

**Advanced Ceramic X Corporation**  
**Balance Sheets**  
**December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and Cash Equivalents (Note 6(1))	\$ 1,050,489	25	1,727,244	46	2170	Accounts Payable	\$ 111,282	3	50,504	1
1170	Notes and Accounts Receivable, Net (Note 6(2))	233,184	5	178,135	5	2201	Salary and Bonus Payable	145,239	3	120,688	3
1180	Receivables from Related Parties (Note 6(2) and 7)	145,800	3	84,294	2	2213	Payables to Contractors and Equipment (Note 7)	164,772	4	91,046	3
1310	Inventories (Note 6(3))	173,522	4	117,516	3	2230	Income Tax Payable	124,719	3	68,006	2
1476	Other Current Financial Assets (Note 6(1))	215,975	5	216,237	6	2399	Other Current Liabilities (Note 6(6) and 7)	191,720	5	137,282	4
1479	Other Current Assets	34,039	1	25,642	-			737,732	18	467,526	13
		<u>1,853,009</u>	<u>43</u>	<u>2,349,068</u>	<u>62</u>						
<b>Noncurrent Assets :</b>						<b>Noncurrent Liabilities :</b>					
1600	Property, Plant and Equipment (Note 6(4), 7 and 8)	2,400,773	56	1,417,742	38	2600	Other Noncurrent Liabilities	16,783	-	14,061	-
1780	Intangible Assets (Note 6(5))	2,692	-	1,783	-			16,783	-	14,061	-
1840	Deferred Tax Assets (Note 6(8))	7,275	-	9,497	-			<u>754,515</u>	<u>18</u>	<u>481,587</u>	<u>13</u>
1900	Other Noncurrent Assets	34,473	1	-	-						
1980	Other Noncurrent Financial Assets	632	-	447	-						
1975	Net Defined Benefit Asset- Noncurrent (Note 6(7))	293	-	1,094	-						
		<u>2,446,138</u>	<u>57</u>	<u>1,430,563</u>	<u>38</u>						
<b>Total Assets</b>		<b>\$ 4,299,147</b>	<b>100</b>	<b>3,779,631</b>	<b>100</b>						
						<b>Equity (Note 6(9)) :</b>					
						3100	Capital Stock	690,162	16	690,162	18
						3200	Capital Surplus	573,532	13	573,532	15
						3300	Retained Earnings	2,280,938	53	2,034,350	54
								<u>3,544,632</u>	<u>82</u>	<u>3,298,044</u>	<u>87</u>
						<b>Total Equity</b>		<u>3,544,632</u>	<u>82</u>	<u>3,298,044</u>	<u>87</u>
						<b>Total Liabilities and Equity</b>		<b>\$ 4,299,147</b>	<b>100</b>	<b>3,779,631</b>	<b>100</b>

See accompanying notes to the financial statements.

**Advanced Ceramic X Corporation**  
**Statements of Comprehensive Income**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 <b>Net Revenue</b> (Note 6(11) and 7)	\$ 2,192,650	100	1,707,626	100
5000 <b>Cost of Sales</b> (Note 6(3), (7), (13) and 7)	898,597	41	689,886	40
<b>Gross Profit</b>	<u>1,294,053</u>	<u>59</u>	<u>1,017,740</u>	<u>60</u>
<b>Operating Expenses</b> (Note 6(7), (13) and 7) :				
6100 Selling and Distribution Expenses	32,370	1	36,450	2
6200 General and Administrative Expenses	94,677	4	78,366	5
6300 Research and Development Expenses	121,671	6	110,403	6
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	1,178	-	(625)	-
	<u>249,896</u>	<u>11</u>	<u>224,594</u>	<u>13</u>
<b>Gross Profit from Operations</b>	<u>1,044,157</u>	<u>48</u>	<u>793,146</u>	<u>47</u>
<b>Non-Operating Income and Expenses :</b>				
7101 Interest Income	7,044	-	14,711	1
7190 Other Income (Note 6(12))	8,406	-	7,286	-
7230 Foreign Exchange Losses, Net	(24,439)	(1)	(9,702)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	1,750	-	100	-
	<u>(7,239)</u>	<u>(1)</u>	<u>12,395</u>	<u>-</u>
7900 <b>Profit Before Income Tax</b>	1,036,918	47	805,541	47
7950 <b>Less : Income Tax Expense</b> (Note 6(8))	207,052	9	158,876	9
8200 <b>Net Income</b>	<u>829,866</u>	<u>38</u>	<u>646,665</u>	<u>38</u>
8300 <b>Other Comprehensive Income :</b>				
8310 <b>Components of Other Comprehensive Income that Will Not Be Reclassified to Profit or Loss</b>				
8311 Losses on Remeasurements of Defined Benefit Plans (Note 6(7))	(1,471)	-	(98)	-
8300 <b>Other Comprehensive Income, Net of Tax</b>	<u>(1,471)</u>	<u>-</u>	<u>(98)</u>	<u>-</u>
8500 <b>Total Comprehensive Income</b>	<u><b>\$ 828,395</b></u>	<u><b>38</b></u>	<u><b>646,567</b></u>	<u><b>38</b></u>
<b>Earnings Per Share (Expressed in Dollars)</b> (Note 6(10))				
9750 Basic Earnings Per Share	<u><b>\$ 12.02</b></u>		<u><b>9.37</b></u>	
9850 Diluted Earnings Per Share	<u><b>\$ 12.01</b></u>		<u><b>9.35</b></u>	

See accompanying notes to the financial statements.

**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
<b>Balance at January 1, 2019</b>	\$ 690,162	573,532	640,414	1,429,249	2,069,663	3,333,357
Net income in 2019	-	-	-	646,665	646,665	646,665
Other Comprehensive Income, Net of Tax	-	-	-	(98)	(98)	(98)
Total Comprehensive Income for the Year	-	-	-	646,567	646,567	646,567
Appropriation and Distribution of 2018 Earnings :						
Legal Reserve	-	-	75,774	(75,774)	-	-
Cash Dividends	-	-	-	(681,880)	(681,880)	(681,880)
<b>Balance at December 31, 2019</b>	<b>690,162</b>	<b>573,532</b>	<b>716,188</b>	<b>1,318,162</b>	<b>2,034,350</b>	<b>3,298,044</b>
Net income in 2020	-	-	-	829,866	829,866	829,866
Other Comprehensive Income, Net of Tax	-	-	-	(1,471)	(1,471)	(1,471)
Total Comprehensive Income for the Year	-	-	-	828,395	828,395	828,395
Appropriation and Distribution of 2019 Earnings :						
Legal Reserve	-	-	64,666	(64,666)	-	-
Cash Dividends	-	-	-	(581,807)	(581,807)	(581,807)
<b>Balance at December 31, 2020</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>780,854</b>	<b>1,500,084</b>	<b>2,280,938</b>	<b>3,544,632</b>

See accompanying notes to the financial statements.

**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 1,036,918	805,541
Adjustments for :		
Depreciation Expense	152,403	147,587
Amortization Expense	1,536	400
Expected Credit Loss(Gain)	1,178	(625)
Interest Income	(7,044)	(14,711)
Gain on Disposal of Property, Plant and Equipment, Net	(1,750)	(100)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	(1,468)	(7,227)
Total Adjustments to Reconcile Profit	<u>144,855</u>	<u>125,324</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(55,605)	12,467
Receivables from Related Parties	(62,128)	49,997
Inventories	(54,538)	20,119
Other Operating Current Assets	(8,397)	(6,754)
Net Defined Benefit Assets	(670)	(570)
Accounts Payable	60,778	4,800
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	78,989	4,182
Other Noncurrent Liabilities	2,722	3,584
Total Net Changes in Operating Assets and Liabilities	<u>(38,849)</u>	<u>87,825</u>
Cash Inflow Generated from Operations	1,142,924	1,018,690
Interest Received	7,306	14,981
Income Taxes Paid	(148,117)	(192,656)
<b>Net Cash Flows from Operating Activities</b>	<u>1,002,113</u>	<u>841,015</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(1,061,708)	(425,861)
Proceeds from Disposal of Property, Plant and Equipment	1,750	100
Decrease (Increase) in Guarantee Deposits	(185)	54
Acquisition of Intangible Assets	(1,500)	(1,500)
Decrease in Other Financial Assets	-	286,100
Increase in Other Noncurrent Assets	(8,100)	-
Increase in Prepaid of Equipment	(27,318)	-
<b>Net Cash Flows Used in Investing Activities</b>	<u>(1,097,061)</u>	<u>(141,107)</u>
<b>Cash Flows from Financing Activities :</b>		
Cash Dividends	(581,807)	(681,880)
<b>Net Cash Flows Used in Financing Activities</b>	<u>(581,807)</u>	<u>(681,880)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(676,755)	18,028
<b>Cash and Cash Equivalents at the Beginning of Period</b>	1,727,244	1,709,216
<b>Cash and Cash Equivalents at the End of Period</b>	<u>\$ 1,050,489</u>	<u>1,727,244</u>

See accompanying notes to the financial statements.