

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

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

	31.12.2013		31.12.2012		01.01.2012			31.12.2013		31.12.2012		01.01.2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current Assets:							Current Liabilities:						
Cash and Cash Equivalents	\$ 2,553,073	18	3,025,810	22	2,941,203	21	Short-term Loans	\$ 2,249,960	16	2,116,071	15	1,696,007	12
Financial Assets at Fair Value through Profit or Loss - Current	682,065	5	440,221	3	336,353	2	Financial Liabilities at Fair Value through Profit or Loss - Current	595	-	1,417	-	4,033	-
Notes and Accounts Receivable, net	3,593,961	25	3,157,032	23	3,743,446	26	Notes and Accounts Payable	1,260,335	10	1,190,931	9	1,533,100	11
Other Receivables	114,069	1	162,278	1	167,744	1	Accounts Payable - Related Parties	13,400	-	6,200	-	23,026	-
Inventories	2,430,354	17	2,055,921	15	2,251,483	16	Current Period Income Tax Liability*	67,146	-	23,016	-	24,159	-
Prepaid Expenses and Other Current Assets*	148,011	1	124,404	1	112,399	-	Other Payables - Others	557,689	4	452,752	3	526,724	4
Held-for-sale Noncurrent Assets	-	-	-	-	30,000	-	Current Portion of Puttable Corporate Bonds	102,580	1	101,300	1	567,863	4
Total Current Assets	9,521,533	67	8,965,666	65	9,582,628	66	Current Portion of Long-term Debt	35,830	-	80,805	1	152,450	1
Noncurrent Assets:							Total Current Liabilities*	4,287,535	31	3,972,492	29	4,527,362	32
Available-for-sale Financial Assets - Noncurrent	599,328	4	495,284	3	509,456	4	Noncurrent Liabilities:						
Financial Assets Carried at Cost - Noncurrent	353,417	2	552,992	4	550,060	4	Long-term Loans	552,767	4	238,596	2	217,050	2
Property, Plant and Equipment	3,084,655	22	3,035,586	22	2,954,309	20	Deferred Income Tax Liabilities*	59,537	-	48,159	-	54,776	-
Intangible Assets	563,222	4	575,084	4	598,577	4	Accrued Pension Liabilities	58,818	-	62,076	-	-	-
Deferred Income Tax Assets*	30,568	-	38,143	-	32,366	-	Other Noncurrent Liabilities - Others*	168	-	1,429	-	17,292	-
Prepaid Expense on Equipment*	76,771	1	209,993	2	233,178	2	Total Noncurrent Liabilities	671,290	4	350,260	2	289,118	2
Other Noncurrent Assets - Others	17,983	-	18,513	-	21,844	-	Total Liabilities	4,958,825	35	4,322,752	31	4,816,480	34
Total Noncurrent Assets	4,725,944	33	4,925,595	35	4,899,790	34	Equity Attributable to Parent Company:						
							Common Stock	2,241,522	16	3,202,175	23	3,202,175	22
							Capital Surplus*	3,572,820	25	3,681,259	27	3,669,842	25
							Retained Earnings:						
							Legal Reserve	1,001,724	7	936,212	7	860,061	6
							Unappropriated Earnings*	1,171,955	8	1,018,563	7	1,160,995	8
							Total Retained Earnings*	2,173,679	15	1,954,775	14	2,021,056	14
							Other Equity:						
							Exchange Differences on Translation of Financial Statements of Foreign Operations*	(26,785)	-	(27,010)	-	32,119	-
							Unrealized gains and losses on Available-for-sale Financial Assets*	335,591	2	196,930	1	202,477	1
							Total Other Equity*	308,806	2	169,920	1	234,596	1
							Treasury Stock	(28,253)	-	(30,842)	-	(30,842)	-
							Total Equity Attributable to Stockholders of Parent Company*	8,268,574	58	8,977,287	65	9,096,827	62
							Non-Controlling Equity*	1,020,078	7	591,222	4	569,111	4
							Total Equity*	9,288,652	65	9,568,509	69	9,665,938	66
Total Assets*	\$ 14,247,477	100	13,891,261	100	14,482,418	100	Total Liabilities and Equity*	\$ 14,247,477	100	13,891,261	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 and SUBSIDIARIES
CONSOLIDATED CONDENSED INCOME STATEMENT

For the Three Months ended December 31, September 30, 2013 and December 31, 2012

	2013 Q4		2013 Q3		2012 Q4		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 4,267,268	100.0	4,479,253	100.0	3,615,350	92.2	(211,985)	(4.7)	651,918	18.0
Cost of Goods Sold	3,813,879	89.4	3,924,657	87.6	#####	(82.4)	(110,778)	(2.8)	7,044,440	(218.1)
Gross Profit	453,389	10.6	554,596	12.4	384,789	9.8	(101,207)	(18.2)	68,600	17.8
Operating Expenses*	347,661	8.1	324,044	7.2	(306,027)	(8.4)	23,617	7.3	653,688	(213.6)
Operating Income*	105,728	2.5	230,552	5.2	78,762	2.2	(124,824)	(54.1)	26,966	34.2
Non-Operating Income and Expense*	47,766	1.1	19,711	0.4	77,474	2.1	28,055	142.3	(29,708)	(38.3)
Income before Income Tax*	153,494	3.6	250,263	5.6	156,236	4.3	(96,769)	(38.7)	(2,742)	(1.8)
Less: Income Tax	46,312	1.1	43,807	1.0	(29,735)	(0.8)	2,505	5.7	76,047	(255.7)
Net Income*	\$ 107,182	2.5	206,456	4.6	126,501	3.5	(99,274)	(48.1)	(19,319)	(15.3)
	134,244	3	222,487	5	129,452	4	(88,243)	(40)	4,792	4
Net Income Attributable to Parent Company										
Attributable to Parent Company										
Basic Earnings per Share - after tax (NT Dollars)*	\$ 0.60		0.73		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.

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

For the Twelve Months ended December 31, 2013 and 2012

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

	2013		2012		YOY
	Amount	%	Amount	%	%
Net Sales	\$ 15,898,687	100	14,607,834	100	9
Cost of Goods Sold	13,924,661	88	12,739,110	87	9
Gross Profit	1,974,026	12	1,868,724	13	6
Operating Expense					
Selling and Administrative*	1,077,945	7	1,099,436	8	(2)
Research and Development	231,618	1	136,013	1	70
Total Operating Expense*	1,309,563	8	1,235,449	9	6
Operating Income*	664,463	4	633,275	4	5
Non-Operating Income and Expenses:					
Other Gains and Losses*	118,672	1	114,422	1	4
Financial Costs*	(24,935)	-	(24,604)	-	1
Interest Income	44,085	-	36,789	-	20
Total Non-Operating Income and Expenses*	137,822	1	126,607	1	9
Income before Income Tax*	802,285	5	759,882	5	6
Less: Income Tax Expense	174,539	1	139,457	1	25
Net Income for Current Period*	627,746	4	620,425	4	1
Other Comprehensive Gains and Losses:					
Exchange Differences on Translation of Financial Statements of Foreign Operations*	3,161	-	(80,989)	(1)	(104)
Unrealized Valuation Gains (Loss) on Available-for-sale Financial	235,795	1	(245)	-	(96,343)
Actuarial Gains and Losses on the Defined-Benefit Obligation	2,271	-	(67,192)	-	(103)
Less: Income Tax related to Other Comprehensive Gains and Losses*	46	-	(12,110)	-	(100)
Other Comprehensive Gains and Losses (Net of Tax)*	241,181	1	(136,316)	(1)	(277)
Total Comprehensive Profit or Loss for Current Period*	868,927	5	484,109	3	79
Net Income Attributable to:					
Stockholders of Parent Company*	695,665	4	639,620	4	9
Non-Controlling Equity	(67,919)	-	(19,195)	-	254
	627,746	4	620,425	4	1
Comprehensive Profit or Loss Attributable to:					
Stockholders of Parent Company*	836,822	5	507,752	3	65
Non-Controlling Equity*	32,105	-	(23,643)	-	(236)
	868,927	5	484,109	3	79
Earnings per Share					
Basic Earnings per Share (Unit: NT Dollar)*	\$ 2.44		\$ 2.00		
Diluted Earnings per Share (Unit: NT Dollar)*	\$ 2.39		\$ 1.93		

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Twelve Months Ended December 31, 2013 and 2012
(Figures in thousand of New Taiwan Dollars)

	Equity Attributable to Stockholders of Parent Company										
	Common Stock	Retained Earnings			Other Equity			Treasury Stock	Total Equity Attributable to Stockholders of Parent Company*	Non-Controlling Equity*	Total Equity
		Capital Surplus	Legal Reserve	Unappropriated Earnings*	Exchange Differences on Translation of Financial Statements of Foreign Operations*	Unrealized Gain (Loss) 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)	
Other changes in Capital Surplus:											
Equity component from issuance of Convertible Bonds - Stock Options	-	(5,180)	-	-	-	-	-	(5,180)	-	(5,180)	
Net Income for Current Period	-	-	-	639,620	-	-	-	639,620	(19,195)	620,425	
Other Comprehensive Profit or Loss for Current Period	-	-	-	(67,192)	(59,129)	(5,547)	-	(131,868)	(4,448)	(136,316)	
Total Comprehensive Profit or Loss for Current Period	-	-	-	572,428	(59,129)	(5,547)	-	507,752	(23,643)	484,109	
Difference between Option Price and Book Value of the Acquisition or Disposal of Subsidiaries' Equity	-	1,749	-	-	-	-	-	1,749	-	1,749	
Share-based Payment Transactions	-	14,848	-	-	-	-	-	14,848	-	14,848	
Changes in Non-Controlling Equity	-	-	-	-	-	-	-	-	45,754	45,754	
Ending Balance, September 30, 2012	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)	
Cash Dividend from Capital Surplus	-	(159,677)	-	-	-	-	-	(159,677)	-	(159,677)	
Net Income for Current Period	-	-	-	695,665	-	-	-	695,665	(67,919)	627,746	
Other Comprehensive Profit or Loss for Current Period	-	-	-	2,271	225	138,661	-	141,157	100,024	241,181	
Total Comprehensive Profit or Loss for Current Period	-	-	-	697,936	225	138,661	-	836,822	32,105	868,927	
Capital Decrease	(960,653)	-	-	-	-	-	2,589	(958,064)	-	(958,064)	
Difference between Option Price and Book Value of the Acquisition or Disposal of Subsidiaries' Equity	-	45,508	-	-	-	-	-	45,508	-	45,508	
Share-based Payment Transactions	-	5,730	-	-	-	-	-	5,730	-	5,730	
Changes in Non-Controlling Equity	-	-	-	-	-	-	-	-	396,751	396,751	
Ending Balance, December 30, 2013	\$ 2,241,522	3,572,820	1,001,724	1,171,955	(26,785)	335,591	(28,253)	8,268,574	1,020,078	9,288,652	

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW

For the Twelve Months ended December 31, 2013 and 2012

(Expressed in thousands of New Taiwan Dollars)

	2013	2012
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 802,285	759,882
Adjusted Items:		
Incomes or Expenses		
Depreciation	332,796	302,308
Amortization	13,054	14,091
Bad Debt Reclassified as Income*	13,295	(5,662)
Interest Expense*	24,935	24,604
Interest Income*	(43,983)	(36,879)
Costs of Share-based Compensation*	5,730	14,848
Gain on Disposal and Scrap of Property and Equipment*	6,157	(1,417)
Gain on Disposal of Investments	(10,155)	(31,856)
Impairment Loss on Financial Assets	-	29,809
Loss on Corporate Bonds Buyback*	-	8,455
Total Incomes or Expenses that do not affect Cash Flow*	341,829	318,301
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 - Current*	(241,844)	(103,868)
Notes and Accounts Receivable*	(451,274)	592,076
Other Receivables	70,269	3,826
Inventory*	(381,460)	195,562
Prepaid Expenses and Other Current Assets*	(30,905)	(12,005)
Total of Net Change in Assets related to Operating Activities*	(1,035,214)	675,591
Net Change in Liabilities related to Operating Activities:		
Financial Liabilities at Fair Value through Profit or Loss - Current*	(822)	1,627
Notes and Accounts Payable	72,147	(342,169)
Accounts Payable - Related Parties	7,200	(16,826)
Other Payables	85,330	(52,509)
Accrued Pension Liabilities	(987)	(5,116)
Total Net Change in Liabilities related to Operating Activities	162,868	(414,993)
Total Net Change in Assets and Liabilities related to Operating Activities	(872,346)	260,598
Total of Adjusted Items	(530,517)	578,899
Cash Flow generated from Operations	271,768	1,338,781
Interest Received	21,923	38,519
Interest Paid	(21,171)	(18,274)
Income Tax Paid	(115,879)	(141,351)
Net Cash Flows generated from Operating activities*	156,641	1,217,675
Cash Flows generated from Investing Activities:		
Sale of Available-for-sale Financial Assets	131,751	45,784
Acquisition of Financial Assets carried at Cost*	(68,356)	(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*	(256,782)	(435,689)
Sale of Property and Equipments*	11,568	37,089
Acquisition of Intangible Assets	(825)	(508)
Decrease in Other Noncurrent Assets*	(8,585)	(813)
Net Cash Flows generated from (used in) Investing Activities*	108,771	(356,878)
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	133,889	420,064
Repayments on Bonds*	-	(488,623)
Borrowings on Long-term Loans	400,000	150,000
Repayments on Long-term Loans	(130,804)	(200,099)
Decrease in Other Noncurrent Liabilities*	(1,261)	(15,863)
Cash Dividend	(638,709)	(638,709)
Reduction of Cash Capital	(960,653)	-
Sale of Treasury Stock	2,589	-
Changes in Non-Controlling Equity*	446,199	46,125
Net Cash Flows (generated from) used in Financing Activities*	(748,750)	(727,105)
Effect of Exchange Rate Changes in Cash and Cash Equivalents*	10,601	(49,085)
Increase in Cash and Cash in Banks of Current Period	(472,737)	84,607
Cash and Cash in Banks at Beginning of the Period	3,025,810	2,941,203
Cash and Cash in Banks at End of the Period	\$ 2,553,073	3,025,810

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