

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

Advanced Ceramic X Corporation

Balance Sheets

September 30, 2021, December 31, 2020 and September 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2021		December 31, 2020		September 30, 2020			September 30, 2021		December 31, 2020		September 30, 2020		
	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))	\$ 993,935	19	1,050,489	25	1,009,860	25	2170 Accounts Payable	\$ 98,664	2	111,282	3	82,601	2	
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	282,260	5	233,184	5	235,485	6	2201 Salary and Bonus Payable	232,005	5	145,239	3	175,262	4	
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	429,764	8	145,800	3	187,247	5	2213 Payables to Contractors and Equipment	91,924	2	164,772	4	231,999	6	
1310 Inventories (Note 6(3))	360,381	7	173,522	4	132,239	3	2216 Cash Dividends Payable	745,375	14	-	-	-	-	
1476 Other Current Financial Assets(Note 6(1))	218,929	4	215,975	5	215,945	5	2230 Income Tax Payable	124,917	2	124,719	3	65,222	2	
1479 Other Current Assets	46,302	1	34,039	1	48,130	1	2399 Other Current Liabilities (Note 6(6), (11) and 7)	229,853	4	191,720	5	170,262	4	
	<u>2,331,571</u>	<u>44</u>	<u>1,853,009</u>	<u>43</u>	<u>1,828,906</u>	<u>45</u>		<u>1,522,738</u>	<u>29</u>	<u>737,732</u>	<u>18</u>	<u>725,346</u>	<u>18</u>	
Noncurrent Assets :								Noncurrent Liabilities :						
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,903,110	56	2,400,773	56	2,189,466	55	2600 Other Noncurrent Liabilities	17,344	-	16,783	-	16,102	-	
1780 Intangible Assets (Note 6(5))	2,092	-	2,692	-	1,883	-		<u>17,344</u>	<u>-</u>	<u>16,783</u>	<u>-</u>	<u>16,102</u>	<u>-</u>	
1840 Deferred Tax Assets	7,275	-	7,275	-	9,497	-	Total Liabilities	<u>1,540,082</u>	<u>29</u>	<u>754,515</u>	<u>18</u>	<u>741,448</u>	<u>18</u>	
1900 Other Noncurrent Assets	10,144	-	34,473	1	7,037	-	Equity (Note 6(9)) :							
1980 Other Noncurrent Financial Assets	1,246	-	632	-	632	-	3100 Capital Stock	690,162	13	690,162	16	690,162	17	
1975 Net Defined Benefit Asset - Noncurrent (Note 6(7))	803	-	293	-	1,593	-	3200 Capital Surplus	573,532	11	573,532	13	573,532	14	
	<u>2,924,670</u>	<u>56</u>	<u>2,446,138</u>	<u>57</u>	<u>2,210,108</u>	<u>55</u>	3300 Retained Earnings	2,452,465	47	2,280,938	53	2,033,872	51	
Total Assets	<u>\$ 5,256,241</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,039,014</u>	<u>100</u>	Total Equity	<u>3,716,159</u>	<u>71</u>	<u>3,544,632</u>	<u>82</u>	<u>3,297,566</u>	<u>82</u>	
								Total Liabilities and Equity	<u>\$ 5,256,241</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	<u>4,039,014</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 Nine Months Ended September 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>Three Months Ended September 30</u>				<u>Nine Months Ended September 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)	\$ 738,384	100	555,236	100	2,335,141	100	1,557,119	100
5000 Cost of Sales (Note 6(3) and (13))	303,642	41	233,415	42	921,965	39	643,900	41
Gross Profit	434,742	59	321,821	58	1,413,176	61	913,219	59
Operating Expenses (Note 6(13) and 7) :								
6100 Selling and Distribution Expenses	12,066	2	9,431	2	34,782	2	26,930	2
6200 General and Administrative Expenses	37,795	5	24,432	4	101,384	4	68,857	4
6300 Research and Development Expenses	40,361	5	31,616	5	117,312	5	92,801	6
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	899	-	(563)	-	3,364	-	1,620	-
	91,121	12	64,916	11	256,842	11	190,208	12
Profit from Operations	343,621	47	256,905	47	1,156,334	50	723,011	47
Non-Operating Income and Expenses :								
7101 Interest Income	1,129	-	1,390	-	3,284	-	6,104	-
7190 Other Income (Note 6(12))	713	-	2,157	-	5,680	-	7,419	-
7230 Foreign Exchange Gains (Losses), Net	10,395	1	(9,597)	(2)	(19,171)	(1)	(11,622)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	-	-	1,750	-	-	-	1,750	-
	12,237	1	(4,300)	(2)	(10,207)	(1)	3,651	(1)
7900 Profit Before Income Tax	355,858	48	252,605	45	1,146,127	49	726,662	46
7950 Income Tax Expense (Note 6(8))	71,171	9	50,522	9	229,225	10	145,333	9
8200 Net Income	284,687	39	202,083	36	916,902	39	581,329	37
8300 Other Comprehensive Income :								
8300 Other Comprehensive Income, net of tax	-	-	-	-	-	-	-	-
8500 Total Comprehensive Income	\$ 284,687	39	202,083	36	916,902	39	581,329	37
Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750 Basic Earnings Per Share	\$ 4.12		2.93		13.29		8.42	
9850 Diluted Earnings Per Share	\$ 4.11		2.92		13.25		8.41	

See accompanying notes to the financial statements.

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

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
Balance at January 1, 2020	\$ 690,162	573,532	716,188	1,318,162	2,034,350	3,298,044
Profit for the Nine Months Ended September 30, 2020	-	-	-	581,329	581,329	581,329
Other Comprehensive Income for the Nine Months Ended September 30, 2020	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2020	-	-	-	581,329	581,329	581,329
Appropriation and Distribution of 2019 Earnings :						
Legal Reserve	-	-	64,666	(64,666)	-	-
Cash Dividends	-	-	-	(581,807)	(581,807)	(581,807)
Balance at of September 30, 2020	\$ 690,162	573,532	780,854	1,253,018	2,033,872	3,297,566
Balance at January 1, 2021	\$ 690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Profit for the Nine Months Ended September 30, 2021	-	-	-	916,902	916,902	916,902
Other Comprehensive Income for the Nine Months Ended September 30, 2021	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2021	-	-	-	916,902	916,902	916,902
Appropriation and Distribution of 2020 Earnings :						
Legal Reserve	-	-	82,840	(82,840)	-	-
Cash Dividends	-	-	-	(745,375)	(745,375)	(745,375)
Balance at of September 30, 2021	\$ 690,162	573,532	863,694	1,588,771	2,452,465	3,716,159

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Advanced Ceramic X Corporation

Statements of Cash Flows

For the Nine Months Ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Nine Months Ended September 30	
	2021	2020
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 1,146,127	726,662
Adjustments for :		
Depreciation Expense	185,768	111,562
Amortization Expense	2,136	920
Expected Credit Loss	3,364	1,620
Interest Income	(3,284)	(6,104)
Gain on Disposal of Property, Plant and Equipment, Net	-	(1,750)
Provision (Reversal) for Inventory Obsolescence and		
Devaluation Loss	4,150	(500)
Total Adjustments to Reconcile Profit	<u>192,134</u>	<u>105,748</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(49,572)	(57,930)
Receivables from Related Parties	(286,832)	(103,993)
Inventories	(191,009)	(14,223)
Other Operating Current Assets	(12,263)	(22,488)
Net Defined Benefit Assets	(510)	(499)
Accounts Payable	(12,618)	32,097
Other Operating Current Liabilities		
(Including Salary Payable and Other Current Liabilities)	124,899	87,554
Other Noncurrent Liabilities	561	2,041
Total Net Changes in Operating Assets and Liabilities	<u>(427,344)</u>	<u>(77,441)</u>
Cash Inflow Generated from Operations	910,917	754,969
Interest Received	3,330	6,396
Income Taxes Paid	<u>(229,027)</u>	<u>(148,117)</u>
Net Cash Flows from Operating Activities	<u>685,220</u>	<u>613,248</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(733,635)	(742,333)
Proceeds from Disposal of Property, Plant and Equipment	-	1,750
Increase in Guarantee Deposits	(614)	(185)
Acquisition of Intangible Assets	-	(500)
Increase in Other Financial Assets	(3,000)	-
Increase in Other Noncurrent Assets	(4,525)	(7,207)
Decrease (Increase) in Prepaid of Equipment	-	(350)
Net Cash Flows Used in Investing Activities	<u>(741,774)</u>	<u>(748,825)</u>
Cash Flows from Financing Activities :		
Cash Dividends	-	(581,807)
Net Cash Flows Used in Financing Activities	<u>-</u>	<u>(581,807)</u>
Net Decrease in Cash and Cash Equivalents	(56,554)	(717,384)
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>\$ 993,935</u>	<u>1,009,860</u>

See accompanying notes to the financial statements.