

Advanced Ceramic X Corporation
Balance Sheet
June 30, 2016, December 31 and June 30, 2015
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2016		December 31, 2015		June 30, 2015		Liabilities and Equity	June 30, 2016		December 31, 2015		June 30, 2015	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :							Current Liabilities :						
Cash and Cash Equivalents	\$ 2,533,792	66	1,786,244	51	1,864,687	54	Accounts Payable	\$ 40,779	1	39,975	1	43,732	1
Notes and Accounts Receivable, Net	202,808	5	262,311	8	221,341	6	Salary and Bonus Payable	155,669	4	120,870	4	102,657	3
Receivables from Related Parties	126,492	3	81,104	2	96,764	3	Payables to Contractors and Equipment	744	-	4,939	-	28,483	1
Inventories	87,646	2	103,751	3	100,630	3	Cash Dividends Payable	686,711	18	-	-	459,648	13
Other Financial Assets-Current	61,931	2	348,952	10	296,796	9	Income Tax Payable	73,523	2	113,004	3	68,273	2
Other Current Assets	11,605	-	12,260	-	26,836	1	Other Current Liabilities	140,580	3	120,402	4	105,302	3
	<u>3,024,274</u>	<u>78</u>	<u>2,594,622</u>	<u>74</u>	<u>2,607,054</u>	<u>76</u>		<u>1,098,006</u>	<u>28</u>	<u>399,190</u>	<u>12</u>	<u>808,095</u>	<u>23</u>
Noncurrent Assets :							Noncurrent Liabilities :						
Property, Plant and Equipment	842,629	22	895,715	26	838,264	24	Deferred Income Tax Liabilities	801	-	801	-	148	-
Intangible Assets	1,150	-	1,500	-	1,917	-	Net Defined Benefit Liabilities-Noncurrent	942	-	1,237	-	729	-
Deferred Income Tax Assets	4,198	-	4,198	-	3,858	-	Other Liabilities	3,595	-	2,378	-	1,190	-
Other Financial Assets-Noncurrent	1,321	-	1,500	-	1,790	-		<u>5,338</u>	<u>-</u>	<u>4,416</u>	<u>-</u>	<u>2,067</u>	<u>-</u>
	<u>849,298</u>	<u>22</u>	<u>902,913</u>	<u>26</u>	<u>845,829</u>	<u>24</u>	Total Liabilities	<u>1,103,344</u>	<u>28</u>	<u>403,606</u>	<u>12</u>	<u>810,162</u>	<u>23</u>
Total Assets	\$ 3,873,572	100	3,497,535	100	3,452,883	100	Equity :						
							Capital Stock	690,162	18	690,162	20	690,162	20
							Capital Surplus	573,532	15	573,532	16	573,532	17
							Retained Earnings	1,506,534	39	1,830,235	52	1,379,027	40
							Total Equity	<u>2,770,228</u>	<u>72</u>	<u>3,093,929</u>	<u>88</u>	<u>2,642,721</u>	<u>77</u>
							Total Liabilities and Equity	\$ 3,873,572	100	3,497,535	100	3,452,883	100

Advanced Ceramic X Corporation
Comprehensive Income Statements

For the Periods April 1 to June 30, 2016 and 2015, and for the Six Months Ended June 30, 2016 and 2015

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	Three Months Ended June 30, 2016		Three Months Ended June 30, 2015		Six Months Ended June 30, 2016		Six Months Ended June 30, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 448,347	100	420,263	100	878,979	100	772,267	100
Operating Costs	175,962	39	162,083	39	347,596	40	306,015	40
Gross Profit	272,385	61	258,180	61	531,383	60	466,252	60
Operating Expenses :								
Selling Expenses	6,461	1	7,089	2	11,694	1	12,539	2
Administrative Expenses	20,474	5	23,252	5	37,699	4	42,225	5
Research and Development Expenses	22,754	5	20,215	5	45,456	5	37,191	5
	49,689	11	50,556	12	94,849	10	91,955	12
Operating Income	222,696	50	207,624	49	436,534	50	374,297	48
Non-Operating Income and Expenses :								
Interest Income	3,716	1	4,053	1	7,403	1	8,230	1
Other Gains and Losses	27	-	(189)	-	281	-	9	-
Foreign Exchange Gain(Loss), Net	4,861	1	(2,585)	(1)	(6,895)	(1)	(6,610)	(1)
Gain (Loss) on Disposal of Property, Plant and Equipment, Net	38	-	(1,204)	-	38	-	(1,204)	-
	8,642	2	75	-	827	-	425	-
Net Income Before Income Tax	231,338	52	207,699	49	437,361	50	374,722	48
Income Tax Expense	39,327	9	35,309	8	74,351	9	63,703	8
Net Income	192,011	43	172,390	41	363,010	41	311,019	40
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	\$ 192,011	43	172,390	41	363,010	41	311,019	40
Earnings Per Share (NT\$)								
Basic Earnings Per Share	<u>\$ 2.78</u>		<u>2.50</u>		<u>5.26</u>		<u>4.51</u>	
Diluted Earnings Per Share	<u>\$ 2.78</u>		<u>2.49</u>		<u>5.24</u>		<u>4.49</u>	

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2016 and 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Common Stock	Capital Surplus	Retained Earnings		Total Equity	
			Legal Reserve	Undistributed Earnings		Total
Balance as of January 1, 2015	\$ 690,162	608,040	352,321	1,140,827	1,493,148	2,791,350
Profit for the Six Months Ended June 30, 2015	-	-	-	311,019	311,019	311,019
Other Comprehensive Income for the Six Months Ended June 30, 2015	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2015	-	-	-	311,019	311,019	311,019
Appropriation and Distribution of 2014 Earnings :						
Legal Reserve	-	-	47,263	(47,263)	-	-
Cash Dividends	-	-	-	(425,140)	(425,140)	(425,140)
Change in Other Capital Surplus :						
Capital Surplus Cash Dividend Declared	-	(34,508)	-	-	-	(34,508)
Balance as of June 30, 2015	\$ 690,162	573,532	399,584	979,443	1,379,027	2,642,721
Balance as of January 1, 2016	\$ 690,162	573,532	399,584	1,430,651	1,830,235	3,093,929
Profit for the Six Months Ended June 30, 2016	-	-	-	363,010	363,010	363,010
Other Comprehensive Income for the Six Months Ended June 30, 2016	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2016	-	-	-	363,010	363,010	363,010
Appropriation and Distribution of 2015 Earnings :						
Legal Reserve	-	-	76,304	(76,304)	-	-
Cash Dividends	-	-	-	(686,711)	(686,711)	(686,711)
Balance as of June 30, 2016	\$ 690,162	573,532	475,888	1,030,646	1,506,534	2,770,228

Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2016 and 2015
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	<u>Six Months Ended June 30, 2016</u>	<u>Six Months Ended June 30, 2015</u>
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 437,361	374,722
Adjustments for :		
Depreciation	73,402	78,444
Amortization	350	433
Bad Debt (Reversal) Provision	(142)	504
Interest Income	(7,403)	(8,230)
Gain (Loss) on Disposal of Property, Plant and Equipment, Net	(38)	1,204
Provision for Inventory Obsolescence and Devaluation Loss	500	1,000
Total Adjustments to Reconcile Profit	<u>66,669</u>	<u>73,355</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	60,103	(7,359)
Receivables from Related Parties	(45,846)	(43,054)
Inventories	15,605	(20,349)
Other Operating Current Assets	655	(12,674)
Accounts Payable	804	1,236
Net Defined Benefit Liabilities-Noncurrent	(295)	(304)
Other Liabilities-Noncurrent	1,217	1,190
Other Operating Current Liabilities	54,977	53,230
Total Changes in Operating Assets and Liabilities	<u>87,220</u>	<u>(28,084)</u>
Cash Generated from Operations	591,250	419,993
Interest Received	7,424	8,292
Income Taxes Paid	<u>(113,832)</u>	<u>(82,740)</u>
Net Cash Generated by Operating Activities	<u>484,842</u>	<u>345,545</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(24,511)	(55,103)
Proceeds from Disposal of Property, Plant and Equipment	38	2,850
Acquisition of Intangible Assets	-	(500)
Decrease (Increase) in Other Financial Assets	<u>287,179</u>	<u>(294,200)</u>
Net Cash Generated (Used in) by Investing Activities	<u>262,706</u>	<u>(346,953)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	747,548	(1,408)
Cash and Cash Equivalents at the Beginning of Period	<u>1,786,244</u>	<u>1,866,095</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 2,533,792</u>	<u>1,864,687</u>