

Unaudited Financial Results
HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
For the periods ended June 30, 2013, December 31, June 30, and January 31, 2012
(Expressed in thousands of New Taiwan Dollars)

	30.06.2013		31.12.2012		30.06.2012		01.01.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current Assets:								
Cash and Cash Equivalents	\$ 3,767,476	25	3,025,810	22	2,944,816	21	2,941,203	21
Financial Assets at Fair Value through Profit or Loss - Current*	555,352	4	440,221	3	433,123	3	336,353	2
Notes and Accounts Receivable, net	3,137,769	21	3,157,032	23	3,515,337	25	3,743,446	26
Inventories*	2,590,817	17	2,055,921	15	2,197,579	15	2,251,483	16
Prepaid Expenses and Other Current Assets*	188,023	1	99,398	1	65,274	-	66,042	-
Held-for-sale Noncurrent Assets	-	-	-	-	-	-	30,000	-
Other Financial Assets - Current	122,915	1	187,284	1	142,501	1	216,974	1
Total Current Assets	10,362,352	69	8,965,666	65	9,298,630	65	9,585,501	66
Noncurrent Assets:								
Available-for-sale Financial Assets - Noncurrent	722,780	5	495,284	3	524,653	4	509,456	4
Financial Assets Carried at Cost - Noncurrent	252,992	2	552,992	4	582,801	4	550,060	4
Property, Plant and Equipment	3,007,514	19	3,035,586	22	3,042,763	22	2,954,309	20
Intangible Assets	580,657	4	575,084	4	588,160	4	598,577	4
Deferred Income Tax Assets*	33,743	-	38,143	-	31,332	-	32,366	-
Prepaid Expense on Equipment*	225,085	1	209,993	2	123,865	1	233,178	2
Other Noncurrent Assets - Others*	19,278	-	18,513	-	21,151	-	18,971	-
Total Noncurrent Assets*	4,842,049	31	4,925,595	35	4,914,725	35	4,896,917	34
Total Assets*	\$ 15,204,401	100	13,891,261	100	14,213,355	100	14,482,418	100

Liabilities and Equity

Current Liabilities:

Short-term Loans	\$ 2,082,728	14	2,116,071	15	1,754,301	12	1,696,007	12
Financial Liabilities at Fair Value through Profit or Loss - Current*	1,618	-	1,417	-	1,957	-	4,033	-
Notes and Accounts Payable	1,711,220	12	1,190,931	9	1,354,476	10	1,533,100	11
Accounts Payable - Related Parties*	7,252	-	6,200	-	5,527	-	23,026	-
Dividends Payable	638,709	4	-	-	638,709	4	-	-
Current Period Income Tax Liability*	64,149	-	23,016	-	24,563	-	24,159	-
Accrued Expenses and Other Current Liabilities*	553,698	4	452,752	3	536,324	4	526,724	4
Current Portion of Puttable Corporate Bonds*	101,938	1	101,300	1	100,859	1	567,863	4
Current Portion of Long-term Debt Payable	7,109	-	80,805	1	156,853	1	152,450	1

Total Current Liabilities*

Noncurrent Liabilities:

Long-term Loans*	285,029	2	238,596	2	289,480	2	217,050	2
Deferred Income Tax Liabilities*	54,050	-	48,159	-	51,856	-	54,776	-
Accrued Pension Liabilities*	62,076	-	62,076	-	-	-	-	-
Other Noncurrent Liabilities - Others*	1,430	-	1,429	-	17,386	-	17,292	-
Total Noncurrent Liabilities*	402,585	2	350,260	2	358,722	2	289,118	2

Total Liabilities*

Equity Attributable to Parent Company:

Common Stock	3,202,175	21	3,202,175	23	3,202,175	23	3,202,175	22
Capital Surplus*	3,533,096	23	3,681,259	27	3,672,092	26	3,669,842	25
Retained Earnings:								
Legal Reserve	1,001,724	7	936,212	7	936,212	7	860,061	6
Unappropriated Earnings*	812,953	5	1,018,563	7	758,136	5	1,160,995	8
Total Retained Earnings*	1,814,677	12	1,954,775	14	1,694,348	12	2,021,056	14
Other Equity:								
Exchange Differences on Translation of Financial Statements of Foreign Operations*	(15,859)	-	(27,010)	-	11,684	-	32,119	-
Unrealized gains and losses on Available-for-sale Financial Assets*	331,588	2	196,930	1	211,538	1	202,477	1
Total Other Equity*	315,729	2	169,920	1	223,222	1	234,596	1
Treasury Stock	(30,842)	-	(30,842)	-	(30,842)	-	(30,842)	-
Total Equity Attributable to Stockholders of Parent Company*	8,834,835	58	8,977,287	65	8,760,995	62	9,096,827	62
Non-Controlling Equity*	798,560	5	591,222	4	520,069	4	569,111	4
Total Equity*	9,633,395	63	9,568,509	69	9,281,064	66	9,665,938	66

Total Liabilities and Equity*

	30.06.2013		31.12.2012		30.06.2012		01.01.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and Equity								
Current Liabilities:								
Short-term Loans	\$ 2,082,728	14	2,116,071	15	1,754,301	12	1,696,007	12
Financial Liabilities at Fair Value through Profit or Loss - Current*	1,618	-	1,417	-	1,957	-	4,033	-
Notes and Accounts Payable	1,711,220	12	1,190,931	9	1,354,476	10	1,533,100	11
Accounts Payable - Related Parties*	7,252	-	6,200	-	5,527	-	23,026	-
Dividends Payable	638,709	4	-	-	638,709	4	-	-
Current Period Income Tax Liability*	64,149	-	23,016	-	24,563	-	24,159	-
Accrued Expenses and Other Current Liabilities*	553,698	4	452,752	3	536,324	4	526,724	4
Current Portion of Puttable Corporate Bonds*	101,938	1	101,300	1	100,859	1	567,863	4
Current Portion of Long-term Debt Payable	7,109	-	80,805	1	156,853	1	152,450	1
Total Current Liabilities*	5,168,421	35	3,972,492	29	4,573,569	32	4,527,362	32
Noncurrent Liabilities:								
Long-term Loans*	285,029	2	238,596	2	289,480	2	217,050	2
Deferred Income Tax Liabilities*	54,050	-	48,159	-	51,856	-	54,776	-
Accrued Pension Liabilities*	62,076	-	62,076	-	-	-	-	-
Other Noncurrent Liabilities - Others*	1,430	-	1,429	-	17,386	-	17,292	-
Total Noncurrent Liabilities*	402,585	2	350,260	2	358,722	2	289,118	2
Total Liabilities*	5,571,006	37	4,322,752	31	4,932,291	34	4,816,480	34
Equity Attributable to Parent Company:								
Common Stock	3,202,175	21	3,202,175	23	3,202,175	23	3,202,175	22
Capital Surplus*	3,533,096	23	3,681,259	27	3,672,092	26	3,669,842	25
Retained Earnings:								
Legal Reserve	1,001,724	7	936,212	7	936,212	7	860,061	6
Unappropriated Earnings*	812,953	5	1,018,563	7	758,136	5	1,160,995	8
Total Retained Earnings*	1,814,677	12	1,954,775	14	1,694,348	12	2,021,056	14
Other Equity:								
Exchange Differences on Translation of Financial Statements of Foreign Operations*	(15,859)	-	(27,010)	-	11,684	-	32,119	-
Unrealized gains and losses on Available-for-sale Financial Assets*	331,588	2	196,930	1	211,538	1	202,477	1
Total Other Equity*	315,729	2	169,920	1	223,222	1	234,596	1
Treasury Stock	(30,842)	-	(30,842)	-	(30,842)	-	(30,842)	-
Total Equity Attributable to Stockholders of Parent Company*	8,834,835	58	8,977,287	65	8,760,995	62	9,096,827	62
Non-Controlling Equity*	798,560	5	591,222	4	520,069	4	569,111	4
Total Equity*	9,633,395	63	9,568,509	69	9,281,064	66	9,665,938	66
Total Liabilities and Equity*	\$ 15,204,401	100	13,891,261	100	14,213,355	100	14,482,418	100

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2013.

HOLY STONE ENTERPRISE COMPANY LIMITED
CONSOLIDATED CONDENSED INCOME STATEMENT
For the Three Months ended June 30, March 31, 2013 and June 30, 2012

	2013 Q2		2013 Q1		2012 Q2		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 3,837,625	100.0	3,314,541	100.0	3,627,980	100.0	523,084	15.8	209,645	5.8
Cost of Goods Sold	(3,333,282)	(86.9)	(2,852,843)	(86.1)	(3,126,922)	(86.2)	(480,439)	16.8	(206,360)	6.6
Gross Profit	504,343	13.1	461,698	13.9	501,058	13.8	42,645	9.2	3,285	0.7
Operating Expenses*	(334,400)	(8.7)	(303,458)	(9.1)	(312,248)	(8.6)	(30,942)	10.2	(22,152)	7.1
Operating Income*	169,943	4.4	158,240	4.8	188,810	5.2	11,703	7.4	(18,867)	(10.0)
Non-Operating Income and Expense*	41,908	1.1	28,437	0.8	1,568	0.1	13,471	47.4	40,340	2,572.7
Income before Income Tax*	211,851	5.5	186,677	5.6	190,378	5.3	25,174	13.5	21,473	11.3
Less: Income Tax*	(53,725)	(1.4)	(30,695)	(0.9)	(38,969)	(1.1)	(23,030)	75.0	(14,756)	37.9
Net Income*	\$ 158,126	4.1	155,982	4.7	151,409	4.2	2,144	1.4	6,717	4.4
Attributable to Parent Company										
Basic Earnings per Share - after tax (NT Dollars)*	\$ 0.53		0.53		0.49					

Note: EPS calculation is based on the weighted average outstanding shares at the end of each quarter.

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2013.*

Unaudited Financial Results
HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

For the Periods April 1 to June 30, 2012 and 2013, and January 1 to June 30, 2012 and 2013

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	April to June, 2013		April to June, 2012		January to June, 2013		January to June, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 3,837,625	100	3,627,980	100	7,152,166	100	7,071,037	100
Cost of Goods Sold	3,333,282	87	3,126,922	86	6,186,125	86	6,139,378	87
Gross Profit	504,343	13	501,058	14	966,041	14	931,659	13
Operating Expense								
Selling and Administrative*	280,694	7	289,212	8	541,215	8	544,599	8
Research and Development	53,706	1	23,036	1	96,643	2	56,622	1
Total Operating Expense*	334,400	8	312,248	9	637,858	10	601,221	9
Operating Income*	169,943	5	188,810	5	328,183	4	330,438	4
Non-Operating Income and Expenses:								
Other Gains and Losses*	35,769	1	(5,421)	-	61,568	1	30,996	-
Financial Costs*	(5,274)	-	(7,385)	-	(10,828)	-	(14,239)	-
Interest Income*	11,413	-	14,374	-	19,605	-	17,308	-
Total Non-Operating Income and Expenses*	41,908	1	1,568	-	70,345	1	34,065	-
Income before Income Tax*	211,851	6	190,378	5	398,528	5	364,503	4
Less: Income Tax Expense*	53,725	1	38,969	1	84,420	1	61,476	1
Net Income for Current Period*	158,126	5	151,409	4	314,108	4	303,027	3
Other Comprehensive Gains and Losses:								
Exchange Differences on Translation of Financial Statements of Foreign Operations*	2,112	-	20,337	1	13,766	-	(24,779)	-
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets*	117,820	3	(60,612)	(2)	231,262	3	15,197	-
Less: Income Tax related to Other Comprehensive Gains and Losses*	236	-	3,434	-	2,284	-	(4,185)	-
Other Comprehensive Gains and Losses (Net of Tax)*	119,696	3	(43,709)	(1)	242,744	3	(5,397)	-
Total Comprehensive Profit or Loss for Current Period*	\$ 277,822	8	107,700	3	556,852	7	297,630	3
Net Income Attributable to:								
Stockholders of Parent Company*	\$ 170,208	5	156,536	4	338,934	4	312,001	3
Non-Controlling Equity*	(12,082)	-	(5,127)	-	(24,826)	-	(8,974)	-
	\$ 158,126	5	151,409	4	314,108	4	303,027	3
Comprehensive Profit or Loss Attributable to:								
Stockholders of Parent Company*	\$ 238,183	6	141,459	4	484,743	6	300,627	3
Non-Controlling Equity*	39,639	2	(33,759)	(1)	72,109	1	(2,997)	-
	\$ 277,822	8	107,700	3	556,852	7	297,630	3
Earnings per Share (Unit: NT Dollar)								
Basic Earnings per Share*	\$ 0.53		0.49		1.06		0.98	
Diluted Earnings per Share*	\$ 0.52		0.47		1.04		0.93	

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2013.

Unaudited Financial Results
HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Six Months Ended June 30, 2013 and 2012
(Figures in thousand of New Taiwan Dollars)

	Equity Attributable to Stockholders of Parent Company									
	Retained Earnings				Other Equity			Total Equity Attributable to Stockholders of Parent Company*	Non- Controlling Equity*	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings*	Exchange Differences	Unrealized Gain (Loss)	Treasury Stock			
					on Translation of Financial Statements of Foreign Operations*	on Available-for-sale Financial Products*				
Beginning Balance, January 1, 2012*	\$ 3,202,175	3,669,842	860,061	1,160,995	32,119	202,477	(30,842)	9,096,827	569,111	9,665,938
Appropriation and Distribution of Earnings:										
Provision for Legal Reserve	-	-	76,151	(76,151)	-	-	-	-	-	-
Cash Dividend for Common Stock	-	-	-	(638,709)	-	-	-	(638,709)	-	(638,709)
Net Income for Current Period*	-	-	-	312,001	-	-	-	312,001	(8,974)	303,027
Other Comprehensive Profit or Loss for Current Period*										
Total Other Comprehensive Profit or Loss for Current Period*	-	-	-	-	(20,435)	9,061	-	(11,374)	5,977	(5,397)
Other changes in Capital Surplus:										
Equity component from issuance of Convertible Bonds - Stock Options*	-	(5,174)	-	-	-	-	-	(5,174)	-	(5,174)
Share-based Payment Transactions*	-	7,424	-	-	-	-	-	7,424	-	7,424
Changes in Non-Controlling Equity*										
Total Other Comprehensive Profit or Loss for Current Period*	-	-	-	-	-	-	-	-	(46,045)	(46,045)
Ending Balance, June 30, 2012*	\$ 3,202,175	3,672,092	936,212	758,136	11,684	211,538	(30,842)	8,760,995	520,069	9,281,064
Beginning Balance, January 1, 2013	\$ 3,202,175	3,681,259	936,212	1,018,563	(27,010)	196,930	(30,842)	8,977,287	591,222	9,568,509
Appropriation and Distribution of Earnings:										
Provision for Legal Reserve	-	-	65,512	(65,512)	-	-	-	-	-	-
Cash Dividend for Common Stock	-	-	-	(479,032)	-	-	-	(479,032)	-	(479,032)
Other changes in Capital Surplus:										
Cash Dividend from Capital Surplus	-	(159,677)	-	-	-	-	-	(159,677)	-	(159,677)
Net Income for Current Period	-	-	-	338,934	-	-	-	338,934	(24,826)	314,108
Other Comprehensive Profit or Loss for Current Period										
Total Other Comprehensive Profit or Loss for Current Period	-	-	-	-	11,151	134,658	-	145,809	96,935	242,744
Difference between Option Price and Book Value of the Acquisition or Disposal of Subsidiaries' Equity	-	8,417	-	-	-	-	-	8,417	-	8,417
Share-based Payment Transactions	-	3,097	-	-	-	-	-	3,097	-	3,097
Changes in Non-Controlling Equity										
Total Other Comprehensive Profit or Loss for Current Period*	-	-	-	-	-	-	-	-	135,229	135,229
Ending Balance, June 30, 2013	\$ 3,202,175	3,533,096	1,001,724	812,953	(15,859)	331,588	(30,842)	8,834,835	798,560	9,633,395

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2013.

Unaudited Financial Results
HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW

For the Six Months ended June 30, 2013 and 2012

(Expressed in thousands of New Taiwan Dollars)

	<u>January to June 2013</u>	<u>January to June 2012</u>
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 398,528	364,503
Adjusted Items:		
Incomes or Expenses that do not affect Cash Flow		
Depreciation	155,975	140,240
Amortization	7,355	6,874
Bad Debt Reclassified as Income*	(12,618)	(3,606)
Interest Expense*	10,828	14,239
Interest Income*	(19,605)	(17,308)
Costs of Share-based Compensation*	3,097	7,424
Gain on Disposal and Scrap of Property and Equipment*	(1,549)	(1,050)
Total Incomes or Expenses that do not affect Cash Flow*	<u>143,483</u>	<u>146,813</u>
Change in Assets and Liabilities related to Operating Activities:		
Net Change in Assets related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss*	(115,131)	(96,770)
Inventory*	(534,896)	53,904
Notes and Accounts Receivable	31,881	231,715
Prepaid Expenses and Other Current Assets*	(88,625)	768
Other Financial Assets*	72,141	79,622
Total of Net Change in Assets related to Operating Activities*	<u>(634,630)</u>	<u>269,239</u>
Net Change in Liabilities related to Operating Activities:		
Financial Liabilities at Fair Value through Profit or Loss*	201	2,166
Notes and Accounts Payable	520,289	(178,624)
Accounts Payable - Related Parties*	1,052	(17,499)
Accrued Expenses and Other Current Liabilities*	112,692	27,887
Total Net Change in Liabilities related to Operating Activities*	<u>634,234</u>	<u>(166,070)</u>
Total Net Change in Assets and Liabilities related to Operating Activities*	<u>(396)</u>	<u>103,169</u>
Total of Adjusted Items	<u>143,087</u>	<u>249,982</u>
Cash Flow generated from Operations*	541,615	614,485
Interest Received*	11,833	12,159
Interest Paid*	(9,282)	(11,345)
Income Tax Paid*	(39,549)	(64,517)
Net Cash Flows generated from Operating activities*	<u>504,617</u>	<u>550,782</u>
Cash Flows generated from Investing Activities:		
Sale of Available-for-sale Financial Assets	3,766	-
Acquisition of Financial Assets carried at Cost	-	(32,741)
Sale of Financial Assets carried at Cost	300,000	-
Sale of Held-for-sale Noncurrent Assets	-	30,000
Acquisition of Property and Equipments*	(154,434)	(187,741)
Sale of Property and Equipments*	3,948	42,809
Acquisition of Intangible Assets	(423)	(196)
Increase in Other Noncurrent Assets*	(2,192)	(4,966)
Net Cash Flows generated from (used in) Investing Activities*	<u>150,665</u>	<u>(152,835)</u>
Cash Flows generated from Financing Activities:		
Increase (decrease) in Short-term Loans	(33,343)	58,294
Repayments on Bonds	-	(479,968)
Borrowings on Long-term Loans	100,000	150,000
Repayments on Long-term Loans	(127,263)	(73,167)
Other Noncurrent Liabilities*	1	94
Changes in Non-Controlling Equity*	143,645	(46,045)
Net Cash Flows generated from (used in) Financing Activities*	<u>83,040</u>	<u>(390,792)</u>
Effect of Exchange Rate Changes in Cash and Cash Equivalents*	<u>3,344</u>	<u>(3,542)</u>
Increase in Cash and Cash in Banks	<u>741,666</u>	<u>3,613</u>
Cash and Cash in Banks at Beginning of the Period	<u>3,025,810</u>	<u>2,941,203</u>
Cash and Cash in Banks at End of the Period	<u>\$ 3,767,476</u>	<u>2,944,816</u>

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2013.