,435	152,403
Amortization Expense	3,006	1,536
Expected Credit Loss	1,790	1,178
Interest Income	(3,717)	(7,044)
Gain on Disposal of Property, Plant and Equipment, Net	-	(1,750)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	21,550	(1,468)
Total Adjustments to Reconcile Profit	300,064	144,855
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(18,715)	(55,605)
Receivables from Related Parties	(160,327)	(62,128)
Inventories	(166,975)	(54,538)
Other Operating Current Assets	12,298	(8,397)
Net Defined Benefit Assets	(670)	(670)
Accounts Payable	(78,508)	60,778
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	47,191	78,989
Other Noncurrent Liabilities	1,266	2,722
Total Net Changes in Operating Assets and Liabilities	(364,440)	(38,849)
Cash Inflow Generated from Operations	1,220,595	1,142,924
Interest Received	3,817	7,306
Income Taxes Paid	(229,028)	(148,117)
Net Cash Flows from Operating Activities	995,384	1,002,113
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(842,449)	(1,061,708)
Proceeds from Disposal of Property, Plant and Equipment	-	1,750
Increase in Guarantee Deposits	(614)	(185)
Acquisition of Intangible Assets	(900)	(1,500)
Increase in Other Noncurrent Assets	(4,525)	(8,100)
Increase in Prepaid of Equipment	-	(27,318)
Net Cash Flows Used in Investing Activities	(848,488)	(1,097,061)
Cash Flows from Financing Activities :		
Cash Dividends	(745,375)	(581,807)
Net Cash Flows Used in Financing Activities	(745,375)	(581,807)
Net Decrease in Cash and Cash Equivalents	(598,479)	(676,755)
Cash and Cash Equivalents at the Beginning of Period	1,050,489	1,727,244
Cash and Cash Equivalents at the End of Period	\$ 452,010	1,050,489

Attachment 5

Advanced Ceramic X Corporation Earnings Distribution Proposal Year 2021

(Unit: New Taiwan Dollars)

Unappropriated retained earnings of previous	\$ 671,869,755
Net income of 2021	1,026,825,256
Less: Adjustments to remeasurement on the net defined benefit liability	(113,447)
Adjusted comprehensive income of 2021	<u>1,026,711,809</u>
Less: 10% provision as legal reserve	(102,671,181)
Retained earnings available for distribution	1,595,910,383
Less: Cash Dividends to Shareholders (Cash dividend NT\$8.0 per share)	(552,129,600)
Unappropriated retained earnings	<u>\$ 1,043,780,783</u>
Note: Earnings in 2021 are distributed first.	

Attachment 6

Comparison Table of the Procedures for Acquisition or Disposal of Assets Before and After Amendment

Before amendment	After amendment	Reason of amendment
<p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working 	<p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective allied associations and</u> the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working 	<p>In accordance with letter No.1110380465 issued by the FSC</p>

<p>papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate,</u> and that they have complied with applicable laws and regulations.</p>	<p>papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	
<p>Article 8 Disposition procedures of acquiring or disposing of real property, equipment or right-of-use assets thereof</p> <p>(Omitted)</p> <p>4. Appraisal report for property or equipment In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the</p>	<p>Article 8 Disposition procedures of acquiring or disposing of real property, equipment or right-of-use assets thereof</p> <p>(Omitted)</p> <p>4. Appraisal report for property or equipment In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the</p>	<p>In accordance with letter No.1110380465 issued by the FSC</p>

<p>transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
<p>Article 9 Disposition procedures of acquiring or disposing of securities</p> <p>(Omitted)</p> <p>4. Professional Appraisal Where the Company acquires or disposes of securities, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> <u>This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</u></p>	<p>Article 9 Disposition procedures of acquiring or disposing of securities</p> <p>(Omitted)</p> <p>4. Professional Appraisal Where the Company acquires or disposes of securities, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>However, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</u></p>	<p>In accordance with letter No.1110380465 issued by the FSC</p>

<p>Article 10 Disposition procedures of acquiring or disposing of membership, intangible asset or right-of-use assets thereof</p> <p>(Omitted)</p> <p>4. Professional Appraisal Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Article 10 Disposition procedures of acquiring or disposing of membership, intangible asset or right-of-use assets thereof</p> <p>(Omitted)</p> <p>4. Professional Appraisal Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>In accordance with letter No.1110380465 issued by the FSC</p>
<p>Article 12 Disposition procedures of related party transactions</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedures. The calculation of the transaction amount referred above shall be made in accordance with Article 11 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Procedure of evaluation and operation When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or</p>	<p>Article 12 Disposition procedures of related party transactions</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedures. The calculation of the transaction amount referred above shall be made in accordance with Article 11 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Procedure of evaluation and operation When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or</p>	<p>In accordance with letter No.1110380465 issued by the FSC</p>

<p>subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and board of directors:</p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a trading counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3, subparagraph 3 to 4 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred above shall be made in accordance with Article 16, paragraph 1, subparagraph 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by more than half of all audit committee members and submitted to the board of directors for a resolution need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, transactions with a value of NT\$50 million and below should be approved by the Chairman of Board of Directors and</p>	<p>subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and board of directors:</p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a trading counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3, subparagraph 3 to 4 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, transactions with a value of NT\$50 million and below should be approved by the Chairman of Board of Directors and</p>	
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<p>subsequently submitted at the next meeting of the Audit Committee and Board of Directors for ratification</p> <p>A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>B. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>(Omitted)</p>	<p>subsequently submitted at the next meeting of the Audit Committee and Board of Directors for ratification</p> <p>A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>B. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in this paragraph, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in this paragraph to the shareholders meeting for approval before it may sign the transaction contract and make payments. However, transactions between the Company and its subsidiaries or between its subsidiaries shall not be subject to this provision.</u></p> <p><u>The calculation of the transaction amounts referred above shall be made in accordance with Article 16, paragraph 1, subparagraph 7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by shareholders meeting, more than half of all audit committee members and submitted to the board of directors for a resolution need not be counted toward the transaction amount.</u></p> <p>(Omitted)</p>	
<p>Article 16</p> <p>1. Items and standards for public announcement and reporting:</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on</p>	<p>Article 16</p> <p>1. Items and standards for public announcement and reporting:</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on</p>	<p>In accordance with letter No.1110380465 issued by the FSC</p>

<p>individual contracts set out in this Procedures.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>a. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>b. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds.</p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules</p>	<p>individual contracts set out in this Procedures.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>a. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>b. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds <u>or the foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of Exchange-Traded Note</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending</p>	
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<p>of the Taipei Exchange.</p> <p>c. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>G. The amount of transactions above shall be calculated as follows:</p> <p>a. The amount of any individual transaction.</p> <p>b. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>c. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>d. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with this article need not be counted toward the transaction amount.</p> <p>(Omitted)</p>	<p>securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>c. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>G. The amount of transactions above shall be calculated as follows:</p> <p>a. The amount of any individual transaction.</p> <p>b. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>c. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>d. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with this article need not be counted toward the transaction amount.</p> <p>(Omitted)</p>	
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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 Rules for Election of Directors

Article 1

Except as otherwise provided by law and Articles of Incorporation, the company elections of directors shall be conducted in accordance with these Rules.

Article 2

Election of directors of the Company shall be held at the shareholders' meeting. The Company shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 3

The Company directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act.

Article 4

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 election of independent and non-independent directors shall held together, but the numbers of independent and non-independent directors elected shall be calculated separately.

Article 5

The number of directors will be as specified in the company's Articles of Incorporation; those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 6

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 7

The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 9

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.

Article 10

These Rules and any amendments hereto shall be implemented after approval by a shareholders meeting.

Appendix 4

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 19, 2022), 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.	06/18/2021	3 year	46,000	0.07%
Director	Kuo Chia Fu Investment Corp.	06/18/2021	3 year	5,485,189	7.95%
Director	Hsin Chang Construction Corp.	06/18/2021	3 year	1,552,344	2.25%
Director	Lin Li Construction Corp.	06/18/2021	3 year	1,808,271	2.62%
Director	Johanson Technology Inc.	06/18/2021	3 year	2,881,810	4.18%
Director	Scientific Components Corp.	06/18/2021	3 year	3,068,477	4.45%
Director	Ming-Huang Li	06/18/2021	3 year	346,450	0.50%
Independent Director	Shiuh-Kao Chiang	06/18/2021	3 year	0	0
Independent Director	Ta-Wen Sun	06/18/2021	3 year	0	0
Independent Director	Shang-Ming Chin	06/18/2021	3 year	0	0
Holdings of all Directors				15,188,541	22.01%