

Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2021 and 2020

**Advanced Ceramic X Corporation**

**Balance Sheets**

**March 31, 2021, December 31, 2020 and March 31, 2020**

(Expressed in Thousands of New Taiwan Dollars)

	<b>March 31, 2021</b>		<b>December 31, 2020</b>		<b>March 31, 2020</b>				<b>March 31, 2021</b>		<b>December 31, 2020</b>		<b>March 31, 2020</b>		
	<b>Reviewed</b>		<b>Audited</b>		<b>Reviewed</b>				<b>Reviewed</b>		<b>Audited</b>		<b>Reviewed</b>		
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	
<b>Assets</b>															
<b>Current Assets :</b>															
1100 Cash and Cash Equivalents (Note 6(1))	\$ 1,103,648	24	1,050,489	25	1,642,388	41			2170 Accounts Payable	\$ 130,901	3	111,282	3	55,488	1
1170 Notes and Accounts Receivable, Net (Note 6(2))	270,617	6	233,184	5	240,579	6			2201 Salary and Bonus Payable	170,317	4	145,239	3	137,094	4
1180 Receivables from Related Parties (Note 6(2) and 7)	195,696	4	145,800	3	174,402	4			2213 Payables to Contractors and Equipment	110,931	2	164,772	4	110,782	3
1310 Inventories (Note 6(3))	245,142	5	173,522	4	117,251	3			2230 Income Tax Payable	195,515	5	124,719	3	114,480	3
1476 Other Current Financial Assets (Note 6(1))	215,977	5	215,975	5	216,160	5			2399 Other Current Liabilities (Note 6(6) and 7)	187,314	4	191,720	5	134,083	3
1479 Other Current Assets	40,105	1	34,039	1	40,382	1				<u>794,978</u>	<u>18</u>	<u>737,732</u>	<u>18</u>	<u>551,927</u>	<u>14</u>
	<u>2,071,185</u>	<u>45</u>	<u>1,853,009</u>	<u>43</u>	<u>2,431,162</u>	<u>60</u>			<b>Noncurrent Liabilities :</b>						
<b>Noncurrent Assets :</b>															
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,538,684	55	2,400,773	56	1,526,378	38			2600 Other Noncurrent Liabilities	17,488	-	16,783	-	14,741	-
1780 Intangible Assets (Note 6(5))	2,492	-	2,692	-	1,641	-				<u>17,488</u>	<u>-</u>	<u>16,783</u>	<u>-</u>	<u>14,741</u>	<u>-</u>
1840 Deferred Tax Assets	7,275	-	7,275	-	9,497	-			<b>Total Liabilities</b>	<u>812,466</u>	<u>18</u>	<u>754,515</u>	<u>18</u>	<u>566,668</u>	<u>14</u>
1900 Other Noncurrent Assets	18,942	-	34,473	1	80,455	2			<b>Equity (Note 6(9)) :</b>						
1980 Other Noncurrent Financial Assets	1,242	-	632	-	217	-			3100 Capital Stock	690,162	15	690,162	16	690,162	17
1975 Net Defined Benefit Asset- Noncurrent (Note 6(7))	463	-	293	-	1,258	-			3200 Capital Surplus	573,532	12	573,532	13	573,532	14
	<u>2,569,098</u>	<u>55</u>	<u>2,446,138</u>	<u>57</u>	<u>1,619,446</u>	<u>40</u>			3300 Retained Earnings	2,564,123	55	2,280,938	53	2,220,246	55
<b>Total Assets</b>	<b>\$ 4,640,283</b>	<b>100</b>	<b>4,299,147</b>	<b>100</b>	<b>4,050,608</b>	<b>100</b>			<b>Total Equity</b>	<u>3,827,817</u>	<u>82</u>	<u>3,544,632</u>	<u>82</u>	<u>3,483,940</u>	<u>86</u>
									<b>Total Liabilities and Equity</b>	<b>\$ 4,640,283</b>	<b>100</b>	<b>4,299,147</b>	<b>100</b>	<b>4,050,608</b>	<b>100</b>

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 Months Ended March 31, 2021 and 2020**  
(Expressed in Thousands of New Taiwan Dollars)

		<b>Three Months Ended March 31</b>			
		<b>2021</b>		<b>2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Net Revenue</b> (Note 6(11) and 7)	\$ 745,459	100	481,098	100
5000	<b>Cost of Sales</b> (Note 6(3), (13) and 7)	<u>294,361</u>	<u>39</u>	<u>199,890</u>	<u>42</u>
	<b>Gross Profit</b>	<u>451,098</u>	<u>61</u>	<u>281,208</u>	<u>58</u>
	<b>Operating Expenses</b> (Note 6(13) and 7) :				
6100	Selling and Distribution Expenses	10,700	1	8,773	2
6200	General and Administrative Expenses	30,494	4	21,481	4
6300	Research and Development Expenses	35,844	5	31,098	6
6450	Losses on Expected Credit Impairment (Note 6(2))	<u>882</u>	<u>-</u>	<u>1,542</u>	<u>-</u>
		<u>77,920</u>	<u>10</u>	<u>62,894</u>	<u>12</u>
	<b>Gross Profit from Operations</b>	<u>373,178</u>	<u>51</u>	<u>218,314</u>	<u>46</u>
	<b>Non-Operating Income and Expenses</b> :				
7101	Interest Income	979	-	2,837	1
7190	Other Income (Note 6(12))	2,110	-	2,434	1
7230	Foreign Exchange Gains (Losses), Net	<u>(22,286)</u>	<u>(3)</u>	<u>8,785</u>	<u>2</u>
		<u>(19,197)</u>	<u>(3)</u>	<u>14,056</u>	<u>4</u>
7900	<b>Profit Before Income Tax</b>	353,981	48	232,370	50
7950	<b>Less : Income Tax Expense</b> (Note 6(8))	<u>70,796</u>	<u>10</u>	<u>46,474</u>	<u>10</u>
8200	<b>Net Income</b>	<u>283,185</u>	<u>38</u>	<u>185,896</u>	<u>40</u>
8300	<b>Other Comprehensive Income</b> :				
8300	<b>Other Comprehensive Income, Net of Tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	<b>Total Comprehensive Income</b>	<u><b>\$ 283,185</b></u>	<u><b>38</b></u>	<u><b>185,896</b></u>	<u><b>40</b></u>
	<b>Earnings Per Share (Expressed in Dollars)</b> (Note 6(10))				
9750	Basic Earnings Per Share	<u><b>\$ 4.10</b></u>		<u><b>2.69</b></u>	
9850	Diluted Earnings Per Share	<u><b>\$ 4.10</b></u>		<u><b>2.69</b></u>	

See accompanying notes to the financial statements.

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**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**For the Three Months Ended March 31, 2021 and 2020**  
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Capital Surplus
			Legal Reserve	Undistributed Earnings	Subtotal	
<b>Balance at January 1, 2020</b>	\$ 690,162	573,532	716,188	1,318,162	2,034,350	3,298,044
Profit for the Three Months Ended March 31, 2020	-	-	-	185,896	185,896	185,896
Other Comprehensive Income for the Three Months Ended March 31, 2020	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2020	-	-	-	185,896	185,896	185,896
<b>Balance at March 31, 2020</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>716,188</b>	<b>1,504,058</b>	<b>2,220,246</b>	<b>3,483,940</b>
<b>Balance at January 1, 2021</b>	\$ 690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Profit for the Three Months Ended March 31, 2021	-	-	-	283,185	283,185	283,185
Other Comprehensive Income for the Three Months Ended March 31, 2021	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2021	-	-	-	283,185	283,185	283,185
<b>Balance at March 31, 2021</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>780,854</b>	<b>1,783,269</b>	<b>2,564,123</b>	<b>3,827,817</b>

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**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**

**For the Three Months Ended March 31, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars)

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities :</b>		
Profit Before Income Tax	\$ 353,981	232,370
Adjustments for :		
Depreciation Expense	52,747	36,488
Amortization Expense	639	163
Expected Credit Loss	882	1,542
Interest Income	(979)	(2,837)
Provision for Inventory Obsolescence and Devaluation Loss	-	3,500
Total Adjustments to Reconcile Profit	<u>53,289</u>	<u>38,856</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(37,811)	(63,075)
Receivables from Related Parties	(50,400)	(91,019)
Inventories	(71,620)	(3,235)
Other Operating Current Assets	(6,066)	(14,740)
Net Defined Benefit Assets	(170)	(164)
Accounts Payable	19,619	4,984
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	20,672	13,207
Other Noncurrent Liabilities	<u>705</u>	<u>680</u>
Total Net Changes in Operating Assets and Liabilities	<u>(125,071)</u>	<u>(153,362)</u>
Cash Inflow Generated from Operations	282,199	117,864
Interest Received	<u>977</u>	<u>2,914</u>
<b>Net Cash Flows from Operating Activities</b>	<u>283,176</u>	<u>120,778</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(244,499)	(125,388)
Decrease (Increase) in Guarantee Deposits	(610)	230
Increase in Other Noncurrent Assets	-	(80,476)
Decrease in Prepaid of Equipment	<u>15,092</u>	<u>-</u>
<b>Net Cash Flows Used in Investing Activities</b>	<u>(230,017)</u>	<u>(205,634)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	53,159	(84,856)
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<u>1,050,489</u>	<u>1,727,244</u>
<b>Cash and Cash Equivalents at the End of Period</b>	<u><b>\$ 1,103,648</b></u>	<u><b>1,642,388</b></u>

See accompanying notes to the financial statements.