

Stock Code : 8121

**Acme Electronics Corporation**

**Handbook for the**

**2024 Annual General Meeting**

**of Shareholders**

**Date : May 28, 2024**

**Location : No. 777 Dagan Road, Dayuan District, Taoyuan**  
**City 337, Taiwan (R.O.C.)**  
**Sheraton Taoyuan Hotel**  
**(Physical shareholders meeting)**

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**Acme Electronics Corporation**  
**Procedure of the 2024 Annual General Meeting**  
**of Shareholders**

1. Calling the Meeting to Order
2. Chairperson Takes Chair
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5. Matters for Ratification and Discussion (I)
6. Matters for Election
7. Matter for Discussion (II)
8. Extemporaneous Motions
9. Adjournment

**Acme Electronics Corporation**  
**Year 2024**  
**Agenda of Annual General Meeting of Shareholders**

Date : May 28, 2024 (Tuesday) AM 09:00

Location : No. 777 Daguan Road, Dayuan District, Taoyuan City 337,  
Taiwan (R.O.C.)  
Sheraton Taoyuan Hotel  
(Physical shareholders meeting)

1. Report Items :

- (1) To report 2023 operating results.
- (2) To report Audit Committee's Review Reports of 2023 Financial Statement.
- (3) To report 2023 remuneration of directors and employees.

2. Matters for Ratification and Discussion (I) :

- (1) To ratify 2023 Business Report and Financial Statements.
- (2) To ratify 2023 Deficit Compensation.
- (3) To approve the permission of directors for competitive actions.

3. Matters for Election :

Add-election of one independent director.

4. Matters for Discussion (II) :

To approve the permission of new independent director for competitive actions.

5. Extemporary Motions :

6. Adjournment

## **I. Report Items :**

### **Report 1**

To report 2023 operating results.

## **Acme Electronics Corporation**

### **2023 Business Report**

In 2023, affected by factors such as the Russo-Ukrainian War, the Israel-Palestinian conflict, and inflation, the global demand for consumer electronics such as mobile phones and notebooks continued to slump. The inventory of the cloud server industry supply chain continued to consolidate, and the annual shipment was revised down. Due to the impact of inflation and the strike in the United States, the growth of automotive electronics industry has not been as expected, resulting in sluggish demand for the overall iron core market. Under the influence of the weak market economy, the price competition is fierce, further deepening the operating pressure and loss of the iron core business. Despite the continued development of electric vehicles, the revenue and profit of the Company's silicon carbide (SiC) products increased, but the Company still incurred an after-tax loss of NTD 171,224 thousand, or a loss of NTD 0.81 per share.

This year's iron core sales volume and value were 1,833 tons and NTD 576,113 thousand, respectively, a decrease of 648 tons from 2022, and a decrease of NTD 260,581 thousand in revenue. The sales volume and amount of black powder were 5,635 tons and NTD 264,728 thousand, respectively. The sales volume decreased by 2,609 tons compared to 2022, while the revenue decreased by NTD 108,601 thousand. SiC revenue was NTD 347,929 thousand, an increase of NTD 178,626 thousand from 2022.

With respect to the operations of subsidiaries, due to the sluggish market demand for iron cores, ACME Electronics (Guangzhou) turned around with an after-tax loss of RMB 16,296 thousand for the current year. ACME Electronics (Kunshan) expanded its loss to an after-tax loss of RMB 23,651 thousand for the current year thousand. ACME Components (Malaysia) had an after-tax net profit of MYR 2,704 thousand, a decrease from 2022.

In terms of iron core products, the inventory adjustment of the information communication electronics industry has almost come to an end, and the demand for end electronic products has gradually recovered. With the increase in AI applications, the Company continues to develop and emerging application markets such as automotive.

In terms of SiC products, the market demand for SiC power components is still growing. In recent years, the Company has continued to expand the scale of production and sales, and the revenue has continued to increase. In addition, the development of high-purity SiC ceramic products that have been actively extended and invested has also made certain progress, which is expected to be a new opportunity for the next development.

In terms of production, facing a fiercely competitive business environment, stable quality and cost control are required to meet customer needs and have room for profit. We continue to vigorously promote lean production, Six Sigma, TRIZ system training and cost reduction project promotion, and introduce automation and information to be integrated into the MES production system, so that the production process can be rationalized and automated and smarter, further improving the overall quality and our cost advantage.

Looking forward to 2024, inflation and geopolitical risks will continue to affect economic development. There are always innovative products in the electronics applications industry, and the market is full of new opportunities. We expect to continue improving our competitive advantage in the ferrite cores business and actively developing new businesses to create even more profits.

Chairman : Wu, Yi-Gui

President : Wu, Wen-Hao

Chief Accounting Office : Chang, Sheng-Chuang

## **Report Items :**

### **Report 2**

To report Audit Committee's Review Reports of 2023 Financial Statement.

## **Acme Electronics Corporation**

### **Audit Report**

This Audit Committee has audited the 2023 Business Report produced by the Board of Directors, the financial statements (including consolidated and individual financial statements) audited and certified by CPA Chang, Cheng-Hsiu and CPA Cheng-Chun Chiu of Deloitte Taiwan, and the proposal for deficit compensation and found no nonconformity. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is presented for approval to AGM.

To

Acme Electronics Corporation 2024 Annual General Meeting of Shareholders

Audit Committee, Acme Electronics Corporation

Independent Director : Chang, Lee-Chiou

Independent Director : Chen, Piao-Chun

Independent Director : Lin, Tung-Hsing

March 6, 2024



## **Report Items :**

### **Report 3**

To report 2023 remuneration of directors and employees.

Description :

1. Proceeded in accordance with related orders of the Ministry of Economic Affairs and Article 34 of the Articles of Incorporation of the Company.
2. Since the Company made no profit in 2023, no remuneration for directors and employees will be distributed.

## **II. Matters for Ratification and Discussion (I):**

### **Proposal 1**

Proposed by the Board

To ratify 2023 Business Report and Financial Statements.

Description: 1. The 2023 financial statements (including consolidated and individual financial statements) approved by the Board on March 5, 2024 are audited by CPA Chang, Cheng-Hsiu and CPA Cheng-Chun Chiu of Deloitte Taiwan and the Audit Committee for the record.

2. Please refer to p.4-5 of this Handbook for the 2023 Business Report and p.8-28 for the CPA Audit Report and the financial statements.

Resolution :

## **Independent Auditors' Report**

To: Acme Electronics Corporation

### **Audit Opinion**

We have audited the Consolidated balance sheets of Acme Electronics Corporation and its subsidiaries (the “Group”) as of December 31, 2023 and 2022 and the Consolidated statements of Comprehensive Income, Consolidated statements of Changes in Equity, and Consolidated statements of Cash Flows for January 1 to December 31, 2023 and 2022, and the accompanying Notes to the Consolidated financial Statements (including the Summary of Significant Accounting Policies).

In our opinion, the consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Standing Interpretations Committee (SIC) Interpretations as endorsed and issued into effect by the Financial Supervisory Commission (FSC), and are sufficient to give a fair representation of the financial position of the Group as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2023 and 2022.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards of Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 the most significance in our audit of the Group's 2023 Consolidated Financial Statements. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of the Group for 2023 are as follows:

#### Revenue from Sales of Specific Products

In 2023, the Group's revenue from sales of specific products increased significantly, which deviated from the overall trend in operating revenue, and the amount was significant. Therefore, the auditor has listed the authenticity of the aforementioned sales revenue as a key audit matter.

Please consult Note 4 of the Consolidated Financial Statements for accounting policies and relevant information concerning sales revenue.

#### Audit Procedures:

1. Obtain a comprehensive understanding of the operational procedures and internal controls associated with the Group's sales transactions and test the design and implementation of such controls.
2. Obtain specific sales revenue details and carefully review the relevant original orders, shipping documents, and other certificates associated with the recognition of sales revenue, as well as the actual receipt of payments to confirm the authenticity of sales revenue.
3. Review sales returns and discounts after the period to confirm whether there are any abnormalities.

#### **Other Matters**

Acme Electronics Corporation has prepared the Parent Company Only financial reports for 2023 and 2022. The audit reports with unqualified opinions issued by the auditor are on file for reference.

#### **Responsibilities of Management and Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC, and such internal control as the management determines is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If considered material, individually or in aggregate, misstatements could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Financial Statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls 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 internal controls of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the 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 Group's ability to operate 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements (including the related notes) and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction,

supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of the Group.

We communicate with those in charge of 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Based on the matters communicated with those charged with governance, we determined the key audit matters for the Consolidated Financial Statements of the Group for 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chang, Cheng-Hsiu

CPA Chiu, Cheng-Chun

Financial Supervisory Commission

Approved Document No.

Financial Management Certificate

Examination No. 1120349008

Financial Supervisory Commission

Approved Document No.

Financial Management Certificate

Examination No. 0930160267

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

March 6, 2024

Acme Electronics Corporation and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2023 and 2022

Unit: NT\$ thousands

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 456,723	10	\$ 490,219	10
1110	Financial assets at fair value through profit or loss - current	142	-	450	-
1136	Financial assets at amortized cost - current	20,189	1	15,557	-
1150	Notes receivable	56,452	1	46,749	1
1170	Accounts receivable, net	680,977	15	747,391	16
1200	Other receivables	11,336	-	7,867	-
1220	Current tax assets	9,485	-	2,473	-
130X	Inventories	669,164	15	981,880	21
1470	Other current assets	48,845	1	62,415	1
11XX	Total current assets	<u>1,953,313</u>	<u>43</u>	<u>2,355,001</u>	<u>49</u>
	Non-current assets				
1550	Investments accounted for under the equity method	18,196	-	22,739	1
1600	Property, plant and equipment	2,048,409	45	1,815,758	38
1755	Right-of-use assets	169,178	4	191,452	4
1780	Intangible assets	4,220	-	6,010	-
1840	Deferred tax assets	97,137	2	72,522	2
1915	Prepayments for equipment	277,851	6	306,477	6
1920	Refundable deposits	11,140	-	8,933	-
15XX	Total non-current assets	<u>2,626,131</u>	<u>57</u>	<u>2,423,891</u>	<u>51</u>
1XXX	Total Assets	<u>\$ 4,579,444</u>	<u>100</u>	<u>\$ 4,778,892</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short -term borrowings	\$ 357,357	8	\$ 731,926	15
2110	Short-term notes payable, net	-	-	79,951	2
2120	Financial liabilities at fair value through profit or loss - current	33	-	-	-
2170	Notes and accounts payable	61,477	2	79,524	2
2200	Other payables	274,117	6	266,430	6
2230	Current tax liabilities	-	-	2,575	-
2280	Lease liabilities - current	14,104	-	14,285	-
2320	Long-term borrowings due within one year	1,047	-	-	-
2399	Other current liabilities	12,988	-	8,217	-
21XX	Total current liabilities	<u>721,123</u>	<u>16</u>	<u>1,182,908</u>	<u>25</u>
	Non-current liabilities				
2540	Long-term borrowings	1,332,892	29	1,369,000	28
2570	Deferred tax liabilities	106,086	2	131,223	3
2580	Lease liabilities - non-current	44,212	1	59,304	1
2630	Long-term deferred incomes	34,822	1	32,201	1
2640	Net defined benefit liabilities - non-current	15,118	-	16,153	-
2645	Guarantee deposits received	612	-	24	-
25XX	Total non-current liabilities	<u>1,533,742</u>	<u>33</u>	<u>1,607,905</u>	<u>33</u>
2XXX	Total liabilities	<u>2,254,865</u>	<u>49</u>	<u>2,790,813</u>	<u>58</u>
	Equity attributable to owners of the Company				
3110	Ordinary share capital	2,129,937	46	1,829,937	38
3200	Capital surplus	299,942	7	2,139	-
3350	Accumulated deficit	( 478,030 )	( 10 )	( 305,019 )	( 6 )
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	( 182,384 )	( 4 )	( 149,354 )	( 3 )
31XX	Total equity attributable to owners of the Company	<u>1,769,465</u>	<u>39</u>	<u>1,377,703</u>	<u>29</u>
36XX	Non-controlling interests	<u>555,114</u>	<u>12</u>	<u>610,376</u>	<u>13</u>
3XXX	Total equity	<u>2,324,579</u>	<u>51</u>	<u>1,988,079</u>	<u>42</u>
	Total liabilities and equity	<u>\$ 4,579,444</u>	<u>100</u>	<u>\$ 4,778,892</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman of the Board: Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager: Chang, Sheng-Chung

Acme Electronics Corporation and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands (except Earnings (Losses) Per Share: NT\$)

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue				
4110	Sales revenue	\$2,556,563	100	\$3,066,314	100
4170	Less: Sales returns and allowances	<u>4,817</u>	<u>-</u>	<u>9,097</u>	<u>-</u>
4000	Total operating revenue	2,551,746	100	3,057,217	100
	Operating costs				
5110	Cost of goods sold	<u>2,314,247</u>	<u>91</u>	<u>2,537,248</u>	<u>83</u>
5900	Gross profit	<u>237,499</u>	<u>9</u>	<u>519,969</u>	<u>17</u>
	Operating expenses				
6100	Selling and marketing expenses	126,346	5	144,031	5
6200	Administrative expenses	187,467	7	189,714	6
6300	Research and development expenses	170,947	7	138,888	4
6450	Provision (reversal of provision) for bad debt expense	<u>935</u>	<u>-</u>	<u>( 87)</u>	<u>-</u>
6000	Total operating expenses	<u>485,695</u>	<u>19</u>	<u>472,546</u>	<u>15</u>
6900	Net operating (loss) profit	<u>( 248,196)</u>	<u>( 10)</u>	<u>47,423</u>	<u>2</u>
	Non-operating income and expenses				
7100	Interest income	13,766	1	7,964	-
7010	Other income	28,747	1	26,992	1
7630	Foreign exchange gains	7,987	-	11,959	-

(Continued)



(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7020	Other gains and losses	(\$ 1,447)	-	\$ 2,600	-
7050	Finance costs	( 45,779)	( 2)	( 34,399)	( 1)
7060	Share of profit or loss of affiliates accounted for under the equity method	( 4,543)	-	( 9,467)	-
7000	Total non-operating income and expenses	( 1,269)	-	5,649	-
7900	Net profit (loss) before tax	( 249,465)	( 10)	53,072	2
7950	Income tax benefit (expense)	37,548	2	( 38,355)	( 1)
8200	Net profit (loss) for the year	( 211,917)	( 8)	14,717	1
	Other comprehensive income (net)				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	( 337)	-	2,864	-
8349	Income tax relating to items not reclassified subsequently to profit or loss	68 ( 269)	- -	( 573) 2,291	- -
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	( 57,374)	( 2)	39,220	1

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>8,257</u> <u>( 49,117)</u>	<u>-</u> <u>( 2)</u>	<u>( 5,471)</u> <u>33,749</u>	<u>-</u> <u>1</u>
8300	Total other comprehensive income (net)	<u>( 49,386)</u>	<u>( 2)</u>	<u>36,040</u>	<u>1</u>
8500	Total comprehensive income for the year	<u>(\$261,303)</u>	<u>( 10)</u>	<u>\$ 50,757</u>	<u>2</u>
	Net (loss) profit attributable to:				
8610	Owners of parent company	<u>(\$171,224)</u>	<u>( 7)</u>	<u>\$ 16,348</u>	<u>1</u>
8620	Non-controlling interests	<u>( 40,693)</u>	<u>( 1)</u>	<u>( 1,631)</u>	<u>-</u>
8600		<u>(\$211,917)</u>	<u>( 8)</u>	<u>\$ 14,717</u>	<u>1</u>
	Total comprehensive income attributable to:				
8710	Owners of parent company	<u>(\$204,523)</u>	<u>( 8)</u>	<u>\$ 40,523</u>	<u>1</u>
8720	Non-controlling interests	<u>( 56,780)</u>	<u>( 2)</u>	<u>10,234</u>	<u>1</u>
8700		<u>(\$261,303)</u>	<u>( 10)</u>	<u>\$ 50,757</u>	<u>2</u>
	Earnings (losses) per share				
9750	Basic	<u>(\$ 0.81)</u>		<u>\$ 0.09</u>	
9850	Diluted	<u>(\$ 0.81)</u>		<u>\$ 0.09</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman of the Board:  
Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager:  
Chang, Sheng-Chuang

Acme Electronics Corporation and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands, unless stated otherwise

Equity attributable to owners of the Company

Code		Share capital		Capital surplus	Accumulated deficit	Exchange differences on translating the financial statements of foreign operations	Total	Non-controlling interests	Total equity
		Number of shares issued	Amount						
A1	Balance as of January 1, 2022	182,993,743	\$ 1,829,937	\$ -	(\$ 323,658)	(\$ 171,238)	\$ 1,335,041	\$ 600,101	\$ 1,935,142
C17	Exercise of disgorgement	-	-	72	-	-	72	-	72
N1	Equity-based compensation transactions	-	-	2,067	-	-	2,067	41	2,108
D1	Net profit for 2022	-	-	-	16,348	-	16,348	( 1,631)	14,717
D3	Other comprehensive gains and losses after tax for 2022	-	-	-	2,291	21,884	24,175	11,865	36,040
D5	Total comprehensive income for 2022	-	-	-	18,639	21,884	40,523	10,234	50,757
Z1	Balance as of December 31, 2022	182,993,743	1,829,937	2,139	( 305,019)	( 149,354)	1,377,703	610,376	1,988,079
C17	Exercise of disgorgement	-	-	4	-	-	4	-	4
E1	Capital increase in cash	30,000,000	300,000	297,799	-	-	597,799	-	597,799
M7	Changes in ownership interests in subsidiaries	-	-	-	( 1,518)	-	( 1,518)	1,518	-
D1	Net loss for 2023	-	-	-	( 171,224)	-	( 171,224)	( 40,693)	( 211,917)
D3	Other comprehensive gains and losses after tax for 2023	-	-	-	( 269)	( 33,030)	( 33,299)	( 16,087)	( 49,386)
D5	Total comprehensive income for 2023	-	-	-	( 171,493)	( 33,030)	( 204,523)	( 56,780)	( 261,303)
Z1	Balance as of December 31, 2023	<u>212,993,743</u>	<u>\$ 2,129,937</u>	<u>\$ 299,942</u>	<u>(\$ 478,030)</u>	<u>(\$ 182,384)</u>	<u>\$ 1,769,465</u>	<u>\$ 555,114</u>	<u>\$ 2,324,579</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman of the Board: Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager: Chang, Sheng-Chuang

Acme Electronics Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax	( \$ 249,465 )	\$ 53,072
	Income and expenses		
A20100	Depreciation expenses	280,539	231,530
A20200	Amortization expense	1,732	1,924
A20300	Provision (reversal of provision) for bad debt expense	935	( 87 )
A20400	Net loss of financial instruments at fair value through profit or loss	341	547
A20900	Finance costs	45,779	34,399
A21200	Interest income	( 13,766 )	( 7,964 )
A21900	Employee stock option compensation cost	-	2,108
A22300	Share of profit or loss of associates accounted for under the equity method	4,543	9,467
A22500	Loss of disposal and scrapping of property, plant and equipment	4,894	122
A23700	Loss on (gain on reversal of) write-down of inventories	( 38,443 )	61,929
A24100	Foreign exchange losses	5,162	21,105
A29900	Deferred and other income	( 2,920 )	( 2,350 )
A30000	Change in operating assets and liabilities		
A31130	Notes receivable	( 9,703 )	( 10,641 )
A31150	Accounts receivable (including related parties)	65,667	71,733
A31180	Other receivables (including related parties)	( 3,115 )	3,453
A31200	Inventories	352,105	( 311,739 )
A31240	Other current assets	13,571	( 21,258 )
A32150	Notes and accounts payable (including related parties)	( 18,047 )	( 82,439 )
A32180	Other payables (including related parties)	2,254	( 83,165 )
A32230	Other current liabilities	4,771	( 6,920 )
A32240	Net defined benefit liabilities	( 1,371 )	( 2,473 )
A33000	Cash flows generated from operations	445,463	( 37,647 )
A33100	Interest received	13,412	8,711
A33300	Interest paid	( 47,033 )	( 30,797 )
A33500	Income tax paid	( 13,499 )	( 20,758 )
AAAA	Net cash flows generated from operating activities	<u>398,343</u>	<u>( 80,491 )</u>

(Continued)

(Continued)

Code		2023	2022
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	( \$ 5,128 )	( \$ 172 )
B02700	Acquisition cost of property, plant and equipment	( 495,873 )	( 619,826 )
B02800	Proceeds from disposal of property, plant and equipment	1,946	4,195
B03700	Increase in refundable deposits	( 2,324 )	( 25 )
B04500	Purchase of Intangible assets	-	( 1,503 )
B09900	Increase in long-term deferred income	<u>6,090</u>	<u>-</u>
BBBB	Net cash used in investing activities	( <u>495,289</u> )	( <u>617,331</u> )
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	( 378,494 )	( 18,220 )
C00600	Decrease in short-term notes payable	( 80,000 )	( 200,000 )
C01600	Proceeds from long-term borrowings	1,044,356	5,306,000
C01700	Repayments of long-term borrowings	( 1,078,500 )	( 4,577,000 )
C03000	Increase in refundable deposits	603	-
C04020	Repayments of the principal portion of lease liabilities	( 14,331 )	( 14,205 )
C04600	Capital increase in cash	600,000	-
C09900	Payment of stock issuance costs	( 2,201 )	-
C09900	Exercise of disgorgement	<u>4</u>	<u>72</u>
CCCC	Net cash from financing activities	<u>91,437</u>	<u>496,647</u>
DDDD	Effects of exchange rate changes on cash held in foreign currencies	( <u>27,987</u> )	<u>14,557</u>
EEEE	Decrease in cash and cash equivalents for the fiscal year	( 33,496 )	( 186,618 )
E00100	Cash and cash equivalents at the beginning of the year	<u>490,219</u>	<u>676,837</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 456,723</u>	<u>\$ 490,219</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman of the Board:  
Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager:  
Chang, Sheng-Chuang

## **Independent Auditors' Report**

To: Acme Electronics Corporation

### **Audit Opinion**

We have audited the Parent Company Only balance sheets of Acme Electronics Corporation (the “Company”) as of December 31, 2023 and 2022 and the Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows for January 1 to December 31, 2023 and 2022, and the accompanying Notes to the Financial Statements (including the Summary of Significant Accounting Policies).

In our opinion, the financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and are sufficient to give a fair representation of the financial position of the Company as of December 31, 2023 and 2022, and the financial performance and cash flows from January 1 to December 31, 2023 and 2022.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards of Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 the most significance in our audit of the 2023 Parent Company Only Financial Statements of Acme Electronics Corporation. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company Only Financial Statements of the Company for 2023 are as follows:

#### **Revenue from Sales of Specific Products**

In 2023, the Company's revenue from sales of specific products increased significantly, which deviated from the overall trend in operating revenue, and the amount was significant. Therefore, the auditor has listed the authenticity of the aforementioned sales revenue as a key audit matter.

Please consult Note 4 of the Parent Company Only Financial Statements for accounting policies and relevant information concerning sales revenue.

**Audit Procedures:**

1. Obtain a comprehensive understanding of the operational procedures and internal controls associated with the Company's sales transactions and test the design and implementation of such controls.
2. Obtain specific sales revenue details and carefully review the relevant original orders, shipping documents, and other certificates associated with the recognition of sales revenue, as well as the actual receipt of payments to confirm the authenticity of sales revenue.
3. Review sales returns and discounts after the period to confirm whether there are any abnormalities.

**Responsibilities of Management and Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and such internal control as the management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the 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, including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If considered material, individually or in aggregate, misstatements could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

As part of an audit in accordance with the Standards of Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls 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 internal controls of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the 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 operate 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 Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements (including the related notes) and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of the Company.

We communicate with those in charge of 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 identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Based on the matters communicated with those charged with governance, we determined the key audit matters for the Parent Company Only Financial Statements of the Company for 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chang, Cheng-Hsiu

CPA Chiu, Cheng-Chun

Financial Supervisory Commission  
Approved Document No.  
Financial Management Certificate  
Examination No. 1120349008

Financial Supervisory Commission  
Approved Document No.  
Financial Management Certificate  
Examination No. 0930160267

#### Notice to Readers

The accompanying financial statements are intended only to present the accompanying financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such accompanying financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and accompanying financial statements shall prevail.

March 6, 2024

Acme Electronics Corporation  
Parent Company Only Balance Sheets  
December 31, 2023 and 2022

		December 31, 2023		December 31, 2022	
		Amount		Amount	
Code	Assets		%		%
	Current assets				
1100	Cash and cash equivalents	\$ 50,135	2	\$ 82,497	2
1136	Financial assets at amortized cost - current	5,800	-	5,800	-
1150	Notes receivable	392	-	389	-
1170	Accounts receivable, net	240,584	7	213,531	6
1180	Accounts receivable, net of related parties	71,963	2	83,402	3
1200	Other receivables	1,648	-	575	-
1210	Other receivables, related parties	33,804	1	31,191	1
1220	Current tax assets	317	-	171	-
130X	Inventories	252,536	7	358,124	11
1470	Other current assets	40,695	1	54,530	2
11XX	Total current assets	697,874	20	830,210	25
	Non-current assets				
1550	Investments accounted for under the equity method	1,819,678	51	1,781,355	53
1600	Property, plant and equipment	691,487	20	483,203	15
1755	Right-of-use assets	607	-	1,095	-
1780	Intangible assets	616	-	1,327	-
1840	Deferred tax assets	58,604	2	55,178	2
1915	Prepayments for equipment	251,842	7	178,980	5
1920	Refundable deposits	6,130	-	6,130	-
15XX	Total non-current assets	2,828,964	80	2,507,268	75
1XXX	Total Assets	\$ 3,526,838	100	\$ 3,337,478	100
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings	\$ 199,100	6	\$ 216,000	7
2110	Short-term notes payable, net	-	-	79,951	2
2170	Notes and accounts payable	32,603	1	34,753	1
2180	Accounts payable, related parties	36,811	1	64,843	2
2200	Other payables	119,721	3	61,129	2
2280	Lease liabilities - current	390	-	491	-
2399	Other current liabilities	1,120	-	2,076	-
21XX	Total current liabilities	389,745	11	459,243	14
	Non-current liabilities				
2540	Long-term borrowings	1,277,500	36	1,369,000	41
2570	Deferred tax liabilities	74,756	2	114,735	3
2580	Lease liabilities - non-current	230	-	620	-
2640	Net defined benefit liabilities - non-current	15,118	1	16,153	1
2645	Guarantee deposits received	24	-	24	-
25XX	Total non-current liabilities	1,367,628	39	1,500,532	45
2XXX	Total Liabilities	1,757,373	50	1,959,775	59
	Equity				
3110	Ordinary share capital	2,129,937	60	1,829,937	55
3200	Capital surplus	299,942	9	2,139	-
3350	Accumulated deficit	( 478,030)	( 14)	( 305,019)	( 9)
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	( 182,384)	( 5)	( 149,354)	( 5)
3XXX	Total equity	1,769,465	50	1,377,703	41
	Total liabilities and equity	\$ 3,526,838	100	\$ 3,337,478	100

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman of the Board: Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager: Chang, Sheng-Chung

Acme Electronics Corporation  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands (except Earnings (Losses) Per Share: NT\$)

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue				
4110	Sales revenue	\$ 1,191,622	100	\$ 1,381,388	100
4170	Less: Sales returns and allowances	<u>2,851</u>	<u>-</u>	<u>2,062</u>	<u>-</u>
4000	Total operating revenue	1,188,771	100	1,379,326	100
	Operating costs				
5110	Cost of goods sold	<u>956,419</u>	<u>81</u>	<u>1,278,685</u>	<u>92</u>
5900	Gross profit	232,352	19	100,641	8
5910	(Un)realized losses from sales	<u>88,058</u>	<u>7</u>	( <u>96,505</u> )	( <u>7</u> )
5950	Realized gross profit	<u>144,294</u>	<u>12</u>	<u>197,146</u>	<u>15</u>
	Operating expenses				
6100	Selling and marketing expenses	39,733	3	40,997	3
6200	Administrative expenses	94,845	8	96,947	7
6300	Research and development				
	expenses	122,185	10	93,245	7
6450	Provision (reversal of provision)				
	for bad debt expense	<u>-</u>	<u>-</u>	( <u>300</u> )	<u>-</u>
6000	Total operating expenses	<u>256,763</u>	<u>21</u>	<u>230,889</u>	<u>17</u>
6900	Net operating loss	( <u>112,469</u> )	( <u>9</u> )	( <u>33,743</u> )	( <u>2</u> )
	Non-operating income and expenses				
7100	Interest income	2,962	-	1,110	-
7010	Other income	36,526	3	40,398	3
7020	Other gains and losses	( 3,393 )	-	( 3,977 )	( 1 )
7050	Finance costs	( 23,233 )	( 2 )	( 16,906 )	( 1 )
7630	Foreign exchange gains	1,530	-	38,496	3
7070	Share of profit or loss of				
	subsidiaries and affiliates				
	accounted for using the equity				
	method	( <u>106,052</u> )	( <u>9</u> )	<u>11,965</u>	<u>1</u>
7000	Total non-operating income				
	and expenses	( <u>91,660</u> )	( <u>8</u> )	<u>71,086</u>	<u>5</u>

(Continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	Net profit (loss) before tax	( \$ 204,129 )	( 17 )	\$ 37,343	3
7950	Income tax benefit (expense)	<u>32,905</u>	<u>3</u>	( <u>20,995</u> )	( <u>2</u> )
8200	Net profit (loss) for the year	( <u>171,224</u> )	( <u>14</u> )	<u>16,348</u>	<u>1</u>
	Other comprehensive income (net)				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	( 337 )	-	2,864	-
8349	Income tax relating to items not reclassified subsequently to profit or loss	<u>68</u>	<u>-</u>	( <u>573</u> )	<u>-</u>
		( <u>269</u> )	<u>-</u>	<u>2,291</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	( 41,287 )	( 4 )	27,355	2
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>8,257</u>	<u>1</u>	( <u>5,471</u> )	<u>-</u>
		( <u>33,030</u> )	( <u>3</u> )	<u>21,884</u>	<u>2</u>
8300	Total other comprehensive income (net) for the fiscal year	( <u>33,299</u> )	( <u>3</u> )	<u>24,175</u>	<u>2</u>
8500	Total comprehensive income for the fiscal year	( <u>\$ 204,523</u> )	( <u>17</u> )	<u>\$ 40,523</u>	<u>3</u>
	Earnings (losses) per share				
9750	Basic	( <u>\$ 0.81</u> )		<u>\$ 0.09</u>	
9850	Diluted	( <u>\$ 0.81</u> )		<u>\$ 0.09</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman of the Board:  
Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager:  
Chang, Sheng-Chung

Acme Electronics Corporation  
Parent Company Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands, unless stated otherwise

Code		Share capital		Capital surplus	Accumulated deficit	Exchange differences on translating the financial statements of foreign operations	Total equity
		Number of shares issued	Amount				
A1	Balance as of January 1, 2022	182,993,743	\$ 1,829,937	\$ -	(\$ 323,658)	(\$ 171,238)	\$ 1,335,041
C17	Exercise of disgorgement	-	-	72	-	-	72
N1	Equity-based compensation transactions	-	-	2,067	-	-	2,067
D1	Net profit for 2022	-	-	-	16,348	-	16,348
D3	Other comprehensive gains and losses after tax for 2022	-	-	-	2,291	21,884	24,175
D5	Total comprehensive income for 2022	-	-	-	18,639	21,884	40,523
Z1	Balance as of December 31, 2022	182,993,743	1,829,937	2,139	( 305,019)	( 149,354)	1,377,703
C17	Exercise of disgorgement	-	-	4	-	-	4
E1	Capital increase in cash	30,000,000	300,000	297,799	-	-	597,799
M7	Change in ownership interests in subsidiaries	-	-	-	( 1,518)	-	( 1,518)
D1	Net loss for 2023	-	-	-	( 171,224)	-	( 171,224)
D3	Other comprehensive gains and losses after tax for 2023	-	-	-	( 269)	( 33,030)	( 33,299)
D5	Total comprehensive income for 2023	-	-	-	( 171,493)	( 33,030)	( 204,523)
Z1	Balance as of December 31, 2023	212,993,743	\$ 2,129,937	\$ 299,942	(\$ 478,030)	(\$ 182,384)	\$ 1,769,465

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman of the Board: Wu, Yi-Gui

President: Wu, Wen-Hao

Accounting Manager: Chang, Sheng-Chung

Acme Electronics Corporation  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the fiscal year	( \$ 204,129 )	\$ 37,343
A20010	Income and expenses:		
A20100	Depreciation expenses	72,298	48,131
A20200	Amortization expense	711	788
A20300	Provision (reversal of provision) for bad debt expense	-	( 300 )
A20400	Net loss of financial instruments at fair value through profit or loss	-	569
A20900	Finance costs	23,233	16,906
A21200	Interest income	( 2,962 )	( 1,110 )
A21900	Employee stock option compensation cost	-	1,963
A22400	Share of profit or loss of subsidiaries and affiliates accounted for under the equity method	106,052	( 11,965 )
A22500	Loss of disposal and scrapping of property, plant and equipment	3,339	644
A23700	Loss on (gain on reversal of) write-down of inventories	( 19,500 )	28,359
A23900	(Un)realized losses from subsidiaries	88,058	( 96,505 )
A24100	Foreign exchange losses	6,807	3,091
A30000	Change in operating assets and liabilities		
A31130	Notes receivable	( 5 )	( 106 )
A31150	Accounts receivable (including related parties)	( 2,171 )	16,356
A31180	Other receivables (including related parties)	( 3,095 )	6,105
A31200	Inventories	125,088	( 65,043 )
A31240	Other current assets	13,835	( 24,167 )
A32150	Notes and accounts payable (including related parties)	( 51,007 )	( 121,426 )
A32180	Other payables (including related parties)	8,213	( 11,891 )
A32230	Other current liabilities	( 956 )	( 6 )
A32240	Net defined benefit liabilities	( <u>1,372</u> )	( <u>2,473</u> )
A33000	Cash flows generated from operations	162,437	( 174,737 )
A33100	Interest received	2,948	1,116
A33300	Interest paid	( 22,988 )	( 15,477 )
A33500	Income tax paid	( <u>2,321</u> )	( <u>3,080</u> )
AAAA	Net cash flows generated from operating activities	<u>140,076</u>	( <u>192,178</u> )

(Continued)

(Continued)

Code		2023	2022
	Cash flows from investing activities		
B02200	Cash outflow for capital increase of subsidiaries	( \$ 275,238 )	\$ -
B02700	Acquisition cost of property, plant and equipment	( 315,490 )	( 275,650 )
B02800	Proceeds from disposal of property, plant and equipment	9,378	716
B04500	Purchase of intangible assets	-	( 1,000 )
B03700	Increase in refundable deposits	<u>-</u>	( <u>50</u> )
BBBB	Net cash used in investing activities	( <u>581,350</u> )	( <u>275,984</u> )
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	( 16,900 )	( 84,000 )
C00600	Decrease in short-term notes payable	( 80,000 )	( 200,000 )
C01600	Proceeds from long-term borrowings	987,000	5,306,000
C01700	Repayments of long-term borrowings	( 1,078,500 )	( 4,577,000 )
C04020	Repayments of the principal portion of lease liabilities	( 491 )	( 485 )
C04600	Capital increase in cash	600,000	-
C09900	Payment of stock issuance costs	( 2,201 )	-
C09900	Exercise of disgorgement	<u>4</u>	<u>72</u>
CCCC	Net cash from financing activities	<u>408,912</u>	<u>444,587</u>
EEEE	Decrease in cash and cash equivalents for the fiscal year	( 32,362 )	( 23,575 )
E00100	Cash and cash equivalents at the beginning of the year	<u>82,497</u>	<u>106,072</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 50,135</u>	<u>\$ 82,497</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman of the Board:    President: Wu, Wen-Hao  
Wu, Yi-Gui

Accounting Manager:  
Chang, Sheng-Chung

## **Matters for Ratification and Discussion (I):**

### **Proposal 2**

Proposed by the Board

To ratify 2023 Deficit Compensation

Description : The Net loss of 202 was NT\$171,223,503. Add Beginning Accumulated deficit NT\$305,019,440, Retained earnings adjusted for investments made under the equity method NT\$1,517,726 and plan after re-measurement NT\$269,059. At the end of 2023, the accumulated deficit is NT\$178,087,761. Please refer to p.33, “Deficit Compensation Table”, for details.

Resolution :



**Acme Electronics Corporation**  
**2023 Deficit Compensation Table**

	expressed in NTD
Net loss of 2023	( 171,223,503)
Beginning Accumulated deficit	( 305,019,440)
Retained earnings adjusted for investments made under the equity method	( 1,517,726)
Retained earnings adjusted for the defined benefit plan after re-measurement	( ,269,059)
Accumulated deficit at the end of 2023	( 478,029,728)
Capital surplus accumulated deficit	299,941,967
Accumulated deficit at the end of 2023	( 178,087,761)

Chairman : Wu, Yi-Gui

President : Wu, Wen-Hao

Chief Accounting Office : Chang, Sheng-Chuang

## Matters for Ratification and Discussion (I):

### Proposal 3

Proposed by the Board

To approve the permission of directors for competitive actions.

Description 1. Referring to Article 209 of the Company Act,  
“A director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. Directors of the Company engage in business within the scope of business of the Company are tabulated below. Without harming the interest of the Company, it is proposed to allow their act in accordance with the Company Act.

Name of Directors	Concurrent Employers	Title
Wu, Yi-Gui (Representative of USI Corporation)	Acme Advanced Materials Sdn. Bhd. 、Xiamen USI Trading Co., Ltd.	Director
Cheng, Hui-Ming (Representative of ASIA Polymer Corporation)	Homeplus Digital Co., Ltd.	Director

Wu, Wen-Hao (Representative of ASIA Polymer Corporation)	Acme Advanced Materials Sdn. Bhd. 、Acme Components (Malaysia) Sdn. Bhd. 、Acme Ferrite Products Sdn. Bhd.	Chairman
	PT. Swanson Plastics Indonesia 、Swanson Plastics (India) Private Limited 、Swanson Plastics (Malaysia) Sdn. Bhd. 、 Swanson Plastics (Singapore) Pte. Ltd. 、 ASK-Swanson (Kunshan)Co.,Ltd. 、 Swanson Plastics (Tianjin) Co.,Ltd. 、Swanson Plastics (Kunshan) Co.,Ltd.	President
Chang, Lee-Chiou (Independent Director)	Taiwan Hopax Chemicals MFG. Co., Ltd.	Independent Director
	Viarich Biotechnology Co., Ltd.	Chairman
Lin, Shun-Tian (Independent Director)	Draco Material Co., Ltd.	Chairman
	Trip Artite Therapeutics Inc.	Director
Chen, Piao-Chun (Independent Director)	Taita Chemical Company, Limited	Independent Director

3.Please vote.

Resolution：

### **III.Matters for Election**

Proposed by the Board

Add-election of one independent director.

Description : 1. The Company shall have 9~11 directors. The directors referred to in the least three independent directors.

2.The Company currently has nine directors. Three of them are independent directors. According to current laws and regulations, it is planned to add an independent director, After the Add-election, the total number of directors will be ten.

3.The candidate nomination system shall apply. AGM shall elect one independent director from the candidate list. Please refer to the table in the next page for the name, education, and experience of candidate.

4.New independent director will take up his office immediately after the election for a term to May 25, 2026.

Results :

## **Acme Electronics Corporation**

### **List of Candidate for Independent Directorial Election**

No.	1
A/C No.	—
Stake	—
Name	Wang, Ding-Chang
Citizen ID No.	A10336XXXX
Major Education/ Experience	PhD, Dept. of Material Science & Engineering, NTU CEO, Ritek Corp., Ritek Group CEO, RiTdisplay Corp., Ritek Group Chairman, Cashido Corp., Ritek Group VP, Swanson Plastics, USI Group
Major Current Position	CEO, Ritek Corp., Ritek Group CEO, RiTdisplay Corp., Ritek Group

#### IV.Matters for Discussion (II)

Proposed by the Board

To approve the permission of new independent director for competitive actions.

Description : 1. Referring to Article 209 of the Company Act,  
“A director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. The competitive action in which new independent director Mr. Wang, Ding-Chang engaged is tabulated below. Without harming the interest of the Company, it is proposed to allow his act in accordance with the Company Act.

Concurrent Employers	Title
Ritek Corporation	CEO
RiTdisplay Corp.	Director & CEO
PVNext Corp.	Director & CEO
Cashido Corp.	Chairman
RitWin Corp.	Director
WellTech Energy Inc.	Director

RiFast Corp.	Director
RitPower(Yangzou) Opto Technology Inc.	Director

3.Please vote.

Resolution :

## **V. Extemporaneous Motions**

## **VI. Meeting Adjournment**



# Appendix 1

## **Acme Electronics Corporation Parliamentary Rules for Shareholders' Meetings**

Amended on May 26, 2023

### Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Any changes to the convening of a shareholders meeting shall be resolved by the board meeting, which should be completed at the latest before the notice of the shareholders meeting is sent.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and the shareholders meeting agenda and supplemental meeting materials, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation.

The abovementioned meeting agenda and supplementary materials shall be made available by this Corporation to shareholders in the following ways on the day of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.

2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the video conferencing platform.
3. For virtual-only shareholders meetings, electronic documents should be shared on the video conferencing platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and publish, and the main contents for the reason should be listed and explained according to law, and shall not be raised by an extraordinary motion.

If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be change by a motion or other means in the same meeting of shareholders.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or

electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Should the shareholder decide to attend the shareholders meeting by video conferencing after a proxy form has been received by this Corporation, a written notice of proxy cancellation shall be sent to this Corporation 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

## Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, 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 restriction on the place of the meeting shall not apply when this Corporation convenes a virtual-only.

## Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder, solicitors and proxies (collectively "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Registering to the video conferencing platform of the shareholders meeting should be completed at least 30 minutes before the meeting starts, those who complete the registration process are considered to have attended the meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by

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

For shareholders meetings that are held by video conferencing, shareholders who would like to attend the video conferencing of shareholders meeting should register with this Corporation at least two days before the shareholders meeting.

For shareholders meetings that are held by video conferencing, this Corporation shall upload the meeting agenda, annual report and other relevant information to the video conferencing platform 30 minutes before the shareholders meeting, and keep this information disclosed until the end of the meeting.

#### Article 6-1

(Matters to be included in the notice for the shareholders meeting conducted via video conferencing)

The shareholders meeting notice should specify the following matters if the meeting is also made available through video conferencing:

1. Methods of participation in the meeting through video conferencing and for exercising their rights.
2. The handling of issues with the video conferencing platform or participation in the video conference due to natural disasters, incidents or other force majeure events.
3. Other matters as required by law.

#### Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance

registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

For the shareholders meetings held by video conferencing, this Corporation shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The abovementioned materials and audio and video recordings shall be properly retained by this Corporation during the period of existence.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and number of shares represented as checked in to the video conferencing meeting platform, and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of non-voting shares and the number of shares in attendance, etc. 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.

#### Article 10

##### (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in

accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

When the chair is of the opinion that a proposal and of amendments or extraordinary motions has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and Specify the voting time, and that the shareholders present should complete voting before the voting time ends.

## Article 11

### (Shareholder speech)

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.

Report Items and matters unrelated to the proposals will not be put into discussion or vote. 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 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

For the shareholders meetings held by video conferencing, the shareholders who attend the meeting by video conferencing may raise their questions in text on the video conferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words.

## Article 12

### (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a

shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### Article 13

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.

When this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. 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.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that

time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

After the chair announces the start of the meeting, the shareholders who participate in the meeting through video conferencing shall conduct voting on various motions and election through the video conferencing platform, and must complete the voting before the chair announces the close of voting. Those who do not complete the voting before the announced ending time are considered abstention.

For the shareholders meetings held by video conferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

#### Article 14 (Election)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names not-elected as directors and the number of votes obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with



the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results of resolution (including a record made of the vote); where there is an election of directors, shall record the number of the vote for each candidate who is nominated and the minutes shall be retained for the duration of the existence of this Corporation.

#### Article 16

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and number of shares whose voting rights are exercised by correspondence or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. For shareholders meetings that are held by video conferencing, this Corporation shall upload the above information to the video conferencing platform 30 minutes before the shareholders meeting, and keep it disclosed until the end of the meeting.

When the shareholders meeting by video conferencing is announced to start, the number of voting rights of the attending shareholders shall be disclosed on the video conferencing platform. The same applies to when the total number of shares of the shareholders in attendance and a new tally of votes is released during the meeting.

#### Article 17

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18

(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

#### Article 19

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

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

## **Appendix 2**

### **Articles of Incorporation of Acme Electronics Corporation**

#### **Section 1. General Provisions**

- Article 1: The Company is incorporated under the Company Act of the Republic of China and named “越峯電子材料股份有限公司” and “ACME ELECTRONICS CORPORATION” in English.
- Article 2: The scope of the Company’s business is specified as follows:
1. CC01080 Electronics Components Manufacturing.
  2. CB01010 Mechanical Equipment Manufacturing.
  3. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
  4. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
  5. F401010 International Trade.
  6. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company’s head office is situated in Taipei City, Taiwan, the R.O.C., and, when necessary, may set up branches locally or overseas considered by the Company as necessary or adequate for promoting its business.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

#### **Section 2. Capital**

- Article 5: The total capital stock of the Company shall be in the amount of NT\$3,000,000,000, divided into 300,000,000 shares, at a par value of NT\$10 per share, and may be issued in installments. A total of 11,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.
- Article 5-1: Qualification requirements of transferees of the shares purchased by the Company in accordance with the law, employees entitled to receive employee stock options and new shares with restricted rights, and employees who have the right of subscribing to new shares may include

the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve on the requirements.

Article 6: The Company's share certificates shall be affixed with the signatures or personal seals of three or more directors of the Company, be assigned with serial numbers, indicate particulars referred to in Article 162 of the Company Act, and be issued upon the competent authority's approval of the registration of incorporation and certification pursuant to the Company Act. For the shares to be issued to the public by the Company, the Company may be exempted from printing any share certificate for the shares issued.

Article 7: The Company's handling of its shareholders services shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" prescribed by the securities authority.

Article 8: The transfer of shares shall not be registered within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for distribution of dividends, bonus or other benefits.

### **Section 3. Shareholders' Meeting**

Article 9: The Company's shareholders' meetings consist of the following:

1. General shareholders' meeting.
2. Special shareholders' meeting.

The general shareholder's meeting shall be convened by the Board of Directors once a year and within six (6) months after close of each fiscal year pursuant to laws. In the case of important motions to be resolved, a special shareholders' meeting may be convened by the Board of Directors upon resolution of the Board, or upon written request by shareholder(s) who has/have been continuously holding 3% or more of the total number of the issued shares of the Company over one (1) year. The general shareholders' meeting and special shareholders' meeting may be held within/outside the territories of the R.O.C.

Article 10: Convening of a general shareholders' meeting shall be notified thirty (30)

days ago, and convening of a special shareholders' meeting to be notified fifteen (15) days ago. The causes of meeting shall be indicated in the notice pursuant to the Company Act or other laws.

Article 10-1: Shareholders' meeting of the company can be held by video conferencing or other methods announced by the central competent authority.

Article 11: When the attending shareholders do not represent a majority of the total number of issued shares. The chair shall call the meeting to order at the appointed meeting. Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act or other laws, more than quorum. The voting power at a shareholders' meeting of the Company may be exercised by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of writing or electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.

Article 12: When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-thirds or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one (1) month. In said shareholders' meeting, if the tentative resolution is again adopted by a majority of those present who represent one-thirds or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding Article, unless otherwise provided in the Company Act.

Article 13: Unless no voting right or restricted voting right required under laws or the Articles, each of shares held by each shareholder shall have the right to one (1) vote.

Article 14: Where any shareholder fails to attend a shareholders' meeting, he/she may appoint a proxy to attend the meeting on behalf of him/her pursuant to the Company Act and exercise power on behalf of him/her. The proxy is not limited to the Company's shareholder.

Article 15: A shareholders' meeting shall be chaired by the Company's Chairman of Board. Where the Chairman is absent, the Chairman shall appoint a proxy to act on behalf of him/her. Shall be proceeded in accordance with the Article 208 of the Company Act.

Article 16: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be, together with the shareholders' attendance book and proxy letter, if any, retained at the Company Board.

#### **Section 4. Directors and Audit Committee**

Article 17: A candidates nomination system shall be adopted by the Company for election of independent directors and non-independent directors. The Company shall have 9~11 directors who shall be elected by the shareholders' meeting from among the name list of candidates.

Article 17-1: The directors referred to in the preceding Article shall include at least three (3) independent directors.

The professional qualifications, shares held, restrictions on concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be governed by the competent securities authority's related regulations.

Article 17-2: The Company shall establish an Audit Committee pursuant to the Securities and Exchange Act, which shall consist of all independent directors of the Company. The Audit Committee or the committee members shall be responsible for exercising a supervisor's power prescribed by the Company Act, Securities and Exchange Act, and other related laws.

Article 17-3: The Company's Board of Directors may establish other functional committees. The articles of association thereof shall be established by the Board of Directors.

Article 18: Directors shall hold the position for three (3) years and may be re-electable.

Article 18-1: The amounts of remuneration to directors shall be determined by the shareholders' meeting based on the rate prevailing in fellow companies and the directors' participation in and contribution to the Company's operation, regardless of whether or not the Company operates of profit.

Article 19: Functions of the Board of Directors:

1. Review budget and final accounts, Including the review and supervision of the implementation of the annual business plan
2. Appoint and dismiss managers;
3. Set up and terminate branches;
4. Propose the motion for amendments to articles of incorporation, change of capital and dissolution or merger of the Company at a shareholders' meeting;
5. Propose the motion for allocation of earnings or covering of loss at a shareholders' meeting;
6. Review important regulations and contracts;
7. Exercise the powers granted pursuant to laws, Articles of Incorporation and by a shareholders' meeting.

Article 20: The Board of Directors shall meet at least quarterly.

Article 21: The Board of directors organized. The Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors pursuant. The Chairman of the Board of Directors shall externally represent the Company. The total shares of the Company's registered share certificates held by the whole directors shall be no less than the proportion prescribed by the competent securities authority.

Article 22: The Chairman has the power to act on behalf of the Company. When conducting the business operation of the Company, the Chairman shall comply with the law, articles of incorporation, and resolution made by a shareholders' meeting or directors' meeting.

Article 23: Directors' meetings shall be convened by the Chairman. A directors' meetings may be held within/outside the territories of the R.O.C.

Article 24: Directors' meetings shall be convened shall notify each director of the

date & place of the meeting as well as the agenda within seven (7) days prior to the meeting.

A directors' meeting may be convened in writing or by electronic transmission.

Article 25: A directors' meeting shall not start, unless it is attended by a majority of directors. Resolutions at a directors' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the directors present.

Article 26: A director may authorize another director in writing to attend the directors' meeting on behalf of him/her and exercise the voting right on behalf of him/her pursuant to laws, provided that a director may accept the appointment to act as the proxy of one other director only.

Article 27: Directors shall exercise their powers per the resolution adopted by a directors' meeting.

Article 28: (Deleted)

Article 29: (Deleted)

Article 30: The Board of Directors has set up a Secretariat of the Board dedicated to handling the affairs related to the Board of Directors.

### **Section 5. Personnel**

Article 31: Job title, appointment, discharge and remuneration of the Company's managerial personnel pursuant to Article 29 of the Company Act.

Article 32: The Company shall purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.

### **Section 6. Financial Report**

Article 33: The Company's fiscal year shall commence from January 1 until December 31 of each year. The Board of Directors shall prepare the following reports at the end of each fiscal year and send them to the general shareholders' meeting for recognition:



1. Business report;
2. Financial statements;
3. Motion for allocation of earnings or covering of loss.

Article 34: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.

Said compensation to employees may be allocated in the form of shares or in cash, including the employees of the Company's subsidiaries meeting certain specific requirements entitled to receive shares or cash. The specific requirements shall be defined by the Board of Directors.

If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.

As the industry which the Company is engaged in refers to a growing phase, when resolving to allocate earnings, in consideration of the future funding needs and financial plan, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT\$0.1.

Article 35: The Company's total investment in other companies may be exempted from the restriction for no more than 40% of the paid-in capital prescribed to Article 13 of the Company Act.

Article 35-1: The Company may make endorsement/guarantee externally due to the Company's business needs or investment needs. The

endorsement/guarantee shall be signed by the Chairman on behalf of the Company and comply with the Company's operating procedure for making endorsement/guarantee.

#### **Section 7. Bylaw**

Article 36: The Company's articles of association and enforcement rules thereof shall be established separately.

Article 37: Any matters not covered herein shall be implemented in accordance with the Company Act and related laws of the R.O.C.

Article 38: The Articles of Incorporation was established on July 24, 1991. (Following content omitted) 27th amendments hereto were made on May 26, 2023.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

# Appendix 3

## Acme Electronics Corporation

### Rules for Election of Directors

Amended on May 26, 2023

- Article 1: The Company's directors shall be elected in accordance with the Rules.
- Article 2: Election of the Company's directors shall be conducted at a shareholders' meeting.
- Article 3: Unless otherwise provided in related laws, the Company's directors shall be elected by the shareholders' meeting from the name list of candidates.
- Article 4: Quota of the Company's directors shall be based on the quota defined in the Company's Articles of Incorporation and passed by the Board of Directors.
- Article 5: The election of the Company's directors shall adopt an open cumulative voting system. In the process of electing directors at a shareholders' meeting. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The votes which is cast on the site at the shareholders' meeting. Attendance card numbers printed on the ballots may replace the names of voting shareholders. The voters' equity shall be based on the Company's roster of shareholders. Election of the Company's independent directors and non-independent directors shall adopt the candidate nomination system referred to in Article 192-1 of the Company Act.
- Article 6: The Company's independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elected. 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.
- The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders' meeting plus written vote or e-votes.
- For the e-voting result referred to in the preceding paragraph, an entity which meets Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be commissioned to verify the shareholders' identity and votes and certify

the statistics of votes prior to the shareholders' meeting.

Article 7: The Board of Directors shall prepare ballots to be cast at the shareholders' meeting. The ballots shall be affixed with the Company's official seal, as well as the voters' attendance card number and number of votes. For the election of the Company's directors, shareholders may choose to exercise their voting right in electronic form or by balloting on the site. Shareholders who choose to exercise their voting right in an electronic form shall exercise the right on the e-voting platform designated by the Company.

Article 8: The chairperson shall designate several monitoring and counting personnel prior to the election to perform their duty, provided that all monitoring personnel shall be shareholders of this Corporation.

Article 9: The ballot box and lot-drawing box at the shareholders' meeting shall be prepared by the Company and inspected by the monitoring personnel openly before the voting or lot drawing.

Article 10: Electors should check only one of the candidates listed in the "To be Elected" field of each ballot. However, if shareholders exercise their votes in an electronic form, their voting shall be handled in accordance with the relevant laws and regulations of the competent authority.

Article 11: A ballot is invalid under any of the following circumstances at the shareholders' meeting:

- I. The ballot adopted is not that prepared pursuant to the Rules.
- II. A blank ballot that has not been checked is placed in the ballot box.
- III. The checkmark is unclear and indecipherable.
- IV. The candidate that has been checked, or the number of voting rights allotted is altered.
- V. Other words or marks are entered in addition to the information checked pursuant to the preceding Article and the number of voting rights allotted.
- VI. There are more than two candidates on the same ballot.
- VII. The total number of checked candidates exceeds the number of candidates to be elected.
- VIII. Total of voting rights allotted exceed the number of votes held by voters.

Where the shareholders exercise their votes in writing or an electronic form, the invalid ballots shall be identified pursuant to the Rules and also the related laws promulgated by the competent authority.

Article 12: Where the total of voting rights allotted are less than the number of votes

held by the voters, the decreased votes shall be waived.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the results of calculation of written vote or e-voting, shall be announced by the chairperson on the site.

Article 14: The Company shall issue notifications to the persons elected as directors.

Article 15: The ballots for the election cast on the site, together with the written vote or e-voting materials, shall be sealed with the signatures/seals of the monitoring personnel and kept by the Company in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16: If the shareholder meeting is held by video conferencing or other methods announced by the central competent authority, and there are other rules to be complied with as specified by the securities authority, the Company shall also comply with those rules.

Article 16-1: Any matters not covered herein shall be implemented in accordance with the Company Act, the Company's Articles of Incorporation, and other related laws.

Article 17: The Rules shall be implemented after the board of directors grants the approval, and shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended.

In case of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

## Appendix 4

### Acme Electronics Corporation

#### Stake of Directors

Title	Name	Stake
Chairman	Wu, Yi-Gui (Representative of USI Corporation)	61,682,967
Director	Hsu, Shan-Ko (Representative of USI Corporation)	
Director	Cheng, Hui-Ming (Representative of Asia Polymer Corporation)	6,801,315
Director	Wu, Wen-Hao (Representative of Asia Polymer Corporation)	
Director	Huang, Chun-Hui (Representative of Taita Chemical Company, Limited)	4,991,556
Director	Wu, Hsien-Tsung (Representative of Taita Chemical Company, Limited)	
Independent Director	Chang, Lee-Chiou	0
Independent Director	Chen, Piao-Chun	0
Independent Director	Lin, Shun-Tian	0
Total Stake of Directors		73,475,838
Stake by Law of Directors		12,000,000

Note: 1. The said stake is the number of shares registered in the List of Shareholders dated by the book due date (March 30) of the 2024 AGM.

2. The total issued shares of ACME are 212,993,743 shares.

## **Appendix 5**

### **The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE:**

No estimates should be disclosed as no financial forecast was made for 2024.

## **Appendix 6**

### **Description of shareholders proposals :**

1. Referring to Article 172-1 of the Company Act:  
“Shareholder(s) holding one per cent (1%) or more of the total number of outstanding shares of a company may make a proposal for discussion at a general meeting of shareholders, provided that only one matter shall be allowed in each single proposal of not more than 300 words.”
2. The acceptance period of proposals from shareholders for the 2024 AGM is from March 21, 2024 to March 31, 2024. Such information was disclosed on the Market Observation Post System by law on March 13, 2024.
3. No proposal from shareholder was received during the said period.