

ADVANCED CERAMIC X CORPORATION
Financial Statements and
Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021

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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, 2022 and 2021, and the related statements of comprehensive income for the three and nine months ended September 30, 2022 and 2021, and the related changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, 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, 2022 and 2021, and of its financial performance for the three and nine months ended September 30, 2022 and 2021, and of its cash flows for the nine months ended September 30, 2022 and 2021 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 1, 2022

Notice to Readers

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

The independent auditors' 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, 2022 and 2021

Advanced Ceramic X Corporation

Balance Sheets

September 30, 2022, December 31, 2021 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	September 30, 2022		December 31, 2021		September 30, 2021		Liabilities and Equity	September 30, 2022		December 31, 2021		September 30, 2021	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :	Current Liabilities :												
1100 Cash and Cash Equivalents (Note 6(1))	\$ 563,989	14	452,010	10	993,935	19	2170 Accounts Payable	\$ 32,717	1	32,774	1	98,664	2
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	219,033	5	251,712	6	282,260	5	2201 Salary and Bonus Payable	170,194	4	174,719	4	232,005	5
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	63,797	2	304,524	7	429,764	8	2213 Payables to Contractors and Equipment	30,923	-	103,550	2	91,924	2
1310 Inventories (Note 6(3))	241,847	6	318,947	7	360,381	7	2216 Cash Dividends Payable	-	-	-	-	745,375	14
1476 Other Current Financial Assets (Note 6(1))	215,946	5	215,875	5	218,929	4	2230 Income Tax Payable (Note 6(8))	110,798	3	157,289	3	124,917	2
1479 Other Current Assets	18,580	-	21,741	-	46,302	1	2399 Other Current Liabilities (Note 6(6) and (11))	166,827	4	209,431	5	229,853	4
	<u>1,323,192</u>	<u>32</u>	<u>1,564,809</u>	<u>35</u>	<u>2,331,571</u>	<u>44</u>		<u>511,459</u>	<u>12</u>	<u>677,763</u>	<u>15</u>	<u>1,522,738</u>	<u>29</u>
Noncurrent Assets :	Noncurrent Liabilities :												
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,784,548	68	2,931,883	65	2,903,110	56	2560 Current Tax Liabilities - Noncurrent (Note 6(8))	93,916	3	-	-	-	-
1780 Intangible Assets (Note 6(5))	2,678	-	2,788	-	2,092	-	2600 Other Noncurrent Liabilities	19,012	-	18,049	-	17,344	-
1840 Deferred Tax Assets	10,727	-	10,727	-	7,275	-		<u>112,928</u>	<u>3</u>	<u>18,049</u>	<u>-</u>	<u>17,344</u>	<u>-</u>
1900 Other Noncurrent Assets	8,641	-	9,478	-	10,144	-	Total Liabilities	<u>624,387</u>	<u>15</u>	<u>695,812</u>	<u>15</u>	<u>1,540,082</u>	<u>29</u>
1980 Other Noncurrent Financial Assets	1,210	-	1,246	-	1,246	-	Equity (Note 6(9)) :						
1975 Net Defined Benefit Asset - Noncurrent (Note 6(7))	1,326	-	850	-	803	-	3100 Capital Stock	690,162	17	690,162	15	690,162	13
	<u>2,809,130</u>	<u>68</u>	<u>2,956,972</u>	<u>65</u>	<u>2,924,670</u>	<u>56</u>	3200 Capital Surplus	573,532	14	573,532	13	573,532	11
Total Assets	\$ 4,132,322	100	4,521,781	100	5,256,241	100	3300 Retained Earnings	2,244,241	54	2,562,275	57	2,452,465	47
							Total Equity	<u>3,507,935</u>	<u>85</u>	<u>3,825,969</u>	<u>85</u>	<u>3,716,159</u>	<u>71</u>
							Total Liabilities and Equity	\$ 4,132,322	100	4,521,781	100	5,256,241	100

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>Three Months Ended September 30</u>				<u>Nine Months Ended September 30</u>			
	<u>2022</u>		<u>2021</u>		<u>2022</u>		<u>2021</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)	\$ 324,143	100	738,384	100	1,108,073	100	2,335,141	100
5000 Cost of Sales (Note 6(3) (7) (13) and 7)	224,573	69	303,642	41	702,216	63	921,965	39
Gross Profit	99,570	31	434,742	59	405,857	37	1,413,176	61
Operating Expenses (Note 6 (7) (13) and 7) :								
6100 Selling and Distribution Expenses	5,456	2	12,066	2	20,081	2	34,782	2
6200 General and Administrative Expenses	25,514	8	37,795	5	82,460	7	101,384	4
6300 Research and Development Expenses	17,892	5	40,361	5	66,848	6	117,312	5
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	(48)	-	899	-	(2,762)	-	3,364	-
	48,814	15	91,121	12	166,627	15	256,842	11
Gross Profit from Operations	50,756	16	343,621	47	239,230	22	1,156,334	50
Non-Operating Income and Expenses :								
7101 Interest Income	1,853	-	1,129	-	4,042	-	3,284	-
7190 Other Income (Note 6(12))	1	-	713	-	115	-	5,680	-
7230 Foreign Exchange Gains (Losses), Net	32,283	10	10,395	1	50,831	5	(19,171)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	-	-	-	-	720	-	-	-
	34,137	10	12,237	1	55,708	5	(10,207)	(1)
7900 Profit Before Income Tax	84,893	26	355,858	48	294,938	27	1,146,127	49
7950 Less : Income Tax Expense (Note 6(8))	18,834	6	71,171	9	60,843	6	229,225	10
8200 Net Income	66,059	20	284,687	39	234,095	21	916,902	39
8300 Other Comprehensive Income :								
8300 Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-
8500 Total Comprehensive Income	<u>\$ 66,059</u>	<u>20</u>	<u>284,687</u>	<u>39</u>	<u>234,095</u>	<u>21</u>	<u>916,902</u>	<u>39</u>
Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750 Basic Earnings Per Share	<u>\$ 0.96</u>		<u>4.12</u>		<u>3.39</u>		<u>13.29</u>	
9850 Diluted Earnings Per Share	<u>\$ 0.96</u>		<u>4.11</u>		<u>3.38</u>		<u>13.25</u>	

See accompanying notes to the financial statements.

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Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Nine Months Ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
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 September 30, 2021	\$ 690,162	573,532	863,694	1,588,771	2,452,465	3,716,159
Balance at January 1, 2022	\$ 690,162	573,532	863,694	1,698,581	2,562,275	3,825,969
Profit for the Nine Months Ended September 30, 2022	-	-	-	234,095	234,095	234,095
Other Comprehensive Income for the Nine Months Ended September 30, 2022	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2022	-	-	-	234,095	234,095	234,095
Appropriation and Distribution of 2021 Earnings :						
Legal Reserve	-	-	102,671	(102,671)	-	-
Cash Dividends	-	-	-	(552,129)	(552,129)	(552,129)
Balance at September 30, 2022	\$ 690,162	573,532	966,365	1,277,876	2,244,241	3,507,935

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Nine Months Ended September 30	
	2022	2021
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 294,938	1,146,127
Adjustments for :		
Depreciation Expense	271,495	185,768
Amortization Expense	2,743	2,136
Expected Credit Loss (Gain)	(2,762)	3,364
Interest Income	(4,042)	(3,284)
Gain on Disposal of Property, Plant and Equipment, Net	(720)	-
Provision for Inventory Obsolescence and Devaluation Loss	30,450	4,150
Total Adjustments to Reconcile Profit	<u>297,164</u>	<u>192,134</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	33,009	(49,572)
Receivables from Related Parties	243,159	(286,832)
Inventories	46,650	(191,009)
Other Operating Current Assets	3,161	(12,263)
Net Defined Benefit Assets	(476)	(510)
Accounts Payable	(57)	(12,618)
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	(47,129)	124,899
Other Noncurrent Liabilities	963	561
Total Net Changes in Operating Assets and Liabilities	<u>279,280</u>	<u>(427,344)</u>
Cash Inflow Generated from Operations	871,382	910,917
Interest Received	3,971	3,330
Income Taxes Paid	(13,418)	(229,027)
Net Cash Flows from Operating Activities	<u>861,935</u>	<u>685,220</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(196,787)	(733,635)
Proceeds from Disposal of Property, Plant and Equipment	720	-
Decrease (Increase) in Guarantee Deposits	36	(614)
Acquisition of Intangible Assets	(500)	-
Increase in Other Financial Assets	-	(3,000)
Increase in Other Noncurrent Assets	(1,296)	(4,525)
Net Cash Flows Used in Investing Activities	<u>(197,827)</u>	<u>(741,774)</u>
Cash Flows from Financing Activities :		
Cash Dividends	(552,129)	-
Net Cash Flows Used in Financing Activities	<u>(552,129)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	111,979	(56,554)
Cash and Cash Equivalents at the Beginning of Period	<u>452,010</u>	<u>1,050,489</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 563,989</u>	<u>993,935</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, 2022 and 2021

(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 District, Hsinchu Hsien, 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 authorized for issuance by the Audit Committee and Board of Directors of the Company on November 1, 2022.

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, 2022 :

- 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 IFRSs Standards 2018 – 2020 Cycle
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(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, 2023, would not have a significant impact on its financial statements:

- 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”

(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”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

Advanced Ceramic X Corporation

Notes to Financial Statements

- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IFRS 16 “Requirements for Sale and Leaseback Transactions”

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, 2021. For the related information, please refer note 4 of the financial statements for the year ended December 31, 2021.

(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, 2021. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2021.

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, 2022, which compare with the financial statements for the year ended December 31, 2021, was not changed significantly. For the related information, please refer to note 6 of the financial statements for the year ended December 31, 2021.

Advanced Ceramic X Corporation
Notes to Financial Statements

(1) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash	\$ 25	25	25
Cash in bank	167,364	220,607	236,544
Time deposits	396,600	211,378	757,366
Repo bonds	-	20,000	-
	<u>\$ 563,989</u>	<u>452,010</u>	<u>993,935</u>

As of September 30, 2022, December 31, 2021 and September 30, 2021, the classified from cash and cash equivalents to other financial assets-current for time deposits, amounted to \$215,850 thousand, \$215,850 thousand and \$218,850, 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)

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 1	334	409
Accounts receivable	221,244	253,920	284,702
Accounts receivable from related parties	64,441	307,600	434,105
Less: Allowance for impairment	(2,212)	(2,542)	(2,851)
Allowance for impairment from related parties	(644)	(3,076)	(4,341)
	<u>\$ 282,830</u>	<u>556,236</u>	<u>712,024</u>
Notes and accounts receivable, net	<u>\$ 219,033</u>	<u>251,712</u>	<u>282,260</u>
Accounts receivable from related parties, net	<u>\$ 63,797</u>	<u>304,524</u>	<u>429,764</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:

	September 30, 2022		
	Gross carrying amount	Weighted- average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 284,850	1%~2%	2,848
Past due less than 30 days	836	1%~2%	8
	<u>\$ 285,686</u>		<u>2,856</u>

Advanced Ceramic X Corporation
Notes to Financial Statements

	December 31, 2021		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 559,193	1%~2%	5,592
Past due less than 30 days	2,658	1%~2%	26
Past due 31 to 120 days	<u>3</u>	1%~2%	<u>-</u>
	<u>\$ 561,854</u>		<u>5,618</u>

	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	<u>306</u>	1%~2%	<u>3</u>
	<u>\$ 719,216</u>		<u>7,192</u>

The movements of allowance for doubtful accounts were as follows:

	Nine months ended September 30	
	2022	2021
Beginning balance	\$ 5,618	3,828
Provision (Reversal) of impairment loss	<u>(2,762)</u>	<u>3,364</u>
Ending balance	<u>\$ 2,856</u>	<u>7,192</u>

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, 2022, December 31, 2021 and September 30, 2021, the notes and accounts receivable were not pledged as collateral. For information on the Company's credit risk was disclosed in note 6(14).

(3) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials and supplies	\$ 67,384	85,915	118,731
Work in process	101,480	164,846	171,392
Finished goods and merchandises	<u>72,983</u>	<u>68,186</u>	<u>70,258</u>
	<u>\$ 241,847</u>	<u>318,947</u>	<u>360,381</u>

For the three months and nine months ended September 30, 2022 and 2021, the amounts of inventories that were charged to cost of sales were \$209,723 thousand, \$299,542 thousand, \$671,766 thousand and \$917,815 thousand, respectively. For the three months and nine months ended September 30, 2022 and 2021, the net of provisions that charged to cost of sales for inventories written down to net realizable value amounted were \$14,850 thousand, \$4,100 thousand, \$30,450 thousand and \$4,150 thousand, respectively.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the inventories were not pledged as collateral.

Advanced Ceramic X Corporation
Notes to Financial Statements

(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, 2022 and 2021 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, 2022	\$ 248,651	1,318,635	3,110,245	285,810	257,610	5,220,951
Additions	-	10,135	19,409	1,436	93,180	124,160
Reclassifications	-	12,257	82,766	5,879	(100,902)	-
Disposals	-	-	(37,453)	(3,828)	-	(41,281)
Balance at September 30, 2022	<u>\$ 248,651</u>	<u>1,341,027</u>	<u>3,174,967</u>	<u>289,297</u>	<u>249,888</u>	<u>5,303,830</u>
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	552,230	660,787
Reclassifications	-	706,260	692,921	44,186	(1,416,049)	27,318
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>
Depreciation :						
Balance at January 1, 2022	\$ -	298,989	1,811,518	178,561	-	2,289,068
Depreciation	-	50,115	200,829	20,551	-	271,495
Disposals	-	-	(37,453)	(3,828)	-	(41,281)
Balance at September 30, 2022	<u>\$ -</u>	<u>349,104</u>	<u>1,974,894</u>	<u>195,284</u>	<u>-</u>	<u>2,519,282</u>
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, 2021	<u>\$ -</u>	<u>282,183</u>	<u>1,743,388</u>	<u>171,829</u>	<u>-</u>	<u>2,197,400</u>
Carrying value :						
Balance at January 1, 2022	<u>\$ 248,651</u>	<u>1,019,646</u>	<u>1,298,727</u>	<u>107,249</u>	<u>257,610</u>	<u>2,931,883</u>
Balance at September 30, 2022	<u>\$ 248,651</u>	<u>991,923</u>	<u>1,200,073</u>	<u>94,013</u>	<u>249,888</u>	<u>2,784,548</u>
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>

Pledged assets

As of September 30, 2022, December 31, 2021 and September 30, 2021, the property, plant and equipment of the Company had been pledged as collateral for short-term borrowings; please refer to note 8.

Advanced Ceramic X Corporation
Notes to Financial Statements

(5) Intangible assets

	Royalty
Balance at January 1, 2022	\$ 2,788
Balance at September 30, 2022	\$ 2,678
Balance at January 1, 2021	\$ 2,692
Balance at September 30, 2021	\$ 2,092

For the nine months ended September 30, 2022 and 2021, 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, 2021 for other related information.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the intangible assets were not pledged as collateral.

(6) Other current liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Accrued expenses	\$ 138,322	174,710	181,596
Contract liabilities	21,566	10,452	10,599
Directors' remuneration payable	4,732	20,614	35,022
Other	2,207	3,655	2,636
	\$ 166,827	209,431	229,853

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, 2021 and 2020.

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

Advanced Ceramic X Corporation
Notes to Financial Statements

(8) Income tax

A. Income tax expense

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Income tax expense	\$ 18,834	71,171	60,843	229,225

B. As of September 30, 2022, the tax authorities have completed the examination of income tax returns of the Company through 2020.

C. In accordance with Permit No.11004582620 issued by the Ministry of Finance, the Company's 2021 income tax expenses are paid in installments. As of September 30, 2022, the Company unpaid amount was \$147,582 thousand.

(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, 2022 and 2021. For the related information, please refer to note 6(9) of the financial statements for the year ended December 31, 2021.

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.

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

According to the regulations of the FSC, 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.

Advanced Ceramic X Corporation
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D. Earnings distribution

On June 17, 2022, the shareholders' meetings resolved to distribute the 2021 earnings. On August 23, 2021, the Company's shareholders' meetings resolved to distribute the 2020 earnings. These earnings were distributed as dividends as follows:

	2021	2020
Dividends distributed to ordinary shareholders Amount per share (NTD) :		
Cash dividends	<u>\$ 8.00</u>	<u>10.80</u>

The aforementioned appropriations of earnings for 2021 and 2020 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, 2022 and 2021, the Company's earnings per share were calculated as follows:

	Three months ended September 30		Nine months ended September 30	
	2122	2021	2022	2021
Basic EPS :				
Profit attributable to ordinary shareholders	<u>\$ 66,059</u>	<u>284,687</u>	<u>234,095</u>	<u>916,902</u>
Weighted average number of outstanding share of common stock (in thousands)	<u>69,016</u>	<u>69,016</u>	<u>69,016</u>	<u>69,016</u>
Basic EPS (in dollars)	<u>\$ 0.96</u>	<u>4.12</u>	<u>3.39</u>	<u>13.29</u>
Diluted EPS :				
Profit belonging to common shareholders	<u>\$ 66,059</u>	<u>284,687</u>	<u>234,095</u>	<u>916,902</u>
Weighted average number of outstanding shares of common stock (in thousands) (basic)	69,016	69,016	69,016	69,016
Employee compensation	102	178	147	200
Weighted average number of common stock (in thousands) (diluted)	<u>69,118</u>	<u>69,194</u>	<u>69,163</u>	<u>69,216</u>
Diluted EPS (in dollars)	<u>\$ 0.96</u>	<u>4.11</u>	<u>3.38</u>	<u>13.25</u>

Advanced Ceramic X Corporation
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(11) Operating revenue from contracts with customers

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Primary geographic markets				
China	\$ 113,582	256,134	440,691	973,183
United States	78,526	308,993	321,837	768,772
Taiwan	80,271	98,442	214,140	352,192
Hong Kong	13,487	22,853	34,726	111,887
Other	38,277	51,962	96,679	129,107
	<u>\$ 324,143</u>	<u>738,384</u>	<u>1,108,073</u>	<u>2,335,141</u>
Main Product				
RF Front-End devices and modules	<u>\$ 324,143</u>	<u>738,384</u>	<u>1,108,073</u>	<u>2,335,141</u>

Contract balances

	September 30,	December 31,	September 30,
	2022	2021	2021
Notes receivable	\$ 1	334	409
Accounts receivable	221,244	253,920	284,702
Accounts receivable from related parties	64,441	307,600	434,105
Less: Allowance for impairment	(2,212)	(2,542)	(2,851)
Allowance for impairment from related parties	(644)	(3,076)	(4,341)
	<u>\$ 282,830</u>	<u>556,236</u>	<u>712,024</u>
Notes and accounts receivable, net	<u>\$ 219,033</u>	<u>251,712</u>	<u>282,260</u>
Accounts receivable from related parties, net	<u>\$ 63,797</u>	<u>304,524</u>	<u>429,764</u>

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

As of September 30, 2022, December 31, 2021 and September 30, 2021, the Company contract liabilities amount was \$21,566 thousand, \$10,452 thousand and \$10,599 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, 2022 and 2021 that was included in the contract liabilities balance at the beginning for the period was \$7,882 thousand and \$42,482 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.

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(12) Non-operating income and expenses

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Government grants income	\$ -	389	-	5,318
Other income	1	324	115	362
	\$ 1	713	115	5,680

(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, 2022 and 2021, the Company estimated the remuneration to employees amounting to \$4,540 thousand, \$19,030 thousand, \$15,772 thousand and \$61,290 thousand, respectively, and remuneration to directors amounting to \$1,362 thousand, \$5,709 thousand, \$4,732 thousand and \$18,387 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, 2022 and 2021. 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 2021 and 2020 in the amounts of \$68,715 thousand and \$55,450 thousand, respectively, and remuneration to director for 2021 and 2020 in the amounts of \$20,614 thousand and \$16,635 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 2021 and 2020. The information about the Company's remuneration to employees and directors is available at the Market Observation Post System website.

(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, 2021.

A. Credit risk

(a) Exposure of credit risk

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

Advanced Ceramic X Corporation
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(b) Concentration of credit risk

The major customers of the Company are centralized in the electronics industry. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Company's notes and account receivable (including related parties) were both concentrated on 5 customers, whose accounts represented 68%, 76% and 75% 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, 2022, December 31, 2021 and September 30, 2021, the Company's cash in bank and time deposits were both concentrated on one financial institution, whose accounts represented 65%, 64% and 64% 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 accounts 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, 2021.

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, 2022		
Non-derivative financial liabilities		
Accounts payable	\$ 32,717	32,717
Payables to contractors and equipment	30,923	30,923
	<u>\$ 63,640</u>	<u>63,640</u>
December 31, 2021		
Non-derivative financial liabilities		
Accounts payable	\$ 32,774	32,774
Payables to contractors and equipment	103,550	103,550
	<u>\$ 136,324</u>	<u>136,324</u>

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	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
	\$ 190,588	190,588

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, 2022			December 31, 2021			September 30, 2021		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 14,045	31.700	445,227	21,134	27.630	583,932	25,782	27.800	716,740
JPY	671,931	0.2181	146,548	833,735	0.2385	198,846	489,387	0.2470	120,879
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	349	31.800	11,098	146	27.730	4,049	1,381	27.900	38,530
JPY	66,221	0.2221	14,708	73,963	0.2425	17,936	72,848	0.2510	18,285

(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, 2022 and 2021, while all other variables were remained constant, would have increased (decreased) the net profit after tax by \$4,528 thousand and \$6,246 thousand, respectively. The analysis is performed on the same basis for both periods.

(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, 2022 and 2021, foreign exchange gain (loss), including realized and unrealized portions, amounted to \$50,831 thousand and (\$19,171) thousand, respectively.

Advanced Ceramic X Corporation
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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 \$4,679 thousand and \$7,277 thousand for the nine months ended September 30, 2022 and 2021, 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 accounts 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, 2021.

(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, 2021. 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, 2021. Refer to note 6(16) of the financial statements for the year ended December 31, 2021 for the relevant information.

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.

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

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(2) Significant transactions with related parties

A. Operating revenue

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

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Key management personnel— JOHANSON	\$ 40,575	240,877	166,763	577,574
Key management personnel— MINI-CKT	35,810	65,193	146,280	181,934
	\$ 76,385	306,070	313,043	759,508

B. Receivables from related parties

Categories	Account	September 30,	December 31,	September 30,
		2022	2021	2021
Key management personnel— JOHANSON	Receivables from related parties	\$ 53,868	280,461	402,914
	Bad debt provision	(539)	(2,805)	(4,029)
Key management personnel— MINI-CKT	Receivables from related parties	10,573	27,139	31,191
	Bad debt provision	(105)	(271)	(312)
		\$ 63,797	304,524	429,764

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.

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			
	2022	2021	2022	2021	2022	2021	2021
Key management personnel— JOHANSON	\$ 0	126	0	561	0	0	0

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(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	
	2022	2021	2022	2021
Short-term employee benefits	\$ 3,838	38,316	24,819	114,722
Post-employment benefits	27	27	81	81
	\$ 3,865	38,343	24,900	114,803

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledge assets	Pledged to secure	September 30, 2022	December 31, 2021	September 30, 2021
Land (Property, plant and equipment)	Short-term borrowings	\$ 168,944	168,944	168,944

9. Commitments and contingencies:

- (1) As of September 30, 2022, December 31, 2021 and September 30, 2021, the outstanding letters of credit for the Company's purchases of machinery and equipment and raw materials amounted to \$25,382 thousand, \$77,634 thousand and \$89,944 thousand, respectively.
- (2) As of September 30, 2022, December 31, 2021 and September 30, 2021, the Company purchased machinery and equipment and the unpaid amount was \$40,667 thousand, \$156,429 thousand and \$229,650 thousand, respectively.
- (3) As of September 30, 2022, December 31, 2021 and September 30, 2021, the bank guarantees of the Company's purchases of raw materials, machinery and equipment amounted to \$2,000 thousand, \$3,000 thousand and \$3,000 thousand, respectively.

10. Losses due to major disasters: None

11. Subsequent events: None

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Notes to Financial Statements

12. Other:

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

	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	25,553	14,146	39,699	54,287	41,246	95,533
Labor and health insurance	3,592	2,041	5,633	5,344	1,961	7,305
Pension	1,333	892	2,225	2,180	934	3,114
Directors remuneration	1,239	165	1,404	5,195	556	5,751
Others	1,382	577	1,959	2,112	841	2,953
Depreciation	77,924	12,494	90,418	65,432	9,964	75,396
Amortization	730	249	979	600	200	800

	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	91,545	58,069	149,614	164,961	128,607	293,568
Labor and health insurance	11,696	6,248	17,944	14,943	6,226	21,169
Pension	4,337	2,743	7,080	6,046	2,896	8,942
Directors remuneration	4,306	564	4,870	16,732	1,781	18,513
Others	4,533	1,848	6,381	5,975	2,623	8,598
Depreciation	234,254	37,241	271,495	162,452	23,316	185,768
Amortization	2,104	639	2,743	1,536	600	2,136

(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.

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C. Securities held as of September 30, 2022 (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.

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	647,215	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)	166,763	15%	150 days	Note	Note	53,868	19%	
The Company	MINI-CKT	Corporate director	(Sales)	146,280	13%	30 days	Note	Note	10,573	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: None.

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, 2022:

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.