

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

**Advanced Ceramic X Corporation**

**Balance Sheets**

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

**(Expressed in Thousands of New Taiwan Dollars)**

Assets	September 30, 2022		December 31, 2021		September 30, 2021		Liabilities and Equity	September 30, 2022		December 31, 2021		September 30, 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))	\$ 563,989	14	452,010	10	993,935	19	2170 Accounts Payable	\$ 32,717	1	32,774	1	98,664	2
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	219,033	5	251,712	6	282,260	5	2201 Salary and Bonus Payable	170,194	4	174,719	4	232,005	5
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	63,797	2	304,524	7	429,764	8	2213 Payables to Contractors and Equipment	30,923	-	103,550	2	91,924	2
1310 Inventories (Note 6(3))	241,847	6	318,947	7	360,381	7	2216 Cash Dividends Payable	-	-	-	-	745,375	14
1476 Other Current Financial Assets (Note 6(1))	215,946	5	215,875	5	218,929	4	2230 Income Tax Payable (Note 6(8))	110,798	3	157,289	3	124,917	2
1479 Other Current Assets	18,580	-	21,741	-	46,302	1	2399 Other Current Liabilities (Note 6(6) and (11))	166,827	4	209,431	5	229,853	4
	<u>1,323,192</u>	<u>32</u>	<u>1,564,809</u>	<u>35</u>	<u>2,331,571</u>	<u>44</u>		<u>511,459</u>	<u>12</u>	<u>677,763</u>	<u>15</u>	<u>1,522,738</u>	<u>29</u>
<b>Noncurrent Assets :</b>	<b>Noncurrent Liabilities :</b>												
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,784,548	68	2,931,883	65	2,903,110	56	2560 Current Tax Liabilities - Noncurrent (Note 6(8))	93,916	3	-	-	-	-
1780 Intangible Assets (Note 6(5))	2,678	-	2,788	-	2,092	-	2600 Other Noncurrent Liabilities	19,012	-	18,049	-	17,344	-
1840 Deferred Tax Assets	10,727	-	10,727	-	7,275	-		<u>112,928</u>	<u>3</u>	<u>18,049</u>	<u>-</u>	<u>17,344</u>	<u>-</u>
1900 Other Noncurrent Assets	8,641	-	9,478	-	10,144	-	<b>Total Liabilities</b>	<u>624,387</u>	<u>15</u>	<u>695,812</u>	<u>15</u>	<u>1,540,082</u>	<u>29</u>
1980 Other Noncurrent Financial Assets	1,210	-	1,246	-	1,246	-	<b>Equity (Note 6(9)) :</b>						
1975 Net Defined Benefit Asset - Noncurrent (Note 6(7))	1,326	-	850	-	803	-	3100 Capital Stock	690,162	17	690,162	15	690,162	13
	<u>2,809,130</u>	<u>68</u>	<u>2,956,972</u>	<u>65</u>	<u>2,924,670</u>	<u>56</u>	3200 Capital Surplus	573,532	14	573,532	13	573,532	11
<b>Total Assets</b>	<b><u>\$ 4,132,322</u></b>	<b><u>100</u></b>	<b><u>4,521,781</u></b>	<b><u>100</u></b>	<b><u>5,256,241</u></b>	<b><u>100</u></b>	3300 Retained Earnings	2,244,241	54	2,562,275	57	2,452,465	47
							<b>Total Equity</b>	<u>3,507,935</u>	<u>85</u>	<u>3,825,969</u>	<u>85</u>	<u>3,716,159</u>	<u>71</u>
							<b>Total Liabilities and Equity</b>	<b><u>\$ 4,132,322</u></b>	<b><u>100</u></b>	<b><u>4,521,781</u></b>	<b><u>100</u></b>	<b><u>5,256,241</u></b>	<b><u>100</u></b>

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

**Advanced Ceramic X Corporation**  
**Statements of Comprehensive Income**  
**For the Three and Nine Months Ended September 30, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>Three Months Ended September 30</u>				<u>Nine Months Ended September 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)	\$ 324,143	100	738,384	100	1,108,073	100	2,335,141	100
5000 <b>Cost of Sales</b> (Note 6(3) (7) (13) and 7)	224,573	69	303,642	41	702,216	63	921,965	39
<b>Gross Profit</b>	99,570	31	434,742	59	405,857	37	1,413,176	61
<b>Operating Expenses</b> (Note 6 (7) (13) and 7) :								
6100 Selling and Distribution Expenses	5,456	2	12,066	2	20,081	2	34,782	2
6200 General and Administrative Expenses	25,514	8	37,795	5	82,460	7	101,384	4
6300 Research and Development Expenses	17,892	5	40,361	5	66,848	6	117,312	5
6450 Losses (Gains) on Expected Credit Impairment (Note 6(2))	(48)	-	899	-	(2,762)	-	3,364	-
	48,814	15	91,121	12	166,627	15	256,842	11
<b>Gross Profit from Operations</b>	50,756	16	343,621	47	239,230	22	1,156,334	50
<b>Non-Operating Income and Expenses :</b>								
7101 Interest Income	1,853	-	1,129	-	4,042	-	3,284	-
7190 Other Income (Note 6(12))	1	-	713	-	115	-	5,680	-
7230 Foreign Exchange Gains (Losses), Net	32,283	10	10,395	1	50,831	5	(19,171)	(1)
7610 Gains on Disposal of Property, Plant and Equipment, Net	-	-	-	-	720	-	-	-
	34,137	10	12,237	1	55,708	5	(10,207)	(1)
7900 <b>Profit Before Income Tax</b>	84,893	26	355,858	48	294,938	27	1,146,127	49
7950 <b>Less : Income Tax Expense</b> (Note 6(8))	18,834	6	71,171	9	60,843	6	229,225	10
8200 <b>Net Income</b>	66,059	20	284,687	39	234,095	21	916,902	39
8300 <b>Other Comprehensive Income :</b>								
8300 <b>Other Comprehensive Income, Net of Tax</b>	-	-	-	-	-	-	-	-
8500 <b>Total Comprehensive Income</b>	<u>\$ 66,059</u>	<u>20</u>	<u>284,687</u>	<u>39</u>	<u>234,095</u>	<u>21</u>	<u>916,902</u>	<u>39</u>
<b>Earnings Per Share (Expressed in Dollars)</b> (Note 6(10))								
9750 Basic Earnings Per Share	<u>\$ 0.96</u>		<u>4.12</u>		<u>3.39</u>		<u>13.29</u>	
9850 Diluted Earnings Per Share	<u>\$ 0.96</u>		<u>4.11</u>		<u>3.38</u>		<u>13.25</u>	

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

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

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		
<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 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)
<b>Balance at September 30, 2021</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>863,694</b>	<b>1,588,771</b>	<b>2,452,465</b>	<b>3,716,159</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 Nine Months Ended September 30, 2022	-	-	-	234,095	234,095	234,095
Other Comprehensive Income for the Nine Months Ended September 30, 2022	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2022	-	-	-	234,095	234,095	234,095
Appropriation and Distribution of 2021 Earnings :						
Legal Reserve	-	-	102,671	(102,671)	-	-
Cash Dividends	-	-	-	(552,129)	(552,129)	(552,129)
<b>Balance at September 30, 2022</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>966,365</b>	<b>1,277,876</b>	<b>2,244,241</b>	<b>3,507,935</b>

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

**Advanced Ceramic X Corporation**

**Statements of Cash Flows**

**For the Nine Months Ended September 30, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 294,938	1,146,127
Adjustments for :		
Depreciation Expense	271,495	185,768
Amortization Expense	2,743	2,136
Expected Credit Loss (Gain)	(2,762)	3,364
Interest Income	(4,042)	(3,284)
Gain on Disposal of Property, Plant and Equipment, Net	(720)	-
Provision for Inventory Obsolescence and Devaluation Loss	30,450	4,150
Total Adjustments to Reconcile Profit	<u>297,164</u>	<u>192,134</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	33,009	(49,572)
Receivables from Related Parties	243,159	(286,832)
Inventories	46,650	(191,009)
Other Operating Current Assets	3,161	(12,263)
Net Defined Benefit Assets	(476)	(510)
Accounts Payable	(57)	(12,618)
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	(47,129)	124,899
Other Noncurrent Liabilities	963	561
Total Net Changes in Operating Assets and Liabilities	<u>279,280</u>	<u>(427,344)</u>
Cash Inflow Generated from Operations	871,382	910,917
Interest Received	3,971	3,330
Income Taxes Paid	(13,418)	(229,027)
<b>Net Cash Flows from Operating Activities</b>	<u>861,935</u>	<u>685,220</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(196,787)	(733,635)
Proceeds from Disposal of Property, Plant and Equipment	720	-
Decrease (Increase) in Guarantee Deposits	36	(614)
Acquisition of Intangible Assets	(500)	-
Increase in Other Financial Assets	-	(3,000)
Increase in Other Noncurrent Assets	(1,296)	(4,525)
<b>Net Cash Flows Used in Investing Activities</b>	<u>(197,827)</u>	<u>(741,774)</u>
<b>Cash Flows from Financing Activities :</b>		
Cash Dividends	(552,129)	-
<b>Net Cash Flows Used in Financing Activities</b>	<u>(552,129)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	111,979	(56,554)
<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>\$ 563,989</u>	<u>993,935</u>

See accompanying notes to the financial statements.