

Advanced Ceramic X Corporation
Balance Sheets
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and Cash Equivalents (Note 6(1))	\$ 452,010	10	1,050,489	25	2170	Accounts Payable	\$ 32,774	1	111,282	3
1170	Notes and Accounts Receivable, Net (Note 6(2))	251,712	6	233,184	5	2201	Salary and Bonus Payable	174,719	4	145,239	3
1180	Receivables from Related Parties (Note 6(2) and 7)	304,524	7	145,800	3	2213	Payables to Contractors and Equipment	103,550	2	164,772	4
1310	Inventories (Note 6(3))	318,947	7	173,522	4	2230	Income Tax Payable	157,289	3	124,719	3
1476	Other Current Financial Assets (Note 6(1))	215,875	5	215,975	5	2399	Other Current Liabilities (Note 6(6) and 7)	209,431	5	191,720	5
1479	Other Current Assets	21,741	-	34,039	1			677,763	15	737,732	18
		<u>1,564,809</u>	<u>35</u>	<u>1,853,009</u>	<u>43</u>						
Noncurrent Assets :						Noncurrent Liabilities :					
1600	Property, Plant and Equipment (Note 6(4) and 8)	2,931,883	65	2,400,773	56	2600	Other Noncurrent Liabilities	18,049	-	16,783	-
1780	Intangible Assets (Note 6(5))	2,788	-	2,692	-			18,049	-	16,783	-
1840	Deferred Tax Assets (Note 6(8))	10,727	-	7,275	-			<u>695,812</u>	<u>15</u>	<u>754,515</u>	<u>18</u>
1900	Other Noncurrent Assets	9,478	-	34,473	1	Total Liabilities					
1980	Other Noncurrent Financial Assets	1,246	-	632	-	Equity (Note 6(9)) :					
1975	Net Defined Benefit Asset- Noncurrent (Note 6(7))	850	-	293	-	3100	Capital Stock	690,162	15	690,162	16
		<u>2,956,972</u>	<u>65</u>	<u>2,446,138</u>	<u>57</u>	3200	Capital Surplus	573,532	13	573,532	13
		<u>\$ 4,521,781</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>	3300	Retained Earnings	2,562,275	57	2,280,938	53
Total Assets						Total Equity		<u>3,825,969</u>	<u>85</u>	<u>3,544,632</u>	<u>82</u>
						Total Liabilities and Equity		<u>\$ 4,521,781</u>	<u>100</u>	<u>4,299,147</u>	<u>100</u>

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Comprehensive Income
Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 Net Revenue (Note 6(11) and 7)	\$ 2,846,304	100	2,192,650	100
5000 Cost of Sales (Note 6(3), (7), (13) and 7)	<u>1,211,435</u>	<u>43</u>	<u>898,597</u>	<u>41</u>
Gross Profit	<u>1,634,869</u>	<u>57</u>	<u>1,294,053</u>	<u>59</u>
Operating Expenses (Note 6(7), (13) and 7) :				
6100 Selling and Distribution Expenses	45,673	1	32,370	1
6200 General and Administrative Expenses	137,268	5	94,677	4
6300 Research and Development Expenses	150,171	5	121,671	6
6450 Losses on Expected Credit Impairment (Note 6(2))	<u>1,790</u>	<u>-</u>	<u>1,178</u>	<u>-</u>
	<u>334,902</u>	<u>11</u>	<u>249,896</u>	<u>11</u>
Gross Profit from Operations	<u>1,299,967</u>	<u>46</u>	<u>1,044,157</u>	<u>48</u>
Non-Operating Income and Expenses :				
7101 Interest Income	3,717	-	7,044	-
7190 Other Income (Note 6(12))	5,735	-	8,406	-
7230 Foreign Exchange Losses, Net	(24,448)	(1)	(24,439)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>-</u>
	<u>(14,996)</u>	<u>(1)</u>	<u>(7,239)</u>	<u>(1)</u>
7900 Profit Before Income Tax	1,284,971	45	1,036,918	47
7950 Less : Income Tax Expense (Note 6(8))	<u>258,146</u>	<u>9</u>	<u>207,052</u>	<u>9</u>
8200 Net Income	<u>1,026,825</u>	<u>36</u>	<u>829,866</u>	<u>38</u>
8300 Other Comprehensive Income :				
8310 Components of Other Comprehensive Income that Will Not Be Reclassified to Profit or Loss				
8311 Losses on Remeasurements of Defined Benefit Plans (Note 6(7))	<u>(113)</u>	<u>-</u>	<u>(1,471)</u>	<u>-</u>
8300 Other Comprehensive Income, Net of Tax	<u>(113)</u>	<u>-</u>	<u>(1,471)</u>	<u>-</u>
8500 Total Comprehensive Income	<u><u>\$ 1,026,712</u></u>	<u><u>36</u></u>	<u><u>828,395</u></u>	<u><u>38</u></u>
Earnings Per Share (Expressed in Dollars) (Note 6(10))				
9750 Basic Earnings Per Share	<u>\$ 14.88</u>		<u>12.02</u>	
9850 Diluted Earnings Per Share	<u>\$ 14.84</u>		<u>12.01</u>	

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Changes in Equity
Years Ended December 31, 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
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)
Balance at December 31, 2020	690,162	573,532	780,854	1,500,084	2,280,938	3,544,632
Net income in 2021	-	-	-	1,026,825	1,026,825	1,026,825
Other Comprehensive Income, Net of Tax	-	-	-	(113)	(113)	(113)
Total Comprehensive Income for the Year	-	-	-	1,026,712	1,026,712	1,026,712
Appropriation and Distribution of 2020 Earnings :						
Legal Reserve	-	-	82,840	(82,840)	-	-
Cash Dividends	-	-	-	(745,375)	(745,375)	(745,375)
Balance at December 31, 2021	\$ 690,162	573,532	863,694	1,698,581	2,562,275	3,825,969

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Cash Flows
Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 1,284,971	1,036,918
Adjustments for :		
Depreciation Expense	277,435	152,403
Amortization Expense	3,006	1,536
Expected Credit Loss	1,790	1,178
Interest Income	(3,717)	(7,044)
Gain on Disposal of Property, Plant and Equipment, Net	-	(1,750)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	<u>21,550</u>	<u>(1,468)</u>
Total Adjustments to Reconcile Profit	<u>300,064</u>	<u>144,855</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(18,715)	(55,605)
Receivables from Related Parties	(160,327)	(62,128)
Inventories	(166,975)	(54,538)
Other Operating Current Assets	12,298	(8,397)
Net Defined Benefit Assets	(670)	(670)
Accounts Payable	(78,508)	60,778
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	47,191	78,989
Other Noncurrent Liabilities	<u>1,266</u>	<u>2,722</u>
Total Net Changes in Operating Assets and Liabilities	<u>(364,440)</u>	<u>(38,849)</u>
Cash Inflow Generated from Operations	1,220,595	1,142,924
Interest Received	3,817	7,306
Income Taxes Paid	<u>(229,028)</u>	<u>(148,117)</u>
Net Cash Flows from Operating Activities	<u>995,384</u>	<u>1,002,113</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(842,449)	(1,061,708)
Proceeds from Disposal of Property, Plant and Equipment	-	1,750
Increase in Guarantee Deposits	(614)	(185)
Acquisition of Intangible Assets	(900)	(1,500)
Increase in Other Noncurrent Assets	(4,525)	(8,100)
Increase in Prepaid of Equipment	<u>-</u>	<u>(27,318)</u>
Net Cash Flows Used in Investing Activities	<u>(848,488)</u>	<u>(1,097,061)</u>
Cash Flows from Financing Activities :		
Cash Dividends	<u>(745,375)</u>	<u>(581,807)</u>
Net Cash Flows Used in Financing Activities	<u>(745,375)</u>	<u>(581,807)</u>
Net Decrease in Cash and Cash Equivalents	(598,479)	(676,755)
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>\$ 452,010</u>	<u>1,050,489</u>

See accompanying notes to the financial statements.