



禾伸堂
Holy Stone

A Partner You Can Trust



Holy Stone Enterprise Co., Ltd.

(TW3026)

2011 Q3



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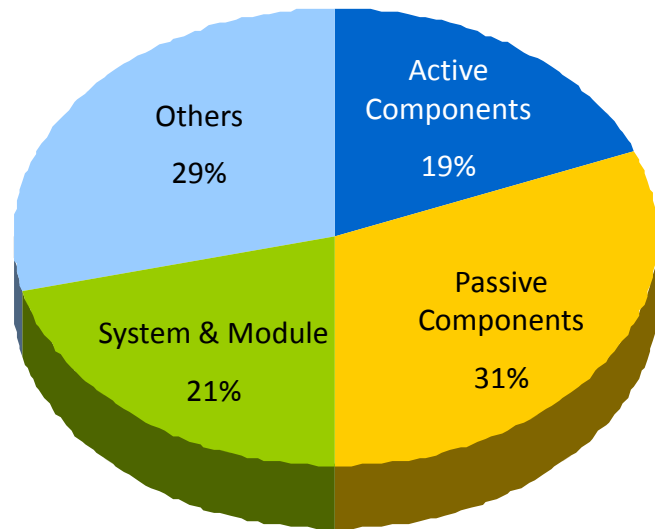
Safe Harbor Notice

The presentation and discussion contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation. The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements.

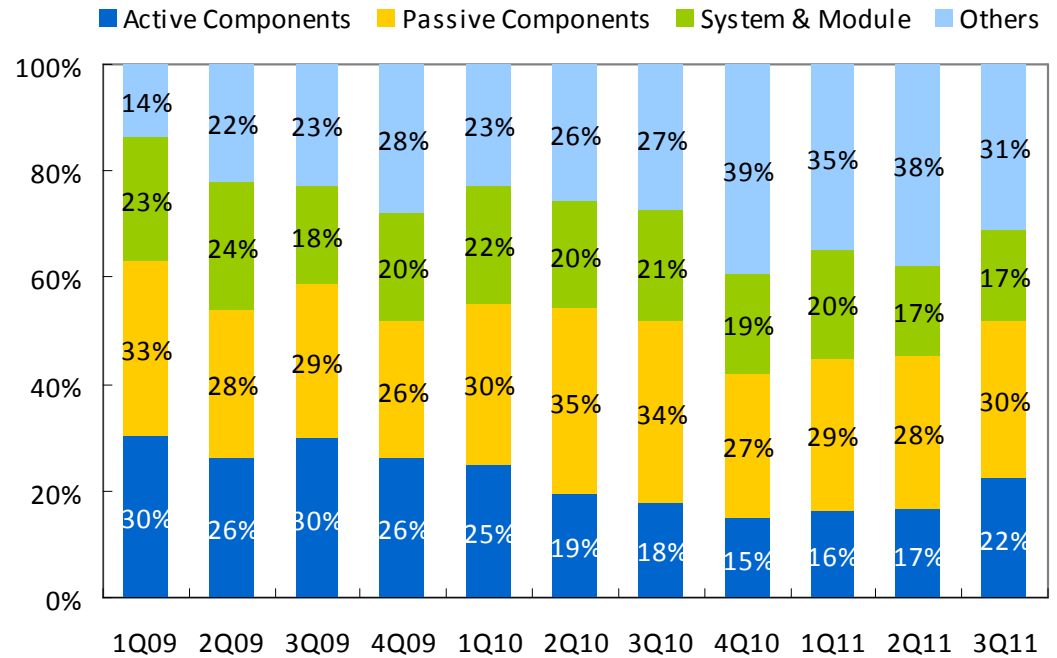


Revenue by Product Line

2010



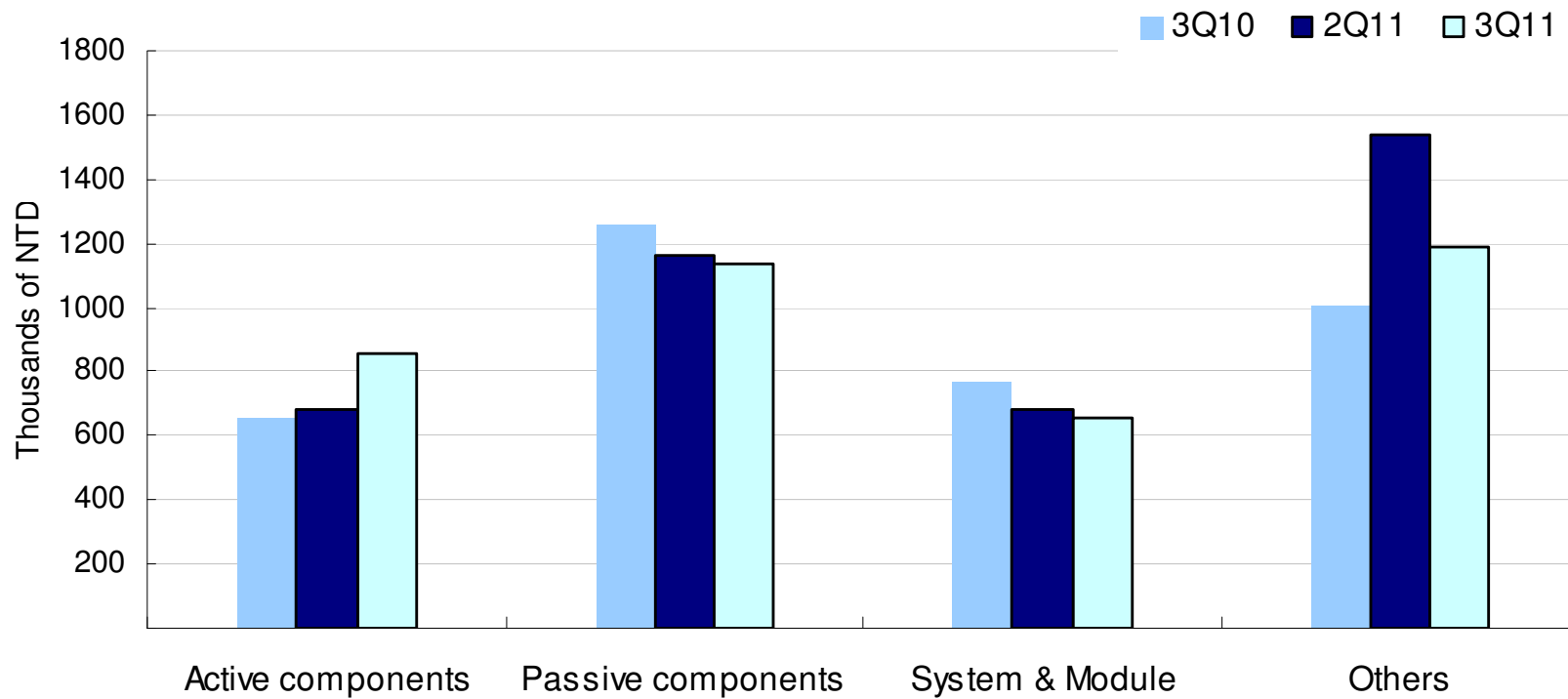
Quarterly Trend





Revenue by Product Line

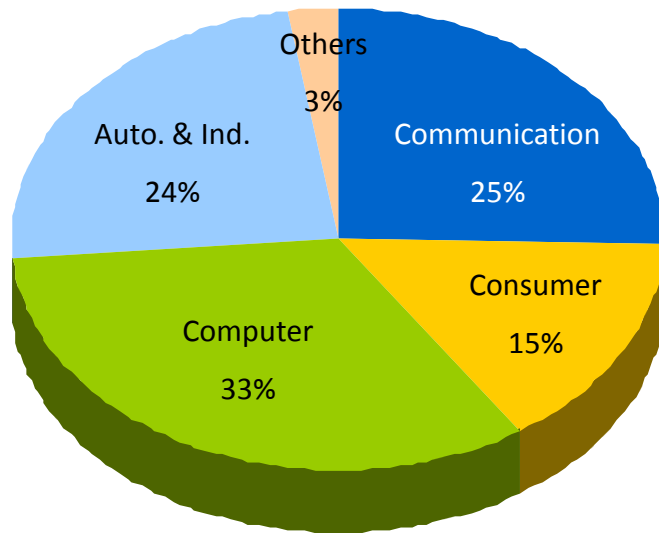
✦ QoQ and YoY



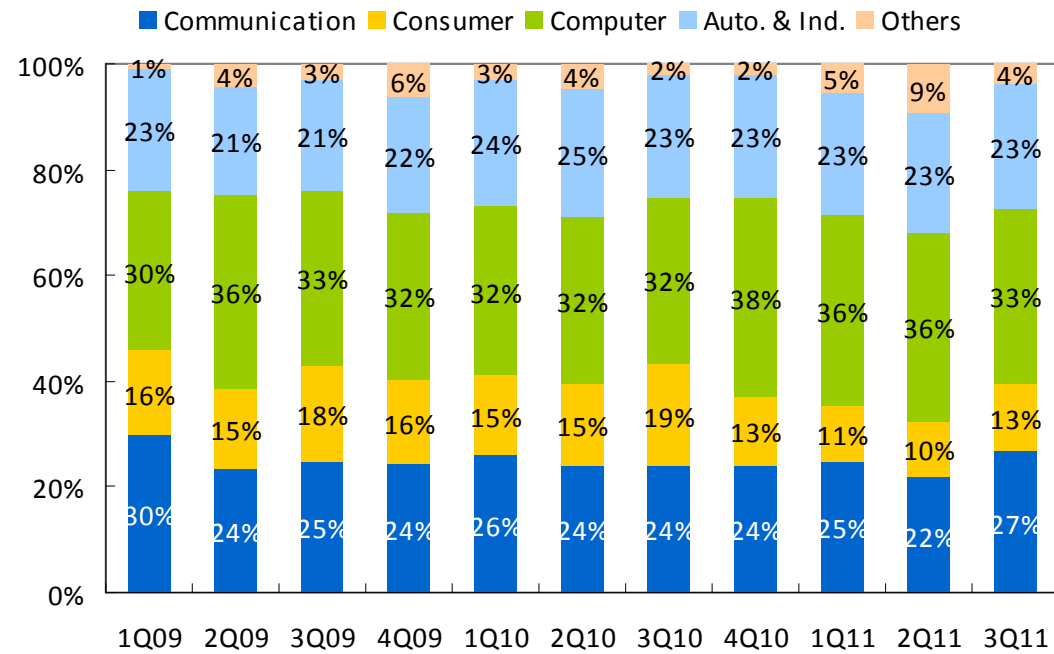


Revenue by Product Line

2010



Quarterly Trend



Financial Summary

3Q11 Consolidated Statement of Income

(Millions of NTD)	3Q11	2Q11	3Q10	QoQ	YoY
Net Sales	\$ 3,833	4,054	3,712	-5%	3%
Gross Margin	13.1%	12.7%	14.5%		
Operating Expenses	(306)	(296)	(317)	4%	-3%
Operating Income	195	218	222	-11%	-12%
Operating Margin	5.1%	5.4%	6.0%		
Non-operating Items	15	28	52	-46%	-71%
Consolidated Income before Income Tax	211	247	274	-15%	-23%
Net Income	229	224	225	2%	2%
EPS(NT\$)-after tax	\$ 0.72	0.67	0.77		
EBITDA	336	323	347	4%	-3%
EBITDA Margin	8.8%	8.0%	9.4%		

Note: EPS calculation is based on the weighted average outstanding shares at the end of each quarter.

Statements of Income

2011 YTD Consolidated Statement of Income

(Millions of NTD)	2011		2010		YoY
	Jan-Sep	%	Jan-Sep	%	
Net Sales	\$ 11,812	100.0	10,954	100.0	8%
Cost of Goods Sold	(10,336)	(87.5)	(9,272)	(84.6)	11%
Gross Profit	1,476	12.5	1,682	15.4	-12%
Operating Expense	(874)	(7.4)	(881)	(8.0)	-1%
Operating Income	602	5.1	801	7.4	-25%
Non-operating Income and Gains	223	1.9	104	0.9	116%
Non-operating Expenses and Losses	(111)	(0.9)	(65)	(0.6)	71%
Income before Income Tax	715	6.1	839	7.7	-15%
Net Income	673	5.7	686	6.3	-2%
EPS(NT\$)-after tax	\$ 2.05		2.33		



Balance Sheet & Key Indices

3Q11 Consolidated Balance Sheet Summary

Selected items from Balance Sheet (Millions of NTD)	3Q11		2Q11		3Q10	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	\$ 2,205	15%	3,230	21%	1,936	13%
Accounts receivable	4,013	28%	3,744	25%	3,606	25%
Inventories, net	2,341	16%	2,304	15%	2,831	20%
Total assets	14,422	100%	15,050	100%	14,491	100%
Short-term loans	1,769	12%	1,737	12%	1,672	12%
Long-term debt	256	2%	295	2%	1,066	7%
Total liabilities	4,704	33%	5,577	37%	4,618	32%
Total stockholders' equity	9,718	67%	9,473	63%	9,873	68%
Key Indice						
A/R Turnover Days	92		85		88	
Inventory Turnover Days	64		58		73	
Current Ratio (X)	2.14		1.91		2.67	
Net Debt/Equity Ratio	-1.9%		-12.6%		8.1%	



Statements of Cash Flows

3Q11 Consolidated Statement of Cash Flows Summary

(Millions of NTD)

	3Q11	2Q11	3Q10
Net income *	\$ 234	224	231
Net cash provided from operating activities	(162)	406	(795)
Net cash used in investing activities	(155)	170	(159)
Additions to property, plant and equipment	(143)	(140)	(142)
Net cash used in financing activities	(753)	(273)	210
Net increase (decrease) in cash and cash in bank	(1,025)	302	(459)
Cash and cash in bank at beginning of quarter	3230	2,928	2,395
Cash and cash in bank at end of quarter	\$ 2,205	3,230	1,936

Note: Net income includes minority interests.



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Statements of Cash Flows

✿ 2011 YTD Consolidated Statement of Cash Flows Summary

(Millions of NTD)	<u>2011 Jan-Sep</u>	<u>2010 Jan-Sep</u>
Net income	\$ 673	686
Net cash provided from operating activities	459	(656)
Depreciation & Amortization	197	177
Net cash used in investing activities	(2)	(618)
Proceeds from sales of available-for-sale financial assets	480	27
Additions to property, plant and equipment	(378)	(558)
Net cash used in financing activities	(586)	716
Issuance of corporate bond	-	700
Short-term/Long-term loans	(110)	(590)
Cash dividends	(737)	(862)
Issuance of common stock for cash	-	1,073
Net increase (decrease) in cash and cash in bank	(91)	(545)
Cash and cash in bank at beginning of period	2,296	2,481
Cash and cash in bank at end of period	\$ 2,205	1,936



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Q & A

Thank you for your attention.