

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**SEP 30th 2018 & SEP 30th 2017**

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

	<b>2018.9.30</b>		<b>2017.9.30</b>			<b>2018.9.30</b>		<b>2017.9.30</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>					<b>Liabilities and Equity</b>				
<b>Current Assets:</b>					<b>Current Liabilities:</b>				
Cash and Cash Equivalents	3,476,576	25	3,523,661	28	Short-term Loans	1,217,781	9	1,358,533	11
Financial Assets at Fair Value through Profit or Loss - Current	231,087	2	169,764	1	Current Contract Liabilities	57,065	-	-	-
Notes and Accounts Receivable, net	4,293,963	30	3,243,604	26	Notes and Accounts Payable	1,019,540	7	1,500,093	12
Other Receivables	83,266	1	70,687	1	Accounts Payable - Related Parties	34,357	-	32,076	-
Inventories	2,467,596	17	2,041,374	16	Other Payables	1,144,885	8	1,399,479	11
Prepaid Expenses and Other Current Assets	104,613	1	82,175	1	Current Period Income Tax Liability	540,954	4	49,791	1
<b>Total Current Assets</b>	<b>10,657,101</b>	<b>76</b>	<b>9,131,265</b>	<b>73</b>	Current Portion of Long-term Debt	10,486	-	2,193	-
<b>Noncurrent Assets:</b>					<b>Total Current Liabilities</b>	<b>4,025,068</b>	<b>28</b>	<b>4,342,165</b>	<b>35</b>
Non-current financial assets at fair value through profit or loss	62,215	-	-	-	<b>Noncurrent Liabilities:</b>				
Non-current financial assets at fair value through other comprehensive income	119,655	1	-	-	Long-term Loans	58,647	-	69,252	1
Available-for-sale Financial Assets - Noncurrent	-	-	357,395	3	Deferred Income Tax Liabilities	16,684	-	27,551	-
Financial Assets Carried at Cost - Noncurrent	-	-	323,841	3	Accrued Pension Liabilities - Noncurrent	61,707	1	59,738	-
Investments Accounted for Using Equity Method	312,889	2	886	-	Other Noncurrent Liabilities - Others	2,118	-	4,520	-
Property, Plant and Equipment	2,587,468	18	2,257,739	18	<b>Total Noncurrent Liabilities</b>	<b>139,156</b>	<b>1</b>	<b>161,061</b>	<b>1</b>
Intangible Assets	110,142	1	215,295	2	<b>Total Liabilities</b>	<b>4,164,224</b>	<b>29</b>	<b>4,503,226</b>	<b>36</b>
Deferred Income Tax Assets	36,906	-	32,252	-	<b>Equity Attributable to Parent Company:</b>				
Prepaid Expense on Equipment	321,234	2	119,290	1	Common Stock	1,579,908	11	1,569,508	13
Other Noncurrent Assets - Others	21,820	-	23,482	-	Capital Surplus	3,402,323	24	3,455,014	28
<b>Total Noncurrent Assets</b>	<b>3,572,329</b>	<b>24</b>	<b>3,330,180</b>	<b>27</b>	Retained Earnings:				
					Legal Reserve	1,360,044	10	1,272,159	10
					Unappropriated Earnings	3,287,154	23	1,031,430	8
					Total Retained Earnings	4,647,198	33	2,303,589	18
					Other Equity:				
					Exchange Differences on Translation of Financial Statements of Foreign Operations	(51,659)	-	(45,061)	-
					Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(78,984)	(1)	-	-
					Unrealized gains and losses on Available-for-sale Financial Assets	-	-	176,673	1
					Total Other Equity	(130,643)	(1)	131,612	1
					<b>Total Equity Attributable to Stockholders of Parent Company</b>	<b>9,498,786</b>	<b>67</b>	<b>7,459,723</b>	<b>60</b>
					<b>Non-Controlling Equity</b>	<b>566,420</b>	<b>4</b>	<b>498,496</b>	<b>4</b>
					<b>Total Equity</b>	<b>10,065,206</b>	<b>71</b>	<b>7,958,219</b>	<b>64</b>
<b>Total Assets</b>	<b>14,229,430</b>	<b>100</b>	<b>12,461,445</b>	<b>100</b>	<b>Total Liabilities and Equity</b>	<b>14,229,430</b>	<b>100</b>	<b>12,461,445</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)

	July 1st-Sep 30th 2017, 2018			
	2018 July-Sep		2017 July-Sep	
	Amount	%	Amount	%
<b>Net Sales</b>	5,055,617	100	3,398,861	100
<b>Cost of Goods Sold</b>	3,041,940	60	2,746,896	81
<b>Gross Profit</b>	2,013,677	40	651,965	19
<b>Operating Expense</b>				
Selling and Administrative	449,287	9	324,542	10
Research and Development	119,708	2	74,662	2
Expected Credit Loss (gain)	4,913	-	-	-
<b>Total Operating Expense</b>	573,908	11	399,204	12
<b>Operating Income</b>	1,439,769	29	252,761	7
<b>Non-Operating Income and Expenses:</b>				
Other Gains and Losses	18,361	-	17,191	1
Financial Costs	(7,278)	-	(5,921)	-
Share of Profit of Associates Accounted for Using Equity Method	6,827	-	(172)	-
Interest Income	2,638	-	3,583	-
<b>Total Non-Operating Income and Expenses</b>	20,548	0	14,681	1
<b>Income before Income Tax</b>	1,460,317	29	267,442	8
<b>Less: Income Tax Expense</b>	296,451	6	51,240	2
<b>Net Income for Current Period</b>	1,163,866	23	216,202	6
<b>Other Comprehensive Gains and Losses:</b>				
<b>Items not to be reclassified into profit or loss:</b>				
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(878)	-	-	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Total Items not to be reclassified</b>	(878)	-	-	-
<b>Revaluation gain or loss arising from reclassification</b>				
Exchange Differences on Translation of Financial Statements of Foreign Operations	(12,279)	-	(886)	-
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets	-	-	(12,448)	-
Income Tax arising from revaluation gain or loss	-	-	(214)	-
Total revaluation gain or loss arising from reclassification	(12,279)	-	(13,548)	-
<b>Other Comprehensive Gains and Losses (Net of Tax)</b>	(13,157)	-	(13,548)	-
<b>Total Comprehensive Profit or Loss for Current Period</b>	<b>1,150,709</b>	<b>23</b>	<b>202,654</b>	<b>6</b>
<b>Net Income Attributable to:</b>				
Stockholders of Parent Company	1,170,427	23	242,761	7
Non-Controlling Equity	(6,561)	-	(26,559)	(1)
	<b>1,163,866</b>	<b>23</b>	<b>216,202</b>	<b>6</b>
<b>Comprehensive Profit or Loss Attributable to:</b>				
Stockholders of Parent Company	1,155,637	23	234,291	7
Non-Controlling Equity	(4,928)	-	(31,637)	(1)
	<b>1,150,709</b>	<b>23</b>	<b>202,654</b>	<b>6</b>
<b>Earnings per Share</b>				
<b>Basic Earnings per Share (Unit: NT Dollar)</b>		<b>7.41</b>		<b>1.25</b>
<b>Diluted Earnings per Share (Unit: NT Dollar)</b>		<b>7.28</b>		<b>1.23</b>

**HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY**  
**Jan 1st-Sep 30th, 2017 and 2018**  
(Expressed in thousands of New Taiwan dollars)

	Equity Attributable to Stockholders of Parent Company										
	Retained Earnings				Other Equity			Unrealized Gain (Loss) on Available-for-sale Financial Products	Total Equity Attributable to Stockholders of Parent Company	Non- Controlling Equity	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Unappropri- ed Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	(losses)from investments in equity instruments measured at fair value through other comprehensive income	Other Equity Other than gains				
<b>Beginning Balance, Jan. 1st, 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	-	-	-	498,292	-	-	-	-	498,292	(98,577)	399,715
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	(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:											
Cash Dividends Distributed from Additional Paid-In Capital	-	(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
<b>Ending Balance, Sep. 30, 2017</b>	<b>1,569,508</b>	<b>3,455,014</b>	<b>1,272,159</b>	<b>1,031,430</b>	<b>(45,061)</b>	<b>-</b>	<b>-</b>	<b>176,673</b>	<b>7,459,723</b>	<b>498,496</b>	<b>7,958,219</b>
<b>Beginning Balance, Jan. 1st, 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
Effects of retrospective application & retrospective	-	-	-	(9,721)	-	82,027	-	(163,625)	(91,319)	(25,102)	(116,421)
Equity at beginning of period after adjustments	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	-	-	-	2,627,002	-	-	-	-	2,627,002	(55,288)	2,571,714
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	6,195	(11,011)	-	-	(4,816)	4,109	(707)
Total Comprehensive Profit or Loss for Current Period	-	-	-	2,627,002	6,195	(11,011)	-	-	2,622,186	(51,179)	2,571,007
Appropriations of Retained Earnings:											
Legal Capital Reserve	-	-	87,885	(87,885)	-	-	-	-	-	-	-
Cash Dividends to Shareholders	-	-	-	(789,954)	-	-	-	-	(789,954)	-	(789,954)
Other Changes to Additional Paid-In Capital:											
Capital Surplus Cash Dividend	0	(47,397)	-	-	-	-	-	-	(47,397)	-	(47,397)
Profit(loss) of associates and joint ventures accounted for using equity method	-	(43,670)	-	139,135	-	(150,000)	-	-	(54,535)	-	(54,535)
Non-controlling Interests	-	-	-	-	-	-	-	-	-	179,206	179,206
<b>Ending Balance, Sep. 30, 2018</b>	<b>1,579,908</b>	<b>3,402,323</b>	<b>1,360,044</b>	<b>3,287,154</b>	<b>(51,659)</b>	<b>(78,984)</b>	<b>-</b>	<b>-</b>	<b>9,498,786</b>	<b>566,420</b>	<b>10,065,206</b>

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

Jan 1st-Sep 30th, 2018 and 2017

(Expressed in thousands of New Taiwan Dollars)

	2018 Jan-Sep	2017 Jan-Sep
<b>Cash Flows generated from Operating activities:</b>		
<b>Income before Income Tax</b>	\$ 3,218,005	507,762
<b>Adjustments:</b>		
Incomes or Expenses		
Depreciation Expense	217,986	207,318
Amortization Expense	2,741	2,794
Bad Debt Expense	1,051	991
Net Loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,182)	-
Interest Expense	21,600	16,770
Interest Income	(8,886)	(10,706)
Dividend Income	(737)	-
Share of Profit of Associates Accounted for Using Equity Method	(6,689)	114
Gain (Loss) on Disposal and Scrap of Property and Equipment	5,417	1,446
Gain on Disposal of Investment	-	(21,248)
Gain (Loss) on Non-Financial Assets	76,549	24,431
Total Incomes or Expenses that do not affect Cash Flow	305,850	221,910
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss - Current	(163,842)	(77,396)
Notes and Accounts Receivable	(1,190,169)	153,535
Other Receivables	31,501	86,728
Inventory	(274,366)	(235,410)
Decrease (increase) in other current assets	(33,782)	(38,949)
Contract Liabilities	24,363	-
Accounts and Notes Payable	(350,992)	435,308
Accounts Receivable-Related Parties	19,548	5,665
Increase (decrease) in other payable	335,686	145,880
Total changes in operating assets and liabilities	(1,602,053)	475,361
Total Adjustments	(1,296,203)	697,271
Cash Flows generated from Operating activities:	1,921,802	1,205,033
Interest Received	8,807	6,239
Dividend Received	737	-
Interest Paid	(20,506)	(17,566)
Income Tax Paid	(238,923)	(103,557)
<b>Net Cash Flows generated from Operating activities</b>	1,671,917	1,090,149
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	903	-
Acquisition of financial assets designated at fair value through profit or loss	(1,823)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	20,560	-
Proceeds from disposal of available-for-sale financial assets	-	61,521
Acquisition of financial assets at cost	-	(26,500)
Proceeds from capital reduction of financial assets at cost	-	20,148
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	11,904	-
Acquisition of investments accounted for using equity method	(6,759)	(1,000)
Acquisition of property, plant and equipment	(673,757)	(172,993)
Proceeds from disposal of property, plant and equipment	2,364	1,651
Acquisition of intangible assets	(75)	(1,889)
Decrease in other non-current assets	1,396	(965)
Dividends received	25,049	-
<b>Net Cash Flows generated from (used in) Investing Activities</b>	(620,238)	(120,027)
<b>Cash Flows generated from Financing Activities:</b>		
Increase in Short-term Loans	124,731	(304,526)
Increase in Long-term Loans	-	53,863
Decrease in Long-term Loans	(1,830)	(1,647)
Increase in Non-current Liability	(193)	1,652
Cash dividends paid	(837,351)	(560,538)
Changes in Non-Controlling Equity	124,671	276
<b>Net Cash Flows (generated from) used in Financing Activities</b>	(589,972)	(810,920)
Effect of Exchange Rate Changes in Cash and Cash Equivalents	4,961	(41,830)
<b>Increase in Cash and Cash in Banks of Current Period</b>	466,668	117,372
<b>Cash and Cash in Banks at Beginning of the Period</b>	3,009,908	3,406,289
<b>Cash and Cash in Banks at End of the Period</b>	<b>3,476,576</b>	<b>3,523,661</b>