

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

Assets	March 31, 2017		December 31, 2016		March 31, 2016		Liabilities and Equity	March 31, 2017		December 31, 2016		March 31, 2016	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current Assets :</b>							<b>Current Liabilities :</b>						
Cash and Cash Equivalents	\$ 2,564,561	65	2,355,759	65	2,097,696	56	Accounts Payable	\$ 48,346	1	54,723	2	44,137	1
Notes and Accounts Receivable, Net	215,785	6	252,212	7	207,213	6	Salary and Bonus Payable	156,555	4	141,931	4	134,708	4
Receivables from Related Parties	106,411	3	98,563	3	82,976	2	Payables to Contractors and Equipment	29,807	1	2,497	-	6,916	-
Inventories	103,610	3	110,445	3	96,425	3	Income Tax Liabilities	125,766	3	86,197	2	146,639	4
Other Financial Assets-Current	2,473	-	2,455	-	349,222	9	Other Current Liabilities	143,143	4	132,299	4	130,747	4
Other Current Assets	20,371	-	16,326	-	14,283	-		503,617	13	417,647	12	463,147	13
	<u>3,013,211</u>	<u>77</u>	<u>2,835,760</u>	<u>78</u>	<u>2,847,815</u>	<u>76</u>	<b>Noncurrent Liabilities :</b>						
<b>Noncurrent Assets :</b>							Deferred Income Tax Liabilities	-	-	-	-	801	-
Property, Plant and Equipment	895,831	23	792,553	22	878,113	24	Net Defined Benefit Liabilities-Noncurrent	661	-	808	-	1,088	-
Intangible Assets	1,625	-	1,800	-	1,325	-	Other Liabilities	5,433	-	4,810	-	2,987	-
Deferred Income Tax Assets	5,513	-	5,513	-	4,198	-		6,094	-	5,618	-	4,876	-
Other Financial Assets-Noncurrent	477	-	1,376	-	1,500	-	<b>Total Liabilities</b>	<u>509,711</u>	<u>13</u>	<u>423,265</u>	<u>12</u>	<u>468,023</u>	<u>13</u>
	<u>903,446</u>	<u>23</u>	<u>801,242</u>	<u>22</u>	<u>885,136</u>	<u>24</u>	<b>Equity :</b>						
							Capital Stock	690,162	17	690,162	19	690,162	18
							Capital Surplus	573,532	15	573,532	16	573,532	15
							Retained Earnings	2,143,252	55	1,950,043	53	2,001,234	54
							<b>Total Equity</b>	<u>3,406,946</u>	<u>87</u>	<u>3,213,737</u>	<u>88</u>	<u>3,264,928</u>	<u>87</u>
<b>Total Assets</b>	<b>\$ 3,916,657</b>	<b>100</b>	<b>3,637,002</b>	<b>100</b>	<b>3,732,951</b>	<b>100</b>	<b>Total Liabilities and Equity</b>	<b>\$ 3,916,657</b>	<b>100</b>	<b>3,637,002</b>	<b>100</b>	<b>3,732,951</b>	<b>100</b>

**Advanced Ceramic X Corporation**  
**Comprehensive Income Statements**  
**For the Months Ended March 31, 2017 and 2016**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	<u>Three Months Ended</u> <u>March 31, 2017</u>		<u>Three Months Ended</u> <u>March 31, 2016</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Net Sales</b>	\$ 489,102	100	430,632	100
<b>Operating Costs</b>	<u>181,805</u>	<u>37</u>	<u>171,634</u>	<u>40</u>
<b>Gross Profit</b>	<u>307,297</u>	<u>63</u>	<u>258,998</u>	<u>60</u>
<b>Operating Expenses :</b>				
Selling Expenses	6,451	1	5,233	1
Administrative Expenses	18,452	4	17,225	4
Research and Development Expenses	<u>23,955</u>	<u>5</u>	<u>22,702</u>	<u>5</u>
	<u>48,858</u>	<u>10</u>	<u>45,160</u>	<u>10</u>
<b>Operating Income</b>	<u>258,439</u>	<u>53</u>	<u>213,838</u>	<u>50</u>
<b>Non-Operating Income and Expenses :</b>				
Interest Income	3,319	1	3,687	1
Other Income	370	-	254	-
Foreign Exchange Gain, Net	<u>(29,346)</u>	<u>(6)</u>	<u>(11,756)</u>	<u>(3)</u>
	<u>(25,657)</u>	<u>(2)</u>	<u>(7,815)</u>	<u>(2)</u>
<b>Net Income Before Income Tax</b>	232,782	48	206,023	48
<b>Income Tax Expense</b>	<u>39,573</u>	<u>8</u>	<u>35,024</u>	<u>8</u>
<b>Net Income</b>	<u>193,209</u>	<u>40</u>	<u>170,999</u>	<u>40</u>
<b>Other Comprehensive Income</b>	-	-	-	-
<b>Total Comprehensive Income</b>	<u><b>\$ 193,209</b></u>	<u><b>40</b></u>	<u><b>170,999</b></u>	<u><b>40</b></u>
<b>Earnings Per Share (NT\$)</b>				
Basic Earnings Per Share	<u><b>\$ 2.80</b></u>		<u><b>2.48</b></u>	
Diluted Earnings Per Share	<u><b>\$ 2.79</b></u>		<u><b>2.47</b></u>	

**Advanced Ceramic X Corporation**  
**Statements of Changes in Equity**  
**For the Three Months Ended March 31, 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 Three Months Ended March 31, 2016	-	-	-	170,999	170,999	170,999
Other Comprehensive Income for the Three Months Ended March 31, 2016	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2016	-	-	-	170,999	170,999	170,999
<b>Balance as of March 31, 2016</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>399,584</b>	<b>1,601,650</b>	<b>2,001,234</b>	<b>3,264,928</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 Three Months Ended March 31, 2017	-	-	-	193,209	193,209	193,209
Other Comprehensive Income for the Three Months Ended March 31, 2017	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended March 31, 2017	-	-	-	193,209	193,209	193,209
<b>Balance as of March 31, 2017</b>	<b>\$ 690,162</b>	<b>573,532</b>	<b>475,888</b>	<b>1,667,364</b>	<b>2,143,252</b>	<b>3,406,946</b>

**Advanced Ceramic X Corporation**  
**Statements of Cash Flows**  
**For the Three Months Ended March 31, 2017 and 2016**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
<b>Cash Flows from Operating Activities :</b>		
Income Before Income Tax	\$ 232,782	206,023
Adjustments for :		
Depreciation	32,795	36,241
Amortization	175	175
Reversal Debt Provision	(289)	(537)
Interest Income	(3,319)	(3,687)
Gain on Disposal of Property, Plant and Equipment, Net	(185)	(38)
Provision ( Reversal ) for Inventory Obsolescence and Devaluation Loss	5,800	(1,000)
Total Adjustments to Reconcile Profit	34,977	31,154
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	36,795	55,654
Receivables from Related Parties	(7,927)	(1,891)
Inventories	1,035	8,326
Other Operating Current Assets	(4,045)	(2,023)
Accounts Payable	(6,377)	4,162
Net Defined Benefit Liabilities-Noncurrent	(147)	(149)
Other Liabilities-Noncurrent	623	609
Other Operating Current Liabilities	25,468	24,183
Total Changes in Operating Assets and Liabilities	45,425	88,871
Cash Generated from Operations	313,184	326,048
Interest Received	3,301	3,617
Income Taxes Paid	(4)	(1,389)
Net Cash Generated by Operating Activities	316,481	328,276
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(108,763)	(16,662)
Proceeds from Disposal of Property, Plant and Equipment	185	38
Increase ( Decrease ) in Other Financial Assets	899	(200)
Net Cash Used in Investing Activities	(107,679)	(16,824)
<b>Net Increase in Cash and Cash Equivalents</b>	208,802	311,452
<b>Cash and Cash Equivalents at the Beginning of Period</b>	2,355,759	1,786,244
<b>Cash and Cash Equivalents at the End of Period</b>	<b>\$ 2,564,561</b>	<b>2,097,696</b>