

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

Assets	December 31, 2016		December 31, 2015		Liabilities and Equity	December 31, 2016		December 31, 2015	
	Amount	%	Amount	%		Amount	%	Amount	%
Current Assets :					Current Liabilities :				
Cash and Cash Equivalents	\$ 2,355,759	65	1,786,244	51	Accounts Payable	\$ 54,723	2	39,975	1
Notes and Accounts Receivable, Net	252,212	7	262,311	8	Salary and Bonus Payable	141,931	4	120,870	4
Receivables from Related Parties	98,563	3	81,104	2	Payables to Contractors and Equipment	2,497	-	4,939	-
Inventories	110,445	3	103,751	3	Income Tax Payable	86,197	2	113,004	3
Other Financial Assets-Current	2,455	-	348,952	10	Other Current Liabilities	132,299	4	120,402	4
Other Current Assets	16,326	-	12,260	-		417,647	12	399,190	12
	<u>2,835,760</u>	<u>78</u>	<u>2,594,622</u>	<u>74</u>	Noncurrent Liabilities :				
Noncurrent Assets :					Deferred Income Tax Liabilities	-	-	801	-
Property, Plant and Equipment	792,553	22	895,715	26	Net Defined Benefit Liabilities-Noncurrent	808	-	1,237	-
Intangible Assets	1,800	-	1,500	-	Other Liabilities	4,810	-	2,378	-
Deferred Income Tax Assets	5,513	-	4,198	-		5,618	-	4,416	-
Other Financial Assets-Noncurrent	1,376	-	1,500	-	Total Liabilities	423,265	12	403,606	12
	<u>801,242</u>	<u>22</u>	<u>902,913</u>	<u>26</u>	Equity :				
					Capital Stock	690,162	19	690,162	20
					Capital Surplus	573,532	16	573,532	16
					Retained Earnings	1,950,043	53	1,830,235	52
					Total Equity	3,213,737	88	3,093,929	88
Total Assets	<u>\$ 3,637,002</u>	<u>100</u>	<u>3,497,535</u>	<u>100</u>	Total Liabilities and Equity	<u>\$ 3,637,002</u>	<u>100</u>	<u>3,497,535</u>	<u>100</u>

Advanced Ceramic X Corporation
Comprehensive Income Statements
Years Ended December 31, 2016 and 2015

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

	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Net Sales	\$ 1,909,472	100	1,761,223	100
Operating Costs	<u>725,629</u>	<u>38</u>	<u>680,391</u>	<u>39</u>
Gross Profit	<u>1,183,843</u>	<u>62</u>	<u>1,080,832</u>	<u>61</u>
Operating Expenses :				
Selling Expenses	27,119	1	28,841	2
Administrative Expenses	83,340	4	96,836	5
Research and Development Expenses	<u>96,875</u>	<u>5</u>	<u>89,199</u>	<u>5</u>
	<u>207,334</u>	<u>10</u>	<u>214,876</u>	<u>12</u>
Operating Income	<u>976,509</u>	<u>52</u>	<u>865,956</u>	<u>49</u>
Non-Operating Income and Expenses :				
Interest Income	14,184	1	15,823	1
Other Income	460	-	67	-
Foreign Exchange Gain(Loss), Net	(19,510)	(1)	40,438	2
Gain (Loss) on Disposal of Property, Plant and Equipment, Net	<u>256</u>	<u>-</u>	<u>(2,959)</u>	<u>-</u>
	<u>(4,610)</u>	<u>-</u>	<u>53,369</u>	<u>3</u>
Net Income Before Income Tax	971,899	52	919,325	52
Income Tax Expense	<u>165,223</u>	<u>9</u>	<u>156,285</u>	<u>9</u>
Net Income	<u>806,676</u>	<u>43</u>	<u>763,040</u>	<u>43</u>
Other Comprehensive Income :				
Not to Be Reclassified to Profit or Loss in Subsequent Periods				
Remeasurement of the Defined Benefit Plan	<u>(157)</u>	<u>-</u>	<u>(813)</u>	<u>-</u>
Other Comprehensive Income	<u>(157)</u>	<u>-</u>	<u>(813)</u>	<u>-</u>
Total Comprehensive Income	<u><u>\$ 806,519</u></u>	<u><u>43</u></u>	<u><u>762,227</u></u>	<u><u>43</u></u>
Earnings Per Share (NT\$)				
Basic Earnings Per Share	<u><u>\$ 11.69</u></u>		<u><u>11.06</u></u>	
Diluted Earnings Per Share	<u><u>\$ 11.65</u></u>		<u><u>11.01</u></u>	

Advanced Ceramic X Corporation
Statements of Changes in Equity
Years ended December 31, 2016 and 2015
(Audited, In Thousands of New Taiwan Dollars)

	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 Year Ended December 31, 2015	-	-	-	763,040	763,040	763,040
Other Comprehensive Income for the Year Ended December 31, 2015	-	-	-	(813)	(813)	(813)
Total Comprehensive Income	-	-	-	762,227	762,227	762,227
Appropriation and Distribution of 2014 Earnings :						
Legal Reserve	-	-	47,263	(47,263)	-	-
Cash Dividends	-	-	-	(425,140)	(425,140)	(425,140)
Capital Surplus Cash Dividend Declared	-	(34,508)	-	-	-	(34,508)
Balance as of December 31, 2015	\$ 690,162	573,532	399,584	1,430,651	1,830,235	3,093,929
Profit for the Year Ended December 31, 2016	\$ -	-	-	806,676	806,676	806,676
Other Comprehensive Income for the Year Ended December 31, 2016	-	-	-	(157)	(157)	(157)
Total Comprehensive Income	-	-	-	806,519	806,519	806,519
Appropriation and Distribution of 2015 Earnings :						
Legal Reserve	-	-	76,304	(76,304)	-	-
Cash Dividends	-	-	-	(686,711)	(686,711)	(686,711)
Balance as of December 31, 2016	\$ 690,162	573,532	475,888	1,474,155	1,950,043	3,213,737

Advanced Ceramic X Corporation
Statements of Cash Flows
Years Ended December 31, 2016 and 2015
(Audited, In Thousands of New Taiwan Dollars)

	2016	2015
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 971,899	919,325
Adjustments for :		
Depreciation	143,184	150,740
Amortization	700	850
Bad Debt Provision	75	759
Interest Income	(14,184)	(15,823)
Gain (Loss) on Disposal of Property, Plant and Equipment, Net	(256)	2,959
Provision for Inventory Obsolescence and Devaluation Loss	1,031	3,603
Total Adjustments to Reconcile Profit	130,550	143,088
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	10,201	(48,742)
Receivables from Related Parties	(17,636)	(27,236)
Inventories	(7,725)	(26,073)
Other Operating Current Assets	(4,066)	1,902
Accounts Payable	14,748	(2,521)
Net Defined Benefit Liabilities-Noncurrent	(586)	(609)
Other Liabilities-Noncurrent	2,432	2,378
Other Operating Current Liabilities	32,958	86,543
Total Changes in Operating Assets and Liabilities	30,326	(14,358)
Cash Generated from Operations	1,132,775	1,048,055
Interest Received	14,281	15,929
Income Taxes Paid	(194,146)	(130,278)
Net Cash Generated by Operating Activities	952,910	933,706
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(42,464)	(212,549)
Proceeds from Disposal of Property, Plant and Equipment	256	5,250
Acquisition of Intangible Assets	(1,000)	(500)
Decrease (Increase) in Other Financial Assets	346,524	(346,110)
Net Cash Generated (Used in) Investing Activities	303,316	(553,909)
Cash Flows from Financing Activities :		
Cash and Capital Surplus Dividends	(686,711)	(459,648)
Net Cash Used in Financing Activities	(686,711)	(459,648)
Net Increase (Decrease) in Cash and Cash Equivalents	569,515	(79,851)
Cash and Cash Equivalents at the Beginning of Year	1,786,244	1,866,095
Cash and Cash Equivalents at the End of Year	\$ 2,355,759	1,786,244

