

Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

Advanced Ceramic X Corporation

Balance Sheets

March 31, 2023, December 31, 2022 and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and Equity	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :							Current Liabilities :						
1100 Cash and Cash Equivalents (Note 6(1))	\$ 674,196	16	596,367	14	624,458	14	2170 Accounts Payable	\$ 38,210	1	30,109	1	40,638	1
1170 Notes and Accounts Receivable, Net (Note 6(2) and (11))	182,912	4	216,164	5	220,268	5	2201 Salary and Bonus Payable	131,482	3	135,251	3	173,322	4
1180 Receivables from Related Parties (Note 6(2), (11) and 7)	69,172	2	66,209	2	99,495	2	2213 Payables to Contractors and Equipment	21,523	1	32,535	1	35,857	1
1310 Inventories (Note 6(3))	155,521	4	186,008	5	276,033	6	2230 Income Tax Payable (Note 6(8))	141,330	3	130,392	3	177,256	4
1476 Other Current Financial Assets (Note 6(1))	413,202	10	322,836	8	366,016	8	2399 Other Current Liabilities (Note 6(6) and (11))	<u>156,659</u>	<u>4</u>	<u>164,858</u>	<u>4</u>	<u>192,400</u>	<u>4</u>
1479 Other Current Assets	<u>15,648</u>	<u>-</u>	<u>15,679</u>	<u>-</u>	<u>24,515</u>	<u>1</u>		<u>489,204</u>	<u>12</u>	<u>493,145</u>	<u>12</u>	<u>619,473</u>	<u>14</u>
	<u>1,510,651</u>	<u>36</u>	<u>1,403,263</u>	<u>34</u>	<u>1,610,785</u>	<u>36</u>	Noncurrent Liabilities :						
Noncurrent Assets :							2560 Current Tax Liabilities- Noncurrent (Note 6(8))	67,083	2	80,499	2	-	-
1600 Property, Plant and Equipment (Note 6(4) and 8)	2,627,350	63	2,707,740	65	2,907,438	64	2600 Other Noncurrent Liabilities	<u>19,653</u>	<u>-</u>	<u>19,333</u>	<u>-</u>	<u>18,370</u>	<u>-</u>
1780 Intangible Assets (Note 6(5))	2,696	-	2,941	-	2,593	-		<u>86,736</u>	<u>2</u>	<u>99,832</u>	<u>2</u>	<u>18,370</u>	<u>-</u>
1840 Deferred Tax Assets	17,687	1	17,687	1	10,727	-	Total Liabilities	<u>575,940</u>	<u>14</u>	<u>592,977</u>	<u>14</u>	<u>637,843</u>	<u>14</u>
1900 Other Noncurrent Assets	7,641	-	7,847	-	9,932	-	Equity (Note 6(9)) :						
1980 Other Noncurrent Financial Assets	1,210	-	1,210	-	1,196	-	3100 Capital Stock	690,162	17	690,162	17	690,162	15
1975 Net Defined Benefit Asset- Noncurrent (Note 6(7))	<u>6,701</u>	<u>-</u>	<u>6,514</u>	<u>-</u>	<u>1,008</u>	<u>-</u>	3200 Capital Surplus	573,532	14	573,532	14	573,532	13
	<u>2,663,285</u>	<u>64</u>	<u>2,743,939</u>	<u>66</u>	<u>2,932,894</u>	<u>64</u>	3300 Retained Earnings	<u>2,334,302</u>	<u>55</u>	<u>2,290,531</u>	<u>55</u>	<u>2,642,142</u>	<u>58</u>
							Total Equity	<u>3,597,996</u>	<u>86</u>	<u>3,554,225</u>	<u>86</u>	<u>3,905,836</u>	<u>86</u>
Total Assets	<u>\$ 4,173,936</u>	<u>100</u>	<u>4,147,202</u>	<u>100</u>	<u>4,543,679</u>	<u>100</u>	Total Liabilities and Equity	<u>\$ 4,173,936</u>	<u>100</u>	<u>4,147,202</u>	<u>100</u>	<u>4,543,679</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 Months Ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
4100 Net Revenue (Note 6(11) and 7)	\$ 318,003	100	404,621	100
5000 Cost of Sales (Note 6(3), (7) and (12))	<u>210,871</u>	<u>66</u>	<u>261,714</u>	<u>65</u>
Gross Profit	<u>107,132</u>	<u>34</u>	<u>142,907</u>	<u>35</u>
Operating Expenses (Note 6(7), (12) and 7) :				
6100 Selling and Distribution Expenses	6,646	2	7,416	2
6200 General and Administrative Expenses	25,451	8	28,108	7
6300 Research and Development Expenses	22,082	7	25,082	6
6450 Gains on Expected Credit Impairment (Note 6(2))	<u>(306)</u>	<u>-</u>	<u>(2,389)</u>	<u>(1)</u>
	<u>53,873</u>	<u>17</u>	<u>58,217</u>	<u>14</u>
Gross Profit from Operations	<u>53,259</u>	<u>17</u>	<u>84,690</u>	<u>21</u>
Non-Operating Income and Expenses :				
7101 Interest Income	5,034	1	692	-
7190 Other Income	540	-	72	-
7230 Foreign Exchange Gains (Losses), Net	(4,119)	(1)	13,660	4
7610 Gains on Disposal of Property, Plant and Equipment, Net	<u>-</u>	<u>-</u>	<u>720</u>	<u>-</u>
	<u>1,455</u>	<u>-</u>	<u>15,144</u>	<u>4</u>
7900 Profit Before Income Tax	54,714	17	99,834	25
7950 Less : Income Tax Expense (Note 6(8))	<u>10,943</u>	<u>3</u>	<u>19,967</u>	<u>5</u>
8200 Net Income	<u>43,771</u>	<u>14</u>	<u>79,867</u>	<u>20</u>
8300 Other Comprehensive Income :				
8300 Other Comprehensive Income, Net of Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500 Total Comprehensive Income	<u>\$ 43,771</u>	<u>14</u>	<u>79,867</u>	<u>20</u>
Earnings Per Share (Expressed in Dollars) (Note 6(10))				
9750 Basic Earnings Per Share	<u>\$ 0.63</u>		<u>1.16</u>	
9850 Diluted Earnings Per Share	<u>\$ 0.63</u>		<u>1.15</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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Capital Surplus	
			Legal Reserve	Undistributed Earnings		Subtotal
Balance at January 1, 2022	\$ 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
Balance at March 31, 2022	\$ 690,162	573,532	863,694	1,778,448	2,642,142	3,905,836
Balance at January 1, 2023	\$ 690,162	573,532	966,365	1,324,166	2,290,531	3,554,225
Profit for the Three Months Ended March 31, 2023	-	-	-	43,771	43,771	43,771
Other Comprehensive Income for the Three Months Ended March 31, 2023	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2023	-	-	-	43,771	43,771	43,771
Balance at March 31, 2023	\$ 690,162	573,532	966,365	1,367,937	2,334,302	3,597,996

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Advanced Ceramic X Corporation

Statements of Cash Flows

For the Three Months Ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2023	2022
Cash Flows from Operating Activities :		
Profit Before Income Tax	\$ 54,714	99,834
Adjustments for :		
Depreciation Expense	91,540	90,979
Amortization Expense	1,059	878
Expected Credit Gain	(306)	(2,389)
Interest Income	(5,034)	(692)
Gain on Disposal of Property, Plant and Equipment, Net	-	(720)
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	(2,000)	11,300
Total Adjustments to Reconcile Profit	85,259	99,356
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	33,588	31,761
Receivables from Related Parties	(2,993)	207,101
Inventories	32,487	31,614
Other Operating Current Assets	31	(2,774)
Net Defined Benefit Assets	(187)	(158)
Accounts Payable	8,101	7,864
Other Operating Current Liabilities (Including Salary Payable and Other Current Liabilities)	(11,968)	(18,428)
Other Noncurrent Liabilities	320	321
Total Net Changes in Operating Assets and Liabilities	59,379	257,301
Cash Inflow Generated from Operations	199,352	456,491
Interest Received	5,068	551
Income Taxes Paid	(13,421)	-
Net Cash Flows from Operating Activities	190,999	457,042
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(22,162)	(134,227)
Proceeds from Disposal of Property, Plant and Equipment	-	720
Decrease in Guarantee Deposits	-	50
Increase in Other Noncurrent Financial Assets	(90,400)	(150,000)
Increase in Other Noncurrent Assets	(608)	(207)
Increase in Prepaid of Equipment	-	(930)
Net Cash Flows Used in Investing Activities	(113,170)	(284,594)
Net Increase in Cash and Cash Equivalents	77,829	172,448
Cash and Cash Equivalents at the Beginning of Period	596,367	452,010
Cash and Cash Equivalents at the End of Period	\$ 674,196	624,458

See accompanying notes to the financial statements.