

Advanced Ceramic X Corporation
Balance Sheets
June 30, 2023, December 31, 2022 and June 30, 2022
(Expressed in Thousands of New Taiwan Dollars)

| Assets | | June 30, 2023 | | December 31, 2022 | | June 30, 2022 | | Liabilities and Equity | | June 30, 2023 | | December 31, 2022 | | June 30, 2022 | |
|----------------------------|---|---------------------|------------|----------------------|------------|------------------|------------|--|--|---------------------|------------|----------------------|------------|------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current Assets : | | | | | | | | Current Liabilities : | | | | | | | |
| 1100 | Cash and Cash Equivalents (Note 6(1)) | \$ 298,964 | 7 | 596,367 | 14 | 653,456 | 14 | 2170 | Accounts Payable | \$ 46,019 | 1 | 30,109 | 1 | 34,003 | 1 |
| 1170 | Notes and Accounts Receivable, Net (Note 6(2) and (11)) | 190,874 | 4 | 216,164 | 5 | 198,120 | 4 | 2201 | Salary and Bonus Payable | 133,800 | 3 | 135,251 | 3 | 176,310 | 4 |
| 1180 | Receivables from Related Parties (Note 6(2), (11) and 7) | 77,370 | 2 | 66,209 | 2 | 89,394 | 2 | 2213 | Payables to Contractors and Equipment | 15,167 | - | 32,535 | 1 | 25,528 | - |
| 1310 | Inventories (Note 6(3)) | 133,820 | 3 | 186,008 | 5 | 277,372 | 6 | 2216 | Cash Dividends Payable | 247,768 | 6 | - | - | 552,129 | 12 |
| 1476 | Other Current Financial Assets (Note 6(1)) | 962,009 | 23 | 322,836 | 8 | 508,961 | 11 | 2230 | Income Tax Payable (Note 6(8)) | 107,612 | 3 | 130,392 | 3 | 91,965 | 2 |
| 1479 | Other Current Assets | 17,650 | - | 15,679 | - | 18,867 | 1 | 2399 | Other Current Liabilities (Note 6(6) and (11)) | 171,441 | 4 | 164,858 | 4 | 181,918 | 4 |
| | | <u>1,680,687</u> | <u>39</u> | <u>1,403,263</u> | <u>34</u> | <u>1,746,170</u> | <u>38</u> | | | <u>721,807</u> | <u>17</u> | <u>493,145</u> | <u>12</u> | <u>1,061,853</u> | <u>23</u> |
| Noncurrent Assets : | | | | | | | | Noncurrent Liabilities : | | | | | | | |
| 1600 | Property, Plant and Equipment (Note 6(4) and 8) | 2,543,994 | 60 | 2,707,740 | 65 | 2,859,775 | 62 | 2560 | Current Tax Liabilities- Noncurrent (Note 6(8)) | 103,302 | 2 | 80,499 | 2 | 107,333 | 2 |
| 1780 | Intangible Assets (Note 6(5)) | 2,451 | - | 2,941 | - | 2,398 | - | 2600 | Other Noncurrent Liabilities | 19,974 | 1 | 19,333 | - | 18,691 | 1 |
| 1840 | Deferred Tax Assets | 17,687 | 1 | 17,687 | 1 | 10,727 | - | | | <u>123,276</u> | <u>3</u> | <u>99,832</u> | <u>2</u> | <u>126,024</u> | <u>3</u> |
| 1900 | Other Noncurrent Assets | 6,817 | - | 7,847 | - | 8,311 | - | Total Liabilities | | | | | | | |
| 1980 | Other Noncurrent Financial Assets | 810 | - | 1,210 | - | 1,202 | - | <u>845,083</u> <u>20</u> <u>592,977</u> <u>14</u> <u>1,187,877</u> <u>26</u> | | | | | | | |
| 1975 | Net Defined Benefit Asset- Noncurrent (Note 6(7)) | 6,736 | - | 6,514 | - | 1,170 | - | Equity : | | | | | | | |
| | | <u>2,578,495</u> | <u>61</u> | <u>2,743,939</u> | <u>66</u> | <u>2,883,583</u> | <u>62</u> | 3100 | Capital Stock (Note 6(9)) | 690,162 | 16 | 690,162 | 17 | 690,162 | 15 |
| | | | | | | | | 3200 | Capital Surplus | 573,532 | 13 | 573,532 | 14 | 573,532 | 12 |
| | | | | | | | | 3300 | Retained Earnings | 2,150,405 | 51 | 2,290,531 | 55 | 2,178,182 | 47 |
| | | | | | | | | Total Equity | | | | | | | |
| | | | | | | | | <u>3,414,099</u> <u>80</u> <u>3,554,225</u> <u>86</u> <u>3,441,876</u> <u>74</u> | | | | | | | |
| Total Assets | | <u>\$ 4,259,182</u> | <u>100</u> | <u>4,147,202</u> | <u>100</u> | <u>4,629,753</u> | <u>100</u> | Total Liabilities and Equity | | <u>\$ 4,259,182</u> | <u>100</u> | <u>4,147,202</u> | <u>100</u> | <u>4,629,753</u> | <u>100</u> |

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

| | Three Months Ended June 30 | | | | Six Months Ended June 30 | | | |
|--|-----------------------------------|-----------|----------------|-----------|---------------------------------|-----------|----------------|-----------|
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| 4100 Net Revenue (Note 6(11) and 7) | \$ 359,689 | 100 | 379,309 | 100 | 677,692 | 100 | 783,930 | 100 |
| 5000 Cost of Sales (Note 6(3) and (12)) | 232,235 | 65 | 215,929 | 57 | 443,106 | 65 | 477,643 | 61 |
| Gross Profit | <u>127,454</u> | <u>35</u> | <u>163,380</u> | <u>43</u> | <u>234,586</u> | <u>35</u> | <u>306,287</u> | <u>39</u> |
| Operating Expenses (Note 6(12) and 7) : | | | | | | | | |
| 6100 Selling and Distribution Expenses | 6,820 | 2 | 7,209 | 2 | 13,466 | 2 | 14,625 | 2 |
| 6200 General and Administrative Expenses | 27,771 | 7 | 28,838 | 8 | 53,222 | 8 | 56,946 | 7 |
| 6300 Research and Development Expenses | 21,763 | 6 | 23,874 | 6 | 43,845 | 7 | 48,956 | 6 |
| 6450 Losses (Gains) on Expected Credit Impairment (Note 6(2)) | 164 | - | (325) | - | (142) | - | (2,714) | - |
| | <u>56,518</u> | <u>15</u> | <u>59,596</u> | <u>16</u> | <u>110,391</u> | <u>17</u> | <u>117,813</u> | <u>15</u> |
| Gross Profit from Operations | <u>70,936</u> | <u>20</u> | <u>103,784</u> | <u>27</u> | <u>124,195</u> | <u>18</u> | <u>188,474</u> | <u>24</u> |
| Non-Operating Income and Expenses : | | | | | | | | |
| 7101 Interest Income | 4,098 | 1 | 1,497 | 1 | 9,132 | 2 | 2,189 | - |
| 7190 Other Income | 37 | - | 42 | - | 577 | - | 114 | - |
| 7230 Foreign Exchange Gains, Net | 4,767 | 1 | 4,888 | 1 | 648 | - | 18,548 | 2 |
| 7610 Gains on Disposal of Property, Plant and Equipment, Net | - | - | - | - | - | - | 720 | - |
| | <u>8,902</u> | <u>2</u> | <u>6,427</u> | <u>2</u> | <u>10,357</u> | <u>2</u> | <u>21,571</u> | <u>2</u> |
| 7900 Profit Before Income Tax | 79,838 | 22 | 110,211 | 29 | 134,552 | 20 | 210,045 | 26 |
| 7950 Less : Income Tax Expense (Note 6(8)) | 15,967 | 4 | 22,042 | 6 | 26,910 | 4 | 42,009 | 5 |
| 8200 Net Income | <u>63,871</u> | <u>18</u> | <u>88,169</u> | <u>23</u> | <u>107,642</u> | <u>16</u> | <u>168,036</u> | <u>21</u> |
| 8300 Other Comprehensive Income : | | | | | | | | |
| 8300 Other Comprehensive Income, Net of Tax | - | - | - | - | - | - | - | - |
| 8500 Total Comprehensive Income | <u>\$ 63,871</u> | <u>18</u> | <u>88,169</u> | <u>23</u> | <u>107,642</u> | <u>16</u> | <u>168,036</u> | <u>21</u> |
| Earnings Per Share (Expressed in Dollars) (Note 6(10)) | | | | | | | | |
| 9750 Basic Earnings Per Share | <u>\$ 0.93</u> | | <u>1.28</u> | | <u>1.56</u> | | <u>2.43</u> | |
| 9850 Diluted Earnings Per Share | <u>\$ 0.92</u> | | <u>1.28</u> | | <u>1.56</u> | | <u>2.43</u> | |

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 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 Six Months Ended June 30, 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) |
| Balance at June 30, 2022 | \$ 690,162 | 573,532 | 966,365 | 1,211,817 | 2,178,182 | 3,441,876 |
| Balance at January 1, 2023 | \$ 690,162 | 573,532 | 966,365 | 1,324,166 | 2,290,531 | 3,554,225 |
| Profit for the Six Months Ended June 30, 2023 | - | - | - | 107,642 | 107,642 | 107,642 |
| Other Comprehensive Income for the Six Months Ended June 30, 2023 | - | - | - | - | - | - |
| Total Comprehensive Income for the Six Months Ended June 30, 2023 | - | - | - | 107,642 | 107,642 | 107,642 |
| Appropriation and Distribution of 2022 Earnings | | | | | | |
| Legal Reserve | - | - | 28,039 | (28,039) | - | - |
| Cash Dividends | - | - | - | (247,768) | (247,768) | (247,768) |
| Balance at June 30, 2023 | \$ 690,162 | 573,532 | 994,404 | 1,156,001 | 2,150,405 | 3,414,099 |

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

| | Six Months Ended June 30 | |
|--|---------------------------------|------------------|
| | 2023 | 2022 |
| Cash Flows from Operating Activities : | | |
| Profit Before Income Tax | \$ 134,552 | 210,045 |
| Adjustments for : | | |
| Depreciation Expense | 183,112 | 181,077 |
| Amortization Expense | 2,128 | 1,764 |
| Expected Credit Gain | (142) | (2,714) |
| Interest Income | (9,132) | (2,189) |
| Gain on Disposal of Property, Plant and Equipment, Net | - | (720) |
| Provision (Reversal) for Inventory Obsolescence and Devaluation Loss | (2,400) | 15,600 |
| Total Adjustments to Reconcile Profit | <u>173,566</u> | <u>192,818</u> |
| Changes in Operating Assets and Liabilities : | | |
| Notes and Accounts Receivable | 25,545 | 54,133 |
| Receivables from Related Parties | (11,274) | 217,303 |
| Inventories | 54,588 | 25,975 |
| Other Operating Current Assets | (1,971) | 2,874 |
| Net Defined Benefit Assets | (222) | (320) |
| Accounts Payable | 15,910 | 1,229 |
| Other Operating Current Liabilities | 5,132 | (25,922) |
| Other Noncurrent Liabilities | 641 | 642 |
| Total Net Changes in Operating Assets and Liabilities | <u>88,349</u> | <u>275,914</u> |
| Cash Inflow Generated from Operations | 396,467 | 678,777 |
| Interest Received | 9,159 | 2,103 |
| Income Taxes Paid | (26,887) | - |
| Net Cash Flows from Operating Activities | <u>378,739</u> | <u>680,880</u> |
| Cash Flows from Investing Activities : | | |
| Acquisition of Property, Plant and Equipment | (36,734) | (186,991) |
| Proceeds from Disposal of Property, Plant and Equipment | - | 720 |
| Decrease in Guarantee Deposits | 400 | 44 |
| Increase in Other Noncurrent Financial Assets | (639,200) | (293,000) |
| Increase in Other Noncurrent Assets | (608) | (207) |
| Net Cash Flows Used in Investing Activities | <u>(676,142)</u> | <u>(479,434)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(297,403)</u> | <u>201,446</u> |
| Cash and Cash Equivalents at the Beginning of Period | <u>596,367</u> | <u>452,010</u> |
| Cash and Cash Equivalents at the End of Period | <u>\$ 298,964</u> | <u>653,456</u> |

See accompanying notes to the financial statements.