

## VI. Financial Information

### 6.1 Five-Year Financial Summary

#### 6.1.1 Condensed Balance Sheet– Based on IFRS

Unit: NT\$ thousands

Year		2019	2020	2021	2022	2023
Item						
Current assets		2,349,068	1,853,009	1,564,809	1,403,263	1,714,357
Property, Plant and Equipment		1,417,742	2,400,773	2,931,883	2,707,740	2,437,365
Intangible assets		1,783	2,692	2,788	2,941	2,911
Other assets		11,038	42,673	22,301	33,258	32,704
Total assets		3,779,631	4,299,147	4,521,781	4,147,202	4,187,337
Current liabilities	Before distribution	467,526	737,732	677,763	493,145	513,615
	After distribution	1,049,333	1,483,107	1,229,892	740,913	Note 1
Non-current liabilities		14,061	16,783	18,049	99,832	84,676
Total liabilities	Before distribution	481,587	754,515	695,812	592,977	598,291
	After distribution	1,063,394	1,499,890	1,247,941	840,745	Note 1
Equity attributable to shareholders of the parent		3,298,044	3,544,632	3,825,969	3,554,225	3,589,046
Capital stock		690,162	690,162	690,162	690,162	690,162
Capital surplus		573,532	573,532	573,532	573,532	573,532
Retained earnings	Before distribution	2,034,350	2,280,938	2,562,275	2,290,531	2,325,352
	After distribution	1,452,543	1,535,563	2,010,146	2,042,763	Note 1
Other equity interest		0	0	0	0	0
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	3,298,044	3,544,632	3,825,969	3,554,225	3,589,046
	After distribution	2,716,237	2,799,257	3,273,840	3,306,457	Note 1

Note 1: Pending shareholders' approval.

### 6.1.2 Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Item \ Year	2019	2020	2021	2022	2023
Operating revenue	1,707,626	2,192,650	2,846,304	1,465,282	1,488,195
Gross profit	1,017,740	1,294,053	1,634,869	532,040	578,438
Net operating income	793,146	1,044,157	1,299,967	299,288	344,538
Non-operating income and expenses	12,395	(7,239)	(14,996)	49,541	12,004
Income before tax	805,541	1,036,918	1,284,971	348,829	356,542
Income from continuing operations	646,665	829,866	1,026,825	275,353	282,439
Income from discontinued operations	0	0	0	0	0
Net income	646,665	829,866	1,026,825	275,353	282,439
Other comprehensive income (income after tax)	(98)	(1,471)	(113)	5,032	150
Total comprehensive income	646,567	828,395	1,026,712	280,385	282,589
Net income attributable to shareholders of the parent	646,665	828,395	1,026,712	280,385	282,589
Net income attributable to non-controlling interest	0	0	0	0	0
Comprehensive income attributable to Shareholders of the parent	646,567	828,395	1,026,712	280,385	282,589
Comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share	9.37	12.02	14.88	3.99	4.09

### 6.1.3 Auditors' Opinions from 2019 to 2023

Year	CPA Name	Reasons for Change CPA	Audit Opinion
2019	KPMG Mei-Yu Tseng and Wan-Yuan Yu	Administrative adjustment within the accounting firm	Unqualified opinion
2020	KPMG Mei-Yu Tseng and Wan-Yuan Yu	-	Unqualified opinion
2021	KPMG Chien-Hui Lu and Mei-Yu Tseng	Administrative adjustment within the accounting firm	Unqualified opinion
2022	KPMG Chien-Hui Lu and Mei-Yu Tseng	-	Unqualified opinion
2023	KPMG Chien-Hui Lu and Mei-Yu Tseng	-	Unqualified opinion

## 6.2 Five-Year Financial Analysis– Based on IFRS

Item		Year	2019	2020	2021	2022	2023
Financial structure (%)	Debt ratio		13	18	15	15	14
	Long-term funds to property, plant and equipment ratio		234	148	131	135	151
Solvency (%)	Current ratio		502	251	231	258	334
	Quick ratio		473	224	181	244	303
	Times interest earned ratio		-	-	-	-	-
Operating performance	Accounts receivable turnover (times)		5.77	6.84	6.09	3.49	5.50
	Days to collect accounts receivable (day)		63	53	60	105	66
	Average inventory turnover (times)		5.57	6.18	4.92	3.7	5.59
	Accounts payable turnover (times)		14.34	11.11	16.82	29.68	20.39
	Average days to sell inventory		66	59	74	99	65
	Property, plant and equipment turnover (times)		1.36	1.15	1.07	0.52	0.58
	Total assets turnover (times)		0.45	0.54	0.65	0.34	0.36
Profitability	Return on total assets (%)		17	21	23	6	7
	Return on equity (%)		20	24	28	7	8
	Income before tax to paid-in capital (%)		117	150	186	51	52
	Profit to sales (%)		38	38	36	19	19
	Earnings per share (NT\$)		9.37	12.02	14.88	3.99	4.09
Cash flow	Cash flow ratio (%)		180	136	147	206	144
	Cash flow adequacy ratio (%)		101	83	71	75	81
	Cash flow reinvestment ratio (%)		3	7	4	7	8
Leverage	Operating leverage		1.26	1.22	1.29	2.55	2.40
	Financial leverage		1.00	1.00	1.00	1.00	1.00

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Current ratio: The increase was mainly due to current assets increased.
2. Accounts receivable turnover (times): The increase was mainly due to accounts receivable decreased.  
Days to collect accounts receivable (day): The decrease was mainly due to accounts receivable decreased.
3. Average inventory turnover (times): The increase was mainly due to inventory decreased.  
Accounts payable turnover (times) and Average days to sell inventory: The decrease was mainly due to inventory decreased.
4. Cash flow ratio (%): The decrease was mainly due to net cash provided by operating activities decreased.

Below are calculations

1. Financial structure

(1) Debt ratio = Total Liabilities / Total Assets

(2) Long-term fund to property, plant and equipment ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Solvency

(1) Current ratio = Current Assets / Current Liabilities

(2) Quick ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times interest earned ratio = Earnings before Interest and Taxes / Interest Expenses

3. Operating performance

(1) Accounts receivable turnover = Net Revenue / Average Trade Receivables

(2) Days to collect accounts receivable = 365 / Average Collection Turnover

(3) Average inventory turnover = Cost of Sales / Average Inventory

(4) Accounts payable turnover = 365 / Average Inventory Turnover

(5) Average days to sell inventory = Cost of Sales / Average Trade Payables

(6) Property, plant and equipment turnover = Net Revenue / Average Net Property, Plant and Equipment

(7) Total assets turnover = Net Revenue / Average Total Assets

4. Profitability

(1) Return on total assets = (Net Income + Interest Expenses \* (1 - Effective Tax Rate)) / Average Total Assets

(2) Return on equity = Net Income Attributable to Shareholders of the Parent / Average Equity Attributable to Shareholders of the Parent

(3) Income before tax to paid-in capital = Operating Income / Paid-in Capital

(4) Profit to sales = Income before Tax / Paid-in Capital

(5) Earnings per share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow

(1) Cash flow ratio = Net Cash Provided by Operating Activities / Current Liabilities

(2) Cash flow adequacy ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

(3) Cash flow reinvestment ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage

(1) Operating leverage = (Net Revenue - Variable Cost) / Income from Operations

(2) Financial leverage = Income from Operations / (Income from Operations - Interest Expenses)

### 6.3 Audit Committee's Report for the Most Recent Year

#### Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. The financial statements were audited by independent auditors, Chien-Hui Lu and Mei-Yu Tseng, of KPMG with independent auditors' reports issued.

The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Advanced Ceramic X Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Advanced Ceramic X Corporation

Chairman of the Audit Committee: Shiuh-Kao Chiang

February 27, 2024

- 6.4. Consolidated Financial Statements for the Years Ended December 31, 2022 and 2023, and Independent Auditors' Report:** Please refer to pages 68-101 of this annual report.
- 6.5. Parent-company-only Financial Statements for the Years Ended December 31, 2022 and 2023, and Independent Auditors' Report:** Please refer to pages 68-101 of this annual report.
- 6.6. If the Company or Its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Printing of the Annual Report, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation:** None.