

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

DEC 31st 2018 & DEC 31st 2017

(Expressed in thousands of New Taiwan Dollars)

	2018.12.31		2017.12.31			2018.12.31		2017.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current Assets:					Current Liabilities:				
Cash and Cash Equivalents	4,441,678	30	3,009,908	25	Short-term Loans	1,051,916	7	1,093,050	9
Financial Assets at Fair Value through Profit or Loss - Current	294,310	2	66,870	1	Current Contract Liabilities	61,900	-	-	-
Notes and Accounts Receivable, net	3,285,623	23	3,104,846	26	Notes and Accounts Payable	896,803	6	1,370,532	11
Other Receivables	82,785	1	114,688	1	Accounts Payable - Related Parties	34,199	-	14,809	-
Inventories	2,595,655	18	2,193,230	18	Other Payables	1,427,390	10	840,807	7
Prepaid Expenses and Other Current Assets	93,421	1	70,831	1	Current Period Income Tax Liability	718,516	5	133,586	1
Total Current Assets	10,793,472	75	8,560,373	72	Long term liabilities due within one year	15,125	-	2,198	-
Noncurrent Assets:					Total Current Liabilities	4,205,849	28	3,454,982	28
Non-current financial assets at fair value through profit or loss	60,189	-	-	-	Noncurrent Liabilities:				
Non-current financial assets at fair value through other comprehensive income	113,261	1	-	-	Long-term Loans	55,817	-	68,014	1
Available-for-sale Financial Assets - Noncurrent	-	-	334,574	3	Deferred Income Tax Liabilities	63,523	-	16,684	-
Financial Assets Carried at Cost - Noncurrent	-	-	323,716	3	Accrued Pension Liabilities - Noncurrent	63,362	-	61,707	1
Investments Accounted for Using Equity Method	319,815	2	748	-	Other Noncurrent Liabilities - Others	2,365	-	2,311	-
Property, Plant and Equipment	2,861,410	20	2,320,640	19	Total Noncurrent Liabilities	185,067	-	148,716	2
Intangible Assets	19,586	-	186,263	2	Total Liabilities	4,390,916	28	3,603,698	30
Deferred Income Tax Assets	69,768	-	36,901	-	Equity Attributable to Parent Company:				
Prepaid Expense on Equipment	307,759	2	140,515	1	Common Stock	1,579,908	11	1,579,908	13
Other Noncurrent Assets - Others	21,728	-	23,268	-	Capital Surplus	3,403,321	23	3,493,390	29
Total Noncurrent Assets	3,773,516	25	3,366,625	28	Retained Earnings:				
					Legal Reserve	1,360,044	10	1,272,159	11
					Unappropriated Earnings	3,438,564	24	1,408,577	12
					Total Retained Earnings	4,798,608	34	2,680,736	23
					Other Equity:				
					Exchange Differences on Translation of Financial Statements of Foreign Operations	(45,369)	-	(57,854)	-
					Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(87,547)	-	-	-
					Unrealized gains and losses on Available-for-sale Financial Assets	-	-	163,625	1
					Total Other Equity	(132,916)	-	105,771	1
					Total Equity Attributable to Stockholders of Parent Company	9,648,921	68	7,859,805	66
					Non-Controlling Equity	527,151	4	463,495	4
					Total Equity	10,176,072	72	8,323,300	70
Total Assets	14,566,988	100	11,926,998	100	Total Liabilities and Equity	14,566,988	100	11,926,998	100

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

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

	Jan 1st-Dec 31st 2017, 2018			
	2018 Jan-Dec		2017 Jan-Dec	
	Amount	%	Amount	%
Net Sales	16,350,840	100	13,108,837	100
Cost of Goods Sold	10,605,078	65	10,687,871	82
Gross Profit	5,745,762	35	2,420,966	18
Operating Expense				
Selling and Administrative	1,788,973	11	1,249,303	10
Research and Development	345,848	2	287,480	2
Expected Credit Loss (gain)	8,821	-	-	-
Total Operating Expense	2,143,642	13	1,536,783	12
Operating Income	3,602,120	22	884,183	6
Non-Operating Income and Expenses:				
Other Gains and Losses	(81,450)	-	51,014	-
Financial Costs	(24,479)	-	(20,714)	-
Share of Profit of Associates Accounted for Using Equity Method	11,056	-	(252)	-
Interest Income	14,617	-	14,299	-
Total Non-Operating Income and Expenses	(80,256)	-	44,347	-
Income before Income Tax	3,521,864	22	928,530	6
Less: Income Tax Expense	(841,959)	(5)	(191,092)	(1)
Net Income for Current Period	2,679,905	17	737,438	5
Other Comprehensive Gains and Losses:				
Items not to be reclassified into profit or loss:				
Defined benefit plans	(3,200)	-	(3,414)	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(15,413)	-	-	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,332	-	-	-
Total Items not to be reclassified	(17,281)	-	(3,414)	-
Revaluation gain or loss arising from reclassification				
Exchange Differences on Translation of Financial Statements of Foreign Operations	14,098	-	(73,255)	(1)
Unrealized Valuation Gains (Loss) on Available-for-sale Financial Assets	-	-	8,711	-
Income Tax arising from revaluation gain or loss	-	-	5,098	-
Total revaluation gain or loss arising from reclassification	14,098	-	(59,446)	(1)
Other Comprehensive Gains and Losses (Net of Tax)	(3,183)	-	(62,860)	(1)
Total Comprehensive Profit or Loss for Current Period	2,676,722	17	674,578	4
Net Income Attributable to:				
Stockholders of Parent Company	2,781,612	18	878,853	6
Non-Controlling Equity	(101,707)	(1)	(141,415)	(1)
	2,679,905	17	737,438	5
Comprehensive Profit or Loss Attributable to:				
Stockholders of Parent Company	2,771,323	18	804,585	5
Non-Controlling Equity	(94,601)	(1)	(130,007)	(1)
	2,676,722	17	674,578	4
Earnings per Share				
Basic Earnings per Share (Unit: NT Dollar)		17.61		4.40
Diluted Earnings per Share (Unit: NT Dollar)		17.13		4.37

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HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
Jan 1st-Dec 31st, 2017 and 2018
(Expressed in thousands of New Taiwan dollars)

	Equity Attributable to Stockholders of Parent Company									
	Retained Earnings				Other Equity					
	Common Stock	Capital Surplus	Legal Reserve	Unappropri- ed Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealised gains (loses)from investments in equity instruments measured at fair value through other comprehensive income	Unrealized Gain (Loss) on Available-for-sale Financial Products	Total Equity Attributable to Stockholders of Parent Company	Non- Controlling Equity	Total Equity
Beginning Balance, Jan. 1st, 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	-	-	-	878,853	-	-	-	878,853	(141,415)	737,438
Other Comprehensive Profit or Loss for Current Period	-	-	-	(3,414)	(71,134)	-	280	(74,268)	11,408	(62,860)
Total Comprehensive Profit or Loss for Current Period	-	-	-	875,439	(71,134)	-	280	804,585	(130,007)	674,578
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)
Employees Stock Options	10,400	38,376	-	-	-	-	-	48,776	-	48,776
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	-	-	-	-	-	-	-	-	199	199
Ending Balance, Dec. 31st, 2017	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	-	-	-	2,781,612	-	-	-	2,781,612	(101,707)	2,679,905
Other Comprehensive Profit or Loss for Current Period	-	-	-	(3,200)	12,485	(19,574)	-	(10,289)	7,106	(3,183)
Total Comprehensive Profit or Loss for Current Period	-	-	-	2,778,412	12,485	(19,574)	-	2,771,323	(94,601)	2,676,722
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	-	(47,397)	-	-	-	-	-	(47,397)	-	(47,397)
Profit(loss) of associates and joint ventures accounted for using equity method	-	(42,672)	-	139,135	-	(150,000)	-	(53,537)	-	(53,537)
Non-controlling Interests	-	-	-	-	-	-	-	-	183,359	183,359
Ending Balance, Dec. 31st, 2018	1,579,908	3,403,321	1,360,044	3,438,564	(45,369)	(87,547)	-	9,648,921	527,151	10,176,072

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

Jan 1st-Dec 31st, 2018 and 2017

(Expressed in thousands of New Taiwan Dollars)

	2018	2017
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 3,521,864	928,530
Adjustments:		
Incomes or Expenses		
Depreciation Expense	316,488	282,465
Amortization Expense	2,914	3,702
Bad Debt Expense	8,821	1,565
Net Loss (gain) on financial assets or liabilities at fair value through profit or loss	41,176	-
Interest Expense	24,479	20,714
Interest Income	(14,617)	(14,299)
Dividend Income	(3,734)	(25,342)
Share of Profit of Associates Accounted for Using Equity Method	(11,056)	252
Gain (Loss) on Disposal and Scrap of Property and Equipment	7,809	(6,444)
Gain on Disposal of Investment	(75,436)	(53,861)
Gain (Loss) on Non-Financial Assets	167,594	48,690
Total Incomes or Expenses that do not affect Cash Flow	464,438	257,442
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss - Current	(261,657)	25,498
Notes and Accounts Receivable	(189,564)	291,884
Other Receivables	32,428	37,165
Inventory	(402,425)	(387,266)
Other Prepayments and other Current Assets	(22,590)	(27,605)
Net Change in Assets and Liabilities related to Operating Activities	(843,808)	(60,324)
Changes in operating liabilities:		
Contract Liabilities	29,198	-
Accounts and Notes Payable	(473,729)	305,747
Accounts Receivable-Related Parties	19,390	(11,602)
Increase (decrease) in other payable	617,605	259,857
Net defined benefit liability	(1,545)	(1,444)
Total changes in operating liabilities	190,919	552,558
Total changes in operating assets and liabilities	(652,889)	492,234
Total Adjustments	(188,451)	749,676
Cash Flow generated from Operating Activities	3,333,413	1,678,206
Interest Received	14,092	15,394
Dividend Received	3,734	25,342
Interest Paid	(24,199)	(21,513)
Income Tax Paid	(241,725)	(114,141)
Cash Flow generated from Operating Activities	3,085,315	1,583,288
Cash flows from (used in) investing activities:		
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	(10,823)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	20,561	-
Proceeds from disposal of available-for-sale financial assets	-	109,160
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	11,904	-
Acquisition of investments accounted for using equity method	(9,475)	(1,000)
Acquisition of property, plant and equipment	(863,864)	(337,820)
Proceeds from disposal of property, plant and equipment	2,625	14,589
Acquisition of intangible assets	(1,278)	(936)
Decrease in other non-current assets	1,535	(1,061)
Increase Prepayments on Equipments	(165,844)	-
Dividends received	25,050	-
Net Cash Flows generated from (used in) Investing Activities	(988,706)	(223,420)
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	(41,134)	(570,009)
Increase in Long-term Loans	-	52,973
Decrease in Long-term Loans	(2,016)	(1,989)
Increase in Non-current Liability	54	(557)
Cash dividends paid	(837,351)	(560,538)
Capital Decreased by Cash	-	(672,646)
Exercise Employee Stock Warrants	-	48,776
Disposal of ownership interests in subsidiaries (without losing control)	163	-
Changes in Non-Controlling Equity	205,451	250
Net Cash Flows (generated from) used in Financing Activities	(674,833)	(1,703,740)
Effect of Exchange Rate Changes in Cash and Cash Equivalents	9,994	(52,509)
Net increase (decrease) in cash and cash equivalents	1,431,770	(396,381)
Cash and Cash in Banks at Beginning of the Period	3,009,908	3,406,289
Cash and Cash in Banks at End of the Period	4,441,678	3,009,908

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