

Reviewed only, not audited in accordance with generally accepted auditing standards as of June 30, 2020 and 2019

Advanced Ceramic X Corporation

Balance Sheets

June 30, 2020, December 31, 2019 and June 30, 2019

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2020		December 31, 2019		June 30, 2019			June 30, 2020		December 31, 2019		June 30, 2019			
	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))	\$ 1,606,832	36	1,727,244	46	2,282,087	55	2170	Accounts Payable	\$ 66,385	2	50,504	1	48,011	1
1170	Notes and Accounts Receivable, Net (Note 6(2) and (11))	252,734	6	178,135	5	189,861	5	2201	Salary and Bonus Payable	155,525	4	120,688	3	153,655	4
1180	Receivables from Related Parties (Note 6(2), (11) and 7)	225,766	5	84,294	2	95,364	2	2213	Payables to Contractors and Equipment (Note 7)	264,315	6	91,046	3	64,566	2
1310	Inventories (Note 6(3))	123,288	3	117,516	3	121,396	3	2216	Cash Dividends Payable	581,807	13	-	-	681,880	16
1476	Other Financial Assets - Current (Note 6(1) and 8)	216,012	5	216,237	6	218,109	5	2230	Income Tax Payable	95,143	2	68,006	2	85,893	2
1479	Other Current Assets	39,860	1	25,642	-	20,838	-	2399	Other Current Liabilities (Note 6(6), (11) and 7)	149,285	3	137,282	4	152,333	4
		<u>2,464,492</u>	<u>56</u>	<u>2,349,068</u>	<u>62</u>	<u>2,927,655</u>	<u>70</u>			<u>1,312,460</u>	<u>30</u>	<u>467,526</u>	<u>13</u>	<u>1,186,338</u>	<u>29</u>
Noncurrent Assets :							Noncurrent Liabilities :								
1600	Property, Plant and Equipment (Note 6(4), 7 and 8)	1,910,264	43	1,417,742	38	1,224,930	29	2600	Other Liabilities- Noncurrent	15,421	-	14,061	-	11,800	-
1780	Intangible Assets (Note 6(5))	1,516	-	1,783	-	533	-			<u>15,421</u>	<u>-</u>	<u>14,061</u>	<u>-</u>	<u>11,800</u>	<u>-</u>
1840	Deferred Tax Assets	9,497	-	9,497	-	9,409	-		Total Liabilities	<u>1,327,881</u>	<u>30</u>	<u>481,587</u>	<u>13</u>	<u>1,198,138</u>	<u>29</u>
1900	Other Assets - Noncurrent	35,579	1	-	-	-	-		Equity (Note 6(9)) :						
1980	Other Financial Assets - Noncurrent (Note 8)	592	-	447	-	20,787	1	3100	Capital Stock	690,162	16	690,162	18	690,162	16
1975	Net Defined Benefit Asset - Noncurrent (Note 6(7))	1,424	-	1,094	-	905	-	3200	Capital Surplus	573,532	13	573,532	15	573,532	14
		<u>1,958,872</u>	<u>44</u>	<u>1,430,563</u>	<u>38</u>	<u>1,256,564</u>	<u>30</u>	3300	Retained Earnings	<u>1,831,789</u>	<u>41</u>	<u>2,034,350</u>	<u>54</u>	<u>1,722,387</u>	<u>41</u>
		<u>\$ 4,423,364</u>	<u>100</u>	<u>3,779,631</u>	<u>100</u>	<u>4,184,219</u>	<u>100</u>		Total Equity	<u>3,095,483</u>	<u>70</u>	<u>3,298,044</u>	<u>87</u>	<u>2,986,081</u>	<u>71</u>
									Total Liabilities and Equity	<u>\$ 4,423,364</u>	<u>100</u>	<u>3,779,631</u>	<u>100</u>	<u>4,184,219</u>	<u>100</u>

See accompanying notes to the financial statements.

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Advanced Ceramic X Corporation
Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Three Months Ended June 30				Six Months Ended June 30				
	2020		2019		2020		2019		
	Amount	%	Amount	%	Amount	%	Amount	%	
4100	Net Revenue (Note 6(11) and 7)	\$ 520,785	100	429,565	100	1,001,883	100	855,417	100
5000	Cost of Sales (Note 6(3), (13) and 7)	210,595	40	173,844	40	410,485	41	342,638	40
	Gross Profit	310,190	60	255,721	60	591,398	59	512,779	60
	Operating Expenses (Note 6(13) and 7) :								
6100	Selling and Distribution Expenses	8,726	2	9,601	3	17,499	2	16,968	1
6200	General and Administrative Expenses	22,944	4	18,437	4	44,425	4	36,327	4
6300	Research and Development Expenses	30,087	6	29,218	7	61,185	6	56,181	7
6450	Expected Credit Impairment Loss (Note 6(2))	641	-	5,181	1	2,183	-	4,657	1
		62,398	12	62,437	15	125,292	12	114,133	13
	Profit from Operations	247,792	48	193,284	45	466,106	47	398,646	47
	Non-Operating Income and Expenses :								
7100	Interest Income	1,877	-	3,818	1	4,714	-	7,572	1
7190	Other Income (Note 6(12))	2,828	-	1,946	1	5,262	-	2,651	-
7230	Foreign Exchange Gain (Loss), Net	(10,810)	(2)	8,277	2	(2,025)	-	9,386	1
		(6,105)	(2)	14,041	4	7,951	-	19,609	2
7900	Profit Before Income Tax	241,687	46	207,325	49	474,057	47	418,255	49
7950	Income Tax Expense (Note 6(8))	48,337	9	41,465	10	94,811	9	83,651	10
8200	Net Income	193,350	37	165,860	39	379,246	38	334,604	39
8300	Other Comprehensive Income :								
8300	Other Comprehensive Income, net of tax	-	-	-	-	-	-	-	-
8500	Total Comprehensive Income	\$ 193,350	37	165,860	39	379,246	38	334,604	39
	Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750	Basic Earnings Per Share	\$ 2.81		2.41		5.50		4.85	
9850	Diluted Earnings Per Share	\$ 2.80		2.40		5.49		4.84	

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Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Capital Surplus
			Legal Reserve	Undistributed Earnings	Subtotal	
Balance at January 1, 2019	\$ 690,162	573,532	640,414	1,429,249	2,069,663	3,333,357
Profit for the Six Months Ended June 31, 2019	-	-	-	334,604	334,604	334,604
Other Comprehensive Income for the Six Months Ended June 30, 2019	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2019	-	-	-	334,604	334,604	334,604
Appropriation and Distribution of 2018 Earnings						
Legal Reserve	-	-	75,774	(75,774)	-	-
Cash Dividends	-	-	-	(681,880)	(681,880)	(681,880)
Balance at June 30, 2019	\$ 690,162	573,532	716,188	1,006,199	1,722,387	2,986,081
Balance at January 1, 2020	\$ 690,162	573,532	716,188	1,318,162	2,034,350	3,298,044
Profit for the Six Months Ended June 30, 2020	-	-	-	379,246	379,246	379,246
Other Comprehensive Income for the Six Months Ended June 30, 2020	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2020	-	-	-	379,246	379,246	379,246
Appropriation and Distribution of 2019 Earnings						
Legal Reserve	-	-	64,666	(64,666)	-	-
Cash Dividends	-	-	-	(581,807)	(581,807)	(581,807)
Balance at June 30, 2020	\$ 690,162	573,532	780,854	1,050,935	1,831,789	3,095,483

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Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2020	2019
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 474,057	418,255
Adjustments for :		
Depreciation Expense	72,848	74,818
Amortization Expense	507	150
Expected Credit Loss	2,183	4,657
Interest Income	(4,714)	(7,572)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	4,000	(5,000)
Total Adjustments to Reconcile Profit	<u>74,824</u>	<u>67,053</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(75,353)	(4,429)
Receivables from Related Parties	(142,901)	38,815
Inventories	(9,772)	14,012
Other Operating Current Assets	(14,218)	(1,950)
Net Defined Benefit Assets	(330)	(283)
Accounts Payable	15,881	2,307
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	46,840	52,200
Other Liabilities-Noncurrent	1,360	1,323
Total Net Changes in Operating Assets and Liabilities	<u>(178,493)</u>	<u>101,995</u>
Cash Generated from Operations	370,388	587,303
Interest Received	4,939	7,470
Income Taxes Paid	(67,674)	(99,456)
Net Cash Generated by Operating Activities	<u>307,653</u>	<u>495,317</u>
Cash Flows from Investing Activities : :		
Acquisition of Property, Plant and Equipment	(392,101)	(186,760)
Decrease (Increase) in Guarantee Deposits	(145)	54
Decrease in Other Financial Assets	-	264,260
Increase in Other Assets- Noncurrent	(4,797)	-
Increase in Prepaid of Equipment	(31,022)	-
Net Cash Flows from (Used in) Investing Activities	<u>(428,065)</u>	<u>77,554</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(120,412)	572,871
Cash and Cash Equivalents at the Beginning of Period	<u>1,727,244</u>	<u>1,709,216</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 1,606,832</u>	<u>2,282,087</u>

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