

ADVANCED CERAMIC X CORPORATION

Financial Statements and

Independent Auditors' Review Report

For the Three Months Ended March 31, 2026 and 2025

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Notes to Readers

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

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Independent Accountants' Review Report

To the Board of Directors of Advanced Ceramic X Corporation:

Introduction

We have reviewed the accompanying balance sheets of the Advanced Ceramic X Corporation of March 31, 2026 and 2025, and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Standards of Review Engagements NO. 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and of its financial performance and its cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Lu, Chien-Hui and Cheng, An-Chin.

KPMG

Taipei, Taiwan (Republic of China)

May 5, 2026

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors’ review report and financial statements shall prevail.

Advanced Ceramic X Corporation
Balance Sheets
March 31, 2026, December 31, 2025 and March 31, 2025
(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2026		December 31, 2025		March 31, 2025		Liabilities and Equity	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :							Current Liabilities :						
1100 Cash and Cash Equivalents (Note 6(1))	\$ 41,420	1	273,967	6	80,169	2	2170 Accounts Payable	\$ 68,112	2	40,864	1	67,811	2
1170 Notes and Accounts Receivable, Net (Note 6(2))	108,947	3	98,058	2	150,813	3	2180 Payable from Related Parties (Note 7)	-	-	286	-	-	-
1180 Receivables from Related Parties (Note 6(2) and 7)	152,745	3	127,227	3	80,614	2	2201 Salary and Bonus Payable	131,370	3	125,876	3	134,353	3
1310 Inventories (Note 6(3))	163,792	4	125,269	3	185,717	4	2213 Payables to Contractors and Equipment	9,615	-	11,802	-	73,218	2
1476 Other Current Financial Assets (Note 6(1))	2,314,752	50	1,955,916	44	1,557,659	35	2230 Current Tax Liabilities (Note 6(8))	52,151	1	35,498	1	127,677	3
1479 Other Current Assets	19,407	-	15,459	-	22,754	1	2399 Other Current Liabilities (Note 6(6) and (11))	202,275	4	207,376	5	181,249	4
	<u>2,801,063</u>	<u>61</u>	<u>2,595,896</u>	<u>58</u>	<u>2,077,726</u>	<u>47</u>		<u>463,523</u>	<u>10</u>	<u>421,702</u>	<u>10</u>	<u>584,308</u>	<u>14</u>
Noncurrent Assets :							Noncurrent Liabilities :						
1600 Property, Plant and Equipment (Note 6(4) and 8)	1,764,097	38	1,832,977	41	2,368,190	53	2560 Current Tax Liabilities- Noncurrent (Note 6(8))	-	-	-	-	6,205	-
1780 Intangible Assets (Note 6(5))	2,551	-	2,796	-	2,331	-	2570 Defined Tax Liabilities	750	-	750	-	996	-
1840 Deferred Tax Assets	28,907	1	28,907	1	9,917	-	2600 Other Noncurrent Liabilities	12,637	-	14,991	-	13,987	-
1975 Net Defined Benefit Asset- Noncurrent	4,813	-	4,793	-	7,863	-		<u>13,387</u>	<u>-</u>	<u>15,741</u>	<u>-</u>	<u>21,188</u>	<u>-</u>
1980 Other Noncurrent Financial Assets	1,178	-	1,178	-	447	-	Total Liabilities	<u>476,910</u>	<u>10</u>	<u>437,443</u>	<u>10</u>	<u>605,496</u>	<u>14</u>
1990 Other Noncurrent Assets	1,772	-	2,420	-	4,460	-	Equity (Note 6(9) :						
	<u>1,803,318</u>	<u>39</u>	<u>1,873,071</u>	<u>42</u>	<u>2,393,208</u>	<u>53</u>	3100 Capital Stock	690,162	15	690,162	15	690,162	15
Total Assets	\$ 4,604,381	100	4,468,967	100	4,470,934	100	3200 Capital Surplus	573,532	13	573,532	13	573,532	13
							3300 Retained Earnings	2,863,777	62	2,767,830	62	2,601,744	58
							Total Equity	<u>4,127,471</u>	<u>90</u>	<u>4,031,524</u>	<u>90</u>	<u>3,865,438</u>	<u>86</u>
							Total Liabilities and Equity	\$ 4,604,381	100	4,468,967	100	4,470,934	100

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

		Three Months Ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	Operating Revenue (Note 6(11) and 7)	\$ 352,425	100	386,222	100
5000	Operating Costs (Note 6(3) and (12))	<u>193,350</u>	<u>55</u>	<u>214,888</u>	<u>56</u>
	Gross Profit From Operations	<u>159,075</u>	<u>45</u>	<u>171,334</u>	<u>44</u>
	Operating Expenses (Note 6(12) and 7) :				
6100	Selling and Distribution Expenses	4,574	1	5,348	1
6200	General and Administrative Expenses	28,580	8	29,482	7
6300	Research and Development Expenses	23,584	7	22,681	6
6450	Losses (Gains) on Expected Credit Impairment (Note 6(2))	<u>367</u>	<u>-</u>	<u>(320)</u>	<u>-</u>
		<u>57,105</u>	<u>16</u>	<u>57,191</u>	<u>14</u>
	Net Operations Income	<u>101,970</u>	<u>29</u>	<u>114,143</u>	<u>30</u>
	Non-Operating Income and Expenses :				
7101	Interest Income	9,493	2	6,395	2
7190	Other Income	60	-	61	-
7230	Foreign Exchange Gains, Net (Note 6(13))	<u>6,064</u>	<u>2</u>	<u>5,667</u>	<u>1</u>
		<u>15,617</u>	<u>4</u>	<u>12,123</u>	<u>3</u>
7900	Profit Before Tax	117,587	33	126,266	33
7950	Less : Tax Expense (Note 6(8))	<u>21,640</u>	<u>6</u>	<u>25,253</u>	<u>7</u>
8200	Profit for the Period	<u>95,947</u>	<u>27</u>	<u>101,013</u>	<u>26</u>
8300	Other Comprehensive Income :				
8300	Other Comprehensive Income, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total Comprehensive Income	<u>\$ 95,947</u>	<u>27</u>	<u>101,013</u>	<u>26</u>
	Earnings Per Share (Expressed in Dollars) (Note 6(10))				
9750	Basic Earnings Per Share	<u>\$ 1.39</u>		<u>1.46</u>	
9850	Diluted Earnings Per Share	<u>\$ 1.39</u>		<u>1.46</u>	

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus	Retained Earnings		Subtotal	Total Equity
			Legal Reserve	Undistributed Earnings		
Balance at January 1, 2025	\$ 690,162	573,532	1,022,663	1,478,068	2,500,731	3,764,425
Profit for the Three Months Ended March 31, 2025	-	-	-	101,013	101,013	101,013
Other Comprehensive Income for the Three Months Ended March 31, 2025	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2025	-	-	-	101,013	101,013	101,013
Balance at March 31, 2025	\$ 690,162	573,532	1,022,663	1,579,081	2,601,744	3,865,438
Balance at January 1, 2026	\$ 690,162	573,532	1,065,599	1,702,231	2,767,830	4,031,524
Profit for the Three Months Ended March 31, 2026	-	-	-	95,947	95,947	95,947
Other Comprehensive Income for the Three Months Ended March 31, 2026	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2026	-	-	-	95,947	95,947	95,947
Balance at March 31, 2026	\$ 690,162	573,532	1,065,599	1,798,178	2,863,777	4,127,471

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Cash Flows
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2026	2025
Cash Flows from Operating Activities :		
Profit Before Tax	\$ 117,587	126,266
Adjustments :		
Depreciation Expense	69,820	86,958
Amortization Expense	893	1,270
Reversal of (Losses on) Expected Credit Impairment	367	(320)
Interest Income	(9,493)	(6,395)
Gain on Disposal of Property, Plant and Equipment, Net	(191)	-
Provision (Reversal) for Inventory Obsolescence and Devaluation Loss	4,000	1,000
Total Adjustments to Reconcile Profit	<u>65,396</u>	<u>82,513</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(10,998)	14,670
Receivables from Related Parties	(25,776)	17,302
Inventories	(42,523)	(26,748)
Other Operating Current Assets	(3,529)	(2,585)
Net Defined Benefit Assets	(20)	(39)
Accounts Payable	26,962	11,882
Other Operating Current Liabilities	1,612	(9,374)
Other Noncurrent Liabilities	(2,354)	(2,367)
Total Net Changes in Operating Assets and Liabilities	<u>(56,626)</u>	<u>2,741</u>
Cash Inflow Generated from Operations	126,357	211,520
Interest Received	9,207	6,147
Income Taxes Paid	(6,625)	(20,632)
Net Cash Flows from Operating Activities	<u>128,939</u>	<u>197,035</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(3,127)	(6,140)
Disposal of Property, Plant and Equipment,	191	-
Increase (Decrease) in Guarantee Deposits	-	(10)
Increase in Other Financial Assets	(358,550)	(271,800)
Net Cash Flows Used in Investing Activities	<u>(361,486)</u>	<u>(277,950)</u>
Decrease in Cash and Cash Equivalents	(232,547)	(80,915)
Cash and Cash Equivalents at Beginning of Period	<u>273,967</u>	<u>161,084</u>
Cash and Cash Equivalents at End of Period	<u>\$ 41,420</u>	<u>80,169</u>

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Notes to Financial Statements
March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Advanced Ceramic X Corporation (“the Company”) was incorporated in April 15, 1998 as a company limited by shares and registered under the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is No.165, Hanyang Road, Hsinchu Industrial District, Hsinchu Hsien, Taiwan. The major business activities of the Company are the design, manufacture and sale of RF Front-End devices and modules for applications in wireless communication.

2. The authorization of financial statements

These financial statements were authorized for issuance by the Audit Committee and Board of Directors of the Company on May 5, 2026.

3. Application of new standards, amendments and interpretations

The impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”)

- (1) The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2026 :
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts” • Amendments to IAS 21 “Lack of Exchangeability”
 - The amendments to International Financial Reporting Standard (IFRS) 9 and IFRS 7, "Amendments to Financial Instruments: Classification and Measurement.
 - Annual Improvements to IFRS Accounting Standards
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (2) The impact of IFRS issued by IASB but not yet endorsed by the FSC

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

Advanced Ceramic X Corporation
Notes to Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>Note:</p> <p>The Financial Supervisory Commission (FSC) issued a press release on September 25, 2025, announcing that Taiwan will align with International Financial Reporting Standard (IFRS) 18 in the fiscal year 2028. Companies that wish to adopt it earlier may do so, subject to approval by the FSC.</p>

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 21 “Translation to a Hyperinflationary Presentation Currency”

Advanced Ceramic X Corporation

Notes to Financial Statements

4. Summary of significant accounting policies

(1) Statement of compliance

The financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language financial statements, the Chinese version shall prevail.

The accompanying financial statements have been prepared in accordance with the revised Regulation Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China (hereinafter referred to the Regulations) and the guideline of IAS 34 "Interim Financial Reporting", as endorsed and issued into effect by the FSC. The financial statements do not present all the disclosures required for a complete set of annual financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except for the following accounting policies, the significant accounting policies adopted in the interim financial statements is the same as these in the financial statements for the year ended December 31, 2025. For the related information, please refer to note 4 of the financial statements for the year ended December 31, 2025.

(2) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(3) Income taxes

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. It is charged to profit or loss an income tax expense.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

5. Significant accounting assumptions and judgments and major sources of estimation uncertainty

The preparation of the financial statements in conformity with Regulations and IAS 34 "Interim Financial Reporting" endorsed by FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the financial statements for the year ended December 31, 2025. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2025.

Advanced Ceramic X Corporation
Notes to Financial Statements

6. Explanation of significant accounts

Except for the following disclosure, the significant account disclosure in the financial statements for the three months ended March 31, 2026, which compare with the financial statements for the year ended December 31, 2025, was not changed significantly. For the related information, please refer to note 6 of the financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash	\$ 25	25	25
Cash in bank	33,728	14,884	33,490
Time deposits	<u>7,667</u>	<u>259,058</u>	<u>46,654</u>
	<u>\$ 41,420</u>	<u>273,967</u>	<u>80,169</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the classified from cash and cash equivalents to other financial assets-current for time deposits, amounted to \$2,312,860 thousand, \$1,954,310 thousand and \$1,556,800 thousand, respectively.

Please refer to note 6(14) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(2) Notes and accounts receivable, net (including related parties)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ -	98	-
Accounts receivable	110,047	98,951	152,336
Accounts receivable from related parties	154,288	128,512	81,428
Less: Allowance for impairment	(1,100)	(991)	(1,523)
Allowance for impairment from related parties	<u>(1,543)</u>	<u>(1,285)</u>	<u>(814)</u>
	<u>\$ 261,692</u>	<u>225,285</u>	<u>231,427</u>
Notes and accounts receivable, net	<u>\$ 108,947</u>	<u>98,058</u>	<u>150,813</u>
Accounts receivable from related parties, net	<u>\$ 152,745</u>	<u>127,227</u>	<u>80,614</u>

The Company applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information.

Advanced Ceramic X Corporation
Notes to Financial Statements

The loss allowance provision was determined as follows:

	March 31, 2026		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 260,455	1	2,604
Past due less than 30 days	3,880	1	39
	\$ 264,335		2,643

	December 31, 2025		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 226,180	1	2,262
Past due less than 30 days	718	1	7
Past due 31 to 60 days	663	1	7
	\$ 227,561		2,276

	March 31, 2025		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 233,231	1	2,332
Past due less than 30 days	469	1	5
Past due 31 to 60 days	64	1	-
	\$ 233,764		2,337

The movements of allowance for doubtful accounts were as follows:

	Three months ended March 31	
	2026	2025
Beginning balance	\$ 2,276	2,657
Losses on(reversal of) expected credit impairment	367	(320)
Ending balance	\$ 2,643	2,337

The payment terms granted to customers are generally advance payment to 150 days from the end of the month during which the invoice is issued.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the notes and accounts receivable were not pledged as collateral. For information on the Company's credit risk was disclosed in note 6(14).

Advanced Ceramic X Corporation
Notes to Financial Statements

(3) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials and supplies	\$ 45,324	22,824	58,918
Work in process	60,945	52,909	78,948
Finished goods and merchandises	57,523	49,536	47,851
	<u>\$ 163,792</u>	<u>125,269</u>	<u>185,717</u>

For the three months ended March 31, 2026 and 2025, the amounts of inventories that were charged to cost of sales were \$189,350 thousand and \$213,888 thousand, respectively. For the three months ended March 31, 2026, the net of provisions that charged to cost of sales for inventories written down to net realizable value amounted were \$4,000 thousand. For the three months ended March 31, 2025, the reversal of inventories written down amounted was \$1,000 thousand.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the inventories were not pledged as collateral.

(4) Property, plant and equipment

	Land	Building and construction	Machinery and equipment	Office & other equipment	Construction in progress & equipment under installation	Total
Cost :						
Balance at January 1, 2026	\$ 168,944	1,357,885	3,158,468	266,386	20,626	4,972,309
Additions	-	125	-	455	360	940
Reclassifications	-	1,125	-	675	(1,800)	-
Disposals	-	-	-	(1,438)	-	(1,438)
Balance at March 31, 2026	<u>\$ 168,944</u>	<u>1,359,135</u>	<u>3,158,468</u>	<u>266,078</u>	<u>19,186</u>	<u>4,971,811</u>
Balance at January 1, 2025	\$ 248,651	1,673,184	3,233,216	309,758	91,727	5,556,536
Additions	-	-	185	-	31,887	32,072
Reclassifications	-	78,000	1,665	-	(79,665)	-
Balance at March 31, 2025	<u>\$ 248,651</u>	<u>1,751,184</u>	<u>3,235,066</u>	<u>309,758</u>	<u>43,949</u>	<u>5,588,608</u>
Depreciation :						
Balance at January 1, 2026	\$ -	277,057	2,647,423	214,852	-	3,139,332
Depreciation	-	19,694	46,905	3,221	-	69,820
Disposals	-	-	-	(1,438)	-	(1,438)
Balance at March 31, 2026	<u>\$ -</u>	<u>296,751</u>	<u>2,694,328</u>	<u>216,635</u>	<u>-</u>	<u>3,207,714</u>
Balance at January 1, 2025	\$ -	502,273	2,395,382	235,805	-	3,133,460
Depreciation	-	21,206	60,941	4,811	-	86,958
Balance at March 31, 2025	<u>\$ -</u>	<u>523,479</u>	<u>2,456,323</u>	<u>240,616</u>	<u>-</u>	<u>3,220,418</u>
Carrying value :						
Balance at January 1, 2026	<u>\$ 168,944</u>	<u>1,080,828</u>	<u>511,045</u>	<u>51,534</u>	<u>20,626</u>	<u>1,832,977</u>
Balance at March 31, 2026	<u>\$ 168,944</u>	<u>1,062,384</u>	<u>464,140</u>	<u>49,443</u>	<u>19,186</u>	<u>1,764,097</u>
Balance at January 1, 2025	<u>\$ 248,651</u>	<u>1,170,911</u>	<u>837,834</u>	<u>73,953</u>	<u>91,727</u>	<u>2,423,076</u>
Balance at March 31, 2025	<u>\$ 248,651</u>	<u>1,227,705</u>	<u>778,743</u>	<u>69,142</u>	<u>43,949</u>	<u>2,368,190</u>

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As of March 31, 2026, December 31, 2025 and March 31, 2025, the property, plant and equipment of the Company had been pledged as collateral for short-term borrowings; please refer to note 8.

(5) Intangible assets

	Royalty
Balance at January 1, 2026	<u><u>\$ 2,796</u></u>
Balance at March 31, 2026	<u><u>\$ 2,551</u></u>
Balance at January 1, 2025	<u><u>\$ 2,591</u></u>
Balance at March 31, 2025	<u><u>\$ 2,331</u></u>

For the three months ended March 31, 2026 and 2025, there were no significant additions and disposals of intangible assets. Please refer to note 12 for details on impairment and to note 6(5) of the financial statements for the year ended December 31, 2025 for other related information.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the intangible assets were not pledged as collateral.

(6) Other current liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Accrued expenses	\$ 187,180	186,487	163,153
Directors' remuneration payable	7,685	5,799	10,621
Contract liabilities	5,623	12,392	5,511
Other	<u>1,787</u>	<u>2,698</u>	<u>1,964</u>
	<u><u>\$ 202,275</u></u>	<u><u>207,376</u></u>	<u><u>181,249</u></u>

The above accrued expenses included material consumption, insurance, service expense, and water and electricity expense.

(7) Employee benefits

Defined benefit plans

The management believes that there was no material market volatility, material reimbursement and settlement, or other significant one-time events. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

Please refer to note 12 for employee pension costs or expenses under defined benefit plans and defined contribution plans.

(8) Income tax

A. Income tax expense

	Three months ended March 31	
	2026	2025
Income tax expense	<u><u>\$ 21,640</u></u>	<u><u>25,253</u></u>

B. As of March 31, 2026, the tax authorities have completed the examination of income tax returns of the Company through 2024.

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C. In accordance with Permit No.11004582620 issued by the Ministry of Finance, the Company's 2022 and 2021 income tax expenses are paid in installments. As of March 31, 2026, the Company unpaid amount was \$6,205 thousand.

(9) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the three months ended March 31, 2026 and 2025. For the related information, please refer to note 6(9) of the financial statements for the year ended December 31, 2025.

A. Retained earnings

According to the amendment of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of taxes.
- (b) Making up loss for preceding years.
- (c) Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached the total paid-up capital.
- (d) Appropriating or reversing special reserve by government officials or other regulations.
- (e) The remaining, plus the previous year's unappropriated earnings, shall be distributed according to the distribution plan proposed by the Board of Directors according to the dividend policy and submitted to the stockholders' meeting for approval.

The Company conducts business to operate in its growth phase, the dividend policy shall be determined pursuant to factors such as the investment environment, capital requirements, domestic and overseas competitive environment and capital budget, as well as stockholders' interest, dividend balance and long-term financial plan. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

B. Legal reserve

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by cash. Only 10% of legal reserve which exceeds 25% of the paid-in capital may be distributed.

C. Special reserve

According to the regulations of the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the net debit balance of other components of the shareholders' equity adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve to account for cumulative changes to the debit balance of other shareholders' equity pertaining to prior periods. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reserved to the extent that the net debit balance reverses.

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D. Earnings distribution

	<u>2026</u>	<u>2025</u>
Board meeting date	January 20, 2026	February 25, 2025
Shareholders meeting date	April 8, 2026	June 11, 2025
Legal reserve	<u>\$ 65,290</u>	<u>42,936</u>
Cash dividends	<u>\$ 277,445</u>	<u>385,801</u>
Amount per share (dollars)	<u>\$ 4.02</u>	<u>5.59</u>

Note: The related information mentioned above can be found on websites such as the Market Observation Post System.

(10) Earnings per share (EPS)

A. Basic EPS

	<u>Three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Profit belonging to common shareholders	<u>\$ 95,947</u>	<u>101,013</u>
Weighted average number of outstanding share of common stock (in thousands)	<u>69,016</u>	<u>69,016</u>
Basic EPS (in dollars)	<u>\$ 1.39</u>	<u>1.46</u>

B. Diluted EPS

	<u>Three months ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Profit belonging to common shareholders	<u>\$ 95,947</u>	<u>121,284</u>
Weighted average number of outstanding share of common stock (in thousands)	69,016	69,016
Employee compensation	95	152
	<u>69,111</u>	<u>69,168</u>
Diluted EPS (in dollars)	<u>\$ 1.39</u>	<u>1.46</u>

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(11) Operating revenue from contracts with customers
A. Disaggregation of revenue

	Three months ended March 31	
	2026	2025
Primary geographic markets		
United States	\$ 163,299	99,441
China	98,818	144,892
Taiwan	57,995	87,743
Other	32,313	54,146
	\$ 352,425	386,222
Main Product		
RF Front-End devices and modules	\$ 352,425	386,222

B. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities (Other Current Liabilities)	\$ 5,623	12,392	5,511

For details on trade receivables and allowance for impairment, please refer to note 6(2) and 7(2).

The contract liabilities primarily relate to the advance consideration received from customers for the RF Front-End devices and modules sales contracts, for which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that was included in the contract liabilities balance at the beginning for the period were \$9,662 thousand and \$7,323 thousand, respectively.

(12) Remuneration of employees and directors

On June 11, 2025, the Company's shareholders approved an amendment to the Articles of Incorporation. In accordance with the amended Articles, if the Company earns profits in any given fiscal year, it shall allocate no more than 1.5% of such profits as remuneration to directors and no less than 5% as employee compensation. (Of the total amount of employee compensation, no less than 15% shall be distributed to non-managerial employees.)

If the Company has accumulated losses, the amount necessary to offset such losses shall first be retained before making the aforementioned allocations. For the purpose of the above calculation, profits refer to the income before tax and before the deduction of directors' remuneration and employee compensation. Employee compensation may be distributed in the form of shares or cash, and the recipients may include employees of the Company's subsidiaries who meet certain eligibility requirements.

The Company estimated its employees' and directors' remuneration as follows:

	Three months ended March 31	
	2026	2025
Employees' remuneration	\$ 6,288	6,752
Directors' remuneration	\$ 1,886	2,026

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The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were included in the operating costs or operating expenses of the three months ended March 31, 2026 and 2025. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimated and recognized in profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day preceding the Board of Directors.

Remuneration to employees for 2025 in the amounts of \$37,132 thousand, and remuneration to director for 2025 in the amounts of \$5,799 thousand, in cash for payment has been approved in the meeting of Board of Directors. The aforementioned approved amounts are the same as the amounts charged against earnings of 2025. The information about the Company's remuneration to employees and directors is available at the Market Observation Post System website.

(13) Non-operating income and expenses
Other Gains and Loss

	Three months ended	
	March 30	
	2026	2025
Disposals or Scrapping Gains	\$ 191	-
Foreign exchange gains (losses)	5,873	5,667
	\$ 6,064	5,667

(14) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(14) of the financial statement for the year ended December 31, 2025.

A. Credit risk

(a) Exposure of credit risk

The carrying amount of financial and contract assets represents the maximum credit exposure.

(b) Concentration of credit risk

The major customers of the Company are centralized in the electronics industry. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company's notes and account receivable (including related parties) were both concentrated on 5 customers, whose accounts represented 77%, 76% and 66% of the account receivables, respectively. For the information of credit risk exposure of notes and accounts receivable, please refer to note 6(2).

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company's cash in bank and time deposits were both concentrated on one financial institution, whose accounts represented 51%, 49% and 71% of the cash and cash equivalents and other financial assets, respectively. Thus, credit risk is significantly centralized. To reduce cash risk, the Company evaluates financial institutions' financial positions and credit rating periodically. After the assessment, management does not expect significant losses.

(c) Credit risk of financial assets measured at amortized cost.

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The Company financial assets at amortized cost include cash and cash equivalents, notes and receivables, and time deposits on other financial assets. About their information of credit risk exposure, please refer note 6(1) and (2).

The above-mentioned of financial assets are considered to be of low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. For the Company's assessment on whether credit risk is to be of low risk, please refer note 4(6) of the financial statements for the year ended December 31, 2025.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments impact.

	<u>Carrying amount (Contractual cash flows)</u>	<u>Within 6 months</u>
March 31, 2026		
Non-derivative financial liabilities		
Accounts payable	\$ 68,112	68,112
Payables to contractors and equipment	<u>9,615</u>	<u>9,615</u>
	<u>\$ 77,727</u>	<u>77,727</u>
December 31, 2025		
Non-derivative financial liabilities		
Accounts payable	\$ 41,150	41,150
Payables to contractors and equipment	<u>11,802</u>	<u>11,802</u>
	<u>\$ 52,952</u>	<u>52,952</u>
March 31, 2025		
Non-derivative financial liabilities		
Accounts payable	\$ 67,811	67,811
Payables to contractors and equipment	<u>73,218</u>	<u>73,218</u>
	<u>\$ 141,029</u>	<u>141,029</u>

The Company did not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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C. Currency risk

(a) The Company's significant exposure to foreign currency risk was as follows:

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 8,653	31.945	276,420	7,842	31.380	246,082	8,594	33.155	284,934
JPY	101,970	0.1985	20,241	34,119	0.1988	6,783	66,965	0.2207	14,779
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	620	32.045	19,868	294	31.480	9,255	629	33.255	20,917
JPY	92,157	0.2025	18,662	19,668	0.2028	3,989	49,352	0.2247	11,089

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payable that are denominated in foreign currency. Depreciation or appreciation of the NTD by 1% against USD and JPY at March 31, 2026 and 2025, while all other variables were remained constant, would have increased (decreased) the net profit after tax by \$2,065 thousand and \$2,142 thousand, respectively. The analysis is performed on the same basis for both periods.

(c) Gains or losses on monetary item

Since the Company has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the three months ended March 31, 2026 and 2025, foreign exchange gain (loss), including realized and unrealized portions, amounted to \$5,873 thousand and \$5,667 thousand, respectively.

D. Interest rate risk

Please refer to the attached note for the liquidity risk and the Company's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivatives and non-derivatives financial instruments on the reporting date. For variable rate instrument, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Company's internal management reported the increases (decreases) in the interest rates and the exposure to changes in interest rates of 1% is considered by management to be a reasonable change of interest rate.

The Company's exposure to interest rate risk arises from the bank deposit interest rates change. If the interest rate had increased (decreased) by 1%, the Company's net profit after tax would have increased (decreased) by \$4,709 thousand and \$3,274 thousand for the three months ended March 31, 2026 and 2025, all other variable factors that remain constant.

E. Fair value

The carrying amounts of the Company's non-derivative financial instruments-current, including financial assets at amortized cost, such as cash and cash equivalents, notes and receivables (including related parties), and other financial assets, and financial liabilities at

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amortized cost, such as accounts payable and payables to contractors and equipment, were considered to approximate their fair value due to their short-term nature.

(15) Financial risk management

There were no significant change in the Company's financial risk management and policies as disclosed in note 6(15) of the financial statements for the year ended December 31, 2025.

(16) Capital management

The objectives and policies of capital management of the Company have been applied consistently with those described in the financial statements for the year ended December 31, 2025. Also, there were no significant changes in the Company's capital management information as disclosed in the financial statements for the year ended December 31, 2025. Refer to note 6(16) of the financial statements for the year ended December 31, 2025 for the relevant information.

7. Related-party transactions:

(1) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements.

Names of the related parties	Relationships
Johanson Technology Inc. (JOHANSON)	The Company's director
Scientific Components Corporation (doing business as <u>Mini-Circuits(MINI-CKT)</u>)	The Company's director

(2) Significant transactions with related parties

A. Operating revenue

	Three months ended March 31	
	2026	2025
Key management personnel – JOHANSON	\$ 91,970	65,285
Key management personnel – MINI-CKT	68,596	33,697
	\$ 160,566	98,982

B. Receivables from related parties

Categories	Account	March 31, 2026	December 31, 2025	March 31, 2025
Key management personnel – JOHANSON	Receivables from related parties	\$ 124,500	102,939	66,070
	Bad debt provision	(1,245)	(1,029)	(661)
Key management personnel – MINI-CKT	Receivables from related parties	29,788	25,573	15,358
	Bad debt provision	(298)	(256)	(153)
		\$ 152,745	127,227	80,614

The selling price and collection terms of sales to related parties were determined in the economic environment and market competition, payment terms are 30 to 150 days.

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The payment terms granted to routine sales customers are advance payment to 120 days base on trading experience and credit assessment.

(3) Transactions with key management personnel

The key management personnel compensation was comprised as follows:

	Three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 13,605	14,132
Post-employment benefits	27	27
	<u>\$ 13,632</u>	<u>14,159</u>

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledge assets	Pledged to secure	March 31, 2026	December 31, 2025	March 31, 2025
Land (Property, plant and equipment)	Bank line guarantee	<u>\$ 168,944</u>	<u>168,944</u>	<u>168,944</u>

9. Commitments and contingencies:

(1) The unused letters of credit for the Company's purchases of machinery and equipment and raw materials amount were as follows:

March 31, 2026	December 31, 2025	March 31, 2025
<u>\$ 1,964</u>	<u>1,967</u>	<u>2,180</u>

(2) The Company purchased machinery and equipment and the unpaid amount were as follows:

March 31, 2026	December 31, 2025	March 31, 2025
<u>\$ 8,878</u>	<u>9,387</u>	<u>13,943</u>

(3) The bank guarantees of the Company's purchases of raw materials, machinery and equipment amount were as follows:

March 31, 2025	December 31, 2025	March 31, 2025
<u>\$ 1,000</u>	<u>1,000</u>	<u>1,000</u>

10. Losses due to major disasters: None.

11. Subsequent events:

The Company has resolved a cash capital reduction to return a cash capital to shareholder's at the Annual Shareholders' Meeting on April 8, 2026. To align with the Company's future operational development, enhance operating efficiency, and improve profitability per share. The amount of the capital reduction is NT 300 million at a par value of NT\$10 per share, which represents a capital reduction ratio of approximately 43%. The aforementioned cash capital reduction became effected upon registration with Taipei Exchange (TPEX) on April 28, 2026. The record date of the capital reduction is May 6, 2026. The relevant statutory registration procedures are currently in progress and have not yet been completed.

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12. Other:

The employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	27,040	22,502	49,542	27,738	22,424	50,162
Labor and health insurance	3,093	2,002	5,095	3,389	2,058	5,447
Pension	987	794	1,781	1,093	828	1,921
Directors remuneration	1,717	218	1,935	1,843	236	2,079
Others	1,280	541	1,821	1,379	579	1,958
Depreciation	56,934	12,886	69,820	71,383	15,575	86,958
Amortization	556	337	893	918	352	1,270

13. Other disclosures:

(1) Information on significant transactions:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures): None.

D. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD\$100 million or 20% of the capital stock:

Company name	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
The Company	JOHANSON	Corporate director	(Sales)	91,970	(26)%	150 days	Note	Note	123,255	47%	
The Company	MINI-CKT	Corporate director	(Sales)	68,596	(19)%	30 days	Note	Note	29,490	11%	

E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

Company name	Related party	Nature of relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	JOHANSON	Corporate director	123,255	3.27	-	-	11,428(Note)	1,245

Note: This represents the amount recovered as of April 30, 2026.

(2) Information on investments: None.

(3) Information on investment in Mainland China: None.

14. Segment information:

The profit or loss, assets and liabilities of the operation segment were consistent with the related accounts shown in the balance sheet and comprehensive income statement of the Company.