

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**For the Twelve Months ended December 31, 2014 and 2013**

**(Expressed in thousands of New Taiwan Dollars)**

	31.12.2014		31.12.2013			31.12.2014		31.12.2013	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and Equity</b>				
<b>Current Assets:</b>					<b>Current Liabilities:</b>				
Cash and Cash Equivalents	\$2,567,832	19	2,553,073	18	Short-term Loans	\$1,816,874	14	2,249,960	16
Financial Assets at Fair Value through Profit or Loss - Current	868,712	7	682,065	5	Financial Liabilities at Fair Value through Profit or Loss - Current	-	-	595	-
Notes and Accounts Receivable, net	3,417,539	26	3,593,961	25	Notes and Accounts Payable	1,087,389	8	1,260,335	10
Other Receivables	69,054	1	114,069	1	Accounts Payable - Related Parties	28,336	-	13,400	-
Inventories	2,053,176	15	2,430,354	17	Current Period Income Tax Liability*	150,366	1	67,146	-
Prepaid Expenses and Other Current Assets*	<u>48,639</u>	-	<u>148,011</u>	<u>1</u>	Other Payables - Others	652,811	6	557,689	4
<b>Total Current Assets</b>	<u>9,024,952</u>	<u>68</u>	<u>9,521,533</u>	<u>67</u>	Current Portion of Long-term Debt	103,875	1	102,580	1
<b>Noncurrent Assets:</b>					Current Portion of Long-term Debt	<u>2,081</u>	-	<u>35,830</u>	-
Available-for-sale Financial Assets - Noncurrent	405,901	3	599,328	4	<b>Total Current Liabilities*</b>	<u>3,841,732</u>	<u>30</u>	<u>4,287,535</u>	<u>31</u>
Financial Assets Carried at Cost - Noncurrent	385,292	3	353,417	2	<b>Noncurrent Liabilities:</b>				
Property, Plant and Equipment	2,833,549	21	3,084,655	22	Long-term Loans	21,362	-	552,767	4
Intangible Assets	480,814	4	563,222	4	Deferred Income Tax Liabilities*	59,786	-	59,537	-
Deferred Income Tax Assets*	34,196	-	30,568	-	Accrued Pension Liabilities	55,763	-	58,818	-
Prepaid Expense on Equipment*	29,781	-	76,771	1	Other Noncurrent Liabilities - Others*	<u>2,383</u>	-	<u>168</u>	-
Other Noncurrent Assets - Others	<u>101,762</u>	<u>1</u>	<u>17,983</u>	-	<b>Total Noncurrent Liabilities</b>	<u>139,294</u>	-	<u>671,290</u>	<u>4</u>
<b>Total Noncurrent Assets</b>	4,271,295	32	4,725,944	33	<b>Total Liabilities</b>	<u>3,981,026</u>	<u>30</u>	<u>4,958,825</u>	<u>35</u>
					<b>Equity Attributable to Parent Company:</b>				
					Common Stock	<u>2,235,481</u>	<u>17</u>	<u>2,241,522</u>	<u>16</u>
					Capital Surplus*	<u>3,588,009</u>	<u>27</u>	<u>3,572,820</u>	<u>25</u>
					Retained Earnings:				
					Legal Reserve	1,071,291	8	1,001,724	7
					Unappropriated Earnings*	<u>1,382,626</u>	<u>10</u>	<u>1,171,955</u>	<u>8</u>
					Total Retained Earnings*	<u>2,453,917</u>	<u>18</u>	<u>2,173,679</u>	<u>15</u>
					Other Equity:				
					Exchange Differences on Translation of Financial Statements of Foreign Operations*	24,645	-	-26,785	-
					Unrealized gains and losses on Available-for-sale Financial Assets*	<u>206,500</u>	<u>2</u>	<u>335,591</u>	<u>2</u>
					Total Other Equity*	<u>231,145</u>	<u>2</u>	<u>308,806</u>	<u>2</u>
					Treasury Stock	-	-	-28,253	-
					<b>Total Equity Attributable to Stockholders of Parent Company*</b>	<u>8,508,552</u>	<u>64</u>	<u>8,268,574</u>	<u>58</u>
					<b>Non-Controlling Equity*</b>	<u>806,669</u>	<u>6</u>	<u>1,020,078</u>	<u>7</u>
					<b>Total Equity*</b>	<u>9,315,221</u>	<u>70</u>	<u>9,288,652</u>	<u>65</u>
<b>Total Assets*</b>	<u>\$ 13,296,247</u>	<u>100</u>	<u>14,247,477</u>	<u>100</u>	<b>Total Liabilities and Equity*</b>	<u>\$13,296,247</u>	<u>100</u>	<u>14,247,477</u>	<u>100</u>

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 Twelve Months ended December 31, 2014 and 2013**

	2014 Q4		2014 Q3		2013 Q4		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 3,651,778	100.0	4,067,562	100.0	4,267,268	108.8	(415,784)	(10.2)	(615,490)	(14.4)
Cost of Goods Sold	3,194,271	87.5	3,488,167	85.8	3,813,879	97.3	(293,896)	(8.4)	(619,608)	(16.2)
Gross Profit	457,507	12.5	579,395	14.2	453,389	11.6	(121,888)	(21.0)	4,118	0.9
Operating Expenses*	322,074	8.8	351,755	8.6	347,661	(8.4)	(29,681)	(8.4)	(25,587)	(7.4)
Operating Income*	135,433	3.7	227,640	5.6	105,728	2.2	(92,207)	(40.5)	29,705	28.1
Non-Operating Income and Expense*	(31,126)	(0.9)	33,405	0.8	47,766	2.1	(64,531)	(193.2)	(78,892)	(165.2)
Income before Income Tax*	322,074	8.8	261,045	6.4	347,661	4.3	61,029	23.4	(25,587)	(7.4)
Less: Income Tax	49,839	1.4	47,649	1.2	46,312	(0.8)	2,190	4.6	3,527	7.6
Net Income*	\$ 272,235	7.5	213,396	5.2	301,349	3.5	58,839	27.6	(29,114)	(9.7)
Net Uncome Attributable to Parent Company	89,241	2	246,186	6	134,244	4	(156,945)	(64)	(45,003)	(34)
Attributable to Parent Company										
Basic Earnings per Share - after tax (NT Dollars)*	\$ 0.40		1.10		0.60					

*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, 2014 and 2013

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

	2014		2013		YOY
	Amount	%	Amount	%	%
<b>Net Sales</b>	\$ 16,024,893	100	15,898,687	100	1
<b>Cost of Goods Sold</b>	13,980,574	87	13,924,661	88	0
<b>Gross Profit</b>	2,044,319	13	1,974,026	12	4
<b>Operating Expense</b>					
Selling and Administrative*	1,131,675	7	1,077,945	7	5
Research and Development	209,959	1	231,618	1	(9)
<b>Total Operating Expense*</b>	1,341,634	8	1,309,563	8	2
<b>Operating Income*</b>	702,685	5	664,463	4	6
<b>Non-Operating Income and Expenses:</b>					
Other Gains and Losses*	236,492	1	118,672	1	99
Financial Costs*	(27,842)	-	(24,935)	-	12
Interest Income	41,675	-	44,085	-	(5)
<b>Total Non-Operating Income and Expenses*</b>	250,325	1	137,822	1	82
<b>Income before Income Tax*</b>	953,010	6	802,285	5	19
<b>Less: Income Tax Expense</b>	157,806	1	174,539	1	(10)
<b>Net Income for Current Period*</b>	<b>795,204</b>	<b>5</b>	<b>627,746</b>	<b>4</b>	<b>27</b>
<b>Other Comprehensive Gains and Losses:</b>					
Exchange Differences on Translation of Financial Statements of Foreign Operations*	58,202	-	3,161	-	1,741
Unrealized Valuation Gains (Loss) on Available-for-sale Financial	(188,097)	(1)	235,795	1	(180)
Actuarial Gains and Losses on the Defined-Benefit Obligation	1,764	-	2,271	-	(22)
Less: Income Tax related to Other Comprehensive Gains and Losses*	16,281	-	46	-	35,293
<b>Other Comprehensive Gains and Losses (Net of Tax)*</b>	(144,412)	(1)	241,181	1	(160)
<b>Total Comprehensive Profit or Loss for Current Period*</b>	<b>650,792</b>	<b>4</b>	<b>868,927</b>	<b>5</b>	<b>(25)</b>
<b>Net Income Attributable to:</b>					
Stockholders of Parent Company*	904,408	6	695,665	4	30
Non-Controlling Equity	(109,204)	(1)	(67,919)	-	61
	<b>795,204</b>	<b>5</b>	<b>627,746</b>	<b>4</b>	<b>27</b>
<b>Comprehensive Profit or Loss Attributable to:</b>					
Stockholders of Parent Company*	828,511	5	836,822	5	(1)
Non-Controlling Equity*	(177,719)	(1)	32,105	-	(654)
	<b>650,792</b>	<b>4</b>	<b>868,927</b>	<b>5</b>	<b>(25)</b>
<b>Earnings per Share</b>					
<b>Basic Earnings per Share (Unit: NT Dollar)*</b>	<b>\$ 4.05</b>		<b>\$ 2.44</b>		
<b>Diluted Earnings per Share (Unit: NT Dollar)*</b>	<b>\$ 3.93</b>		<b>\$ 2.39</b>		

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
**For the Twelve Months ended December 31, 2014 and 2013**  
**(Figures in thousand of New Taiwan Dollars)**

	Equity Attributable to Stockholders of Parent Company									Total Equity	
	Retained Earnings				Other Equity			Total Equity Attributable to Stockholders of Parent Company*	Non- Controlling Equity*		
	Common Stock	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*	Treasury Stock				
<b>Beginning Balance, January 1, 2013</b>	\$ 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	
Provision for Legal Reserve		-	65,512	(65,512)	-	-	-	-	-	-	
Cash Dividend for Common Stock	-	-	-	(479,032)	-	-	-	(479,032)	-	(479,032)	
Other changes in Capital Surplus:	-	(159,677)	-	-	-	-	-	(159,677)	-	(159,677)	
Profit(loss) of associates and joint ventures accounted for using equity method	-	45,508	-	-	-	-	-	45,508	-	45,508	
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	-	-	-	-	-	-	2,589	(958,064)	-	(958,064)	
Share-based Payment Transactions	-	5,730	-	-	-	-	-	5,730	-	5,730	
Changes in Non-Controlling Equity	-	-	-	-	-	-	-	-	396,751	396,751	
<b>Ending Balance, September 31, 2013</b>	<b>3,202,175</b>	<b>3,572,820</b>	<b>1,001,724</b>	<b>1,171,955</b>	<b>(26,785)</b>	<b>335,591</b>	<b>(28,253)</b>	<b>8,268,574</b>	<b>1,020,078</b>	<b>9,288,652</b>	
Provision for Legal Reserve	-	-	69,567	(69,567)	-	-	-	-	-	-	
Cash Dividend for Common Stock	-	-	-	(625,934)	-	-	-	(625,934)	(9,720)	(635,654)	
Cash Dividend from Capital Surplus	-	37,401	-	-	-	-	-	37,401	-	37,401	
Net Income for Current Period	-	-	-	904,408	-	-	-	904,408	(109,204)	795,204	
Other Comprehensive Profit or Loss for Current Period	-	-	-	1,764	51,430	(129,091)	-	(75,897)	(68,515)	(144,412)	
Total Comprehensive Profit or Loss for Current Period	-	-	-	906,172	51,430	(129,091)	-	828,511	(177,719)	650,792	
Write-off of Treasury Stock	(960,653)	(22,212)	-	-	-	-	28,253	-	-	-	
Changes in Non-Controlling Equity	-	-	-	-	-	-	-	-	(25,970)	(25,970)	
<b>Ending Balance, December 31, 2014</b>	<b>\$ 2,241,522</b>	<b>3,588,009</b>	<b>1,071,291</b>	<b>1,382,626</b>	<b>24,645</b>	<b>206,500</b>	<b>-</b>	<b>8,508,552</b>	<b>806,669</b>	<b>9,315,221</b>	

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOW**

**For the Twelve Months ended December 31, 2014 and 2013**

(Expressed in thousands of New Taiwan Dollars)

	<u>2014</u>	<u>2013</u>
<b>Cash Flows generated from Operating activities:</b>		
<b>Income before Income Tax</b>	\$ 953,010	802,285
<b>Adjusted Items:</b>		
Incomes or Expenses		
Depreciation	330,238	332,796
Amortization	3,616	13,054
Bad Debt Reclassified as Income	2,834	13,295
Interest Expense	20,363	24,935
Interest Income	(41,675)	(43,983)
Costs of Share-based Compensation	-	5,730
Gain on Disposal and Scrap of Property and Equipment	(439)	6,157
Gain on Disposal of Investments	-	(10,155)
Impairment Loss on Goodwill	96,672	-
Total Incomes or Expenses that do not affect Cash Flow	<u>411,609</u>	<u>341,829</u>
<b>Change in Assets and Liabilities related to Operating Activities:</b>		
<b>Net Change in Assets related to Operating Activities:</b>		
Financial Assets at Fair Value through Profit or Loss - Current	(186,647)	(241,844)
Notes and Accounts Receivable	89,101	(451,274)
Other Receivables	43,112	70,269
Inventory	240,938	(381,460)
Prepaid Expenses and Other Current Assets	99,297	(30,905)
Total of Net Change in Assets related to Operating Activities	<u>285,801</u>	<u>(1,035,214)</u>
<b>Net Change in Liabilities related to Operating Activities:</b>		
Financial Liabilities at Fair Value through Profit or Loss - Current	(595)	(822)
Notes and Accounts Payable	(129,636)	72,147
Accounts Payable - Related Parties	14,936	7,200
Other Payables	86,276	85,330
Accrued Pension Liabilities	(1,291)	(987)
Total Net Change in Liabilities related to Operating Activities	<u>(30,310)</u>	<u>162,868</u>
Total Net Change in Assets and Liabilities related to Operating Activities	<u>255,491</u>	<u>(872,346)</u>
Total of Adjusted Items	<u>667,100</u>	<u>(530,517)</u>
Cash Flow generated from Operations	1,620,110	271,768
Interest Received	43,578	21,923
Interest Paid	(16,297)	(21,171)
Income Tax Paid	(94,244)	(115,879)
<b>Net Cash Flows generated from Operating activities*</b>	<u>1,553,147</u>	<u>156,641</u>
<b>Cash Flows generated from Investing Activities:</b>		
Sale of Available-for-sale Financial Assets	5,330	131,751
Acquisition of Financial Assets carried at Cost*	(31,875)	(68,356)
Sale of Financial Assets carried at Cost	-	300,000
Sale of Held-for-sale Noncurrent Assets	95,786	-
Acquisition of Property and Equipments*	(120,322)	(256,782)
Sale of Property and Equipments*	16,483	11,568
Acquisition of Intangible Assets	(386)	(825)
Decrease in Other Noncurrent Assets*	(83,858)	(8,585)
<b>Net Cash Flows generated from (used in) Investing Activities*</b>	<u>(118,842)</u>	<u>108,771</u>
<b>Cash Flows generated from Financing Activities:</b>		
Increase in Short-term Loans	(295,551)	133,889
Repayments on Long-term Loans	51,000	400,000
Borrowings on Long-term Loans	(616,154)	(130,804)
Decrease in Other Noncurrent Liabilities*	2,215	(1,261)
Cash Dividend	(635,654)	(638,709)
Reduction of Cash Capital	-	(960,653)
Sale of Treasury Stock	-	2,589
Changes in Non-Controlling Equity*	11,431	446,199
<b>Net Cash Flows (generated from) used in Financing Activities*</b>	<u>(1,482,713)</u>	<u>(748,750)</u>
Effect of Exchange Rate Changes in Cash and Cash Equivalents*	63,167	10,601
<b>Increase in Cash and Cash in Banks of Current Period</b>	14,759	(472,737)
<b>Cash and Cash in Banks at Beginning of the Period</b>	2,553,073	3,025,810
<b>Cash and Cash in Banks at End of the Period</b>	<u>\$ 2,567,832</u>	<u>2,553,073</u>

Note: Accounts and amounts were properly adjusted due to the adoption of IFRS in 2014.