

**Advanced Ceramic X Corporation**  
**Balance Sheet**

**September 30, 2017, December 31 and September 30, 2016**

( In Thousands of New Taiwan Dollars)

	<u>September 30, 2017</u>		<u>December 31, 2016</u>		<u>September 30, 2016</u>			<u>September 30, 2017</u>		<u>December 31, 2016</u>		<u>September 30, 2016</u>	
	<u>Reviewed</u>		<u>Audited</u>		<u>Reviewed</u>			<u>Reviewed</u>		<u>Audited</u>		<u>Reviewed</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Assets</b>													
<b>Current Assets :</b>													
Cash and Cash Equivalents	\$ 2,139,255	59	2,355,759	65	2,115,552	62	Accounts Payable	\$ 49,384	1	54,723	2	55,324	2
Notes and Accounts Receivable, Net	235,813	6	252,212	7	237,758	7	Salary and Bonds Payable	203,168	6	141,931	4	181,360	5
Receivables from Related Parties	137,226	4	98,563	3	116,042	3	Payables to Contractors and Equipment	22,463	1	2,497	-	1,008	-
Inventories	126,350	3	110,445	3	92,128	3	Income Tax Payable	47,582	1	86,197	2	36,277	1
Other Financial Assets-Current	2,418	-	2,455	-	2,352	-	Other Current Liabilities	<u>188,503</u>	<u>5</u>	<u>132,299</u>	<u>4</u>	<u>135,354</u>	<u>4</u>
Other Current Assets	<u>18,672</u>	<u>1</u>	<u>16,326</u>	<u>-</u>	<u>15,647</u>	<u>1</u>		<u>511,100</u>	<u>14</u>	<u>417,647</u>	<u>12</u>	<u>409,323</u>	<u>12</u>
	<u>2,659,734</u>	<u>73</u>	<u>2,835,760</u>	<u>78</u>	<u>2,579,479</u>	<u>76</u>	<b>Noncurrent Liabilities :</b>						
<b>Noncurrent Assets :</b>							Deferred Income Tax Liabilities	-	-	-	-	801	-
Property, Plant and Equipment	990,911	27	792,553	22	809,580	24	Net Defined Benefit Liabilities-Noncurrent	363	-	808	-	797	-
Intangible Assets	1,292	-	1,800	-	975	-	Other Liabilities	<u>6,679</u>	<u>-</u>	<u>4,810</u>	<u>-</u>	<u>4,202</u>	<u>-</u>
Deferred Income Tax Assets	5,513	-	5,513	-	4,198	-		<u>7,042</u>	<u>-</u>	<u>5,618</u>	<u>-</u>	<u>5,800</u>	<u>-</u>
Other Financial Assets-Noncurrent	<u>459</u>	<u>-</u>	<u>1,376</u>	<u>-</u>	<u>1,376</u>	<u>-</u>	<b>Total Liabilities</b>	<u>518,142</u>	<u>14</u>	<u>423,265</u>	<u>12</u>	<u>415,123</u>	<u>12</u>
	<u>998,175</u>	<u>27</u>	<u>801,242</u>	<u>22</u>	<u>816,129</u>	<u>24</u>	<b>Equity :</b>						
							Capital Stock	690,162	19	690,162	19	690,162	20
							Capital Surplus	573,532	16	573,532	16	573,532	17
							Retained Earnings	<u>1,876,073</u>	<u>51</u>	<u>1,950,043</u>	<u>53</u>	<u>1,716,791</u>	<u>51</u>
							<b>Total Equity</b>	<u>3,139,767</u>	<u>86</u>	<u>3,213,737</u>	<u>88</u>	<u>2,980,485</u>	<u>88</u>
<b>Total Assets</b>	<u>\$ 3,657,909</u>	<u>100</u>	<u>3,637,002</u>	<u>100</u>	<u>3,395,608</u>	<u>100</u>	<b>Total Liabilities and Equity</b>	<u>\$ 3,657,909</u>	<u>100</u>	<u>3,637,002</u>	<u>100</u>	<u>3,395,608</u>	<u>100</u>

**Advanced Ceramic X Corporation**  
**Comprehensive Income Statements**

**For the Periods July 1 to September 30, 2017 and 2016, and for the Nine Months Ended September 30, 2017 and 2016**

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

(Reviewed, Not Audited)

	Three Months Ended September 30, 2017		Three Months Ended September 30, 2016		Nine Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Net Sales</b>	\$ 506,099	100	514,612	100	1,498,346	100	1,393,591	100
<b>Operating Costs</b>	181,428	36	190,391	37	544,926	36	537,987	39
<b>Gross Profit</b>	324,671	64	324,221	63	953,420	64	855,604	61
<b>Operating Expenses :</b>								
Selling Expenses	7,317	1	7,199	2	22,702	2	18,893	2
Administrative Expenses	19,278	4	22,257	4	58,451	4	59,956	4
Research and Development Expenses	26,490	5	24,398	5	76,001	5	69,854	5
	53,085	10	53,854	11	157,154	11	148,703	11
<b>Operating Income</b>	271,586	54	270,367	52	796,266	53	706,901	50
<b>Non-Operating Income and Expenses :</b>								
Interest Income	4,193	-	3,670	1	11,580	1	11,073	1
Other Gains	84	-	162	-	311	-	443	-
Foreign Exchange Gain(Loss), Net	(1,239)	-	(21,095)	(4)	(21,475)	(1)	(27,990)	(2)
Gain on Disposal of Property, Plant and Equipment, Net	-	-	218	-	185	-	256	-
	3,038	-	(17,045)	(3)	(9,399)	-	(16,218)	(1)
<b>Net Income Before Income Tax</b>	274,624	54	253,322	49	786,867	53	690,683	49
<b>Income Tax Expense</b>	47,886	9	43,065	8	136,167	9	117,416	8
<b>Net Income</b>	226,738	45	210,257	41	650,700	44	573,267	41
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<u>\$ 226,738</u>	<u>45</u>	<u>210,257</u>	<u>41</u>	<u>650,700</u>	<u>44</u>	<u>573,267</u>	<u>41</u>
<b>Earnings Per Share (NT\$)</b>								
Basic Earnings Per Share	<u>\$ 3.29</u>		<u>3.05</u>		<u>9.43</u>		<u>8.31</u>	
Diluted Earnings Per Share	<u>\$ 3.28</u>		<u>3.04</u>		<u>9.41</u>		<u>8.28</u>	

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

	Common Stock	Capital Surplus	Retained Earnings		Total Equity	
			Legal Reserve	Undistributed Earnings		
<b>Balance as of January 1, 2016</b>	\$ 690,162	573,532	399,584	1,430,651	1,830,235	3,093,929
Profit for the Nine Months Ended September 30, 2016	-	-	-	573,267	573,267	573,267
Other Comprehensive Income for the Nine Months Ended September 30, 2016	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2016	-	-	-	573,267	573,267	573,267
Appropriation and Distribution of 2015 Earnings :						
Legal Reserve	-	-	76,304	(76,304)	-	-
Cash Dividends	-	-	-	(686,711)	(686,711)	(686,711)
<b>Balance as of September 30, 2016</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>475,888</b>	<b>1,240,903</b>	<b>1,716,791</b>	<b>2,980,485</b>
<b>Balance as of January 1, 2017</b>	\$ 690,162	573,532	475,888	1,474,155	1,950,043	3,213,737
Profit for the Nine Months Ended September 30, 2017	-	-	-	650,700	650,700	650,700
Other Comprehensive Income for the Nine Months Ended September 30, 2017	-	-	-	-	-	-
Total Comprehensive Income for the Nine Months Ended September 30, 2017	-	-	-	650,700	650,700	650,700
Appropriation and Distribution of 2016 Earnings :						
Legal Reserve	-	-	80,667	(80,667)	-	-
Cash Dividends	-	-	-	(724,670)	(724,670)	(724,670)
<b>Balance as of September 30, 2017</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>556,555</b>	<b>1,319,518</b>	<b>1,876,073</b>	<b>3,139,767</b>

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

	<u>Nine Months Ended September 30, 2017</u>	<u>Nine Months Ended September 30, 2016</u>
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 786,867	690,683
Adjustments for :		
Depreciation	103,660	109,511
Amortization	508	525
Bad Debt Provision	225	105
Interest Income	(11,580)	(11,073)
Gain on Disposal of Property, Plant and Equipment, Net	(185)	(256)
Provision for Inventory Obsolescence and Devaluation Loss	13,400	4,200
Total Adjustments to Reconcile Profit	<u>106,028</u>	<u>103,012</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	16,564	24,801
Receivables from Related Parties	(39,053)	(35,291)
Inventories	(29,305)	7,423
Other Operating Current Assets	(2,346)	(3,387)
Accounts Payable	(5,339)	15,349
Net Defined Benefit Liabilities-Noncurrent	(445)	(440)
Other Liabilities-Noncurrent	1,869	1,824
Other Operating Current Liabilities	<u>117,441</u>	<u>75,442</u>
Total Changes in Operating Assets and Liabilities	<u>59,386</u>	<u>85,721</u>
Cash Generated from Operations	952,281	879,416
Interest Received	11,617	11,273
Income Taxes Paid	<u>(174,782)</u>	<u>(194,143)</u>
Net Cash Generated by Operating Activities	<u>789,116</u>	<u>696,546</u>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(282,052)	(27,307)
Proceeds from Disposal of Property, Plant and Equipment	185	256
Decrease in Other Financial Assets	<u>917</u>	<u>346,524</u>
Net Cash Generated (Used in) by Investing Activities	<u>(280,950)</u>	<u>319,473</u>
<b>Cash Flows from Financing Activities :</b>		
Cash and Capital Surplus Dividends	<u>(724,670)</u>	<u>(686,711)</u>
Net Cash Used in Financing Activities	<u>(724,670)</u>	<u>(686,711)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(216,504)</u>	<u>329,308</u>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<u>2,355,759</u>	<u>1,786,244</u>
<b>Cash and Cash Equivalents at the End of Period</b>	<u><u>\$ 2,139,255</u></u>	<u><u>2,115,552</u></u>