

Unaudited Financial Results
HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

For the periods ended September 30, 2013, December 31, September 30, and January 1, 2012
(Expressed in thousands of New Taiwan Dollars)

	30.09.2013		31.12.2012		30.09.2012		01.01.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current Assets:								
Cash and Cash Equivalents	\$ 2,616,767	18	3,025,810	22	2,811,124	20	2,941,203	21
Financial Assets at Fair Value through Profit or Loss - Current	638,317	4	440,221	3	423,109	3	336,353	2
Notes and Accounts Receivable, net	3,774,568	26	3,157,032	23	3,557,956	25	3,743,446	26
Inventories	2,870,986	19	2,055,921	15	2,117,455	15	2,251,483	16
Prepaid Expenses and Other Current Assets*	161,702	1	99,398	1	80,775	1	66,042	-
Held-for-sale Noncurrent Assets	-	-	-	-	-	-	30,000	-
Other Financial Assets - Current	162,334	1	187,284	1	108,117	1	216,974	1
Total Current Assets	10,224,674	69	8,965,666	65	9,098,536	65	9,585,501	66
Noncurrent Assets:								
Available-for-sale Financial Assets - Noncurrent	665,979	4	495,284	3	538,591	4	509,456	4
Financial Assets Carried at Cost - Noncurrent	291,348	2	552,992	4	571,992	4	550,060	4
Property, Plant and Equipment*	3,156,610	21	3,035,586	22	3,053,588	22	2,954,309	20
Intangible Assets	573,211	4	575,084	4	577,160	4	598,577	4
Deferred Income Tax Assets*	35,685	-	38,143	-	40,368	-	32,366	-
Prepaid Expense on Equipment*	30,332	-	209,993	2	105,162	1	233,178	2
Other Noncurrent Assets - Others	19,411	-	18,513	-	18,726	-	18,971	-
Total Noncurrent Assets	4,772,576	31	4,925,595	35	4,905,587	35	4,896,917	34
Total Assets*	\$ 14,997,250	100	13,891,261	100	14,004,123	100	14,482,418	100

Liabilities and Equity

Current Liabilities:

Short-term Loans	\$ 2,341,902	16	2,116,071	15	1,991,593	14	1,696,007	12
Financial Liabilities at Fair Value through Profit or Loss - Current*	1,821	-	1,417	-	1,633	-	4,033	-
Notes and Accounts Payable	1,611,431	11	1,190,931	9	1,386,926	10	1,533,100	11
Accounts Payable - Related Parties	8,484	-	6,200	-	20,115	-	23,026	-
Other Payables - Others	960,653	6	-	-	-	-	-	-
Current Period Income Tax Liability*	40,785	-	23,016	-	72,098	1	24,159	-
Accrued Expenses and Other Current Liabilities*	505,944	3	452,752	3	443,134	3	526,724	4
Current Portion of Puttable Corporate Bonds	102,258	1	101,300	1	101,079	1	567,863	4
Current Portion of Long-term Debt Payable	15,469	-	80,805	1	116,779	1	152,450	1

Total Current Liabilities*

Noncurrent Liabilities:

Long-term Loans	474,903	3	238,596	2	240,370	2	217,050	2
Deferred Income Tax Liabilities*	54,686	-	48,159	-	46,866	-	54,776	-
Accrued Pension Liabilities*	62,076	-	62,076	-	-	-	-	-
Other Noncurrent Liabilities - Others*	1,165	-	1,429	-	428	-	17,292	-
Total Noncurrent Liabilities	592,830	3	350,260	2	287,664	2	289,118	2

Total Liabilities

Equity Attributable to Parent Company:

Common Stock	2,241,522	15	3,202,175	23	3,202,175	23	3,202,175	22
Capital Surplus*	3,534,459	24	3,681,259	27	3,677,403	26	3,669,842	25
Retained Earnings:								
Legal Reserve	1,001,724	7	936,212	7	936,212	7	860,061	6
Unappropriated Earnings*	1,035,440	7	1,018,563	7	956,303	7	1,160,995	8
Total Retained Earnings*	2,037,164	14	1,954,775	14	1,892,515	14	2,021,056	14
Other Equity:								
Exchange Differences on Translation of Financial Statements of Foreign Operations*	(27,483)	-	(27,010)	-	224	-	32,119	-
Unrealized gains and losses on Available-for-sale Financial Assets*	303,485	2	196,930	1	220,606	1	202,477	1
Total Other Equity*	276,002	2	169,920	1	220,830	1	234,596	1
Treasury Stock	(30,842)	-	(30,842)	-	(30,842)	-	(30,842)	-
Total Equity Attributable to Stockholders of Parent Company*	8,058,305	55	8,977,287	65	8,962,081	64	9,096,827	62
Non-Controlling Equity*	757,368	5	591,222	4	621,021	4	569,111	4
Total Equity*	8,815,673	60	9,568,509	69	9,583,102	68	9,665,938	66

Total Liabilities and Equity*

	30.09.2013		31.12.2012		30.09.2012		01.01.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Total Liabilities and Equity*	\$ 14,997,250	100	13,891,261	100	14,004,123	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 September 30, June 30, 2013 and September 30, 2012

	2013 Q3		2013 Q2		2012 Q3		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 4,479,253	100.0	3,837,625	100.0	3,921,447	100.0	641,628	16.7	557,806	14.2
Cost of Goods Sold	3,924,657	87.6	(3,333,282)	(86.9)	3,369,171	85.9	7,257,939	(217.7)	555,486	16.5
Gross Profit	554,596	12.4	504,343	13.1	552,276	14.1	50,253	10.0	2,320	0.4
Operating Expenses*	324,044	7.2	(334,400)	(8.7)	323,834	8.3	658,444	(196.9)	210	0.1
Operating Income*	230,552	5.2	169,943	4.4	228,442	5.8	60,609	35.7	2,110	0.9
Non-Operating Income and Expense*	19,711	0.4	41,908	1.1	15,068	0.4	(22,197)	(53.0)	4,643	30.8
Income before Income Tax*	250,263	5.6	211,851	5.5	243,510	6.2	38,412	18.1	6,753	2.8
Less: Income Tax	43,807	1.0	(53,725)	(1.4)	48,246	1.2	97,532	(181.5)	(4,439)	(9.2)
Net Income*	<u>\$ 206,456</u>	<u>4.6</u>	<u>158,126</u>	<u>4.1</u>	<u>195,264</u>	<u>5.0</u>	<u>48,330</u>	<u>30.6</u>	<u>11,192</u>	<u>5.7</u>
Attributable to Parent Company										
Basic Earnings per Share - after tax (NT Dollars)*	<u>\$ 0.73</u>		<u>0.53</u>		<u>0.62</u>					

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 July 1 to September 30, 2012 and 2013, and January 1 to September 30, 2012 and 2013

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

	July to September, 2013		July to September, 2012		January to September 2013		January to September 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 4,479,253	100	3,921,447	100	11,631,419	100	10,992,484	100
Cost of Goods Sold	3,924,657	88	3,369,171	86	10,110,782	87	9,508,549	85
Gross Profit	554,596	12	552,276	14	1,520,637	13	1,483,935	15
Operating Expense								
Selling and Administrative*	269,539	6	282,412	7	810,754	7	827,011	8
Research and Development	54,505	1	41,422	1	151,148	1	98,044	1
Total Operating Expense*	324,044	7	323,834	8	961,902	8	925,055	9
Operating Income*	230,552	5	228,442	6	558,735	5	558,880	6
Non-Operating Income and Expenses:								
Other Gains and Losses*	14,106	-	11,885	-	75,674	-	42,881	-
Financial Costs*	(6,462)	-	(5,610)	-	(17,290)	-	(19,849)	-
Interest Income	12,067	-	8,793	-	31,672	-	26,101	-
Total Non-Operating Income and Expenses*	19,711	-	15,068	-	90,056	-	49,133	-
Income before Income Tax*	250,263	5	243,510	6	648,791	5	608,013	6
Less: Income Tax Expense	43,807	1	48,246	1	128,227	1	109,722	1
Net Income for Current Period*	206,456	4	195,264	5	520,564	4	498,291	5
Other Comprehensive Gains and Losses:								
Exchange Differences on Translation of Financial Statements of Foreign Operations*	(13,506)	-	(8,859)	-	260	-	(33,638)	-
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets*	(53,949)	(1)	13,938	-	177,313	2	29,135	-
Less: Income Tax related to Other Comprehensive Gains and Losses*	(2,381)	-	(2,347)	-	(97)	-	(6,532)	-
Other Comprehensive Gains and Losses (Net of Tax)*	(65,074)	(1)	7,426	-	177,670	2	2,029	-
Total Comprehensive Profit or Loss for Current Period*	\$ 141,382	3	202,690	5	698,234	6	500,320	5
Net Income Attributable to:								
Stockholders of Parent Company*	\$ 222,487	4	198,167	5	561,421	4	510,168	5
Non-Controlling Equity	(16,031)	-	(2,903)	-	(40,857)	-	(11,877)	-
	\$ 206,456	4	195,264	5	520,564	4	498,291	5
Comprehensive Profit or Loss Attributable to:								
Stockholders of Parent Company*	\$ 182,760	4	195,775	5	667,503	6	496,402	5
Non-Controlling Equity*	(41,378)	-1	6,915	-	30,731	-	3,918	-
	\$ 141,382	3	202,690	5	698,234	6	500,320	5
Earnings per Share (Unit: NT Dollar)								
Basic Earnings per Share*	\$ 0.73		0.62		1.84		1.60	
Diluted Earnings per Share*	\$ 0.72		0.61		1.80		1.53	

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 Nine Months Ended September 30, 2013 and 2012
(Figures in thousand of New Taiwan Dollars)

	Equity Attributable to Stockholders of Parent Company										
	Retained Earnings				Other Equity			Treasury Stock	Total Equity Attributable to Stockholders of Parent Company*	Non- Controlling Equity*	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings*	Exchange Differences on Translation		Unrealized Gain (Loss) on Available-for-sale Financial Products*				
					of Financial Statements of Foreign Operations*						
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)	
Other changes in Capital Surplus:	-										
Equity component from issuance of Convertible Bonds - Stock Options	-	(5,174)	-	-	-	-	-	(5,174)	-	(5,174)	
Net Income for Current Period	-	-	-	510,168	-	-	-	510,168	(11,877)	498,291	
Other Comprehensive Profit or Loss for Current Period											
Total Comprehensive Profit or Loss for Current Period	-	-	-	510,168	(31,895)	18,129	-	(13,766)	15,795	2,029	
Difference between Option Price and Book Value of the Acquisition or Disposal of Subsidiaries' Equity		1,599	-	-	-	-	-	1,599	-	1,599	
Share-based Payment Transactions	-	11,136	-	-	-	-	-	11,136	-	11,136	
Changes in Non-Controlling Equity											
-	-	-	-	-	-	-	-	-	47,992	47,992	
Ending Balance, September 30, 2012	\$ 3,202,175	3,677,403	936,212	956,303	224	220,606	(30,842)	8,962,081	621,021	9,583,102	
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	-	-	-	561,421	-	-	-	561,421	(40,857)	520,564	
Other Comprehensive Profit or Loss for Current Period											
Total Comprehensive Profit or Loss for Current Period	-	-	-	561,421	(473)	106,555	-	106,082	71,588	177,670	
Capital Decrease	(960,653)	-	-	-	-	-	-	(960,653)	-	(960,653)	
Difference between Option Price and Book Value of the Acquisition or Disposal of Subsidiaries' Equity	-	8,230	-	-	-	-	-	8,230	-	8,230	
Share-based Payment Transactions	-	4,647	-	-	-	-	-	4,647	-	4,647	
Changes in Non-Controlling Equity											
-	-	-	-	-	-	-	-	-	135,415	135,415	
Ending Balance, September 30, 2013	\$ 2,241,522	3,534,459	1,001,724	1,035,440	(27,483)	303,485	(30,842)	8,058,305	757,368	8,815,673	

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

For the Nine Months ended September 30, 2013 and 2012

(Expressed in thousands of New Taiwan Dollars)

	<u>January to September 2013</u>	<u>January to September 2012</u>
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 648,791	608,013
Adjusted Items:		
Incomes or Expenses that do not affect Cash Flow		
Depreciation	243,460	220,358
Amortization	11,368	11,748
Bad Debt Reclassified as Income*	(12,625)	(3,643)
Interest Expense*	17,290	19,849
Interest Income*	(31,672)	(26,101)
Costs of Share-based Compensation*	4,647	11,136
Gain on Disposal and Scrap of Property and Equipment*	(1,478)	(1,437)
Loss on Corporate Bonds Buyback*	-	8,459
Total Incomes or Expenses that do not affect Cash Flow*	<u>230,990</u>	<u>240,369</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*	(198,096)	(86,756)
Notes and Accounts Receivable*	(604,911)	189,133
Inventory*	(815,065)	134,028
Prepaid Expenses and Other Current Assets*	(62,304)	(14,733)
Other Financial Assets - Current*	31,727	113,655
Total of Net Change in Assets related to Operating Activities*	<u>(1,648,649)</u>	<u>335,327</u>
Net Change in Liabilities related to Operating Activities:		
Financial Liabilities at Fair Value through Profit or Loss*	404	1,843
Notes and Accounts Payable	420,500	(146,174)
Accounts Payable - Related Parties	2,284	(2,911)
Accrued Expenses and Other Current Liabilities*	59,796	(65,362)
Total Net Change in Liabilities related to Operating Activities	<u>482,984</u>	<u>(212,604)</u>
Total Net Change in Assets and Liabilities related to Operating Activities	<u>(1,165,665)</u>	<u>122,723</u>
Total of Adjusted Items	<u>(934,675)</u>	<u>363,092</u>
Cash Flow generated from Operations	(285,884)	971,105
Interest Received	24,895	21,303
Interest Paid	(14,640)	(10,602)
Income Tax Paid	(105,651)	(71,119)
Net Cash Flows generated from (used in) Operating activities*	<u>(381,280)</u>	<u>910,687</u>
Cash Flows generated from Investing Activities:		
Sale of Available-for-sale Financial Assets	6,619	-
Acquisition of Financial Assets carried at Cost*	(38,356)	(21,932)
Sale of Financial Assets carried at Cost	300,000	-
Sale of Held-for-sale Noncurrent Assets	-	30,000
Acquisition of Property and Equipments*	(202,244)	(260,844)
Sale of Property and Equipments*	4,330	44,679
Acquisition of Intangible Assets	(943)	(1,061)
Increase in Other Noncurrent Assets*	(2,564)	(2,933)
Net Cash Flows generated from (used in) Investing Activities*	<u>66,842</u>	<u>(212,091)</u>
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	225,831	295,586
Repayments on Bonds*	-	(488,524)
Borrowings on Long-term Loans	300,000	150,000
Repayments on Long-term Loans	(129,029)	(162,351)
Decrease in Other Noncurrent Liabilities*	(264)	(16,864)
Cash Dividend	(638,709)	(638,709)
Changes in Non-Controlling Equity*	143,645	49,590
Net Cash Flows used in Financing Activities*	<u>(98,526)</u>	<u>(811,272)</u>
Effect of Exchange Rate Changes in Cash and Cash Equivalents*	3,921	(17,403)
Decrease in Cash and Cash in Banks	<u>(409,043)</u>	<u>(130,079)</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>\$ 2,616,767</u>	<u>2,811,124</u>

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