

Advanced Ceramic X Corporation
Balance Sheet
December 31, 2017 and 2016
(Audited, In Thousands of New Taiwan Dollars)

Assets	December 31, 2017		December 31, 2016		Liabilities and Equity	December 31, 2017		December 31, 2016	
	Amount	%	Amount	%		Amount	%	Amount	%
Current Assets :					Current Liabilities :				
Cash and Cash Equivalents	\$ 2,284,322	61	2,355,759	65	Accounts Payable	\$ 43,237	1	54,723	2
Notes and Accounts Receivable, Net	210,688	6	252,212	7	Salary and Bonus Payable	139,474	4	141,931	4
Receivables from Related Parties	134,756	4	98,563	3	Payables to Contractors and Equipment	13,387	-	2,497	-
Inventories	109,337	3	110,445	3	Income Tax Payable	90,858	2	86,197	2
Other Financial Assets - Current	2,556	-	2,455	-	Other Current Liabilities	<u>137,656</u>	<u>4</u>	<u>132,299</u>	<u>4</u>
Other Current Assets	16,187	-	16,326	-		<u>424,612</u>	<u>11</u>	<u>417,647</u>	<u>12</u>
	<u>2,757,846</u>	<u>74</u>	<u>2,835,760</u>	<u>78</u>	Noncurrent Liabilities :				
Noncurrent Assets :					Net Defined Benefit Liabilities - Noncurrent	251	-	808	-
Property, Plant and Equipment	990,408	26	792,553	22	Other Liabilities	<u>7,301</u>	<u>-</u>	<u>4,810</u>	<u>-</u>
Intangible Assets	1,167	-	1,800	-		<u>7,552</u>	<u>-</u>	<u>5,618</u>	<u>-</u>
Deferred Income Tax Assets	9,860	-	5,513	-	Total Liabilities	<u>432,164</u>	<u>11</u>	<u>423,265</u>	<u>12</u>
Other Financial Assets - Noncurrent	501	-	1,376	-	Equity				
	<u>1,001,936</u>	<u>26</u>	<u>801,242</u>	<u>22</u>	Capital Stock	690,162	19	690,162	19
					Capital Surplus	573,532	15	573,532	16
					Retained Earnings	<u>2,063,924</u>	<u>55</u>	<u>1,950,043</u>	<u>53</u>
					Total Equity	<u>3,327,618</u>	<u>89</u>	<u>3,213,737</u>	<u>88</u>
Total Assets	<u>\$ 3,759,782</u>	<u>100</u>	<u>3,637,002</u>	<u>100</u>	Total Liabilities and Equity	<u>\$ 3,759,782</u>	<u>100</u>	<u>3,637,002</u>	<u>100</u>

Advanced Ceramic X Corporation
Comprehensive Income Statement
Years Ended December 31, 2017 and 2016

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

	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Net Sales	\$ 1,963,490	100	1,909,472	100
Operating Costs	<u>727,389</u>	<u>37</u>	<u>725,629</u>	<u>38</u>
Gross Profit	<u>1,236,101</u>	<u>63</u>	<u>1,183,843</u>	<u>62</u>
Operating Expenses				
Selling Expenses	30,853	2	27,119	1
Administrative Expenses	76,535	4	83,340	4
Research and Development Expenses	<u>99,582</u>	<u>5</u>	<u>96,875</u>	<u>5</u>
	<u>206,970</u>	<u>11</u>	<u>207,334</u>	<u>10</u>
Operating Income	<u>1,029,131</u>	<u>52</u>	<u>976,509</u>	<u>52</u>
Non-Operating Income and Expenses :				
Interest Income	15,261	1	14,184	1
Other Income	380	-	460	-
Foreign Exchange Loss, Net	(31,236)	(1)	(19,510)	(1)
Gain on Disposal of Property, Plant and Equipment, Net	<u>185</u>	<u>-</u>	<u>256</u>	<u>-</u>
	<u>(15,410)</u>	<u>-</u>	<u>(4,610)</u>	<u>-</u>
Net Income Before Income Tax	1,013,721	52	971,899	52
Income Tax Expense	<u>175,133</u>	<u>9</u>	<u>165,223</u>	<u>9</u>
Net Income	<u>838,588</u>	<u>43</u>	<u>806,676</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>(37)</u>	<u>-</u>	<u>(157)</u>	<u>-</u>
Other Comprehensive Income	<u>(37)</u>	<u>-</u>	<u>(157)</u>	<u>-</u>
Total Comprehensive Income	<u>\$ 838,551</u>	<u>43</u>	<u>806,519</u>	<u>43</u>
Earnings Per Share (NT\$)				
Basic Earnings Per Share	<u>\$ 12.15</u>		<u>11.69</u>	
Diluted Earnings Per Share	<u>\$ 12.12</u>		<u>11.65</u>	

Advanced Ceramic X Corporation
Statement of Changes in Equity
Years ended December 31, 2017 and 2016
(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, 2016	\$ 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
Profit for the Year Ended December 31, 2017	-	-	-	838,588	838,588	838,588
Other Comprehensive Income for the Year Ended December 31, 2017	-	-	-	(37)	(37)	(37)
Total Comprehensive Income	-	-	-	838,551	838,551	838,551
Appropriation and Distribution of 2016 Earnings :						
Legal Reserve	-	-	80,667	(80,667)	-	-
Cash Dividends	-	-	-	(724,670)	(724,670)	(724,670)
Balance as of December 31, 2017	\$ 690,162	573,532	556,555	1,507,369	2,063,924	3,327,618

Advanced Ceramic X Corporation
Statement of Cash Flows
Years Ended December 31, 2017 and 2016
(Audited, In Thousands of New Taiwan Dollars)

	2017	2016
Cash Flows from Operating Activities :		
Income Before Income Tax	\$ 1,013,721	971,899
Adjustments for :		
Depreciation	140,227	143,184
Amortization	633	700
Bad Debt (Reversal) Provision	(54)	75
Interest Income	(15,261)	(14,184)
Gain on Disposal of Property, Plant and Equipment, Net	(185)	(256)
Provision for Inventory Obsolescence and Devaluation Loss	15,795	1,031
Total Adjustments to Reconcile Profit	141,155	130,550
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	41,943	10,201
Receivables from Related Parties	(36,558)	(17,636)
Inventories	(14,687)	(7,725)
Other Operating Current Assets	139	(4,066)
Accounts Payable	(11,486)	14,748
Net Defined Benefit Liabilities - Noncurrent	(594)	(586)
Other Liabilities - Noncurrent	2,491	2,432
Other Operating Current Liabilities	2,900	32,958
Total Changes in Operating Assets and Liabilities	(15,852)	30,326
Cash Generated from Operations	1,139,024	1,132,775
Interest Received	15,153	14,281
Income Taxes Paid	(174,812)	(194,146)
Net Cash Generated by Operating Activities	979,365	952,910
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(327,192)	(42,464)
Proceeds from Disposal of Property, Plant and Equipment	185	256
Acquisition of Intangible Assets	-	(1,000)
Increase in Other Financial Assets	875	346,524
Net Cash Generated (Used in) Investing Activities	(326,132)	303,316
Cash Flows from Financing Activities :		
Cash Dividends	(724,670)	(686,711)
Net Cash Used in Financing Activities	(724,670)	(686,711)
Net Increase (Decrease) in Cash and Cash Equivalents	(71,437)	569,515
Cash and Cash Equivalents at the Beginning of Year	2,355,759	1,786,244
Cash and Cash Equivalents at the End of Year	\$ 2,284,322	2,355,759