

Advanced Ceramic X Corporation

Balance Sheet

June 30, 2017, December 31 and June 30, 2016

(In Thousands of New Taiwan Dollars)

Assets	June 30, 2017		December 31, 2016		June 30, 2016		Liabilities and Equity	June 30, 2017		December 31, 2016		June 30, 2016	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets :							Current Liabilities :						
Cash and Cash Equivalents	\$ 2,571,916	62	2,355,759	65	2,533,792	66	Accounts Payable	\$ 50,022	1	54,723	2	40,779	1
Notes and Accounts Receivable, Net	266,569	7	252,212	7	202,808	5	Salary and Bonus Payable	177,716	5	141,931	4	155,669	4
Receivables from Related Parties	168,855	4	98,563	3	126,492	3	Payables to Contractors and Equipment	19,057	-	2,497	-	744	-
Inventories	114,525	3	110,445	3	87,646	2	Cash Dividends Payable	724,670	17	-	-	686,711	18
Other Financial Assets-Current	2,499	-	2,455	-	61,931	2	Income Tax Payable	84,809	2	86,197	2	73,523	2
Other Current Assets	16,264	-	16,326	-	11,605	-	Other Current Liabilities	169,465	5	132,299	4	140,580	3
	<u>3,140,628</u>	<u>76</u>	<u>2,835,760</u>	<u>78</u>	<u>3,024,274</u>	<u>78</u>		<u>1,225,739</u>	<u>30</u>	<u>417,647</u>	<u>12</u>	<u>1,098,006</u>	<u>28</u>
Noncurrent Assets :							Noncurrent Liabilities :						
Property, Plant and Equipment	997,285	24	792,553	22	842,629	22	Deferred Income Tax Liabilities	-	-	-	-	801	-
Intangible Assets	1,450	-	1,800	-	1,150	-	Net Defined Benefit						
Deferred Income Tax Assets	5,513	-	5,513	-	4,198	-	Liabilities-Noncurrent	513	-	808	-	942	-
Other Financial Assets-Noncurrent	460	-	1,376	-	1,321	-	Other Liabilities	6,055	-	4,810	-	3,595	-
	<u>1,004,708</u>	<u>24</u>	<u>801,242</u>	<u>22</u>	<u>849,298</u>	<u>22</u>		<u>6,568</u>	<u>-</u>	<u>5,618</u>	<u>-</u>	<u>5,338</u>	<u>-</u>
							Total Liabilities	<u>1,232,307</u>	<u>30</u>	<u>423,265</u>	<u>12</u>	<u>1,103,344</u>	<u>28</u>
Total Assets	\$ 4,145,336	100	3,637,002	100	3,873,572	100	Equity :						
							Capital Stock	690,162	16	690,162	19	690,162	18
							Capital Surplus	573,532	14	573,532	16	573,532	15
							Retained Earnings	1,649,335	40	1,950,043	53	1,506,534	39
							Total Equity	<u>2,913,029</u>	<u>70</u>	<u>3,213,737</u>	<u>88</u>	<u>2,770,228</u>	<u>72</u>
							Total Liabilities and Equity	\$ 4,145,336	100	3,637,002	100	3,873,572	100

Advanced Ceramic X Corporation
Comprehensive Income Statements
For the Periods April 1 to June 30, 2017 and 2016, and for the Six Months Ended June 30, 2017 and 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	Three Months Ended June 30, 2017		Three Months Ended June 30, 2016		Six Months Ended June 30, 2017		Six Months Ended June 30, 2016	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 503,145	100	448,347	100	992,247	100	878,979	100
Operating Costs	181,693	36	175,962	39	363,498	37	347,596	40
Gross Profit	321,452	64	272,385	61	628,749	63	531,383	60
Operating Expenses :								
Selling Expenses	8,934	2	6,461	1	15,385	1	11,694	1
Administrative Expenses	20,721	4	20,474	5	39,173	4	37,699	4
Research and Development Expenses	25,556	5	22,754	5	49,511	5	45,456	5
	55,211	11	49,689	11	104,069	10	94,849	10
Operating Income	266,241	53	222,696	50	524,680	53	436,534	50
Non-Operating Income and Expenses :								
Interest Income	4,068	1	3,716	1	7,387	1	7,403	1
Other Gains and Losses	(143)	-	27	-	227	-	281	-
Foreign Exchange Gain(Loss), Net	9,110	2	4,861	1	(20,236)	(2)	(6,895)	(1)
Gain (Loss) on Disposal of Property, Plant and Equipment, Net	185	-	38	-	185	-	38	-
	13,220	3	8,642	2	(12,437)	(1)	827	-
Net Income Before Income Tax	279,461	56	231,338	52	512,243	52	437,361	50
Income Tax Expense	48,708	10	39,327	9	88,281	9	74,351	9
Net Income	230,753	46	192,011	43	423,962	43	363,010	41
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	\$ 230,753	46	192,011	43	423,962	43	363,010	41
Earnings Per Share (NT\$)								
Basic Earnings Per Share	\$ 3.34		2.78		6.14		5.26	
Diluted Earnings Per Share	\$ 3.34		2.78		6.13		5.24	

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2017 and 2016
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	<u>Retained Earnings</u>					
	<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Undistributed Earnings</u>	<u>Common Stock</u>	<u>Capital Surplus</u>
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
Balance as of January 1, 2017	\$ 690,162	573,532	475,888	1,474,155	1,950,043	3,213,737
Profit for the Six Months Ended June 30, 2017	-	-	-	423,962	423,962	423,962
Other Comprehensive Income for the Six Months Ended June 30, 2017	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2017	-	-	-	423,962	423,962	423,962
Appropriation and Distribution of 2016 Earnings :						
Legal Reserve	-	-	80,667	(80,667)	-	-
Cash Dividends	-	-	-	(724,670)	(724,670)	(724,670)
Balance as of June 30, 2017	\$ 690,162	573,532	556,555	1,092,780	1,649,335	2,913,029

Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2017 and 2016
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	<u>Six Months Ended June 30, 2017</u>	<u>Six Months Ended June 30, 2016</u>
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 512,243	437,361
Adjustments for :		
Depreciation	66,069	73,402
Amortization	350	350
Bad Debt (Reversal) Provision	855	(142)
Interest Income	(7,387)	(7,403)
Gain on Disposal of Property, Plant and Equipment, Net	(185)	(38)
Allowance for Inventory Obsolescence and Devaluation Loss	12,000	500
Total Adjustments to Reconcile Profit	<u>71,702</u>	<u>66,669</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	(14,503)	60,103
Receivables from Related Parties	(71,001)	(45,846)
Inventories	(16,080)	15,605
Other Operating Current Assets	62	655
Accounts Payable	(4,701)	804
Net Defined Benefit Liabilities-Noncurrent	(295)	(295)
Other Liabilities-Noncurrent	1,245	1,217
Other Operating Current Liabilities	72,951	54,977
Total Changes in Operating Assets and Liabilities	<u>(32,322)</u>	<u>87,220</u>
Cash Generated from Operations	551,623	591,250
Interest Received	7,343	7,424
Income Taxes Paid	<u>(89,669)</u>	<u>(113,832)</u>
Net Cash Generated by Operating Activities	<u>469,297</u>	<u>484,842</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(254,241)	(24,511)
Proceeds from Disposal of Property, Plant and Equipment	185	38
Decrease in Other Financial Assets	916	287,179
Net Cash Generated (Used in) by Investing Activities	<u>(253,140)</u>	<u>262,706</u>
Net Increase in Cash and Cash Equivalents	216,157	747,548
Cash and Cash Equivalents at the Beginning of Period	<u>2,355,759</u>	<u>1,786,244</u>
Cash and Cash Equivalents at the End of Period	<u>\$ 2,571,916</u>	<u>2,533,792</u>