

ADVANCED CERAMIC X CORPORATION
Financial Statements and
Independent Auditors' Review Report
For the Nine Months Ended September 30, 2021 and 2020

Address : No.16, Tzu Chiang Road, Hsinchu Industrial Park, Hsinchu County, Taiwan
Telephone : (03) 598-7008

Notes to Readers

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

Independent Accountants' Review Report

To the Board of Directors of Advanced Ceramic X Corporation:

Introduction

We have reviewed the accompanying balance sheets of the Advanced Ceramic X Corporation as of September 30, 2021 and 2020, and the related statements of comprehensive income for the three and nine months ended September 30, 2021 and 2020, and the related changes in equity and cash flows for the nine months ended September 30, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards NO. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of September 30, 2021 and 2020, and of its financial performance for the three and nine months ended September 30, 2021 and 2020, and of its cash flows for the nine months ended September 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)

November 9, 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

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

Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2021 and 2020

Advanced Ceramic X Corporation

Balance Sheets

September 30, 2021, December 31, 2020 and September 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2021		December 31, 2020		September 30, 2020			September 30, 2021		December 31, 2020		September 30, 2020	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current Assets :							Current Liabilities :						
1100 Cash and Cash Equivalents (Note 6(1))	\$ 993,935	19	1,050,489	25	1,009,860	25	2170 Accounts Payable	\$ 98,664	2	111,282	3	82,601	2
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	282,260	5	233,184	5	235,485	6	2201 Salary and Bonus Payable	232,005	5	145,239	3	175,262	4
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	429,764	8	145,800	3	187,247	5	2213 Payables to Contractors and Equipment	91,924	2	164,772	4	231,999	6
1310 Inventories (Note 6(3))	360,381	7	173,522	4	132,239	3	2216 Cash Dividends Payable	745,375	14	-	-	-	-
1476 Other Current Financial Assets(Note 6(1))	218,929	4	215,975	5	215,945	5	2230 Income Tax Payable	124,917	2	124,719	3	65,222	2
1479 Other Current Assets	46,302	1	34,039	1	48,130	1	2399 Other Current Liabilities (Note 6(6), (11) and 7)	229,853	4	191,720	5	170,262	4
	<u>2,331,571</u>	<u>44</u>	<u>1,853,009</u>	<u>43</u>	<u>1,828,906</u>	<u>45</u>		<u>1,522,738</u>	<u>29</u>	<u>737,732</u>	<u>18</u>	<u>725,346</u>	<u>18</u>
Noncurrent Assets :							Noncurrent Liabilities :						
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,903,110	56	2,400,773	56	2,189,466	55	2600 Other Noncurrent Liabilities	17,344	-	16,783	-	16,102	-
1780 Intangible Assets (Note 6(5))	2,092	-	2,692	-	1,883	-		<u>17,344</u>	<u>-</u>	<u>16,783</u>	<u>-</u>	<u>16,102</u>	<u>-</u>
1840 Deferred Tax Assets	7,275	-	7,275	-	9,497	-	Total Liabilities	<u>1,540,082</u>	<u>29</u>	<u>754,515</u>	<u>18</u>	<u>741,448</u>	<u>18</u>
1900 Other Noncurrent Assets	10,144	-	34,473	1	7,037	-	Equity (Note 6(9)) :						
1980 Other Noncurrent Financial Assets	1,246	-	632	-	632	-	3100 Capital Stock	690,162	13	690,162	16	690,162	17
1975 Net Defined Benefit Asset - Noncurrent (Note 6(7))	803	-	293	-	1,593	-	3200 Capital Surplus	573,532	11	573,532	13	573,532	14
	<u>2,924,670</u>	<u>56</u>	<u>2,446,138</u>	<u>57</u>	<u>2,210,108</u>	<u>55</u>	3300 Retained Earnings	2,452,465	47	2,280,938	53	2,033,872	51
Total Assets	<u>\$ 5,256,241</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,039,014</u>	<u>100</u>	Total Equity	<u>3,716,159</u>	<u>71</u>	<u>3,544,632</u>	<u>82</u>	<u>3,297,566</u>	<u>82</u>
							Total Liabilities and Equity	<u>\$ 5,256,241</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,039,014</u>	<u>100</u>

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation
Statements of Comprehensive Income
For the Three and Nine Months Ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>Three Months Ended September 30</u>				<u>Nine Months Ended September 30</u>			
	<u>2021</u>		<u>2020</u>		<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 Net Revenue (Note 6(11) and 7)	\$ 738,384	100	555,236	100	2,335,141	100	1,557,119	100
5000 Cost of Sales (Note 6(3) and (13))	303,642	41	233,415	42	921,965	39	643,900	41
Gross Profit	434,742	59	321,821	58	1,413,176	61	913,219	59
Operating Expenses (Note 6(13) and 7) :								
6100 Selling and Distribution Expenses	12,066	2	9,431	2	34,782	2	26,930	2
6200 General and Administrative Expenses	37,795	5	24,432	4	101,384	4	68,857	4
6300 Research and Development Expenses	40,361	5	31,616	5	117,312	5	92,801	6
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	899	-	(563)	-	3,364	-	1,620	-
	91,121	12	64,916	11	256,842	11	190,208	12
Profit from Operations	343,621	47	256,905	47	1,156,334	50	723,011	47
Non-Operating Income and Expenses :								
7101 Interest Income	1,129	-	1,390	-	3,284	-	6,104	-
7190 Other Income (Note 6(12))	713	-	2,157	-	5,680	-	7,419	-
7230 Foreign Exchange Gains (Losses), Net	10,395	1	(9,597)	(2)	(19,171)	(1)	(11,622)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	-	-	1,750	-	-	-	1,750	-
	12,237	1	(4,300)	(2)	(10,207)	(1)	3,651	(1)
7900 Profit Before Income Tax	355,858	48	252,605	45	1,146,127	49	726,662	46
7950 Income Tax Expense (Note 6(8))	71,171	9	50,522	9	229,225	10	145,333	9
8200 Net Income	284,687	39	202,083	36	916,902	39	581,329	37
8300 Other Comprehensive Income :								
8300 Other Comprehensive Income, net of tax	-	-	-	-	-	-	-	-
8500 Total Comprehensive Income	\$ 284,687	39	202,083	36	916,902	39	581,329	37
Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750 Basic Earnings Per Share	\$ 4.12		2.93		13.29		8.42	
9850 Diluted Earnings Per Share	\$ 4.11		2.92		13.25		8.41	

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Nine Months Ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
Balance at January 1, 2020	\$ 690,162	573,532	716,188	1,318,162	2,034,350	3,298,044
Profit for the Nine Months Ended September 30, 2020	-	-	-	581,329	581,329	581,329
Other Comprehensive Income for the Nine Months Ended September 30, 2020	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2020	-	-	-	581,329	581,329	581,329
Appropriation and Distribution of 2019 Earnings :						
Legal Reserve	-	-	64,666	(64,666)	-	-
Cash Dividends	-	-	-	(581,807)	(581,807)	(581,807)
Balance at of September 30, 2020	\$ 690,162	573,532	780,854	1,253,018	2,033,872	3,297,566
Balance at January 1, 2021	\$ 690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Profit for the Nine Months Ended September 30, 2021	-	-	-	916,902	916,902	916,902
Other Comprehensive Income for the Nine Months Ended September 30, 2021	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2021	-	-	-	916,902	916,902	916,902
Appropriation and Distribution of 2020 Earnings :						
Legal Reserve	-	-	82,840	(82,840)	-	-
Cash Dividends	-	-	-	(745,375)	(745,375)	(745,375)
Balance at of September 30, 2021	\$ 690,162	573,532	863,694	1,588,771	2,452,465	3,716,159

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation

Statements of Cash Flows

For the Nine Months Ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Nine Months Ended September 30	
	2021	2020
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 1,146,127	726,662
Adjustments for :		
Depreciation Expense	185,768	111,562
Amortization Expense	2,136	920
Expected Credit Loss	3,364	1,620
Interest Income	(3,284)	(6,104)
Gain on Disposal of Property, Plant and Equipment, Net	-	(1,750)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	4,150	(500)
Total Adjustments to Reconcile Profit	<u>192,134</u>	<u>105,748</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(49,572)	(57,930)
Receivables from Related Parties	(286,832)	(103,993)
Inventories	(191,009)	(14,223)
Other Operating Current Assets	(12,263)	(22,488)
Net Defined Benefit Assets	(510)	(499)
Accounts Payable	(12,618)	32,097
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	124,899	87,554
Other Noncurrent Liabilities	561	2,041
Total Net Changes in Operating Assets and Liabilities	<u>(427,344)</u>	<u>(77,441)</u>
Cash Inflow Generated from Operations	910,917	754,969
Interest Received	3,330	6,396
Income Taxes Paid	<u>(229,027)</u>	<u>(148,117)</u>
Net Cash Flows from Operating Activities	<u>685,220</u>	<u>613,248</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(733,635)	(742,333)
Proceeds from Disposal of Property, Plant and Equipment	-	1,750
Increase in Guarantee Deposits	(614)	(185)
Acquisition of Intangible Assets	-	(500)
Increase in Other Financial Assets	(3,000)	-
Increase in Other Noncurrent Assets	(4,525)	(7,207)
Decrease (Increase) in Prepaid of Equipment	-	(350)
Net Cash Flows Used in Investing Activities	<u>(741,774)</u>	<u>(748,825)</u>
Cash Flows from Financing Activities :		
Cash Dividends	-	(581,807)
Net Cash Flows Used in Financing Activities	<u>-</u>	<u>(581,807)</u>
Net Decrease in Cash and Cash Equivalents	(56,554)	(717,384)
Cash and Cash Equivalents at the Beginning of Period	<u>1,050,489</u>	<u>1,727,244</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 993,935</u>	<u>1,009,860</u>

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation

Notes to Financial Statements

September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Advanced Ceramic X Corporation (“the Company”) was incorporated in April 15, 1998 as a company limited by shares and registered under the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is No.16, Tzu Chiang Road, Hsinchu Industrial Park, Hsinchu County, Taiwan. The major business activities of the Company are the design, manufacture and sale of RF Front-End devices and modules for applications in wireless communication.

2. The authorization of financial statements

These financial statements were reported to the Board of Directors and issued on November 9, 2021.

3. Application of new standards, amendments and interpretations

The impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”)

The Company has adopted the following International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) issued by the International Accounting Standards Board (“IASB”) (collectively, “IFRSs”) and endorsed by the FSC.

(1) The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021 :

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “A one-year extension to the practical expedient for COVID-19 related rent concessions”

(2) The impact of the IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

Advanced Ceramic X Corporation

Notes to Financial Statements

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

4. Summary of significant accounting policies

(1) Statement of compliance

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

The accompanying financial statements have been prepared in accordance with the revised Regulation Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China (hereinafter referred to the Regulations) and the guideline of IAS 34 “Interim Financial Reporting”, as endorsed and issued into effect by the FSC. The financial statements do not present all the disclosures required for a complete set of annual financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the interim financial statements is the same as those in the financial statements for the year ended December 31, 2020. For the related information, please refer note 4 of the financial statements for the year ended December 31, 2020.

(2) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(3) Income taxes

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting.”

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. It is charged to profit or loss as an income tax expense.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

5. Significant accounting assumptions and judgments and major sources of estimation uncertainty

The preparation of the financial statements in conformity with Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and approved by FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the financial statements for the year ended December 31, 2020. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2020.

Advanced Ceramic X Corporation
Notes to Financial Statements

6. Explanation of significant accounts

Except for the following disclosure, the significant account disclosure in the financial statements for the nine months ended September 30, 2021, which compare with the financial statements for the year ended December 31, 2020, was not changed significantly. For the related information, please refer to note 6 of the financial statements for the year ended December 31, 2020.

(1) Cash and cash equivalents

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash	\$ 25	50	50
Cash in bank	236,544	302,570	326,759
Time deposits	<u>757,366</u>	<u>747,869</u>	<u>683,051</u>
	<u>\$ 993,935</u>	<u>1,050,489</u>	<u>1,009,860</u>

As of September 30, 2021, December 31, 2020 and September 30, 2020, the classified from cash and cash equivalents to other financial assets-current for time deposits, amounted to \$218,850 thousand, \$215,850 thousand and \$215,850, respectively.

Please refer to note 6(14) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(2) Notes and accounts receivable, net (including related parties)

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Notes receivable	\$ 409	167	62
Accounts receivable	284,702	235,372	237,802
Accounts receivable from related parties	434,105	147,273	189,138
Less: Allowance for impairment	(2,851)	(2,355)	(2,379)
Allowance for impairment from related parties	<u>(4,341)</u>	<u>(1,473)</u>	<u>(1,891)</u>
	<u>\$ 712,024</u>	<u>378,984</u>	<u>422,732</u>
Notes and accounts receivable, net	<u>\$ 282,260</u>	<u>233,184</u>	<u>235,485</u>
Accounts receivable from related parties, net	<u>\$ 429,764</u>	<u>145,800</u>	<u>187,247</u>

The Company applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information. The loss allowance provision was determined as follows:

Advanced Ceramic X Corporation
Notes to Financial Statements

	September 30, 2021		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 716,783	1%~2%	7,168
Past due less than 30 days	2,127	1%~2%	21
Past due 31 to 120 days	306	1%~2%	3
	\$ 719,216		7,192

	December 31, 2020		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 381,470	1%~2%	3,815
Past due less than 30 days	1,342	1%~2%	13
	\$ 382,812		3,828

	September 30, 2020		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 419,028	1%~2%	4,190
Past due less than 30 days	7,883	1%~2%	79
Past due 31 to 120 days	91	1%~2%	1
	\$ 427,002		4,270

The movements of allowance for doubtful accounts were as follows:

	Nine months ended September 30	
	2021	2020
Beginning balance	\$ 3,828	2,650
Provision of impairment loss	3,364	1,620
Ending balance	\$ 7,192	4,270

The payment terms granted to customers are generally 30 to 150 days from the end of the month during which the invoice is issued.

As of September 30, 2021, December 31, 2020 and September 30, 2020, the notes and accounts receivable were not pledged as collateral. For information on the Company's credit risk was disclosed in note 6(14).

Advanced Ceramic X Corporation
Notes to Financial Statements

(3) Inventories

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Raw materials and supplies	\$ 118,731	50,272	50,164
Work in process	171,392	92,584	65,400
Finished goods	70,258	30,666	16,675
	<u>\$ 360,381</u>	<u>173,522</u>	<u>132,239</u>

For the three months and nine months ended September 30, 2021 and 2020, the amounts of inventories that were charged to cost of sales were \$299,542 thousand, \$237,915 thousand, \$917,815 thousand and \$644,400 thousand, respectively. For the three months and nine months ended September 30, 2021, the net of provisions that charged to cost of sales for inventories written down to net realizable value amounted were \$4,100 thousand and \$4,150 thousand, respectively. For the three months and nine months ended September 30, 2020, the reversals of inventories written down were \$4,500 thousand and \$500 thousand, respectively.

As of September 30, 2021, December 31, 2020 and September 30, 2020, the inventories were not pledged as collateral.

(4) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the nine months ended September 30, 2021 and 2020 were as follows:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Office & other equipment</u>	<u>Construction in progress & equipment under installation</u>	<u>Total</u>
Cost :						
Balance at January 1, 2021	\$ 248,651	360,125	2,127,517	218,419	1,504,465	4,459,177
Additions	-	37,336	57,682	13,539	579,548	688,105
Reclassifications	-	706,260	692,921	44,186	(1,443,367)	-
Disposals	-	-	(45,526)	(1,246)	-	(46,772)
Balance at September 30, 2021	<u>\$ 248,651</u>	<u>1,103,721</u>	<u>2,832,594</u>	<u>274,898</u>	<u>640,646</u>	<u>5,100,510</u>
Balance at January 1, 2020	\$ 248,651	359,639	2,038,877	190,527	583,434	3,421,128
Additions	-	486	7,781	3,782	871,237	883,286
Reclassifications	-	-	85,338	11,537	(96,875)	-
Disposals	-	-	(94,165)	(640)	-	(94,805)
Balance at September 30, 2020	<u>\$ 248,651</u>	<u>360,125</u>	<u>2,037,831</u>	<u>205,206</u>	<u>1,357,796</u>	<u>4,209,609</u>

Advanced Ceramic X Corporation
Notes to Financial Statements

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Office & other equipment</u>	<u>Construction in progress & equipment under installation</u>	<u>Total</u>
Depreciation :						
Balance at January 1, 2021	\$ -	263,267	1,639,887	155,250	-	2,058,404
Depreciation	-	18,916	149,027	17,825	-	185,768
Disposals	-	-	(45,526)	(1,246)	-	(46,772)
Balance at September 30, 2020	<u>\$ -</u>	<u>282,183</u>	<u>1,743,388</u>	<u>171,829</u>	<u>-</u>	<u>2,197,400</u>
Balance at January 1, 2020	\$ -	250,847	1,611,814	140,725	-	2,003,386
Depreciation	-	9,307	91,205	11,050	-	111,562
Disposals	-	-	(94,165)	(640)	-	(94,805)
Balance at September 30, 2020	<u>\$ -</u>	<u>260,154</u>	<u>1,608,854</u>	<u>151,135</u>	<u>-</u>	<u>2,020,143</u>
Carrying value :						
Balance at January 1, 2021	<u>\$ 248,651</u>	<u>96,858</u>	<u>487,630</u>	<u>63,169</u>	<u>1,504,465</u>	<u>2,400,773</u>
Balance at September 30, 2021	<u>\$ 248,651</u>	<u>821,538</u>	<u>1,089,206</u>	<u>103,069</u>	<u>640,646</u>	<u>2,903,110</u>
Balance at January 1, 2020	<u>\$ 248,651</u>	<u>108,792</u>	<u>427,063</u>	<u>49,802</u>	<u>583,434</u>	<u>1,417,742</u>
Balance at September 30, 2020	<u>\$ 248,651</u>	<u>99,971</u>	<u>428,977</u>	<u>54,071</u>	<u>1,357,796</u>	<u>2,189,466</u>

Pledged assets

As of September 30, 2021, December 31, 2020 and September 30, 2020, the property, plant and equipment of the Company had been pledged as collateral for short-term borrowings; please refer to note 8.

(5) Intangible assets

	<u>Royalty</u>
Balance at January 1, 2021	<u>\$ 2,692</u>
Balance at September 30, 2021	<u>\$ 2,092</u>
Balance at January 1, 2020	<u>\$ 1,783</u>
Balance at September 30, 2020	<u>\$ 1,883</u>

For the nine months ended September 30, 2021 and 2020, there were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets. Please refer to note 12(1) for details on impairment and to note 6(5) of the financial statements for the year ended December 31, 2020 for other related information.

As of September 30, 2021, December 31, 2020 and September 30, 2020, the intangible assets were not pledged as collateral.

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Notes to Financial Statements

(6) Other current liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Accrued expenses	\$ 181,596	126,879	135,026
Contract liabilities	10,599	45,052	21,635
Directors' remuneration payable	35,022	16,635	11,658
Other	2,636	3,154	1,943
	\$ 229,853	191,720	170,262

The above accrued expenses included material consumption, insurance, service expense, and water and electricity expense.

(7) Employee benefits

Defined benefit plans

The management believes that there was no material market volatility, material reimbursement and settlement, or other significant one-time events. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

Please refer to note 12(1) for employee pension costs or expenses under defined benefit plans and defined contribution plans.

(8) Income tax

A. Income tax expense

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Income tax expense	\$ 71,171	50,522	229,225	145,333

B. As of September 30, 2021, the tax authorities have completed the examination of income tax returns of the Company through 2019.

(9) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the nine months ended September 30, 2021 and 2020. For the related information, please refer to note 6(9) of the financial statements for the year ended December 31, 2020.

A. Retained earnings

According to the amendment of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of taxes.
- (b) Making up loss for preceding years.
- (c) Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached the total paid-up capital.
- (d) Appropriating or reversing special reserve by government officials or other regulations.
- (e) The remaining, plus the previous year's un-appropriated earnings, shall be distributed according to the distribution plan proposed by the Board of Directors according to the dividend policy and submitted to the stockholders' meeting for approval.

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The Company conducts business to operate in its growth phase, the dividend policy shall be determined pursuant to factors such as the investment environment, capital requirements, domestic and overseas competitive environment and capital budget, as well as stockholders' interest, dividend balance and long-term financial plan. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

B. Legal reserve

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by cash. Only 10% of legal reserve which exceeds 25% of the paid-in capital may be distributed.

C. Special reserve

In accordance with Permit No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the net debit balance of other components of the shareholders' equity adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve to account for cumulative changes to the debit balance of other shareholders' equity pertaining to prior periods. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reserved to the extent that the net debit balance reverses.

D. Earnings distribution

On August 23, 2021, the shareholders' meetings resolved to distribute the 2020 earnings. On June 16, 2020, the Company's shareholders' meetings resolved to distribute the 2019 earnings. These earnings were distributed as dividends as follows:

	2020	2019
Dividends distributed to ordinary shareholders Amount per share (NTD) :		
Cash dividends	\$ 10.80	8.43

The aforementioned appropriations of earnings for 2020 and 2019 were consistent with the resolutions of the meeting of the Board of Directors. The related information mentioned above can be found on websites such as the Market Observation Post System.

(10) Earnings per share (EPS)

For the three months and nine months ended September 30, 2021 and 2020, the Company's earnings per share were calculated as follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Basic EPS :				
Profit attributable to ordinary shareholders	\$ 284,687	202,083	916,902	581,329
Weighted average number of outstanding share of common stock (in thousands)	69,016	69,016	69,016	69,016
Basic EPS (in dollars)	\$ 4.12	2.93	13.29	8.42

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	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
Diluted EPS :				
Profit belonging to common shareholders	<u>\$ 284,688</u>	<u>202,083</u>	<u>916,902</u>	<u>581,329</u>
Weighted average number of outstanding shares of common stock (in thousands) (basic)	69,016	69,016	69,016	69,016
Employee compensation	<u>178</u>	<u>99</u>	<u>200</u>	<u>127</u>
Weighted average number of common stock (in thousands) (diluted)	<u>69,194</u>	<u>69,115</u>	<u>69,216</u>	<u>69,143</u>
Diluted EPS (in dollars)	<u>\$ 4.11</u>	<u>2.92</u>	<u>13.25</u>	<u>8.41</u>

(11) Operating revenue from contracts with customers

	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
Primary geographic markets				
China	\$ 256,134	268,058	973,183	578,329
United States	308,993	121,649	768,772	396,265
Taiwan	98,442	128,485	352,192	339,568
Hong Kong	22,853	11,746	111,887	152,493
Other	<u>51,962</u>	<u>25,298</u>	<u>129,107</u>	<u>90,464</u>
	<u>\$ 738,384</u>	<u>555,236</u>	<u>2,335,141</u>	<u>1,557,119</u>
Main Product				
RF Front-End devices and modules	<u>\$ 738,384</u>	<u>555,236</u>	<u>2,335,141</u>	<u>1,557,119</u>

Contract balances

	September 30,	December 31,	September 30,
	2021	2020	2020
Notes receivable	\$ 409	167	62
Accounts receivable	284,702	235,372	237,802
Accounts receivable from related parties	434,105	147,273	189,138
Less: Allowance for impairment	(2,851)	(2,355)	(2,379)
Allowance for impairment from related parties	<u>(4,341)</u>	<u>(1,473)</u>	<u>(1,891)</u>
	<u>\$ 712,024</u>	<u>378,984</u>	<u>422,732</u>
Notes and accounts receivable, net	<u>\$ 282,260</u>	<u>233,184</u>	<u>235,485</u>
Accounts receivable from related parties, net	<u>\$ 429,764</u>	<u>145,800</u>	<u>187,247</u>

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For details on trade receivables and allowance for impairment, please refer to note 6(2).

As of September 30, 2021, December 31, 2020 and September 30, 2020, the Company contract liabilities amount was \$10,599 thousand, \$45,052 thousand and \$21,635 thousand, respectively. Contract liabilities are included in other current liabilities.

The major change in the balance of contract liabilities is unearned sales revenue to be contracts; the Company recognizes revenue when it satisfies a performance obligation by transferring control of goods to a customer. The amount of revenue recognized for the nine months ended September 30, 2021 and 2020 that was included in the contract liabilities balance at the beginning for the period was \$42,482 thousand and \$28,895 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the RF Front-End devices and modules sales contracts, for which revenue is recognized when products are delivered to customers.

(12) Non-operating income and expenses

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Government grants income	\$ 389	2,132	5,318	7,008
Other income	324	25	362	411
	\$ 713	2,157	5,680	7,419

(13) Remuneration of employees and directors

According to the Company Articles of Incorporation, the Company should distribute remuneration to employees and directors not less than 5% and not more than 1.5% of annual profits, respectively, after offsetting accumulated deficits, if any. The aforementioned profit is the net profit before income tax excluding the remuneration to employees and directors for each period. Only employees, including employees of affiliate companies that meet certain conditions are subject to the abovementioned remuneration which to be distributed in stock or cash.

For the three months and nine months ended September 30, 2021 and 2020, the Company estimated the remuneration to employees amounting to \$19,030 thousand, \$13,508 thousand, \$61,290 thousand and \$38,859 thousand, respectively, and remuneration to directors amounting to \$5,709 thousand, \$4,053 thousand, \$18,387 thousand and \$11,658 thousand, respectively.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were included in the operating costs or operating expenses of the nine months ended September 30, 2021 and 2020. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimated and recognized in profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day preceding the Board of Directors.

Remuneration to employees for 2020 and 2019 in the amounts of \$55,450 thousand and \$43,077 thousand, respectively, and remuneration to director for 2020 and 2019 in the amounts of \$16,635 thousand and \$12,923 thousand, respectively, in cash for payment has been approved in the meeting of Board of Directors. The aforementioned approved amounts are the same as the amounts charged against earnings of 2020 and 2019. The information about the Company's remuneration to employees and directors is available at the Market Observation Post System website.

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(14) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(14) of the financial statement for the year ended December 31, 2020.

A. Credit risk

(a) Exposure of credit risk

The carrying amount of financial and contract assets represents the maximum credit exposure.

(b) Concentration of credit risk

The major customers of the Company are centralized in the electronics industry. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Company's notes and account receivable (including related parties) were both concentrated on 5 customers, whose accounts represented 75%, 64% and 62% of the account receivables, respectively. For the information of credit risk exposure of notes and accounts receivable, please refer to note 6(2).

As of September 30, 2021, December 31, 2020 and September 30, 2020, the Company's cash in bank and time deposits were both concentrated on one financial institution, whose accounts represented 64%, 55% and 54% of the cash and cash equivalents and other financial assets, respectively. Thus, credit risk is significantly centralized. To reduce cash risk, the Company evaluates financial institutions' financial positions and credit rating periodically. After the assessment, management does not expect significant losses.

(c) Credit risk of financial assets measured at amortized cost

The Company financial assets at amortized cost include cash and cash equivalents, notes and receivables, and time deposits on other financial assets. About their information of credit risk exposure, please refer note 6(1) and (2).

The above-mentioned of financial assets are considered to be of low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. For the Company's assessment on whether credit risk is to be of low risk, please refer note 4(6) of the financial statements for the year ended December 31, 2020.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments impact.

	Carrying amount (Contractual cash flows)	Within 6 months
September 30, 2021		
Non-derivative financial liabilities		
Accounts payable	\$ 98,664	98,664
Payables to contractors and equipment	91,924	91,924
	<u>\$ 190,588</u>	<u>190,588</u>

Advanced Ceramic X Corporation
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	Carrying amount (Contractual cash flows)	Within 6 months
December 31,2020		
Non-derivative financial liabilities		
Accounts payable	\$ 111,282	111,282
Payables to contractors and equipment	164,772	164,772
	\$ 276,054	276,054
September 30, 2020		
Non-derivative financial liabilities		
Accounts payable	\$ 82,601	82,601
Payables to contractors and equipment	231,999	231,999
	\$ 314,600	314,600

The Company did not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) The Company's significant exposure to foreign currency risk was as follows:

	September 30, 2021			December 31,2020			September 30, 2020		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 25,782	27.800	716,740	17,859	28.430	507,731	18,434	29.050	535,508
JPY	489,387	0.2470	120,879	1,023,698	0.2743	280,800	1,121,117	0.2736	306,738
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	1,381	27.900	38,530	2,517	28.530	71,810	2,886	29.150	84,127
JPY	72,848	0.2510	18,285	153,996	0.2783	42,857	34,645	0.2776	9,617

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, accounts payable, and payables to contractors and equipment. Depreciation or appreciation of the NTD by 1% against USD and JPY at September 30, 2021 and 2020, while all other variables were remained constant, would have increased (decreased) the net profit after tax by \$6,246 thousand and \$5,988 thousand, respectively. The analysis is performed on the same basis for both periods.

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(c) Gains or losses on monetary item

Since the Company has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the nine months ended September 30, 2021 and 2020, foreign exchange gain (loss), including realized and unrealized portions, amounted to (\$19,171) thousand and (\$11,622) thousand, respectively.

D. Interest rate risk

Please refer to the attached note for the liquidity risk and the Company's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivatives and non-derivatives financial instruments on the reporting date. For variable rate instrument, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Company's internal management reported the increases (decreases) in the interest rates and the exposure to changes in interest rates of 1% is considered by management to be a reasonable change of interest rate.

The Company's exposure to interest rate risk arises from the bank deposit interest rates change. If the interest rate had increased (decreased) by 1%, the Company's net profit after tax would have increased (decreased) by \$7,277 thousand and \$7,354 thousand for the nine months ended September 30, 2021 and 2020, all other variable factors that remain constant.

E. Fair value

The carrying amounts of the Company's non-derivative financial instruments-current, including financial assets at amortized cost, such as cash and cash equivalents, notes and receivables (including related parties), and other financial assets, and financial liabilities at amortized cost, such as accounts payable and payables to contractors and equipment, were considered to approximate their fair value due to their short-term nature.

(15) Financial risk management

There were no significant change in the Company's financial risk management and policies as disclosed in note 6(15) of the financial statements for the year ended December 31, 2020.

(16) Capital management

The objectives and policies of capital management of the Company have been applied consistently with those described in the financial statements for the year ended December 31, 2020. Also, there were no significant changes in the Company's capital management information as disclosed in the financial statements for the year ended December 31, 2020. Refer to note 6(16) of the financial statements for the year ended December 31, 2020 for the relevant information.

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7. Related-party transactions:

(1) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements.

<u>Names of the related parties</u>	<u>Relationships</u>
Johanson Technology Inc. (JOHANSON)	The Company's director
Scientific Components Corporation (doing business as <u>Mini-Circuits(MINI-CKT)</u>)	The Company's director

(2) Significant transactions with related parties

A. Operating revenue

The amounts of significant sales transactions between the Company and related parties were as follow:

	<u>Three months ended</u> <u>September 30</u>		<u>Nine months ended</u> <u>September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Key management personnel— JOHANSON	\$ 240,877	76,892	577,574	284,192
Key management personnel— MINI-CKT	<u>65,193</u>	<u>42,912</u>	<u>181,934</u>	<u>108,864</u>
	<u>\$ 306,070</u>	<u>119,804</u>	<u>759,508</u>	<u>393,056</u>

B. Receivables from related parties

<u>Categories</u>	<u>Account</u>	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u>
Key management personnel — JOHANSON	Receivables from related parties	\$ 402,914	132,135	163,127
	Bad debt provision	(4,029)	(1,321)	(1,631)
Key management personnel — MINI-CKT	Receivables from related parties	31,191	15,138	26,011
	Bad debt provision	<u>(312)</u>	<u>(152)</u>	<u>(260)</u>
		<u>\$ 429,764</u>	<u>145,800</u>	<u>187,247</u>

The selling price and collection terms of sales to related parties were determined in the economic environment and market competition, payment terms are 30 to 150 days.

The payment terms granted to routine sales customers are advance receipt or 30 to 120 days base on trading experience and credit assessment.

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C. Other

The transaction amount paid by the Company to its related parties for purchase spare parts and design service expenses and the related unpaid balances were as follows:

	Transaction amount				Other current liabilities		
	Three months ended		Nine months ended		September 30,	December 31,	September 30,
	September 30	September 30	September 30	September 30			
	2021	2020	2021	2020	2021	2020	2020
Key management personnel—							
JOHANSON	<u>\$ 126</u>	<u>344</u>	<u>561</u>	<u>1,007</u>	<u>0</u>	<u>43</u>	<u>0</u>

(3) Transactions with key management personnel

The key management personnel compensation was comprised as follows:

	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 38,316	25,390	114,722	73,990
Post-employment benefits	27	27	81	81
	<u>\$ 38,343</u>	<u>25,417</u>	<u>114,803</u>	<u>74,071</u>

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledge assets	Pledged to secure	September 30,	December 31,	September 30,
		2021	2020	2020
Land				
(Property, plant and equipment)	Short-term borrowings	<u>\$ 168,944</u>	<u>168,944</u>	<u>168,944</u>

9. Commitments and contingencies:

- (1) As of September 30, 2021, December 31, 2020 and September 30, 2020, the outstanding letters of credit for the Company's purchases of machinery and equipment and raw materials amounted to \$89,944 thousand, \$71,345 thousand and \$97,528 thousand, respectively.
- (2) As of September 30, 2021, December 31, 2020 and September 30, 2020, the Company purchased machinery and equipment and the unpaid amount was \$229,650 thousand, \$294,067 thousand and \$350,804 thousand, respectively.
- (3) As of September 30, 2021, December 31, 2020 and September 30, 2020, the bank guarantees of the Company's purchases of raw materials, machinery and equipment amounted to \$3,000 thousand, \$3,000 thousand and \$3,000 thousand, respectively.
- (4) On September 30, 2021, the Company requested the bank to open performance bonds for the technology projects, guarantee period from April 7, 2020 to April 30, 2022, which amounted to \$20,340 thousand.

10. Losses due to major disasters: None.

11. Subsequent events: None.

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12. Other:

(1) The employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

	Three months ended September 30, 2021			Three months ended September 30, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	54,287	41,246	95,533	38,490	32,287	70,777
Labor and health insurance	5,344	1,961	7,305	3,426	1,743	5,169
Pension	2,180	934	3,114	1,447	886	2,333
Directors remuneration	5,195	556	5,751	3,688	407	4,095
Others	2,112	841	2,953	1,553	732	2,285
Depreciation	65,432	9,964	75,396	34,352	4,362	38,714
Amortization	600	200	800	280	133	413

	Nine months ended September 30, 2021			Nine months ended September 30, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	164,961	128,607	293,568	103,274	93,826	197,100
Labor and health insurance	14,943	6,226	21,169	8,991	5,151	14,142
Pension	6,046	2,896	8,942	3,658	2,620	6,278
Directors remuneration	16,732	1,781	18,513	10,609	1,187	11,796
Others	5,975	2,623	8,598	4,174	2,110	6,284
Depreciation	162,452	23,316	185,768	98,323	13,239	111,562
Amortization	1,536	600	2,136	520	400	920

(2) Seasonality of operations:

The operations are not affected by seasonal factors or cyclical factors.

13. Other disclosures:

(1) Information on significant transactions:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of September 30, 2021 (excluding investment in subsidiaries, associates and joint ventures): None.

D. Individual securities acquired or disposed off with accumulated amount exceeding the lower of NTD\$300 million or 20% of the capital stock: None.

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E. Acquisition of individual real estate with amount exceeding the lower of NTD\$300 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Types of property	Transaction date	Transaction amount	Payment term	Counter-party	Nature of relationships	Prior transaction of related counter-party				Price reference	Purpose of acquisition	Other terms
							Owner	Relationships	Transfer date	Amount			
The Company	New construction plant	2017.11.7	663,695	615,068	Xu Yuan Construction Corp.	-	N/A	N/A	N/A	-	Bidding	Manufacturing purpose	None

F. Disposal of individual real estate with amount exceeding the lower of NTD\$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD\$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	JOHANSON	Corporate director	(Sales)	577,574	25%	150 days	Note	Note	402,914	56%	
The Company	MINI-CKT	Corporate director	(Sales)	181,934	8%	30 days	Note	Note	31,191	4%	

Note: Please refer Note 7(2).

H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amount received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	JOHANSON	Corporate director	402,914	2.88	-		33,444 Note	4,029

Note: Until the October 8, 2021.

I. Trading in derivative instruments: None.

(2) Information on investments: None.

(3) Information on investment in Mainland China: None.

(4) Information of major shareholders as of September 30, 2021:

Shareholder name	Number of shares	Percentage of ownership (%)
Kuo Chia Fu Investment Corporation	5,485,189	7.94%

The major shareholders list of 5% or more is provided by the Taiwan Depository & Clearing Corporation.

14. Segment information:

The profit or loss, assets and liabilities of the operation segment were consistent with the related accounts shown in the balance sheet and comprehensive income statement of the Company.