

Reviewed only, not audited in accordance with generally accepted auditing standards as of June 30, 2022 and 2021

**Advanced Ceramic X Corporation**

**Balance Sheets**

**June 30, 2022, December 31, 2021 and June 30, 2021**

(Expressed in Thousands of New Taiwan Dollars)

|                            | <u>June 30,</u>                                       |          | <u>December 31,</u> |            | <u>June 30,</u>  |            |                  | <u>June 30,</u> |          | <u>December 31,</u>                                  |          | <u>June 30,</u>     |            |                  |            |                  |            |
|----------------------------|---|----------|---------------------|------------|------------------|------------|------------------|-----------------|----------|--|----------|---------------------|------------|------------------|------------|------------------|------------|
|                            | <u>2022</u>   |          | <u>2021</u>         |            | <u>2021</u>      |            |                  | <u>2022</u>     |          | <u>2021</u>  |          | <u>2021</u>         |            |                  |            |                  |            |
|                            | <u>Reviewed</u>                                       |          | <u>Audited</u>      |            | <u>Reviewed</u>  |            |                  | <u>Reviewed</u> |          | <u>Audited</u>                                       |          | <u>Reviewed</u>     |            |                  |            |                  |            |
| Assets                     | <u>Amount</u>   | <u>%</u> | <u>Amount</u>       | <u>%</u>   | <u>Amount</u>    | <u>%</u>   |                  | <u>Amount</u>   | <u>%</u> | <u>Amount</u>  | <u>%</u> | <u>Amount</u>       | <u>%</u>   |                  |            |                  |            |
| <b>Current Assets :</b>    |   |          |                     |            |                  |            |                  |                 |          |  |          |                     |            |                  |            |                  |            |
| 1100                       | Cash and Cash Equivalents (Note 6(1))                 | \$       | 653,456             | 14         | 452,010          | 10         | 1,018,990        | 21              | 2170     | Accounts Payable                                     | \$       | 34,003              | 1          | 32,774           | 1          | 92,274           | 2          |
| 1170                       | Notes and Accounts Receivable, Net<br>(Note 6(2))     |          | 198,120             | 4          | 251,712          | 6          | 281,897          | 6               | 2201     | Salary and Bonus Payable                             |          | 176,310             | 4          | 174,719          | 4          | 206,540          | 4          |
| 1180                       | Receivables from Related Parties (Note<br>6(2) and 7) |          | 89,394              | 2          | 304,524          | 7          | 341,170          | 7               | 2213     | Payables to Contractors and Equipment                |          | 25,528              | -          | 103,550          | 2          | 92,888           | 2          |
| 1310                       | Inventories (Note 6(3))                               |          | 277,372             | 6          | 318,947          | 7          | 279,972          | 5               | 2216     | Cash Dividends Payable                               |          | 552,129             | 12         | -                | -          | -                | -          |
| 1476                       | Other Current Financial Assets(Note 6(1))             |          | 508,961             | 11         | 215,875          | 5          | 302,959          | 6               | 2230     | Income Tax Payable                                   |          | 91,965              | 2          | 157,289          | 3          | 156,902          | 3          |
| 1479                       | Other Current Assets                                  |          | 18,867              | 1          | 21,741           | -          | 36,111           | 1               | 2399     | Other Current Liabilities (Note 6(6), (11)<br>and 7) |          | 181,918             | 4          | 209,431          | 5          | 207,988          | 4          |
|                            |   |          | 1,746,170           | 38         | 1,564,809        | 35         | 2,261,099        | 46              |          |  |          | 1,061,853           | 23         | 677,763          | 15         | 756,592          | 15         |
| <b>Noncurrent Assets :</b> |   |          |                     |            |                  |            |                  |                 |          |  |          |                     |            |                  |            |                  |            |
| 1600                       | Property, Plant and Equipment (Note<br>6(4) and 8)    |          | 2,859,775           | 62         | 2,931,883        | 65         | 2,666,197        | 54              | 2560     | Current Tax Noncurrent Liabilities                   |          | 107,333             | 2          | -                | -          | -                | -          |
| 1780                       | Intangible Assets (Note 6(5))                         |          | 2,398               | -          | 2,788            | -          | 2,292            | -               | 2600     | Other Noncurrent Liabilities                         |          | 18,691              | 1          | 18,049           | -          | 18,193           | -          |
| 1840                       | Deferred Tax Assets                                   |          | 10,727              | -          | 10,727           | -          | 7,275            | -               |          |  |          | 126,024             | 3          | 18,049           | -          | 18,193           | -          |
| 1900                       | Other Noncurrent Assets                               |          | 8,311               | -          | 9,478            | -          | 12,890           | -               |          | <b>Total Liabilities</b>                             |          | 1,187,877           | 26         | 695,812          | 15         | 774,785          | 15         |
| 1980                       | Other Noncurrent Financial Assets                     |          | 1,202               | -          | 1,246            | -          | 1,246            | -               |          | <b>Equity (Note 6(9)) :</b>                          |          |                     |            |                  |            |                  |            |
| 1975                       | Net Defined Benefit Asset -<br>Noncurrent (Note 6(7)) |          | 1,170               | -          | 850              | -          | 633              | -               | 3100     | Capital Stock  |          | 690,162             | 15         | 690,162          | 15         | 690,162          | 14         |
|                            |   |          | 2,883,583           | 62         | 2,956,972        | 65         | 2,690,533        | 54              | 3200     | Capital Surplus                                      |          | 573,532             | 12         | 573,532          | 13         | 573,532          | 12         |
|                            |   |          | <u>4,629,753</u>    | <u>100</u> | <u>4,521,781</u> | <u>100</u> | <u>4,951,632</u> | <u>100</u>      | 3300     | Retained Earnings                                    |          | 2,178,182           | 47         | 2,562,275        | 57         | 2,913,153        | 59         |
|                            |   |          |                     |            |                  |            |                  |                 |          | <b>Total Equity</b>                                  |          | 3,441,876           | 74         | 3,825,969        | 85         | 4,176,847        | 85         |
|                            |   |          |                     |            |                  |            |                  |                 |          | <b>Total Liabilities and Equity</b>                  |          | <u>\$ 4,629,753</u> | <u>100</u> | <u>4,521,781</u> | <u>100</u> | <u>4,951,632</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, 2022 and 2021**

|  | <u>Three Months Ended June 30</u> |           |                |            | <u>Six Months Ended June 30</u> |           |                 |            |
|--|-----------------------------------|-----------|----------------|------------|---------------------------------|-----------|-----------------|------------|
|  | <u>2022</u>                       |           | <u>2021</u>    |            | <u>2022</u>                     |           | <u>2021</u>     |            |
|  | <u>Amount</u>                     | <u>%</u>  | <u>Amount</u>  | <u>%</u>   | <u>Amount</u>                   | <u>%</u>  | <u>Amount</u>   | <u>%</u>   |
| 4100 <b>Net Revenue</b> (Note 6(11) and 7)                       | \$ 379,309                        | 100       | 851,298        | 100        | \$ 783,930                      | 100       | 1,596,757       | 100        |
| 5000 <b>Cost of Sales</b> (Note 6(3), (7), (13) and 7)           | 215,929                           | 57        | 323,962        | 38         | 477,643                         | 61        | 618,323         | 39         |
| <b>Gross Profit</b>  | <u>163,380</u>                    | <u>43</u> | <u>527,336</u> | <u>62</u>  | <u>306,287</u>                  | <u>39</u> | <u>978,434</u>  | <u>61</u>  |
| <b>Operating Expenses</b> (Note 6(7), (13) and 7) :              |                                   |           |                |            |                                 |           |                 |            |
| 6100 Selling and Distribution Expenses                           | 7,209                             | 2         | 12,016         | 1          | 14,625                          | 2         | 22,716          | 1          |
| 6200 General and Administrative Expenses                         | 28,838                            | 8         | 33,095         | 4          | 56,946                          | 7         | 63,589          | 4          |
| 6300 Research and Development Expenses                           | 23,874                            | 6         | 41,107         | 5          | 48,956                          | 6         | 76,951          | 5          |
| 6450 Losses (Gains) on Expected Credit Impairment<br>(Note 6(2)) | (325)                             | -         | 1,583          | -          | (2,714)                         | -         | 2,465           | -          |
|  | <u>59,596</u>                     | <u>16</u> | <u>87,801</u>  | <u>10</u>  | <u>117,813</u>                  | <u>15</u> | <u>165,721</u>  | <u>10</u>  |
| <b>Gross Profit from Operations</b>                              | <u>103,784</u>                    | <u>27</u> | <u>439,535</u> | <u>52</u>  | <u>188,474</u>                  | <u>24</u> | <u>812,713</u>  | <u>51</u>  |
| <b>Non-Operating Income and Expenses :</b>                       |                                   |           |                |            |                                 |           |                 |            |
| 7101 Interest Income   | 1,497                             | 1         | 1,176          | -          | 2,189                           | -         | 2,155           | -          |
| 7190 Other Income (Note 6(12))                                   | 42                                | -         | 2,857          | -          | 114                             | -         | 4,967           | -          |
| 7230 Foreign Exchange Gains (Losses), Net                        | 4,888                             | 1         | (7,280)        | (1)        | 18,548                          | 2         | (29,566)        | (2)        |
| 7610 Gains on Disposal of Property, Plant and<br>Equipment, Net  | -                                 | -         | -              | -          | 720                             | -         | -               | -          |
|  | <u>6,427</u>                      | <u>2</u>  | <u>(3,247)</u> | <u>(1)</u> | <u>21,571</u>                   | <u>2</u>  | <u>(22,444)</u> | <u>(2)</u> |
| 7900 <b>Profit Before Income Tax</b>                             | 110,211                           | 29        | 436,288        | 51         | 210,045                         | 26        | 790,269         | 49         |
| 7950 <b>Less : Income Tax Expense</b> (Note 6(8))                | 22,042                            | 6         | 87,258         | 10         | 42,009                          | 5         | 158,054         | 9          |
| 8200 <b>Net Income</b>   | <u>88,169</u>                     | <u>23</u> | <u>349,030</u> | <u>41</u>  | <u>168,036</u>                  | <u>21</u> | <u>632,215</u>  | <u>40</u>  |
| 8300 <b>Other Comprehensive Income :</b>                         |                                   |           |                |            |                                 |           |                 |            |
| 8300 <b>Other Comprehensive Income, Net of Tax</b>               | -                                 | -         | -              | -          | -                               | -         | -               | -          |
| 8500 <b>Total Comprehensive Income</b>                           | <u>\$ 88,169</u>                  | <u>23</u> | <u>349,030</u> | <u>41</u>  | <u>\$ 168,036</u>               | <u>21</u> | <u>632,215</u>  | <u>40</u>  |
| <b>Earnings Per Share (Expressed in Dollars)</b><br>(Note 6(10)) |                                   |           |                |            |                                 |           |                 |            |
| 9750 Basic Earnings Per Share                                    | <u>\$ 1.28</u>                    |           | <u>5.06</u>    |            | <u>2.43</u>                     |           | <u>9.16</u>     |            |
| 9850 Diluted Earnings Per Share                                  | <u>\$ 1.28</u>                    |           | <u>5.05</u>    |            | <u>2.43</u>                     |           | <u>9.14</u>     |            |

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**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**For the Six Months Ended June 30, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | Common<br>Stock   | Capital<br>Surplus | Retained Earnings |                           | Capital<br>Surplus |                  |
|---|-------------------|--------------------|-------------------|---------------------------|--------------------|------------------|
|   |                   |                    | Legal<br>Reserve  | Undistributed<br>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 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          |
| <b>Balance at June 30, 2021</b>                                   | <b>\$ 690,162</b> | <b>573,532</b>     | <b>780,854</b>    | <b>2,132,299</b>          | <b>2,913,153</b>   | <b>4,176,847</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 Six Months Ended June 31, 2022                     | -                 | -                  | -                 | 168,036                   | 168,036            | 168,036          |
| Other Comprehensive Income for the Six Months Ended June 30, 2022 | -                 | -                  | -                 | -                         | -                  | -                |
| Total Comprehensive Income for the Six Months Ended June 30, 2022 | -                 | -                  | -                 | 168,036                   | 168,036            | 168,036          |
| Appropriation and Distribution of 2021 Earnings                   |                   |                    |                   |                           |                    |                  |
| Legal Reserve   | -                 | -                  | 102,671           | (102,671)                 | -                  | -                |
| Cash Dividends  | -                 | -                  | -                 | (552,129)                 | (552,129)          | (552,129)        |
| <b>Balance at June 30, 2022</b>                                   | <b>\$ 690,162</b> | <b>573,532</b>     | <b>966,365</b>    | <b>1,211,817</b>          | <b>2,178,182</b>   | <b>3,441,876</b> |

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**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**For the Six Months Ended June 30, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

|   | <b>Six Months Ended June 30</b> |                         |
|---|---------------------------------|-------------------------|
|   | <b>2022</b>                     | <b>2021</b>             |
| <b>Cash Flows from Operating Activities :</b>   |                                 |                         |
| Profit Before Income Tax  | \$ 210,045                      | 790,269                 |
| Adjustments for :   |                                 |                         |
| Depreciation Expense  | 181,077                         | 110,372                 |
| Amortization Expense  | 1,764                           | 1,336                   |
| Expected Credit Loss (Gain)   | (2,714)                         | 2,465                   |
| Interest Income   | (2,189)                         | (2,155)                 |
| Gain on Disposal of Property, Plant and Equipment, Net  | (720)                           | -                       |
| Provision for Inventory Obsolescence and Devaluation Loss                                       | 15,600                          | 50                      |
| Total Adjustments to Reconcile Profit   | <u>192,818</u>                  | <u>112,068</u>          |
| Changes in Operating Assets and Liabilities :   |                                 |                         |
| Notes and Accounts Receivable   | 54,133                          | (49,205)                |
| Receivables from Related Parties  | 217,303                         | (197,343)               |
| Inventories   | 25,975                          | (106,500)               |
| Other Operating Current Assets  | 2,874                           | (2,072)                 |
| Net Defined Benefit Assets  | (320)                           | (340)                   |
| Accounts Payable  | 1,229                           | (19,008)                |
| Other Operating Current Liabilities<br>(Including Salary Payable and Other Current Liabilities) | (25,922)                        | 77,569                  |
| Other Noncurrent Liabilities  | 642                             | 1,410                   |
| Total Net Changes in Operating Assets and Liabilities   | <u>275,914</u>                  | <u>(295,489)</u>        |
| Cash Inflow Generated from Operations   | 678,777                         | 606,848                 |
| Interest Received   | 2,103                           | 2,171                   |
| Income Taxes Paid   | -                               | (125,871)               |
| <b>Net Cash Flows from Operating Activities</b>   | <u>680,880</u>                  | <u>483,148</u>          |
| <b>Cash Flows from Investing Activities :</b>   |                                 |                         |
| Acquisition of Property, Plant and Equipment  | (186,991)                       | (447,680)               |
| Proceeds from Disposal of Property, Plant and Equipment   | 720                             | -                       |
| Decrease (Increase) in Guarantee Deposits   | 44                              | (614)                   |
| Increase in Other Financial Assets  | (293,000)                       | (87,000)                |
| Increase in Other Noncurrent Assets   | (207)                           | (1,995)                 |
| Decrease in Prepaid of Equipment  | -                               | 22,642                  |
| <b>Net Cash Flows Used in Investing Activities</b>  | <u>(479,434)</u>                | <u>(514,647)</u>        |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                     | 201,446                         | (31,499)                |
| <b>Cash and Cash Equivalents at the Beginning of Period</b>                                     | <u>452,010</u>                  | <u>1,050,489</u>        |
| <b>Cash and Cash Equivalents at the End of Period</b>   | <u><b>\$ 653,456</b></u>        | <u><b>1,018,990</b></u> |

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