

Reviewed only, not audited in accordance with generally accepted auditing standards as of June 30, 2021 and 2020

Advanced Ceramic X Corporation

Balance Sheets

June 30, 2021, December 31, 2020 and June 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	June 30, 2021		December 31, 2020		June 30, 2020		Liabilities and Equity	June 30, 2021		December 31, 2020		June 30, 2020	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :							Current Liabilities :						
1100 Cash and Cash Equivalents (Note 6(1))	\$ 1,018,990	21	1,050,489	25	1,606,832	36	2170 Accounts Payable	\$ 92,274	2	111,282	3	66,385	2
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	281,897	6	233,184	5	252,734	6	2201 Salary and Bonus Payable	206,540	4	145,239	3	155,525	4
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	341,170	7	145,800	3	225,766	5	2213 Payables to Contractors and Equipment	92,888	2	164,772	4	264,315	6
1310 Inventories (Note 6(3))	279,972	5	173,522	4	123,288	3	2216 Cash Dividends Payable	-	-	-	-	581,807	13
1476 Other Current Financial Assets(Note 6(1))	302,959	6	215,975	5	216,012	5	2230 Income Tax Payable	156,902	3	124,719	3	95,143	2
1479 Other Current Assets	36,111	1	34,039	1	39,860	1	2399 Other Current Liabilities (Note 6(6), (11) and 7)	207,988	4	191,720	5	149,285	3
	<u>2,261,099</u>	<u>46</u>	<u>1,853,009</u>	<u>43</u>	<u>2,464,492</u>	<u>56</u>		<u>756,592</u>	<u>15</u>	<u>737,732</u>	<u>18</u>	<u>1,312,460</u>	<u>30</u>
Noncurrent Assets :							Noncurrent Liabilities :						
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,666,197	54	2,400,773	56	1,910,264	43	2600 Other Noncurrent Liabilities	18,193	-	16,783	-	15,421	-
1780 Intangible Assets (Note 6(5))	2,292	-	2,692	-	1,516	-		<u>18,193</u>	<u>-</u>	<u>16,783</u>	<u>-</u>	<u>15,421</u>	<u>-</u>
1840 Deferred Tax Assets	7,275	-	7,275	-	9,497	-	Total Liabilities	<u>774,785</u>	<u>15</u>	<u>754,515</u>	<u>18</u>	<u>1,327,881</u>	<u>30</u>
1900 Other Noncurrent Assets	12,890	-	34,473	1	35,579	1	Equity (Note 6(9)) :						
1980 Other Noncurrent Financial Assets	1,246	-	632	-	592	-	3100 Capital Stock	690,162	14	690,162	16	690,162	16
1975 Net Defined Benefit Asset - Noncurrent (Note 6(7))	633	-	293	-	1,424	-	3200 Capital Surplus	573,532	12	573,532	13	573,532	13
	<u>2,690,533</u>	<u>54</u>	<u>2,446,138</u>	<u>57</u>	<u>1,958,872</u>	<u>44</u>	3300 Retained Earnings	2,913,153	59	2,280,938	53	1,831,789	41
Total Assets	<u>\$ 4,951,632</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,423,364</u>	<u>100</u>	Total Equity	<u>4,176,847</u>	<u>85</u>	<u>3,544,632</u>	<u>82</u>	<u>3,095,483</u>	<u>70</u>
							Total Liabilities and Equity	<u>\$ 4,951,632</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,423,364</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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>Three Months Ended June 30</u>				<u>Six Months Ended June 30</u>			
	<u>2021</u>		<u>2020</u>		<u>2021</u>		<u>2020</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)	\$ 851,298	100	520,785	100	1,596,757	100	1,001,883	100
5000 Cost of Sales (Note 6(3) and (13))	323,962	38	210,595	40	618,323	39	410,485	41
Gross Profit	<u>527,336</u>	<u>62</u>	<u>310,190</u>	<u>60</u>	<u>978,434</u>	<u>61</u>	<u>591,398</u>	<u>59</u>
Operating Expenses (Note 6(13) and 7) :								
6100 Selling and Distribution Expenses	12,016	1	8,726	2	22,716	1	17,499	2
6200 General and Administrative Expenses	33,095	4	22,944	4	63,589	4	44,425	4
6300 Research and Development Expenses	41,107	5	30,087	6	76,951	5	61,185	6
6450 Losses on Expected Credit Impairment (Note 6(2))	1,583	-	641	-	2,465	-	2,183	-
	<u>87,801</u>	<u>10</u>	<u>62,398</u>	<u>12</u>	<u>165,721</u>	<u>10</u>	<u>125,292</u>	<u>12</u>
Gross Profit from Operations	<u>439,535</u>	<u>52</u>	<u>247,792</u>	<u>48</u>	<u>812,713</u>	<u>51</u>	<u>466,106</u>	<u>47</u>
Non-Operating Income and Expenses :								
7101 Interest Income	1,176	-	1,877	-	2,155	-	4,714	-
7190 Other Income (Note 6(12))	2,857	-	2,828	-	4,967	-	5,262	-
7230 Foreign Exchange Gains (Losses), Net	<u>(7,280)</u>	<u>(1)</u>	<u>(10,810)</u>	<u>(2)</u>	<u>(29,566)</u>	<u>(2)</u>	<u>(2,025)</u>	<u>-</u>
	<u>(3,247)</u>	<u>(1)</u>	<u>(6,105)</u>	<u>(2)</u>	<u>(22,444)</u>	<u>(2)</u>	<u>7,951</u>	<u>-</u>
7900 Profit Before Income Tax	436,288	51	241,687	46	790,269	49	474,057	47
7950 Less : Income Tax Expense (Note 6(8))	<u>87,258</u>	<u>10</u>	<u>48,337</u>	<u>9</u>	<u>158,054</u>	<u>9</u>	<u>94,811</u>	<u>9</u>
8200 Net Income	<u>349,030</u>	<u>41</u>	<u>193,350</u>	<u>37</u>	<u>632,215</u>	<u>40</u>	<u>379,246</u>	<u>38</u>
8300 Other Comprehensive Income :								
8300 Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-
8500 Total Comprehensive Income	<u>\$ 349,030</u>	<u>41</u>	<u>193,350</u>	<u>37</u>	<u>632,215</u>	<u>40</u>	<u>379,246</u>	<u>38</u>
Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750 Basic Earnings Per Share	<u>\$ 5.06</u>		<u>2.81</u>		<u>9.16</u>		<u>5.50</u>	
9850 Diluted Earnings Per Share	<u>\$ 5.05</u>		<u>2.80</u>		<u>9.14</u>		<u>5.49</u>	

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Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Capital Surplus
			Legal Reserve	Undistributed Earnings	Subtotal	
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 31, 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
Balance at January 1, 2021	\$ 690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Profit for the Six Months Ended June 31, 2021	-	-	-	632,215	632,215	632,215
Other Comprehensive Income for the Six Months Ended June 30, 2021	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2021	-	-	-	632,215	632,215	632,215
Balance at June 30, 2021	\$ 690,162	573,532	780,854	2,132,299	2,913,153	4,176,847

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Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2021	2020
Cash Flows from Operating Activities :		
Profit Before Income Tax	\$ 790,269	474,057
Adjustments for :		
Depreciation Expense	110,372	72,848
Amortization Expense	1,336	507
Expected Credit Loss	2,465	2,183
Interest Income	(2,155)	(4,714)
Provision for Inventory Obsolescence and Devaluation Loss	50	4,000
Total Adjustments to Reconcile Profit	<u>112,068</u>	<u>74,824</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(49,205)	(75,353)
Receivables from Related Parties	(197,343)	(142,901)
Inventories	(106,500)	(9,772)
Other Operating Current Assets	(2,072)	(14,218)
Net Defined Benefit Assets	(340)	(330)
Accounts Payable	(19,008)	15,881
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	77,569	46,840
Other Noncurrent Liabilities	1,410	1,360
Total Net Changes in Operating Assets and Liabilities	<u>(295,489)</u>	<u>(178,493)</u>
Cash Inflow Generated from Operations	606,848	370,388
Interest Received	2,171	4,939
Income Taxes Paid	<u>(125,871)</u>	<u>(67,674)</u>
Net Cash Flows from Operating Activities	<u>483,148</u>	<u>307,653</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(447,680)	(392,101)
Increase in Guarantee Deposits	(614)	(145)
Increase in Other Financial Assets	(87,000)	-
Increase in Other Noncurrent Assets	(1,995)	(4,797)
Decrease (Increase) in Prepaid of Equipment	22,642	(31,022)
Net Cash Flows Used in Investing Activities	<u>(514,647)</u>	<u>(428,065)</u>
Net Decrease in Cash and Cash Equivalents	(31,499)	(120,412)
Cash and Cash Equivalents at the Beginning of Period	<u>1,050,489</u>	<u>1,727,244</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 1,018,990</u>	<u>1,606,832</u>

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