

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

For the periods ended September 30, 2014 and 2013
(Expressed in thousands of New Taiwan Dollars)

Assets	30.9.2014		31.12.2013		30.9.2013		Liabilities and Equity	30.9.2014		31.12.2013		30.9.2013	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets:							Current Liabilities:						
Cash and Cash Equivalents	\$ 2,571,008	19	2,553,073	18	2,616,767	18	Short-term Loans	\$1,914,631	14	2,249,960	16	2,341,902	16
Financial Assets at Fair Value through Profit or Loss - Current	675,038	5	682,065	5	638,317	4	Financial Liabilities at Fair Value through Profit or Loss - Current	1684	-	595	-	1,821	-
Notes and Accounts Receivable, net	3,728,096	27	3,593,961	25	3,774,568	26	Notes and Accounts Payable	1,352,718	11	1,260,335	10	1,611,431	11
Other Receivables	71,522	1	114,069	1	137,240	1	Accounts Payable - Related Parties	26,706	-	13,400	-	8,484	-
Inventories	2,122,163	16	2,430,354	17	2,870,986	19	Other Payable - Other	719,830	6	624835	4	1,466,597	9
Prepaid Expenses and Other Current Assets*	56,685	-	148,011	1	186,796	1	Current Period Income Tax Liability*	75,567	1	-	-	40,785	-
Total Current Assets	9,224,512	68	9,521,533	67	10,224,674	69	Current Portion of Long-term Debt	103,550	1	102,580	1	102,258	1
Noncurrent Assets:							Current Portion of Puttable Corporate Bonds	35,375	-	35,830	-	15,469	-
Available-for-sale Financial Assets - Noncurrent	397,514	3	599,328	4	665,979	4	Total Current Liabilities*	4,230,061	33	4,287,535	31	5,588,747	37
Financial Assets Carried at Cost - Noncurrent	374,792	3	353,417	2	291,348	2	Noncurrent Liabilities:						
Property, Plant and Equipment	2,860,554	20	3,084,655	22	3,156,610	21	Long-term Loans	80,219	1	552767	4	474903	3
Intangible Assets	566,016	4	563,222	4	573,211	4	Deferred Income Tax Liabilities*	62,667	-	59,537	-	54,686	-
Deferred Income Tax Assets*	45,742	-	30,568	-	35,685	-	Accrued Pension Liabilities	58,818	-	58,818	-	62,076	-
Prepaid Expense on Equipment*	72,162	1	76,771	1	30,332	-	Other Noncurrent Liabilities - Others*	4,558	-	168	-	1,165	-
Other Noncurrent Assets - Others	109,491	1	17,983	-	19,411	-	Total Noncurrent Liabilities	206,262	1	671,290	4	592,830	3
Total Noncurrent Assets	4,426,271	32	4,725,944	33	4,772,576	31	Total Liabilities	4,436,323	34	4,958,825	35	6,181,577	40
							Equity Attributable to Parent Company:						
							Common Stock	2,235,481	16	2,241,522	16	2,241,522	15
							Capital Surplus*	3,587,897	26	3,572,820	25	3,534,459	24
							Retained Earnings:						
							Legal Reserve	1,071,291	8	1,001,724	7	1,001,724	7
							Unappropriated Earnings*	1,291,621	9	1,171,955	8	1,035,440	7
							Total Retained Earnings*	2,362,912	17	2,173,679	15	2,037,164	14
							Other Equity:						
							Exchange Differences on Translation of Financial Statements of Foreign Operations*	(10,686)	-	(26,785)	-	(27,483)	-
							Unrealized gains and losses on Available-for-sale Financial Assets*	202,078	1	335,591	2	303,485	2
							Total Other Equity*	191,392	1	308,806	2	276,002	2
							Treasury Stock	-	-	(28,253)	-	(30,842)	-
							Total Equity Attributable to Stockholders of Parent Company*	8,377,682	60	8,268,574	58	8,058,305	55
							Non-Controlling Equity*	836,778	6	1,020,078	7	757,368	5
							Total Equity*	9,214,460	66	9,288,652	65	8,815,673	60
Total Assets	13,650,783	100	14,247,477	100	14,997,250	100	Total Liabilities and Equity*	13,650,783	100	14,247,477	100	14,997,250	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 June 31, 2014 and 2013

	2014 Q2		2014 Q1		2013 Q2		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 4,067,562	100.0	4,457,123	109.6	4,479,253	100.0	(389,561)	(8.7)	(411,691)	(9.2)
Cost of Goods Sold	3,488,167	85.8	3,939,376	96.8	3,924,657	87.6	(451,209)	(11.5)	(436,490)	(11.1)
Gross Profit	579,395	14.2	517,747	12.7	554,596	12.4	61,648	11.9	24,799	4.5
Operating Expenses*	351,755	8.6	374,288	9.2	324,044	7.2	(22,533)	(6.0)	27,711	8.6
Operating Income*	227,640	5.6	143,459	3.5	230,552	5.1	84,181	58.7	(2,912)	(1.3)
Non-Operating Income and Expense*	33,405	0.8	242,922	6.0	19,711	0.4	(209,517)	(86.2)	13,694	69.5
Income before Income Tax*	261,045	6.4	386,381	9.5	250,263	5.6	(125,336)	(32.4)	10,782	4.3
Less: Income Tax	47,649	1.2	29,412	0.7	43,807	1.0	18,237	62.0	3,842	8.8
Net Income*	<u>\$ 213,396</u>	<u>5.2</u>	<u>356,969</u>	<u>8.8</u>	<u>206,456</u>	<u>4.6</u>	<u>(143,573)</u>	<u>(40.2)</u>	<u>6,940</u>	<u>3.4</u>
Net Income Attributable to Parent Company	246,186	6	392,496	10	222,487	5	(146,310)	(37)	23,699	11
Attributable to Parent Company										
Basic Earnings per Share - after tax (NT Dollars)*	<u>\$ 1.10</u>		<u>\$ 1.76</u>		<u>\$ 0.73</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.*

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

For the Periods July 1 to September 30, 2013 and 2014, and January 1 to September 30, 2013 and 2014

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

	July to Sep, 2014		July to Sep, 2013		YOY	January to Sep, 2014		January to Sep, 2013		YOY
	Amount	%	Amount	%	%	Amount	%	Amount	%	%
Net Sales	\$ 4,067,562	100	4,479,253	100	(9)	12,373,115	100	11,631,419	100	6
Cost of Goods Sold	3,488,167	86	3,924,657	88	(11)	10,786,303	87	10,110,782	87	7
Gross Profit	579,395	14	554,596	12	4	1,586,812	13	1,520,637	13	4
Operating Expense										
Selling and Administrative*	273,717	7	269,539	6	2	850,096	7	810,754	7	5
Research and Development	78,038	2	54,505	1	43	169,464	1	151,148	1	12
Total Operating Expense*	351,755	9	324,044	7	9	1,019,560	8	961,902	8	6
Operating Income*	227,640	5	230,552	5	(1)	567,252	5	558,735	5	2
Non-Operating Income and Expenses:										
Other Gains and Losses*	28,456	1	14,106	-	102	269,242	2	75,674	-	256
Financial Costs*	(4,882)	-	(6,462)	-	(24)	(20,363)	-	(17,290)	-	18
Interest Income	9,831	-	12,067	-	(19)	32,572	-	31,672	-	3
Total Non-Operating Income and Expenses*	33,405	1	19,711	-	69	281,451	2	90,056	-	213
Income before Income Tax*	261,045	6	250,263	5	4	848,703	7	648,791	5	31
Less: Income Tax Expense	47,649	1	43,807	1	9	107,967	1	128,227	1	(16)
Net Income for Current Period*	213,396	5	206,456	4	3	740,736	6	520,564	4	42
Other Comprehensive Gains and Losses:										
Exchange Differences on Translation of Financial Statements of Foreign Operations*	(20,430)	(1)	(13,506)	-	51	(22,712)	-	260	-	(8,835)
Unrealized Valuation Gains (Loss) on Available-for-sale Financial	(115,358)	(3)	(53,949)	(1)	114	(196,484)	(2)	177,313	2	(211)
Less: Income Tax related to Other Comprehensive Gains and Losses*	(747)	-	(2,381)	-	(69)	9,324	-	(97)	-	(9,712)
Other Comprehensive Gains and Losses (Net of Tax)*	(135,041)	(4)	(65,074)	(1)	108	(228,520)	(2)	177,670	2	(229)
Total Comprehensive Profit or Loss for Current Period*	\$ 78,355	1	141,382	3	(45)	512,216	4	698,234	6	(27)
Net Income Attributable to:										
Stockholders of Parent Company*	\$ 246,186	6	222,487	4	11	815,167	7	561,421	4	45
Non-Controlling Equity	(32,790)	(1)	(16,031)	-	105	(74,431)	(1)	(40,857)	-	82
	\$ 213,396	5	206,456	4	3	740,736	6	520,564	4	42
Comprehensive Profit or Loss Attributable to:										
Stockholders of Parent Company*	\$ 190,773	4	182,760	4	4	697,753	5	667,503	6	5
Non-Controlling Equity*	(112,418)	(3)	(41,378)	(1)	172	(185,537)	(1)	30,731	-	(704)
	\$ 78,355	1	141,382	3	(45)	512,216	4	698,234	6	(27)
Earnings per Share										
Basic Earnings per Share (Unit: NT Dollar)*	\$ 1.10		\$ 0.73			\$ 3.65		\$ 1.84		
Earnings per Share										
Diluted Earnings per Share (Unit: NT Dollar)*	\$ 1.08		\$ 0.72			\$ 3.54		\$ 1.80		

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the periods ended September 30, 2014 and 2013
(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, 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	
Legal Reserve	-	-	65,512	(65,512)	-	-	-	-	-	-	
Cash Dividends on Common Stock	-	-	-	(479,032)	-	-	-	(479,032)	-	(479,032)	
Changes in Other Capital Surplus	-	(159,677)	-	-	-	-	-	(159,677)	-	(159,677)	
Cash Dividends on paid-in Capital	-	(159,677)	-	-	-	-	-	(159,677)	-	(159,677)	
Current Net Profit	-	-	-	338,934	-	-	-	338,934	(24,826)	314,108	
Other Comprehensive profits or losses for Current Period	-	-	-	-	11,151	134,658	-	145,809	96,935	242,744	
Total Comprehensive Profit or losses for Current Period	-	-	-	338,934	11,151	134,658	-	484,743	72,109	556,852	
Capital Reduction	-	8,417	-	-	-	-	-	8,417	-	8,417	
The Difference between Selling Price and Carrying Value	-	8,417	-	-	-	-	-	8,417	-	8,417	
Acquisition or Disposal of Subsidiary	-	3,097	-	-	-	-	-	3,097	-	3,097	
Share-Based Payment Transaction	-	3,097	-	-	-	-	-	3,097	-	3,097	
Increase or Decrease in Non-Controlling Equity	-	-	-	-	-	-	-	-	135,229	135,229	
Ending Balance, September 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	
Beginning Balance, January 1, 2014	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	
Legal Reserve	-	-	69,567	(69,567)	-	-	-	-	-	-	
Cash Dividends on Common Stock	-	-	-	(625,934)	-	-	-	(625,934)	-	(625,934)	
Current Net Profit	-	-	-	568,981	-	-	-	568,981	(41,641)	527,340	
Other Comprehensive profits or losses for Current Period	-	-	-	-	(1,526)	(60,475)	-	(62,001)	(31,478)	(93,479)	
Total Comprehensive Profit or losses for Current Period	-	-	-	568,981	(1,526)	(60,475)	-	506,980	(73,119)	433,861	
Treasury Stock Retired	(6,041)	(22,212)	-	-	-	-	28,253	-	-	-	
The Difference between Selling Price and Carrying Value	-	(1,078)	-	-	-	-	-	(1,078)	-	(1,078)	
Acquisition or Disposal of Subsidiary	-	(1,078)	-	-	-	-	-	(1,078)	-	(1,078)	
Increase or Decrease in Non-Controlling Equity	-	-	-	-	-	-	-	-	(72,949)	(72,949)	
Beginning Balance, September 30, 2014	2,235,481	3,549,530	1,071,291	1,045,435	(28,311)	275,116	-	8,148,542	874,010	9,022,552	

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

For the periods ended September 30, 2014 and 2013

(Expressed in thousands of New Taiwan Dollars)

	2014	2013
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 848,703	648,791
Adjusted Items:		
Incomes or Expenses		
Depreciation	247,961	243,460
Amortization	3,034	11,368
Bad Debt Reclassified(reversed) as Income*	9,014	(12,625)
Interest Expense*	20,363	17,290
Interest Income*	(32,572)	(31,672)
Costs of Share-based Compensation*	-	4,647
Gain on Disposal and Scrap of Property and Equipment*	(258)	(1,478)
Total Incomes or Expenses*	247,542	230,990
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*	7,027	(198,096)
Notes and Accounts Receivable*	(228,108)	(604,911)
Other Receivables	39,730	31,727
Inventory*	171,951	(815,065)
Prepaid Expenses and Other Current Assets*	91,326	(62,304)
Total of Net Change in Assets related to Operating Activities*	81,926	(1,648,649)
Net Change in Liabilities related to Operating Activities:		
Financial Liabilities at Fair Value through Profit or Loss - Current*	1,089	404
Notes and Accounts Payable	135,693	420,500
Accounts Payable - Related Parties	13,306	2,284
Other Payables	199,403	59,796
Total Net Change in Liabilities related to Operating Activities	349,491	482,984
Total Net Change in Assets and Liabilities related to Operating Activities	431,417	(1,165,665)
Total of Adjusted Items	678,959	(934,675)
Cash Flow generated from Operations	1,527,662	(285,884)
Interest Received	35,389	24,895
Interest Paid	(17,033)	(14,640)
Income Tax Paid	(120,905)	(105,651)
Net Cash Flows generated from Operating activities*	1,425,113	(381,280)
Cash Flows generated from Investing Activities:		
Sale of Available-for-sale Financial Assets	5,330	6,619
Acquisition of Financial Assets carried at Cost*	(21,375)	(38,356)
Sale of Financial Assets carried at Cost	-	300,000
Disposal of Subsidiary	95,786	-
Acquisition of Property and Equipments*	(154,878)	(202,244)
Sale of Property and Equipments*	16,566	4,330
Acquisition of Intangible Assets	(189)	(943)
Increase in Other Noncurrent Assets*	(92,659)	(2,564)
Net Cash Flows generated from Investing Activities*	(151,419)	66,842
Cash Flows generated from Financing Activities:		
Increase(Decrease) in Short-term Loans	(166,722)	225,831
Borrowings on Long-term Loans	51,000	300,000
Repayment of Long-Term Debt	(524,003)	(129,029)
Other increases in Non-Current Liabilities	4,390	(264)
Dividend Distribution	(625,934)	(638,709)
Changes in Non-Controlling Equity*	1,134	143,645
Net Cash Flows generated from Financing Activities*	(1,260,135)	(98,526)
Effect of Exchange Rate Changes in Cash and Cash Equivalents*	4,376	3,921
Increase(Decrease) in Cash and Cash in Banks of Current Period	17,935	(409,043)
Cash and Cash in Banks at Beginning of the Period	2,553,073	3,025,810
Cash and Cash in Banks at End of the Period	\$ 2,571,008	2,616,767

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