

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**For the year ended March 31, 2018 and 2017**  
**(Expressed in thousands of New Taiwan Dollars)**

	3.31.2018		3.31.2017			3.31.2018		3.31.2017	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and Equity</b>				
<b>Current Assets:</b>					<b>Current Liabilities:</b>				
Cash and Cash Equivalents	3,397,772	28	3,824,610	31	Short-term Loans	1,384,070	11	1,632,320	13
Financial Assets at Fair Value through Profit or Loss - Current	148,466	1	167,533	1	Current Contract Liabilities	47,489	-	-	-
Notes and Accounts Receivable, net	2,997,072	25	2,918,417	24	Notes and Accounts Payable	794,240	7	1,069,872	9
Other Receivables	57,800		109,473	1	Accounts Payable - Related Parties	15,812	-	21,110	-
Inventories	2,192,616	18	1,891,209	15	Other Payables	937,594	8	595,540	5
Prepaid Expenses and Other Current Assets	58,562		87,854	1	Current Period Income Tax Liability	263,033	2	71,114	1
<b>Total Current Assets</b>	<b>8,852,288</b>	<b>72</b>	<b>8,999,096</b>	<b>73</b>	Current Portion of Long-term Debt	2,206	-	2,179	-
<b>Noncurrent Assets:</b>					<b>Total Current Liabilities</b>	<b>3,444,444</b>	<b>28</b>	<b>3,392,135</b>	<b>28</b>
Non-current financial assets at fair value through profit or loss	75,498	1	-	-	<b>Noncurrent Liabilities:</b>				
Non-current financial assets at fair value through other comprehensive income	483,508	4	-	-	Long-term Loans	69,204	1	16,510	-
Available-for-sale Financial Assets - Noncurrent	-	-	413,919	3	Deferred Income Tax Liabilities	16,684	-	30,149	-
Financial Assets Carried at Cost - Noncurrent	-	-	317,507	3	Accrued Pension Liabilities - Noncurrent	61,707	1	59,738	-
Investments Accounted for Using Equity Method	710	-	-	-	Other Noncurrent Liabilities - Others	2,261	-	15,031	-
Property, Plant and Equipment	2,404,798	20	2,364,718	19	<b>Total Noncurrent Liabilities</b>	<b>149,856</b>	<b>2</b>	<b>121,428</b>	<b>-</b>
Intangible Assets	181,902	1	238,673	2	<b>Total Liabilities</b>	<b>3,594,300</b>	<b>30</b>	<b>3,513,563</b>	<b>28</b>
Deferred Income Tax Assets	36,897	-	32,252	-	<b>Equity Attributable to Parent Company:</b>				
Prepaid Expense on Equipment	211,100	2	10,560	-	Common Stock	1,579,908	13	2,242,154	18
Prepaid Expense on Investments			1,000		Capital Surplus	3,493,390	29	3,567,098	29
Other Noncurrent Assets - Others	22,807	-	22,736	-	Retained Earnings:				
<b>Total Noncurrent Assets</b>	<b>3,417,220</b>	<b>28</b>	<b>3,401,365</b>	<b>27</b>	Legal Reserve	1,272,159	10	1,221,549	10
					Unappropriated Earnings	1,888,578	15	1,157,700	9
					Total Retained Earnings	3,160,737	25	2,379,249	19
					Other Equity:				
					Exchange Differences on Translation of Financial Statements of Foreign Operations	(63,939)	(1)	(54,615)	-
					Unrealized gains or losses on fair value through other comprehensive income financial assets	92,809	1	-	-
					Unrealized gains and losses on Available-for-sale Financial Assets	-	-	192,592	1
					Total Other Equity	28,870	-	137,977	1
					<b>Total Equity Attributable to Stockholders of Parent Company</b>	<b>8,262,905</b>	<b>67</b>	<b>8,326,478</b>	<b>67</b>
					<b>Non-Controlling Equity</b>	<b>412,303</b>	<b>3</b>	<b>560,420</b>	<b>5</b>
					<b>Total Equity</b>	<b>8,675,208</b>	<b>70</b>	<b>8,886,898</b>	<b>72</b>
<b>Total Assets</b>	<b>12,269,508</b>	<b>100</b>	<b>12,400,461</b>	<b>100</b>	<b>Total Liabilities and Equity</b>	<b>12,269,508</b>	<b>100</b>	<b>12,400,461</b>	<b>100</b>

**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 year ended March 31, 2018 and 2017			
	2018 Jan-Mar		2017 Jan-Mar	
	Amount	%	Amount	%
<b>Net Sales</b>	3,353,877	100	3,138,194	100
<b>Cost of Goods Sold</b>	2,332,471	70	2,705,038	86
<b>Gross Profit</b>	1,021,406	30	433,156	14
<b>Operating Expense</b>				
Selling and Administrative	366,328	11	253,441	8
Research and Development	70,298	2	74,982	2
Prepaid Credit Loss	3,966			
<b>Total Operating Expense</b>	440,592	13	328,423	10
<b>Operating Income</b>	580,814	17	104,733	4
<b>Non-Operating Income and Expenses:</b>				
Other Gains and Losses	13,637	-	9,692	-
Financial Costs	(7,884)	-	(4,856)	-
Share of Profit of Associates Accounted for Using Equity Method	(38)	-	-	-
Interest Income	2,134	-	3,246	-
<b>Total Non-Operating Income and Expenses</b>	7,849	-	8,082	-
<b>Income before Income Tax</b>	588,663	17	112,815	4
<b>Less: Income Tax Expense</b>	132,837	4	26,273	1
<b>Net Income for Current Period</b>	455,826	13	86,542	3
<b>Other Comprehensive Gains and Losses:</b>				
<b>Items not to be reclassified into profit or loss:</b>				
Remeasurements of defined benefit plans	18,689	1	-	-
Less: Income Tax	-	-	-	-
<b>Total Items not to be reclassified</b>	18,689	1	-	-
<b>Revaluation gain or loss arising from reclassification</b>				
Exchange Differences on Translation of Financial Statements of Foreign Operations	(6,186)		(70,239)	(2)
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets			39,271	1
Income Tax arising from revaluation gain or loss			(1,685)	-
Total revaluation gain or loss arising from reclassification	(6,186)		(32,653)	(1)
<b>Other Comprehensive Gains and Losses (Net of Tax)</b>	12,503	1	(32,653)	(1)
<b>Total Comprehensive Profit or Loss for Current Period</b>	468,329	14	53,889	2
<b>Net Income Attributable to:</b>				
Stockholders of Parent Company	489,722	14	125,521	4
Non-Controlling Equity	(33,896)	(1)	(38,979)	(1)
<b>Net Income for Current Period</b>	455,826	13	86,542	3
<b>Comprehensive Profit or Loss Attributable to:</b>				
Stockholders of Parent Company	494,419	15	86,873	3
Non-Controlling Equity	(26,090)	(1)	(32,984)	(1)
<b>Total Comprehensive Profit or Loss for Current Period</b>	468,329	14	53,889	2
<b>Earnings per Share</b>				
<b>Basic Earnings per Share (Unit: NT Dollar)</b>		3.10		0.56
<b>Diluted Earnings per Share (Unit: NT Dollar)</b>		3.07		0.55

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
For the year ended March 31, 2018 and 2017  
(Expressed in thousands of New Taiwan dollars)

	Equity Attributable to Stockholders of Parent Company									
	Retained Earnings				Other Equity					
	Common Stock	Capital Surplus	Legal Reserve	Unappropriat ed Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Assets Gain (Loss) on Total Comprehensive Profit (Loss) measured by Fair Value	Unrealized Gain (Loss) on Available-for-sale Financial Products	Total Equity Attributable to Stockholders of Parent Company	Non- Controlling Equity	Total Equity
<b>Beginning Balance, January 1, 2017</b>	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	-	-	-	125,521	-	-	-	125,521	(38,979)	86,542
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	(67,895)	-	29,247	(38,648)	5,995	(32,653)
Total Comprehensive Profit or Loss for Current Period	-	-	-	125,521	(67,895)	-	29,247	86,873	(32,984)	53,889
Profit(loss) of associates and joint ventures accounted for using equity method	-	28	-	-	-	-	-	28	-	28
Non-controlling Interests	-	-	-	-	-	-	-	-	101	101
<b>Ending Balance, March 31, 2017</b>	<b>2,242,154</b>	<b>3,567,098</b>	<b>1,221,549</b>	<b>1,157,700</b>	<b>(54,615)</b>		<b>192,592</b>	<b>8,326,478</b>	<b>560,420</b>	<b>8,886,898</b>
<b>Beginning Balance, January 1, 2018</b>	1,579,908	3,493,390	1,272,159	1,408,577	(57,854)		163,625	7,859,805	463,495	8,323,300
Adjusted Balance by New Standard				(9,721)		82,027	(163,625)	(91,319)	(25,102)	(116,421)
Adjusted Balance, January 1, 2018	1,579,908	3,493,390	1,272,159	1,398,856	(57,854)	82,027	-	7,768,486	438,393	8,206,879
Net Income for Current Period	-	-	-	489,722	-	-	-	489,722	(33,896)	455,826
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	(6,085)	10,782	-	4,697	7,806	12,503
Total Comprehensive Profit or Loss for Current Period	-	-	-	489,722	(6,085)	10,782	-	494,419	(26,090)	468,329
<b>Ending Balance, March 31, 2018</b>	<b>1,579,908</b>	<b>3,493,390</b>	<b>1,272,159</b>	<b>1,888,578</b>	<b>(63,939)</b>	<b>92,809</b>	<b>-</b>	<b>8,262,905</b>	<b>412,303</b>	<b>8,675,208</b>

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**Ended March 31, 2018 and 2017**  
**(Expressed in thousands of New Taiwan Dollars)**

	<u>2018 Jan-Mar</u>	<u>2017 Jan-Mar</u>
<b>Cash Flows generated from Operating activities:</b>		
<b>Income before Income Tax</b>	<u>588,663</u>	<u>112,815</u>
<b>Adjustments:</b>		
Incomes or Expenses		
Depreciation Expense	63,986	68,259
Amortization Expense	799	1,127
Bad Debt Expense	3,966	(827)
Total Comprehensive Loss, Net of Tax measured by Fair Value	1,388	-
Interest Expense	7,844	4,856
Interest Income	(2,134)	(3,246)
Dividend Income	(13)	(23)
Share of Profit of Associates Accounted for Using Equity Method	38	-
Gain (Loss) on Disposal and Scrap of Property and Equipment	(182)	(8)
Gain on Disposal of Investment	-	(6,725)
Total Incomes or Expenses that do not affect Cash Flow	<u>75,732</u>	<u>63,413</u>
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Adjustments for decrease (increase) in financial assets held for trading	(81,596)	(75,165)
Notes and Accounts Receivable	103,649	480,880
Other Receivables	57,121	45,319
Inventory	614	(85,245)
Prepaid Expense and other current asset	17,841	(44,628)
Contract Liabilities	14,787	-
Accounts and Notes Payable	(576,292)	5,087
Accounts Payable - Related Party	1,003	(5,301)
Other Payables	129,427	13,728
Total Adjustments	<u>(257,714)</u>	<u>398,088</u>
Cash Flow generated from Operating Activities	330,949	510,903
Interest Received	1,901	1,402
Dividend Received	13	23
Interest Paid	(7,822)	(5,253)
Income Tax Paid	(8,962)	-
<b>Net Cash Flows generated from Operating activities</b>	<u>316,079</u>	<u>507,075</u>
<b>Cash Flows generated from Investing Activities:</b>		
Disposal of Available-for-Sale Financial Assets	-	13,241
Increase in prepayments for investments	-	(1,000)
Acquisition of Property and Equipments	(214,279)	(31,607)
Disposal of Property and Equipments	328	61
Decrease (Increase) in Other Noncurrent Assets	522	207
<b>Net Cash Flows generated from (used in) Investing Activities</b>	<u>(213,429)</u>	<u>(19,098)</u>
<b>Cash Flows generated from Financing Activities:</b>		
Increase in Short-term Loans (Decrease)	291,020	(30,739)
Repayments of long-term debt	(546)	(540)
Decrease in other non-current liabilities	(50)	12,163
Change in non-controlling interests	-	129
<b>Net Cash Flows (generated from) used in Financing Activities</b>	<u>290,424</u>	<u>(18,987)</u>
<b>Effect of Exchange Rate Changes in Cash and Cash Equivalents</b>	(5,210)	(50,669)
<b>Increase in Cash and Cash in Banks of Current Period</b>	387,864	418,321
<b>Cash and Cash in Banks at Beginning of the Period</b>	<u>3,009,908</u>	<u>3,406,289</u>
<b>Cash and Cash in Banks at End of the Period</b>	<u><u>3,397,772</u></u>	<u><u>3,824,610</u></u>