

Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2022 and 2021

**Advanced Ceramic X Corporation**

**Balance Sheets**

**March 31, 2022, December 31, 2021 and March 31, 2021**

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2022		December 31, 2021		March 31, 2021		Liabilities and Equity	March 31, 2022		December 31, 2021		March 31, 2021	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current Assets :</b>							<b>Current Liabilities :</b>						
1100 Cash and Cash Equivalents (Note 6(1))	\$ 624,458	14	452,010	10	1,103,648	24	2170 Accounts Payable	\$ 40,638	1	32,774	1	130,901	3
1170 Notes and Accounts Receivable, Net (Note 6(2))	220,268	5	251,712	6	270,617	6	2201 Salary and Bonus Payable	173,322	4	174,719	4	170,317	4
1180 Receivables from Related Parties (Note 6(2) and 7)	99,495	2	304,524	7	195,696	4	2213 Payables to Contractors and Equipment	35,857	1	103,550	2	110,931	2
1310 Inventories (Note 6(3))	276,033	6	318,947	7	245,142	5	2230 Income Tax Payable	177,256	4	157,289	3	195,515	5
1476 Other Current Financial Assets (Note 6(1))	366,016	8	215,875	5	215,977	5	2399 Other Current Liabilities (Note 6(6) and 7)	192,400	4	209,431	5	187,314	4
1479 Other Current Assets	24,515	1	21,741	-	40,105	1		<u>619,473</u>	<u>14</u>	<u>677,763</u>	<u>15</u>	<u>794,978</u>	<u>18</u>
	<u>1,610,785</u>	<u>36</u>	<u>1,564,809</u>	<u>35</u>	<u>2,071,185</u>	<u>45</u>	<b>Noncurrent Liabilities :</b>						
<b>Noncurrent Assets :</b>							2600 Other Noncurrent Liabilities	18,370	-	18,049	-	17,488	-
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,907,438	64	2,931,883	65	2,538,684	55		<u>18,370</u>	<u>-</u>	<u>18,049</u>	<u>-</u>	<u>17,488</u>	<u>-</u>
1780 Intangible Assets (Note 6(5))	2,593	-	2,788	-	2,492	-	<b>Total Liabilities</b>	<u>637,843</u>	<u>14</u>	<u>695,812</u>	<u>15</u>	<u>812,466</u>	<u>18</u>
1840 Deferred Tax Assets	10,727	-	10,727	-	7,275	-	<b>Equity (Note 6(9)) :</b>						
1900 Other Noncurrent Assets	9,932	-	9,478	-	18,942	-	3100 Capital Stock	690,162	15	690,162	15	690,162	15
1980 Other Noncurrent Financial Assets	1,196	-	1,246	-	1,242	-	3200 Capital Surplus	573,532	13	573,532	13	573,532	12
1975 Net Defined Benefit Asset- Noncurrent (Note 6(7))	1,008	-	850	-	463	-	3300 Retained Earnings	2,642,142	58	2,562,275	57	2,564,123	55
	<u>2,932,894</u>	<u>64</u>	<u>2,956,972</u>	<u>65</u>	<u>2,569,098</u>	<u>55</u>	<b>Total Equity</b>	<u>3,905,836</u>	<u>86</u>	<u>3,825,969</u>	<u>85</u>	<u>3,827,817</u>	<u>82</u>
<b>Total Assets</b>	<b>\$ 4,543,679</b>	<b>100</b>	<b>4,521,781</b>	<b>100</b>	<b>4,640,283</b>	<b>100</b>	<b>Total Liabilities and Equity</b>	<b>\$ 4,543,679</b>	<b>100</b>	<b>4,521,781</b>	<b>100</b>	<b>4,640,283</b>	<b>100</b>

See accompanying notes to the financial statements.

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**Advanced Ceramic X Corporation**  
**Statements of Comprehensive Income**  
**For the Three Months Ended March 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

		<b>Three Months Ended March 31</b>			
		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Net Revenue</b> (Note 6(11) and 7)	\$ 404,621	100	745,459	100
5000	<b>Cost of Sales</b> (Note 6(3), (7), (13) and 7)	261,714	65	294,361	39
	<b>Gross Profit</b>	<u>142,907</u>	<u>35</u>	<u>451,098</u>	<u>61</u>
	<b>Operating Expenses</b> (Note 6(7), (13) and 7) :				
6100	Selling and Distribution Expenses	7,416	2	10,700	1
6200	General and Administrative Expenses	28,108	7	30,494	4
6300	Research and Development Expenses	25,082	6	35,844	5
6450	Losses (Gains) on Expected Credit Impairment (Note 6(2))	<u>(2,389)</u>	<u>(1)</u>	<u>882</u>	<u>-</u>
		<u>58,217</u>	<u>14</u>	<u>77,920</u>	<u>10</u>
	<b>Gross Profit from Operations</b>	<u>84,690</u>	<u>21</u>	<u>373,178</u>	<u>51</u>
	<b>Non-Operating Income and Expenses :</b>				
7101	Interest Income	692	-	979	-
7190	Other Income (Note 6(12))	72	-	2,110	-
7230	Foreign Exchange (Losses) Gains, Net	13,660	4	(22,286)	(3)
7610	Gains on Disposal of Property, Plant and Equipment, Net	<u>720</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>15,144</u>	<u>4</u>	<u>(19,197)</u>	<u>(3)</u>
7900	<b>Profit Before Income Tax</b>	99,834	25	353,981	48
7950	<b>Less : Income Tax Expense</b> (Note 6(8))	<u>19,967</u>	<u>5</u>	<u>70,796</u>	<u>10</u>
8200	<b>Net Income</b>	<u>79,867</u>	<u>20</u>	<u>283,185</u>	<u>38</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>\$ 79,867</b></u>	<u><b>20</b></u>	<u><b>283,185</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>\$ 1.16</b></u>		<u><b>4.10</b></u>	
9850	Diluted Earnings Per Share	<u><b>\$ 1.15</b></u>		<u><b>4.10</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, 2022 and 2021**

	Common Stock	Capital Surplus	Retained Earnings			Capital Surplus
			Legal Reserve	Undistributed Earnings	Subtotal	
<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>
<b>Balance at January 1, 2022</b>	\$ 690,162	573,532	863,694	1,698,581	2,562,275	3,825,969
Profit for the Three Months Ended March 31, 2022	-	-	-	79,867	79,867	79,867
Other Comprehensive Income for the Three Months Ended March 31, 2022	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2022	-	-	-	79,867	79,867	79,867
<b>Balance at March 31, 2022</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>863,694</b>	<b>1,778,448</b>	<b>2,642,142</b>	<b>3,905,836</b>

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**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**For the Three Months Ended March 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>Three Months Ended March 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities :</b>		
Profit Before Income Tax	\$ 99,834	353,981
Adjustments for :		
Depreciation Expense	90,979	52,747
Amortization Expense	878	639
Expected Credit Loss (Gain)	(2,389)	882
Interest Income	(692)	(979)
Gain on Disposal of Property, Plant and Equipment, Net	(720)	-
Provision for Inventory Obsolescence and Devaluation Loss	11,300	-
Total Adjustments to Reconcile Profit	<u>99,356</u>	<u>53,289</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	31,761	(37,811)
Receivables from Related Parties	207,101	(50,400)
Inventories	31,614	(71,620)
Other Operating Current Assets	(2,774)	(6,066)
Net Defined Benefit Assets	(158)	(170)
Accounts Payable	7,864	19,619
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	(18,428)	20,672
Other Noncurrent Liabilities	321	705
Total Net Changes in Operating Assets and Liabilities	<u>257,301</u>	<u>(125,071)</u>
Cash Inflow Generated from Operations	456,491	282,199
Interest Received	551	977
<b>Net Cash Flows from Operating Activities</b>	<u>457,042</u>	<u>283,176</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(134,227)	(244,499)
Proceeds from Disposal of Property, Plant and Equipment	720	-
Decrease (Increase) in Guarantee Deposits	50	(610)
Increase in Other Noncurrent Financial Assets	(150,000)	-
Increase in Other Noncurrent Assets	(207)	-
Decrease (Increase) in Prepaid of Equipment	(930)	15,092
<b>Net Cash Flows Used in Investing Activities</b>	<u>(284,594)</u>	<u>(230,017)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	172,448	53,159
<b>Cash and Cash Equivalents at the Beginning of Period</b>	452,010	1,050,489
<b>Cash and Cash Equivalents at the End of Period</b>	<u>\$ 624,458</u>	<u>1,103,648</u>

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