

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

For the Nine Months ended Sep. 30, December 31, 2016 and Sep. 30, 2016
(Expressed in thousands of New Taiwan Dollars)

	9.30.2017		12.31.2016		9.30.2016			9.30.2017		12.31.2016		9.30.2016	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current Assets:							Current Liabilities:						
Cash and Cash Equivalents	3,523,661	28	3,406,289	28	3,294,986	26	Short-term Loans	1,358,533	11	1,663,059	14	1,977,215	16
Financial Assets at Fair Value through Profit or Loss - Current	169,764	1	92,368	1	434,059	3	Notes and Accounts Payable	1,500,093	12	1,064,785	9	1,193,312	9
Notes and Accounts Receivable, net	3,243,604	26	3,398,021	28	3,399,317	26	Accounts Payable - Related Parties	32,076	-	26,411	-	25,045	-
Other Receivables	70,687	1	152,948	1	76,426	1	Other Payables	1,399,479	11	581,749	5	574,780	5
Inventories	2,041,374	16	1,805,964	15	1,888,720	15	Current Period Income Tax Liability	49,791	1	45,301	-	14,092	0
Prepaid Expenses and Other Current Assets	82,175	1	43,226	-	63,443	1	Current Portion of Long-term Debt	2,193	-	2,171	-	2,163	-
Total Current Assets	9,131,265	73	8,898,816	73	9,156,951	72	Total Current Liabilities	4,342,165	35	3,383,476	28	3,786,607	30
Noncurrent Assets:							Noncurrent Liabilities:						
Available-for-sale Financial Assets - Noncurrent	357,395	3	381,162	3	363,905	3	Long-term Loans	69,252	1	17,058	-	17,604	-
Financial Assets Carried at Cost - Noncurrent	323,841	3	317,987	3	327,764	3	Deferred Income Tax Liabilities	27,551	-	28,464	-	46,858	-
Investments Accounted for Using Equity Method	886	-	-	-	-	-	Accrued Pension Liabilities - Noncurrent	59,738	-	59,738	-	56,774	0
Property, Plant and Equipment	2,257,739	18	2,406,685	19	2,477,395	20	Other Noncurrent Liabilities - Others	4,520	-	2,868	-	2,572	0
Intangible Assets	215,295	2	254,298	2	273,845	2	Total Noncurrent Liabilities	161,061	1	108,128	0	123,808	0
Deferred Income Tax Assets	32,252	-	32,265	-	29,070	-	Total Liabilities	4,503,226	36	3,491,604	28	3,910,415	30
Prepaid Expense on Equipment	119,290	1	10,051	-	10,683	-	Equity Attributable to Parent Company:						
Other Noncurrent Assets - Others	23,482	-	23,220	-	22,070	-	Common Stock	1,569,508	13	2,242,154	18	2,242,154	18
Total Noncurrent Assets	3,330,180	27	3,425,668	27	3,504,732	28	Capital Surplus	3,455,014	28	3,567,070	29	3,567,070	28
							Retained Earnings:						
							Legal Reserve	1,272,159	10	1,221,549	10	1,221,549	10
							Unappropriated Earnings	1,031,430	8	1,032,179	9	932,887	7
							Total Retained Earnings	2,303,589	18	2,253,728	19	2,154,436	17
							Other Equity:						
							Exchange Differences on Translation of Financial Statements of Foreign Operations	(45,061)	0	13,280	0	(2,758)	1
							Unrealized gains and losses on Available-for-sale Financial Assets	176,673	1	163,345	1	150,224	1
							Total Other Equity	131,612	1	176,625	1	147,466	2
							Total Equity Attributable to Stockholders of Parent Company	7,459,723	60	8,239,577	67	8,111,126	65
							Non-Controlling Equity	498,496	4	593,303	5	640,142	5
							Total Equity	7,958,219	64	8,832,880	72	8,751,268	70
Total Assets	12,461,445	100	12,324,484	100	12,661,683	100	Total Liabilities and Equity	12,461,445	100	12,324,484	100	12,661,683	100

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED CONDENSED INCOME STATEMENT
For the Three Months ended Sep. 30, June 30, 2017 and Sep.30, 2016

	2017 Q3		2017 Q2		2016 Q3		Growth Rate (QoQ)		Growth Rate (YoY)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	\$ 3,398,861	100	\$ 3,172,673	100	\$ 3,543,028	100	226,188	7	(144,167)	(4)
Cost of Goods Sold	2,746,896	81	2,705,544	85	3,036,539	86	41,352	2	(289,643)	(10)
Gross Profit	651,965	19	467,129	15	506,489	14	184,836	40	145,476	29
Operating Expenses	399,204	12	339,123	11	389,846	11	60,081	18	9,358	2
Operating Income	252,761	7	128,006	4	116,643	3	124,755	97	136,118	117
Non-Operating Income and Expense	14,681	1	(501)	(0)	10,317	0	15,182	(3,030)	4,364	42
Income before Income Tax	267,442	8	127,505	4	126,960	3	139,937	110	140,482	111
Less: Income Tax	51,240	2	30,534	1	28,440	1	20,706	68	22,800	80
Net Income	\$ 216,202	6	96,971	3	98,520	2	119,231	123	117,682	119
Net Income Attributable to Parent Company	242,761	7	130,010	4	130,078	3	112,751	87	112,683	87
Basic Earnings per Share - after tax (NT Dollars)	\$ 1.25		0.58		0.58					

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

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017Q3		2016Q3		2017Q1~Q3		2016Q1~Q3	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	3,398,861	100	3,543,028	100	9,709,728	100	9,718,571	100
Cost of Goods Sold	2,746,896	81	3,036,539	86	8,157,478	84	8,297,089	85
Gross Profit	651,965	19	506,489	14	1,552,250	16	1,421,482	15
Operating Expense								
Selling and Administrative	324,542	10	306,816	9	857,877	8	865,021	9
Research and Development	74,662	2	83,030	2	208,873	2	220,456	2
Total Operating Expense	399,204	12	389,846	11	1,066,750	10	1,085,477	11
Operating Income	252,761	7	116,643	3	485,500	6	336,005	4
Non-Operating Income and Expenses:								
Other Gains and Losses	17,191	1	11,178	0	28,440	0	36,453	0
Financial Costs	(5,921)	-	(4,222)	-	(16,770)	-	(10,445)	-
Share of Profit of Associates Accounted for Using Equity Method	(172)	-	-	-	(114)	-	-	-
Interest Income	3,583	-	3,361	-	10,706	-	13,630	-
Total Non-Operating Income and Expenses	14,681	1	10,317	0	22,262	0	39,638	0
Income before Income Tax	267,442	8	126,960	3	507,762	6	375,643	4
Less: Income Tax Expense	51,240	2	28,440	1	108,047	1	93,706	1
Net Income for Current Period	216,202	6	98,520	2	399,715	5	281,937	3
Other Comprehensive Gains and Losses:								
Revaluation gain or loss arising from reclassification								
Exchange Differences on Translation of Financial Statements of Foreign	(886)	0	(37,885)	(1)	(58,887)	(1)	(50,982)	(1)
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets	(12,448)	0	(2,730)	0	16,506	0	(8,141)	0
Income Tax arising from revaluation gain or loss	(214)	0	(581)	-	913	-	(1,107)	-
Total revaluation gain or loss arising from reclassification	(13,548)	0	(41,196)	(1)	(41,468)	(1)	(60,230)	(1)
Other Comprehensive Gains and Losses (Net of Tax)	(13,548)	0	(41,196)	(1)	(41,468)	(1)	(60,230)	(1)
Total Comprehensive Profit or Loss for Current Period	202,654	6	57,324	1	358,247	4	221,707	2
Net Income Attributable to:								
Stockholders of Parent Company	242,761	7	130,078	3	498,292	6	402,499	4
Non-Controlling Equity	(26,559)	(1)	(31,558)	(1)	(98,577)	(1)	(120,562)	(1)
	216,202	6	98,520	2	399,715	5	281,937	3
Comprehensive Profit or Loss Attributable to:								
Stockholders of Parent Company	234,291	7	92,531	2	453,279	5	348,111	3
Non-Controlling Equity	(31,637)	(1)	(35,207)	(1)	(95,032)	(1)	(126,404)	(1)
	202,654	6	57,324	1	358,247	4	221,707	2
Earnings per Share								
Basic Earnings per Share (Unit: NT Dollar)	1.25		0.58		2.33		1.80	
Diluted Earnings per Share (Unit: NT Dollar)	1.23		0.58		2.29		1.76	

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
For the Nine Months ended September 30, 2017 and 2016
(Expressed in thousands 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	Unappropriate d Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Products				
Beginning Balance, January 1, 2016	2,242,154	3,608,244	1,161,732	1,150,743	45,807	156,047	8,364,727	637,266	9,001,993	
Net Income for Current Period	-	-	-	402,499	-	-	402,499	(120,562)	281,937	
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	(48,565)	(5,823)	(54,388)	(5,842)	(60,230)	
Total Comprehensive Profit or Loss for Current Period	-	-	-	402,499	(48,565)	(5,823)	348,111	(126,404)	221,707	
Appropriations of Retained Earnings:										
Legal Capital Reserve	-	-	59,817	(59,817)	-	-	-	-	-	
Cash Dividends to Shareholders	-	-	-	(560,538)	-	-	(560,538)	-	(560,538)	
Other Changes to Additional Paid-In Capital:										
Cash Dividends Distributed from Additional Paid-In	-	-	-	-	-	-	-	-	-	
Profit(loss) of associates and joint ventures accounted for using equity method	-	(41,174)	-	-	-	-	(41,174)	-	(41,174)	
Non-controlling Interests	-	-	-	-	-	-	-	129,280	129,280	
Ending Balance, Sep. 30, 2016	2,242,154	3,567,070	1,221,549	932,887	(2,758)	150,224	8,111,126	640,142	8,751,268	
Beginning Balance, January 1, 2017	2,242,154	3,567,070	1,221,549	1,032,179	13,280	163,345	8,239,577	593,303	8,832,880	
Net Income for Current Period	-	-	-	498,292	-	-	498,292	(98,577)	399,715	
Other Comprehensive Profit or Loss for Current Period	-	-	-	0	(58,341)	13,328	(45,013)	3,545	(41,468)	
Total Comprehensive Profit or Loss for Current Period	-	-	-	498,292	(58,341)	13,328	453,279	(95,032)	358,247	
Appropriations of Retained Earnings:										
Legal Capital Reserve	-	-	50,610	(50,610)	-	-	-	-	-	
Cash Dividends to Shareholders	-	-	-	(448,431)	-	-	(448,431)	-	(448,431)	
Other Changes to Additional Paid-In Capital:										
Capital reserve distribution of cash dividends	-	(112,107)	-	-	-	-	(112,107)	-	(112,107)	
Cash reduction	(672,646)	-	-	-	-	-	(672,646)	-	(672,646)	
Profit(loss) of associates and joint ventures accounted for using equity method	-	51	-	-	-	-	51	-	51	
Non-controlling Interests	-	-	-	-	-	-	-	225	225	
Ending Balance, Sep. 30, 2017	1,569,508	3,455,014	1,272,159	1,031,430	(45,061)	176,673	7,459,723	498,496	7,958,219	

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

For the Nine Months ended Sep. 30, 2017 and 2016

(Expressed in thousands of New Taiwan Dollars)

	2017 Q1~Q3	2016 Q1~Q3
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 507,762	375,643
Adjustments:		
Incomes or Expenses		
Depreciation Expense	207,318	213,236
Amortization Expense	2,794	3,103
Bad Debt Expense	991	1,866
Interest Expense	16,770	10,445
Interest Income	(10,706)	(13,630)
Share of Profit of Associates Accounted for Using Equity Method	114	-
Gain (Loss) on Disposal and Scrap of Property and Equipment	1,446	(2)
Gain on Disposal of Investment	(21,248)	0
Gain (Loss) on Non-Financial Assessts	24,431	30,858
Total Incomes or Expenses that do not affect Cash Flow	221,910	245,876
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Total of Net Change in Assets related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss - Current	(77,396)	184,508
Notes and Accounts Receivable	153,535	(353,990)
Other Receivables	86,728	(23,119)
Inventory	(235,410)	(183,083)
Prepaid Expense and other current asset	(38,949)	(26,116)
Total Net Change in Asset related to Operating Activities	(111,492)	(401,800)
Total Net Change in Liabilities related to Operating Activities:		
Accounts and Notes Payable	435,308	141,256
Accounts Payable - Related Party	5,665	5,344
Other Payables	145,880	(25,132)
Total Net Change in Liabilities related to Operating Activities	586,853	121,468
Total Net Change in Assets and Liabilities related to Operating Activities	475,361	(280,332)
Total Adjustments	697,271	(34,456)
Cash Flow generated from Operating Activities	1,205,033	341,187
Interest Received	6,239	14,992
Interest Paid	(17,566)	(10,160)
Income Tax Paid	(103,557)	(155,099)
Net Cash Flows generated from Operating activities	1,090,149	190,920
Cash Flows generated from Investing Activities:		
Disposal of Available-for-Sale Financial Assets	61,521	-
Acquisition of Financial Assets Carried at Cost	(26,500)	(5,991)
Disposal of Financial Assets Carried at Cost	-	5,000
Cash Refund from Capital Reduction Derived from Financial Assets Carried at Cost	20,148	42,340
Acquisition of Investments Accounted for Using Equity Method	(1,000)	-
Acquisition of Property and Equipments	(172,993)	(56,249)
Disposal of Property and Equipments	1,651	23
Acquisition of Intangible Assets	(1,889)	(916)
Decrease (Increase) in Other Noncurrent Assets	(965)	47,896
Net Cash Flows generated from (used in) Investing Activities	(120,027)	32,103
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	(304,526)	677,028
Increase in Long-term Loans	53,863	-
Decrease in Long-term Loans	(1,647)	(1,595)
Increase in Non-current Liability	1,652	2,084
Cash dividends paid	(560,538)	(560,538)
Changes in Non-Controlling Equity	276	88,106
Net Cash Flows (generated from) used in Financing Activities	(810,920)	205,085
Effect of Exchange Rate Changes in Cash and Cash Equivalents	(41,830)	(38,654)
Increase in Cash and Cash in Banks of Current Period	117,372	389,454
Cash and Cash in Banks at Beginning of the Period	3,406,289	2,905,532
Cash and Cash in Banks at End of the Period	3,523,661	3,294,986