<u>Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2019 and 2018</u>

Advanced Ceramic X Corporation

Balance Sheets

September 30, 2019, December 31, 2018 and September 30, 2018

(Expressed in Thousands of New Taiwan Dollars)

		September 2019	30,	December 2018	31,	September 2018	30,			September 2019 Reviewee		December 2018 Audited	31,	September 2018 Reviewed	
		Reviewed		Audited		Reviewed	1		Liabilities and Equity	Amount	<u> </u>	Amount	%	Amount	<u> </u>
	Assets	Amount	%	Amount	%	Amount	%		Current Liabilities :			mount	/0		
(Current Assets :							2170	Accounts Payable	\$ 52,480	2	45,704	1	44,828	1
1100	Cash and Cash Equivalents (Note 6(1))	\$ 1,675,692	46	1,709,216	45	1,723,715	47	2201	Salary and Bonus Payable	166,897	-5	127,347	3	181,678	5
1170	Notes and Accounts Receivable, Net							2213	Payables to Contractors and Equipment		-		-	,	-
	(Note 6(2))	189,662	5	190,477	5	231,567	6		(Note 7)	83,813	2	52,527	2	68,728	2
1180	Receivables from Related Parties							2230	Income Tax Payable	28,960	1	101,698	3	52,614	2
	(Note 6(2) and 7)	74,970	2	133,791	4	109,606	3	2399	Other Current Liabilities (Note 6(6) and 7) 147,963	4	126,441	3	147,151	4
1310	Inventories (Note 6(3))	130,908	4	130,408	3	139,636	4			480,113	14	453,717	12	494,999	14
1476	Other Financial Assets - Current							I	Noncurrent Liabilities :						
	(Note 6(1) and 8)	216,215	6	502,607	13	344,606	10	2600	Other Liabilities- Noncurrent	13,399		10,477		9,837	_
1479	Other Current Assets	26,318	1	18,888	1	22,908	1			13,399		10,477		9,837	
		2,313,765	64	2,685,387	71	2,572,038	71		Total Liabilities	493,512	14	464,194	12	504,836	14
ľ	Noncurrent Assets:]	Equity (Note 6(9)):						
1600	Property, Plant and Equipment							3100	Capital Stock	690,162	19	690,162	18	690,162	19
	(Note 6(4), 7 and 8)	1,310,052	36	1,100,949	29	1,049,523	29	3200	Capital Surplus	573,532	15	573,532	15	573,532	16
1780	Intangible Assets (Note 6(5))	1,183	-	683	-	792	-	3300	Retained Earnings	1,878,696	52	2,069,663	55	1,864,385	51
1840	Deferred Tax Assets	9,409	-	9,409	-	9,860	-		Total Equity	3,142,390	86	3,333,357	88	3,128,079	86
1980	Other Financial Assets - Noncurrent	446	-	501	-	501	-								
1975	Net Defined Benefit Asset -														
	Noncurrent (Note 6(7))	1,047		622		201									
		1,322,137	36	1,112,164	29	1,060,877	29								
Total Assets		<u>\$ 3,635,902</u>	100	3,797,551	100	3,632,915	100	r	Fotal Liabilities and Equity	<u>\$ 3,635,902</u>	<u> 100 </u>	3,797,551	<u> 100 </u>	3,632,915	<u> 100 </u>

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Gross Profit 244,903 59 298,527 63 757,682 60 819,830 62 Operating Expenses (Note 6(7), (13) and 7) : 6100 Selling and Distribution Expenses 9,919 2 8,071 2 26,887 2 22,833 2 6200 General and Administrative Expenses 20,072 5 19,625 4 56,399 5 56,447 4 6300 Research and Development Expenses 28,128 7 27,933 6 84,309 7 76,350 6 6450 Expected Credit Impairment Loss (Gain) (Note 6(2)) 802 - (109) - 5,459 - 63 - 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7100 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7410 Gain on Disposal of Property,			T	Three Months Ended September 30			er 30	Nine Months Ended September 30			
4100 Net Revenue (Note 6(11) and 7) \$ 415,061 100 472,421 100 1,270,478 100 1,319,730 100 5000 Cost of Revenue (Note 6(3), (7), (13) and 7) 170,158 41 173,894 37 512,796 40 499,900 38 Gross Profit 244,903 59 298,527 63 757,682 60 819,830 62 Operating Expenses (Note 6(7), (13) and 7) :								· · · · · · ·			
5000 Cost of Revenue (Note 6(3), (7), (13) and 7) 170,158 41 173,894 37 512,796 40 499,900 38 Gross Profit 244,903 59 298,527 63 757,682 60 819,830 62 Operating Expenses (Note 6(7), (13) and 7) :											
Gross Profit 244,903 59 298,527 63 757,682 60 819,830 62 Operating Expenses (Note 6(7), (13) and 7) : 6100 Selling and Distribution Expenses 9,919 2 8,071 2 26,887 2 22,833 2 6200 General and Administrative Expenses 20,072 5 19,625 4 56,399 5 56,447 4 6300 Research and Development Expenses 28,128 7 27,933 6 84,309 7 76,350 6 6450 Expected Credit Impairment Loss (Gain) (Note 6(2)) 802 - (109) - 5,459 - 63 - 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7100 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7410 Gain on Disposal of Property,	4100	Net Revenue (Note 6(11) and 7)	\$	415,061	100	472,421	100	1,270,478	100	1,319,730	100
Operating Expenses (Note 6(7), (13) and 7) : Image: Construct of Construction of Constructing of Construction of Const	5000	Cost of Revenue (Note 6(3), (7), (13) and 7)		170,158	41	173,894	37	512,796	40	499,900	38
6100 Selling and Distribution Expenses 9,919 2 8,071 2 26,887 2 22,833 2 6200 General and Administrative Expenses 20,072 5 19,625 4 56,399 5 56,447 4 6300 Research and Development Expenses 28,128 7 27,933 6 84,309 7 76,350 6 6450 Expected Credit Impairment Loss (Gain) (Note 6(2))		Gross Profit		244,903	59	298,527	63	757,682	60	819,830	62
6200 General and Administrative Expenses 20,072 5 19,625 4 56,399 5 56,447 4 6300 Research and Development Expenses 28,128 7 27,933 6 84,309 7 76,350 6 6450 Expected Credit Impairment Loss (Gain) (Note 6(2)) 802 - (109) - 5,459 - 63 - 7 76,050 14 55,520 12 173,054 14 155,693 12 Profit from Operations 185,982 45 243,007 51 584,628 46 664,137 50 Non-Operating Income and Expenses : 1 11,173 1 12,246 1 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7190 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 <t< td=""><td></td><td>Operating Expenses (Note 6(7), (13) and 7)</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>		Operating Expenses (Note 6(7), (13) and 7)									
6300 Research and Development Expenses 28,128 7 27,933 6 84,309 7 76,350 6 6450 Expected Credit Impairment Loss (Gain) (Note 6(2)) 802 - (109) - 5,459 - 63 - Profit from Operations 14 55,520 12 173,054 14 155,693 12 Non-Operating Income and Expenses : 185,982 45 243,007 51 584,628 46 664,137 50 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7100 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net	6100	Selling and Distribution Expenses		9,919	2	8,071	2	26,887	2	22,833	2
6450 Expected Credit Impairment Loss (Gain) (Note 6(2)) 802 - (109) - 5,459 - 63 - (109) - 5,459 - (109) - 5,459 - 60 - (109) - 5,459 - (100) 5,847 - 176 - (100) - 5,847 - 176 - (100) - 5,847 - 176 - (100) - 5,5847 - 176 - (100) - 5,5847 - 176 - (100) - 9,081 - (100) 100 - 95 - (6,592 - 2, 4,819 - (100) 0,95 - (6,592 - 2, 4,819 - (100) - 0,95 - (100) - 9,081 - (100) - 0,95	6200	General and Administrative Expenses		20,072	5	19,625	4	56,399	5	56,447	4
Note $6(2)$) $802 - (109) - 5,459 - 63 - 58,921$ Profit from Operations $14 - 155,693$ Non-Operating Income and Expenses :7101Interest Income7101Interest Income (Note $6(12)$)7101Interest Income (Note $6(12)$)7101Gain on Disposal of Property, Plant and Equipment, Net7101Gain on Disposal of Property, Plant and Equipment, Net7100Profit Before Income Tax7101Income Tax Expense (Note $6(8)$)7100Profit Before Income Tax7101Income Tax Expense (Note $6(8)$)7101Income Tax Expense (Note $6(8)$)7102Total Comprehensive Income7103198,261710442710543710544710671077108710971097109710071017101710171017101710171017101710271037104	6300	Research and Development Expenses		28,128	7	27,933	6	84,309	7	76,350	6
Frofit from Operations $58,921$ 14 $55,520$ 12 $173,054$ 14 $155,693$ 12Profit from Operations $185,982$ 45 $243,007$ 51 $584,628$ 46 $664,137$ 50Non-Operating Income and Expenses : $3,601$ 1 $3,802$ 1 $11,173$ 1 $12,246$ 17101Interest Income (Note $6(12)$) $3,196$ 1 $5,847$ - 176 7230Foreign Exchange Gain (Loss), Net (305) - $1,017$ - $9,081$ 1 $14,268$ 17610Gain on Disposal of Property, Plant and Equipment, Net 100 100 7900Profit Before Income Tax192,574 47 $247,826$ 52 $610,829$ 48 $690,922$ 52 7900Profit Before Income Tax192,574 47 $247,826$ 52 $610,829$ 48 $690,922$ 52 7900Profit Before Income Tax192,574 47 $247,826$ 52 $610,829$ 48 $690,922$ 52 7900Net Income $156,309$ 38 $198,261$ 42 $490,913$ 39 $552,738$ 42 8300Other Comprehensive Income $$$ $156,309$ 38 $198,261$ 42 $490,913$ 39 $552,738$ 42 8300Total Comprehensive Income $$$ $156,309$ 38 $198,261$ 42 $490,913$ 39 $552,738$ 42 <tr< td=""><td>6450</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr<>	6450										
Profit from Operations Non-Operating Income and Expenses : 185,982 45 243,007 51 584,628 46 664,137 50 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7190 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net 100 - - 100 - 9,081 1 14,268 1 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income -		(Note 6(2))		802		(109)		5,459		63	
Non-Operating Income and Expenses : 7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7190 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 1766 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net 100 - - 100 - 9,081 1 14,268 1 7900 Profit Before Income Tax 100 - - 100 - 9,081 2 2,67.85 2 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 830				58,921	14	55,520	12	173,054	14	155,693	12
7101 Interest Income 3,601 1 3,802 1 11,173 1 12,246 1 7190 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net		Profit from Operations		185,982	45	243,007	51	584,628	46	664,137	50
7190 Other Income (Note 6(12)) 3,196 1 - - 5,847 - 176 - 7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net 100 - - - 100 - 95 - - - - 95 - - - - 95 - - - - - 95 - - - - 955 - - - - - 955 -		Non-Operating Income and Expenses :									
7230 Foreign Exchange Gain (Loss), Net (305) - 1,017 - 9,081 1 14,268 1 7610 Gain on Disposal of Property, Plant and Equipment, Net 100 - - 100 - 95 - - 6,592 2 4,819 1 26,201 2 26,785 2 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -	7101	Interest Income		3,601	1	3,802	1	11,173	1	12,246	1
7610 Gain on Disposal of Property, Plant and Equipment, Net 100 - - 100 - 95 - 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -	7190	Other Income (Note 6(12))		3,196	1	-	-	5,847	-	176	-
Equipment, Net 100 - - 100 - 95 - 6,592 2 4,819 1 26,201 2 26,785 2 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -	7230	Foreign Exchange Gain (Loss), Net		(305)	-	1,017	-	9,081	1	14,268	1
6,592 2 4,819 1 26,201 2 26,785 2 7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net - <td>7610</td> <td>Gain on Disposal of Property, Plant and</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	7610	Gain on Disposal of Property, Plant and									
7900 Profit Before Income Tax 192,574 47 247,826 52 610,829 48 690,922 52 7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -		Equipment, Net		100	-	-		100		95	
7950 Income Tax Expense (Note 6(8)) 36,265 9 49,565 10 119,916 9 138,184 10 8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -				6,592	2	4,819	1	26,201	2	26,785	2
8200 Net Income 156,309 38 198,261 42 490,913 39 552,738 42 8300 Other Comprehensive Income, net -<	7900	Profit Before Income Tax		192,574	47	247,826	52	610,829	48	690,922	52
8300 Other Comprehensive Income, net -	7950	Income Tax Expense (Note 6(8))		36,265	9	49,565	10	119,916	9	138,184	10
8500 Total Comprehensive Income \$ 156,309 38 198,261 42 490,913 39 552,738 42 Earnings Per Share (Expressed in Dollars) 552,738 42 490,913 39 552,738 42	8200	Net Income		156,309	38	198,261	42	490,913	39	552,738	42
Earnings Per Share (Expressed in Dollars)	8300	Other Comprehensive Income, net		-	-	-	_				
	8500	Total Comprehensive Income	<u>\$</u>	156,309	38	198,261	42	<u>490,913</u>	<u> </u>	552,738	42
(Note 6(10))		Earnings Per Share (Expressed in Dollars) (Note 6(10))									
9750 Basic Earnings Per Share \$ 2.26 2.87 7.11 8.01	9750	Basic Earnings Per Share	\$		2.26		2.87		7.11		<u>8.01</u>
9850 Diluted Earnings Per Share \$ 2.26 2.87 7.10 7.98	9850	Diluted Earnings Per Share	<u>\$</u>		2.26		<u>2.87</u>		<u>7.10</u>		<u>7.98</u>

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		Common Stock	Capital Surplus	Legal Reserve	Undistributed Earnings	Subtotal	Total Equity
Balance at January 1, 2018	\$	690,162	573,532	556,555	1,507,369	2,063,924	3,327,618
Profit for the Nine Months Ended September 30, 2018		-	-	-	552,738	552,738	552,738
Other Comprehensive Income for the Nine Months Ended September 30, 2018					<u> </u>		
Total Comprehensive Income for the Nine Months Ended September 30, 2018					552,738	552,738	552,738
Appropriation and Distribution of 2017 Earnings	:						
Legal Reserve		-	-	83,859	(83,859)	-	-
Cash Dividends			_	_	(752,277)	(752,277)	(752,277)
Balance at of September 30, 2018	<u>\$</u>	690,162	573,532	640,414	1,223,971	1,864,385	3,128,079
Balance at January 1, 2019	<u>\$</u>	690,162	573,532	640,414	1,429,249	2,069,663	3,333,357
Profit for the Nine Months Ended September 30, 2019		-	-	-	490,913	490,913	490,913
Other Comprehensive Income for the Nine Months Ended September 30, 2019			-	-			-
Total Comprehensive Income for the Nine Months Ended September 30, 2019				-	490,913	490,913	490,913
Appropriation and Distribution of 2018 Earnings	:						
Legal Reserve		-	-	75,774	(75,774)	-	-
Cash Dividends		_	_	_	(681,880)	(681,880)	(681,880)
Balance at of September 30, 2019	\$	<u>690,162</u>	573,532	716,188	1,162,508	1,878,696	3,142,390

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Nine	l September 30	
		2019	2018
Cash Flows from Operating Activities :			
Profit Before Income Tax	\$	610,829	690,922
Adjustments for :			
Depreciation		111,465	107,241
Amortization		250	375
Provision of Expected Credit Impairment Loss		5,459	63
Interest Income		(11,173)	(12,246)
Gain on Disposal of Property, Plant and Equipment, Net		(100)	(95)
Provision (Reversal) for Inventory Obsolescence and			
Devaluation Loss		(4,700)	4,500
Total Adjustments to Reconcile Profit		101,201	99,838
Changes in Operating Assets and Liabilities :			
Notes and Accounts Receivable		(5,238)	(21,196)
Receivables from Related Parties		59,415	25,404
Inventories		4,200	(34,799)
Other Operating Current Assets		(7,430)	(6,922)
Accounts Payable		6,776	1,591
Net Defined Benefit Liabilities-Noncurrent		(425)	(251)
Other Liabilities-Noncurrent		2,922	2,536
Other Operating Current Liabilities			
(Including Salary Payable and Other Current Liabilities)		61,072	51,699
Total Net Changes in Operating Assets and Liabilities		121,292	18,062
Cash Generated from Operations		833,322	808,822
Interest Received		11,465	12,196
Income Taxes Paid		(192,654)	(176,428)
Net Cash Flows from Operating Activities		652,133	644,590
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(289,282)	(111,015)
Proceeds from Disposal of Property, Plant and Equipment		100	95
Decrease in Guarantee Deposits		55	-
Acquisition of Intangible Assets		(750)	-
Decrease (Increase) in Other Financial Assets		286,100	(342,000)
Net Cash Flows from Used in Investing Activities		(3,777)	(452,920)
Cash Flows from Financing Activities :			
Cash Dividends		(681,880)	(752,277)
Net Cash Flows from Used in Financing Activities		(681,880)	(752,277)
Net Decrease in Cash and Cash Equivalents		(33,524)	(560,607)
Cash and Cash Equivalents at the Beginning of Period		1,709,216	2,284,322
Cash and Cash Equivalents at the End of Period	<u>\$</u>	1,675,692	1,723,715