

HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

SEP 30th 2019, DEC 31st and SEP 30th 2018

(Expressed in thousands of New Taiwan Dollars)

	2019.9.30		2018.12.31		2018.9.30			2019.9.30		2018.12.31		2018.9.30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current Assets:							Current Liabilities:						
Cash and Cash Equivalents	3,418,108	26	4,441,678	30	3,476,576	25	Short-term Loans	1,001,143	7	1,051,916	7	1,217,781	9
Financial Assets at Fair Value through Profit or Loss - Current	515,452	4	294,310	2	231,087	2	Current Contract Liabilities	67,683	1	61,900	-	57,065	-
Notes and Accounts Receivable, net	3,084,147	23	3,285,623	23	4,293,963	30	Notes and Accounts Payable	825,604	6	896,803	6	1,019,540	7
Other Receivables	52,121	-	82,785	1	83,266	1	Accounts Payable - Related Parties	40,766	-	34,199	-	34,357	-
Inventories	2,189,054	16	2,595,655	18	2,467,596	17	Other Payables	1,355,901	10	1,427,390	10	1,144,885	8
Prepaid Expenses and Other Current Assets	96,138	1	93,421	1	104,613	1	Current Period Income Tax Liability	273,173	2	718,516	5	540,954	4
Total Current Assets	9,355,020	70	10,793,472	75	10,657,101	76	Lease liabilities-Current	17,738	-	-	-	-	-
							Long term liabilities due within one year	20,577	-	15,125	-	10,486	-
Noncurrent Assets:							Total Current Liabilities	3,602,585	26	4,205,849	28	4,025,068	28
Non-current financial assets at fair value through profit or loss	41,878	-	60,189	-	62,215	-							
Non-current financial assets at fair value through other comprehensive income	73,139	1	113,261	1	119,655	1	Noncurrent Liabilities:						
Investments Accounted for Using Equity Method	317,932	2	319,815	2	312,889	2	Long-term Loans	91,650	1	55,817	-	58,647	-
Property, Plant and Equipment	3,219,003	24	2,861,410	20	2,587,468	18	Deferred income tax liabilities	63,523	1	63,523	-	16,684	-
Right-of-use assets	47,484	-	-	-	-	-	Lease liabilities-Non-Current	30,053	-	-	-	-	-
Intangible Assets	16,301	-	19,586	-	110,142	1	Defined Benefit Liabilities-Non-Current	63,362	1	63,362	-	61,707	1
Deferred Income Tax Assets	71,604	1	69,768	-	36,906	-	Other Noncurrent Liabilities - Others	2,384	-	2,365	-	2,118	-
Prepaid Expense on Equipment	237,637	2	307,759	2	321,234	2	Total Noncurrent Liabilities	250,972	3	185,067	-	139,156	1
Other Noncurrent Assets - Others	24,650	-	21,728	-	21,820	-	Total Liabilities	3,853,557	29	4,390,916	28	4,164,224	29
Total Noncurrent Assets	4,049,628	30	3,773,516	25	3,572,329	24	Equity Attributable to Parent Company:						
							Common Stock	1,579,908	12	1,579,908	11	1,579,908	11
							Capital Surplus	3,403,639	25	3,403,321	23	3,402,323	24
							Retained Earnings:						
							Legal Reserve	1,638,205	12	1,360,044	10	1,360,044	10
							Special Capital Reserve	132,916	1	-	-	-	-
							Unappropriated Earnings	2,485,611	19	3,438,564	24	3,287,154	23
							Total Retained Earnings	4,256,732	32	4,798,608	34	4,647,198	33
							Other Equity:						
							Exchange Differences on Translation of Financial Statements of Foreign Operations	(48,119)	-	(45,369)	-	(51,659)	-
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(85,668)	(1)	(87,547)	-	(78,984)	(1)
							Total Other Equity	(133,787)	(1)	(132,916)	-	(130,643)	(1)
							Total Equity Attributable to Stockholders of Parent Company	9,106,492	68	9,648,921	68	9,498,786	67
							Non-Controlling Equity	444,599	3	527,151	4	566,420	4
							Total Equity	9,551,091	71	10,176,072	72	10,065,206	71
Total Assets	13,404,648	100	14,566,988	100	14,229,430	100	Total Liabilities and Equity	13,404,648	100	14,566,988	100	14,229,430	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)

	July 1st-Sep 30th 2018, 2019				Jan 1st-Sep 30th 2018, 2019			
	2019 July-Sep		2018 July-Sep		2019 Jan-Sep		2018 Jan-Sep	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	4,053,002	100	5,055,617	100	10,837,795	100	12,717,597	100
Cost of Goods Sold	3,236,383	80	3,041,940	60	8,452,532	78	8,006,928	63
Gross Profit	816,619	20	2,013,677	40	2,385,263	22	4,710,669	37
Operating Expense								
Selling and Administrative	336,114	8	449,287	9	1,139,409	10	1,224,981	10
Research and Development	77,685	2	119,708	2	274,415	3	276,203	2
Expected Credit Loss (gain)	962	-	4,913	-	657	-	1,051	-
Total Operating Expense	414,761	10	573,908	11	1,414,481	13	1,502,235	12
Operating Income	401,858	10	1,439,769	29	970,782	9	3,208,434	25
Non-Operating Income and Expenses:								
Other Gains and Losses	(5,880)	-	18,361	-	78,639	1	15,596	-
Financial Costs	(5,727)	-	(7,278)	-	(13,437)	-	(21,600)	-
Share of Profit of Associates Accounted for Using Equity Method	5,550	-	6,827	-	18,234	-	6,689	-
Interest Income	3,839	-	2,638	-	14,385	-	8,886	-
Total Non-Operating Income and Expenses	(2,218)	-	20,548	-	97,821	1	9,571	-
Income before Income Tax	399,640	10	1,460,317	29	1,068,603	10	3,218,005	25
Less: Income Tax Expense	80,958	2	296,451	6	276,806	3	646,291	5
Net Income for Current Period	318,682	8	1,163,866	23	791,797	7	2,571,714	20
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	1,410	-	(878)	-	5,319	-	(8,970)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	104	-	-	-	1,834	-	-	-
Total Items not to be reclassified	1,514	-	(878)	-	7,153	-	(8,970)	-
Revaluation gain or loss arising from reclassification								
Exchange Differences on Translation of Financial Statements of Foreign Operations	(16,826)	-	(12,279)	-	(2,328)	-	8,263	-
Total revaluation gain or loss arising from reclassification	(16,826)	-	(12,279)	-	(2,328)	-	8,263	-
Other Comprehensive Gains and Losses (Net)	(15,312)	-	(13,157)	-	4,825	-	(707)	-
Total Comprehensive Income for Current Period	303,370	8	1,150,709	23	796,622	7	2,571,007	20
Net Income Attributable to:								
Stockholders of Parent Company	342,542	9	1,170,427	23	880,041	8	2,627,002	20
Non-Controlling Equity	(23,860)	(1)	(6,561)	-	(88,244)	(1)	(55,288)	-
Net Income for Current Period	318,682	8	1,163,866	23	791,797	7	2,571,714	20
Comprehensive Profit or Loss Attributable to:								
Stockholders of Parent Company	329,054	9	1,155,637	23	879,170	8	2,622,186	20
Non-Controlling Equity	(25,684)	(1)	(4,928)	-	(82,548)	(1)	(51,179)	-
Earnings per Share	303,370	8	1,150,709	23	796,622	7	2,571,007	20
Basic Earnings per Share (Unit: NT Dollar)	2.17		7.41		5.57		16.63	
Diluted Earnings per Share (Unit: NT Dollar)	2.15		7.28		5.49		16.30	

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HOLY STONE ENTERPRISE COMPANY LIMITED and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER EQUITY
Jan 1st-Sep 30th, 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	Special Capital Reserve	Unappropriate d 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	Unrealized Gain (Loss) on Available-for-sale Financial Products			
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	-	1,398,856	(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:											
Cash Dividends Distributed from Additional Paid-In Capital	-	(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
Ending Balance, Sep 30, 2018	1,579,908	3,402,323	1,360,044	-	3,287,154	(51,659)	(78,984)	-	9,498,786	566,420	10,065,206
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	-	-	-	-	880,041	-	-	-	880,041	(88,244)	791,797
Other Comprehensive Profit or Loss for Current Period	-	-	-	-	-	(2,750)	1,879	-	(871)	5,696	4,825
Total Comprehensive Profit or Loss for Current Period	-	-	-	-	880,041	(2,750)	1,879	-	879,170	(82,548)	796,622
Appropriations of Retained Earnings:											
Legal Capital Reserve	-	-	278,161	-	(278,161)	-	-	-	-	-	-
Speical Capital Reserve	-	-	-	132,916	(132,916)	-	-	-	-	-	-
Cash Dividends to Shareholders	-	-	-	-	(1,421,917)	-	-	-	(1,421,917)	-	(1,421,917)
Other Changes to Additional Paid-In Capital:											
Profit(loss) of associates and joint ventures accounted for using equity method	-	318	-	-	-	-	-	-	318	-	318
Non-controlling Interests	-	-	-	-	-	-	-	-	-	(4)	(4)
Ending Balance, Sep 30, 2019	1,579,908	3,403,639	1,638,205	132,916	2,485,611	(48,119)	(85,668)	-	9,106,492	444,599	9,551,091

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

Jan 1st-Sep 30th, 2019 and 2018

(Expressed in thousands of New Taiwan Dollars)

	<u>2019 Jan-Sep</u>	<u>2018 Jan-Sep</u>
Cash Flows generated from Operating activities:		
Income before Income Tax	\$ 1,068,603	3,218,005
Adjustments:		
Depreciation Expense	352,693	217,986
Amortization Expense	3,210	2,741
Expected Credit Impairment Loss	4,499	1,051
Net Loss (gain) on financial assets or liabilities at fair value through profit or loss	(34,708)	(3,182)
Interest Expense	13,437	21,600
Interest Income	(14,385)	(8,886)
Dividend Income	(278)	(737)
Share of Profit of Associates Accounted for Using Equity Method	(18,234)	(6,689)
Gain (Loss) on Disposal and Scrap of Property and Equipment	413	5,417
Gain on Disposal of Investment	180	-
Gain (Loss) on Non-Financial Assests	1,377	76,549
Total adjustments to reconcile profit (loss)	<u>308,204</u>	<u>305,850</u>
Total of Net Change in Assets and Liabilities related to Operating Activities:		
Financial Assets at Fair Value through Profit or Loss - Current	(194,778)	(163,382)
Notes and Accounts Receivable	196,729	(1,190,169)
Other Receivables	30,389	31,501
Inventory	406,601	(274,366)
Other Prepayments and other Current Assets	(2,732)	(33,782)
Net Change in Assets and Liabilities related to Operating Activities	<u>436,209</u>	<u>(1,630,658)</u>
Total of Net Change in Liabilities related to Operating Activities:		
Contract Liabilities	5,787	24,363
Accounts and Notes Payable	(71,199)	(350,992)
Accounts Receivable-Related Parties	6,567	19,548
Increase (decrease) in other payable	(70,840)	335,686
Total changes in operating liabilities	<u>(129,685)</u>	<u>28,605</u>
Total changes in operating assets and liabilities	<u>306,524</u>	<u>(1,602,053)</u>
Total Adjustments	<u>614,728</u>	<u>(1,296,203)</u>
Cash Flow generated from Operating Activities	1,683,331	1,921,802
Interest Received	14,660	8,807
Dividend Received	278	737
Interest Paid	(13,365)	(20,506)
Income Tax Paid	(722,127)	(238,923)
Cash Flow generated from Operating Activities	<u>962,777</u>	<u>1,671,917</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	903
Proceeds from capital reduction of financial assets at fair value through other comprehensive	45,523	11,904
Acquisition of finaancial assets at fair value through profit or loss	-	(1,823)
Proceeds from disposal of financial assets at fair value through profit or loss	26,655	20,560
Investments accounted for using equity method	-	(6,759)
Proceeds from disposal of subsidiaries	(348)	-
Acquisition of property, plant and equipment	(693,644)	(673,757)
Proceeds from disposal of property, plant and equipment	444	2,364
Acquisition of intangible assets	(1,299)	(75)
Decrease in prepayments for business facilities	70,122	-
Increase on Other Non-Current Assets	(3,011)	1,396
Dividends Received	20,542	25,049
Net Cash Flows generated from (used in) Investing Activities	<u>(535,016)</u>	<u>(620,238)</u>
Cash Flows generated from Financing Activities:		
Increase in Short-term Loans	(50,773)	124,731
Proceeds from long-term debt	50,000	-
Repayments of long-term debt	(10,548)	(1,830)
Payments of lease liabilities	(15,670)	-
Increase in other non-current liabilities	19	(193)
Cash dividends paid	(1,421,917)	(837,351)
Changes in Non-Controlling Equity	-	124,671
Net Cash Flows (generated from) used in Financing Activities	<u>(1,448,889)</u>	<u>(589,972)</u>
Effect of Exchange Rate Changes in Cash and Cash Equivalents	(2,442)	4,961
Net increase (decrease) in cash and cash equivalents	<u>(1,023,570)</u>	<u>466,668</u>
Cash and Cash in Banks at Beginning of the Period	<u>4,441,678</u>	<u>3,009,908</u>
Cash and Cash in Banks at End of the Period	<u>3,418,108</u>	<u>3,476,576</u>

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