

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

MAR 31st 2019, DEC 31st and MAR 31st 2018
(Expressed in thousands of New Taiwan Dollars)

Assets	2019.3.31		2018.12.31		2018.3.31		Liabilities and Equity	2019.3.31		2018.12.31		2018.3.31	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current Assets:							Current Liabilities:						
Cash and Cash Equivalents	5,124,190	36	4,441,678	30	3,397,772	28	Short-term Loans	418,633	3	1,051,916	7	1,384,070	11
Financial Assets at Fair Value through Profit or Loss - Current	284,615	2	294,310	2	148,466	1	Current Contract Liabilities	49,788	-	61,900	-	47,489	-
Notes and Accounts Receivable, net	2,316,813	16	3,285,623	23	2,997,072	25	Notes and Accounts Payable	773,453	6	896,803	6	794,240	7
Other Receivables	88,150	1	82,785	1	57,800	-	Accounts Payable - Related Parties	19,565	-	34,199	-	15,812	-
Inventories	2,475,077	18	2,595,655	18	2,192,616	18	Other Payables	1,618,819	11	1,427,390	10	937,594	8
Prepaid Expenses and Other Current Assets	67,759	-	93,421	1	58,562	-	Current Period Income Tax Liability	776,436	6	718,516	5	263,033	2
Total Current Assets	10,356,604	73	10,793,472	75	8,852,288	72	Lease liabilities-Current	19,967	-	-	-	-	-
							Long term liabilities due within one year	19,303	-	15,125	-	2,206	-
Noncurrent Assets:							Total Current Liabilities	3,695,964	26	4,205,849	28	3,444,444	28
Non-current financial assets at fair value through profit or loss	59,475	-	60,189	-	75,498	1	Noncurrent Liabilities:						
Non-current financial assets at fair value through other comprehensive income	109,852	1	113,261	1	483,508	4	Long-term Loans	50,474	-	55,817	-	69,204	1
Investments Accounted for Using Equity Method	326,752	2	319,815	2	710	-	Deferred income tax liabilities	63,523	-	63,523	-	16,684	-
Property, Plant and Equipment	2,991,824	21	2,861,410	20	2,404,798	20	Lease liabilities-Non-Current	34,968	-	-	-	-	-
Right-of-use assets	54,805	-	-	-	-	-	Defined Benefit Liabilities-Non-Current	63,362	-	63,362	-	61,707	1
Intangible Assets	16,560	-	19,586	-	181,902	1	Other Noncurrent Liabilities - Others	2,367	-	2,365	-	2,261	-
Deferred Income Tax Assets	71,636	-	69,768	-	36,897	-	Total Noncurrent Liabilities	214,694	-	185,067	-	149,856	2
Prepaid Expense on Equipment	341,382	3	307,759	2	211,100	2	Total Liabilities	3,910,658	26	4,390,916	28	3,594,300	30
Other Noncurrent Assets - Others	21,483	-	21,728	-	22,807	-	Equity Attributable to Parent Company:						
Total Noncurrent Assets	3,993,769	27	3,773,516	25	3,417,220	28	Common Stock	1,579,908	11	1,579,908	11	1,579,908	13
							Capital Surplus	3,403,643	24	3,403,321	23	3,493,390	29
							Retained Earnings:						
							Legal Reserve	1,360,044	10	1,360,044	10	1,272,159	10
							Unappropriated Earnings	3,712,228	26	3,438,564	24	1,888,578	15
							Total Retained Earnings	5,072,272	36	4,798,608	34	3,160,737	25
							Other Equity:						
							Exchange Differences on Translation of Financial Statements of Foreign Operations	(36,578)	-	(45,369)	-	(63,939)	(1)
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(90,769)	(1)	(87,547)	-	92,809	1
							Total Other Equity	(127,347)	(1)	(132,916)	-	28,870	-
							Total Equity Attributable to Stockholders of Parent Company	9,928,476	70	9,648,921	68	8,262,905	67
							Non-Controlling Equity	511,239	4	527,151	4	412,303	3
							Total Equity	10,439,715	74	10,176,072	72	8,675,208	70
Total Assets	14,350,373	100	14,566,988	100	12,269,508	100	Total Liabilities and Equity	14,350,373	100	14,566,988	100	12,269,508	100

This report is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

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-Mar 31st 2018, 2019			
	2019 Jan-Mar		2018 Jan-Mar	
	Amount	%	Amount	%
Net Sales	3,032,206	100	3,353,877	100
Cost of Goods Sold	2,203,440	73	2,332,471	70
Gross Profit	828,766	27	1,021,406	30
Operating Expense				
Selling and Administrative	481,957	16	366,328	11
Research and Development	87,253	3	70,298	2
Expected Credit Loss (gain)	(214)	-	3,966	-
Total Operating Expense	568,996	19	440,592	13
Operating Income	259,770	8	580,814	17
Non-Operating Income and Expenses:				
Other Gains and Losses	58,924	2	13,637	-
Financial Costs	(4,848)	-	(7,884)	-
Share of Profit of Associates Accounted for Using Equity Method	6,427	-	(38)	-
Interest Income	4,183	-	2,134	-
Total Non-Operating Income and Expenses	64,686	2	7,849	-
Income before Income Tax	324,456	10	588,663	17
Less: Income Tax Expense	67,808	2	132,837	4
Net Income for Current Period	256,648	8	455,826	13
Other Comprehensive Gains and Losses:				
Items not to be reclassified into profit or loss:				
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,435)	-	18,689	1
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,868	-	-	-
Total Items not to be reclassified	(1,567)	-	18,689	1
Revaluation gain or loss arising from reclassification				
Exchange Differences on Translation of Financial Statements of Foreign Operations	8,242	-	(6,186)	(1)
Total revaluation gain or loss arising from reclassification	8,242	-	(6,186)	-
Other Comprehensive Gains and Losses (net)	6,675	-	12,503	1
Total Comprehensive Profit or Loss for Current Period	263,323	8	468,329	14
Net Income Attributable to:				
Stockholders of Parent Company	273,664	9	489,722	14
Non-Controlling Equity	(17,016)	(1)	(33,896)	(1)
Net Income for Current Period	256,648	8	455,826	13
Comprehensive Profit or Loss Attributable to:				
Stockholders of Parent Company	279,233	9	494,419	15
Non-Controlling Equity	(15,910)	(1)	(26,090)	(1)
Total Comprehensive Profit or Loss for Current Period	263,323	8	468,329	14
Earnings per Share (Unit: NT Dollar)				
Basic Earnings per Share (Unit: NT Dollar)		1.73		3.10
Diluted Earnings per Share (Unit: NT Dollar)		1.70		3.07

This report is prepared in accordance with the Chinese version and is for reference only.

In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
Jan 1st-Mar 31st, 2019 and 2018
(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	Unappropriat ed Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Products	(losses) from investments in equity instruments measured at fair value through other comprehensive income				
Beginning Balance, Jan 1st, 2018	1,579,908	3,493,390	1,272,159	1,408,577	(57,854)	-	163,625	7,859,805	463,495	8,323,300
Retroactive Adjustment	-	-	-	(9,721)	-	82,027	(163,625)	(91,319)	(25,102)	(116,421)
Balanmce after Restatement, Jan. 1st, 2018	1,579,908	3,493,390	1,272,159	1,398,859	(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
Ending Balance, Mar 31st, 2018	1,579,908	3,493,390	1,272,159	1,888,578	(63,939)	92,809	-	8,262,905	412,303	8,675,208
Beginning Balance, Jan 1st, 2019	1,579,908	3,403,321	1,360,044	3,438,564	(45,369)	(87,547)	-	9,648,921	527,151	10,176,072
Net Income for Current Period	-	-	-	273,664	-	-	-	273,664	(17,016)	256,648
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	8,791	(3,222)	-	5,569	1,106	6,675
Total Comprehensive Profit or Loss for Current Period	-	-	-	273,664	8,791	(3,222)	-	279,233	(15,910)	263,323
Profit(loss) of associates and joint ventures accounted for using equity method	-	322	-	-	-	-	-	322	-	322
Non-controlling Interests	-	-	-	-	-	-	-	-	(2)	(2)
Ending Balance, Mar 31st, 2019	1,579,908	3,403,643	1,360,044	3,712,228	(36,578)	(90,769)	-	9,928,476	511,239	10,439,715

This report is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW

Jan 1st-Mar 31st, 2019 and 2018

(Expressed in thousands of New Taiwan Dollars)

	2019 Jan-Mar	2018 Jan-Mar
Cash Flows generated from Operating activities:		
Income before Income Tax	324,456	588,663
Adjustments:		
Incomes or Expenses		
Depreciation Expense	108,972	63,986
Amortization Expense	1,613	799
Expected Credit Impairment Loss	(214)	3,966
Net Loss (gain) on financial assets or liabilities at fair value through profit or loss	(32,357)	1,388
Interest Expense	4,848	7,884
Interest Income	(4,183)	(2,134)
Dividend Income	(15)	(13)
Share of Profit of Associates Accounted for Using Equity Method	(6,427)	38
Gain (Loss) on Disposal and Scrap of Property and Equipment	(45)	(182)
Gain on Disposal of Investment	176	-
Gain (Loss) on Non-Financial Assests	1,377	-
Total Incomes or Expenses that do not affect Cash Flow	73,745	75,732
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss - Current	28,002	(81,596)
Notes and Accounts Receivable	969,090	103,649
Other Receivables	(4,534)	57,121
Inventory	120,578	614
Other Prepayments and other Current Assets	25,646	17,841
Net Change in Assets and Liabilities related to Operating Activities	1,138,782	97,629
Changes in Operating Liabilities:		
Contract Liabilities	(12,108)	14,787
Accounts and Notes Payable	(123,350)	(576,292)
Accounts Receivable-Related Parties	(14,634)	1,003
Increase (decrease) in other payable	191,968	129,427
Total changes in operating liabilities	41,876	(431,075)
Total changes in operating assets and liabilities	1,180,658	(333,446)
Total Adjustments	1,254,403	(257,714)
Cash Flow generated from Operating Activities	1,578,859	330,949
Interest Received	3,352	1,901
Dividend Received	15	13
Interest Paid	(5,139)	(7,822)
Income Tax Paid	(9,866)	(8,962)
Cash Flow generated from Operating Activities	1,567,221	316,079
Cash flows from (used in) investing activities:		
Disposal of financial assets at fair value through profit or loss	14,764	-
Proceeds from disposal of subsidiaries	(357)	-
Acquisition of property, plant and equipment	(233,701)	(214,279)
Proceeds from disposal of property, plant and equipment	440	328
Increase Prepayments on Equipments	(33,623)	-
Decrease in other non-current assets	238	522
Net Cash Flows generated from (used in) Investing Activities	(252,239)	(213,429)
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	(633,283)	291,020
Repayments of long-term debt	(739)	(546)
Payments of lease liabilities	(5,338)	-
Decrease in other non-current liabilities	2	(50)
Net Cash Flows (generated from) used in Financing Activities	(639,358)	290,424
Effect of Exchange Rate Changes in Cash and Cash Equivalents	6,888	(5,210)
Net increase (decrease) in cash and cash equivalents	682,512	387,864
Cash and Cash in Banks at Beginning of the Period	4,441,678	3,009,908
Cash and Cash in Banks at End of the Period	5,124,190	3,397,772

This report is prepared in accordance with the Chinese version and is for reference only.

In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.