

HOLY STONE ENTERPRISE CO., LTD.**Unconsolidated Balance Sheet**

As of Mar. 31, 2008 and Mar. 31, 2007

(Figures in Thousand of New Taiwan Dollars)

ASSETS	Mar. 31, 2008	%	Mar. 31, 2007	%	YoY %
Current Assets					
Cash	1,198,860	11.6	792,100	8.3	51.4
Account Receivable and Notes	3,454,047	33.4	3,181,003	33.3	8.6
Other Financial Assets	90,916	0.9	78,825	0.8	15.3
Inventories	1,630,570	15.8	1,435,471	15.0	13.6
Prepaid Expenses and Other Current Assets	123,413	1.2	97,169	1.0	27.0
Financial assets at fair value through profit or loss	270,544	2.6	411,893	4.3	(34.3)
Total Current Assets	6,768,350	65.5	5,996,461	62.7	12.9
Long-Term Investment	1,434,834	13.9	1,706,208	17.9	(15.9)
Fixed Assets	3,006,693	29.1	2,556,185	26.7	17.6
Accumulated Depreciation	(880,171)	(8.5)	(721,110)	(7.5)	22.1
Net Fixed Assets	2,126,522	20.6	1,835,075	19.2	15.9
Other Assets	7,119	0.0	20,324	0.2	(65.0)
Total Assets	10,336,825	100.0	9,558,068	100.0	8.1
LIABILITIES					
Current Liabilities					
Short-Term Loans	786,265	7.6	395,016	4.1	99.0
Account Payable and Notes	1,148,636	11.1	1,003,858	10.5	14.4
Other Current Liabilities	667,102	6.5	823,993	8.6	(19.0)
Total current Liabilities	2,602,003	25.2	2,222,867	23.2	17.1
Long-Term Liabilities					
Bonds Payable	0	0.0	0	0.0	
Other Liabilities	6,711	0.0	9,932	0.1	(32.4)
Total Liabilities	2,608,714	25.2	2,232,799	23.3	16.8
SHAREHOLDERS' EQUITY					
		0.0		0.0	0.0
Capital Stock	2,703,600	26.2	2,493,331	26.1	8.4
Capital Surplus	2,747,967	26.6	2,643,831	27.7	3.9
Legal Reserve	505,526	4.9	391,599	4.1	29.1
Special Reserve	0	0.0	293	0.0	(100.0)
Retained Earnings	1,712,537	16.6	1,635,616	17.1	4.7
Foreign currency translation adjustment	(7,361)	(0.1)	9,997	0.1	(173.6)
Unrealized gains of financial instruments	79,688	0.7	316,358	3.3	-
Treasury Stock	(13,846)	(0.1)	(165,756)	(1.7)	-
Total Equity	7,728,111	74.8	7,325,269	76.7	5.5
Total Liabilities & Shareholders' Equity	10,336,825	100.0	9,558,068	100.0	8.1

HOLY STONE ENTERPRISE CO., LTD.

Unconsolidated Income Statement

For the Three Months Ended Mar. 31, 2008

(Figures in Thousand of New Taiwan Dollars, Except for Per Share)

	Sequential comparison				Year over year comparison			
	1Q 2008	% of Sales	4Q 2007	QoQ %	1Q 2008	% of Sales	1Q 2007	YoY %
Net Sales	3,271,395	100.0	3,373,944	(3.0)	3,271,395	100.0	3,028,317	8.0
Cost of Goods Sold	(2,880,155)	(88.0)	(2,927,494)	(1.6)	(2,880,155)	(88.0)	(2,502,618)	15.1
Gross Profit before Intercompany Profit	391,240	12.0	446,450	(12.4)	391,240	12.0	525,699	(25.6)
Net (Unrealized) Realized Intercompany P	6,319	0.2	9,618	(34.3)	6,319	0.2	(7,262)	(187.0)
Net Gross Profit	397,559	12.2	456,068	(12.8)	397,559	12.2	518,437	(23.3)
Operating Expenses	(165,980)	(5.1)	(171,250)	(3.1)	(165,980)	(5.1)	(149,256)	11.2
Operating Income	231,579	7.1	284,818	(18.7)	231,579	7.1	369,181	(37.3)
Net Non-operating Income	25,168	0.8	44,763	(43.8)	25,168	0.8	27,396	(8.1)
Net Non-operating Expenses (Loss)	(10,331)	(0.3)	(80,392)	(87.1)	(10,331)	(0.3)	(20,019)	(48.4)
Income before Income Tax	246,416	7.6	249,189	(1.1)	246,416	7.6	376,558	(34.6)
Income Tax (Expenses)	(33,725)	(1.0)	(45,771)	(26.3)	(33,725)	(1.0)	(81,805)	(58.8)
Net Income	212,691	6.6	203,418	4.6	212,691	6.6	294,753	(27.8)
Earnings Per Share – Before Tax (1)	<u>\$0.91</u>		<u>\$0.92</u>		<u>\$0.91</u>		<u>\$1.54</u>	
Earnings Per Share – After Tax (1)	<u>\$0.79</u>		<u>\$0.75</u>		<u>\$0.79</u>		<u>\$1.21</u>	

Remarks: (1) EPS calculation is based on the weighted average outstanding shares at the end of each quarter.

HOLY STONE ENTERPRISE CO., LTD.**Unconsolidated Income Statement**

For the Three Months Ended Mar. 31, 2008 and 2007

(Figures in Thousand of New Taiwan Dollars, Except for Per Share)

	3 months ended Mar. 31			
	2008	% of Sales	2007	YoY %
Net Sales	3,271,395	100.0	3,028,317	8.0
Cost of Goods Sold	(2,880,155)	(88.0)	(2,502,618)	15.1
Gross Profit before Intercompany Profit	391,240	12.0	525,699	(25.6)
Net (Unrealized) Realized Intercompany Prc	6,319	0.2	(7,262)	(187.0)
Net Gross Profit	397,559	12.2	518,437	(23.3)
Operating Expenses	(165,980)	(5.1)	(149,256)	11.2
Operating Income	231,579	7.1	369,181	(37.3)
Net Non-operating Income	25,168	0.8	27,396	(8.1)
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Income before Income Tax	246,416	7.6	376,558	(34.6)
Income Tax (Expenses)	(33,725)	(1.0)	(81,805)	(58.8)
Net Income	212,691	6.6	294,753	(27.8)
Earnings Per Share – Before Tax (1)	\$0.91		\$1.54	
Earnings Per Share – After Tax (1)	\$0.79		\$1.21	

Remarks: (1) EPS calculation is based on the weighted average outstanding shares at the end of each quarter.

HOLY STONE ENTERPRISE CO., LTD.
Unconsolidated Statement of Cash Flows
For the Three Months Ended Mar. 31, 2008 and 2007
(Figures in Thousand of New Taiwan Dollars)

	<u>3 months 2008</u>	<u>3 months 2007</u>
Cash flows from operating activities :		
Net income	212,691	294,753
Adjustments:		
Depreciation	53,064	43,757
Amortization	-	4,150
Losses on others-accumulated depreciation-assets rented out	112	538
Loss (gain) on valuation of financial assets	(3,767)	(1,624)
Unrealized Gain from Intercompany profit	(6,319)	7,262
Loss (gain) on abandonment of property, plant and equipment, r	(760)	(65)
Fixed assets transferred to operating Expenses	-	885
Investment loss recognized by equity method	(11,465)	5,026
Deferred income tax expense (benefit)	(14,987)	8,247
Decrease (Increase) in Accounts/Notes Receivable	(118,269)	219,183
Decrease (increase) in accounts receivable-related parties	93,915	(52,188)
Decrease (Increase) in other financial assets	39,122	34,725
Decrease (Increase) in Inventories	6,667	75,778
Decrease (Increase) in Prepaid Accounts and Other Current Assets	36,474	(32,132)
Increase (Decrease) in Accounts/Notes Payable	53,984	(157,108)
Increase (decrease) in accounts payable-related parties	(31,447)	(29,296)
Increase (Decrease) in Income Tax Payable	48,523	73,411
Accrued Expenses 、 Pension & Other Liabilities	(17,496)	(80,823)
Financial instruments at fair value through profit or loss	<u>38</u>	<u>17,871</u>
Net cash provided from operating activities	<u>340,080</u>	<u>432,350</u>
Cash flows from investing activities :		
Proceeds from sale of property, plant and equipment	2,002	71
Decrease (increase) in fixed assets	(155,211)	(55,362)
Decrease (increase) in financial assets carried at cost	-	(46,063)
Decrease (increase) in long-term investments	(102,302)	(75,245)
Decrease (increase) in deposit out	<u>(264)</u>	<u>(2,863)</u>
Net cash used in investing activities	<u>(255,775)</u>	<u>(179,462)</u>
Cash flows from financing activities :		
Increase (decrease) in short-term loans	70,879	(93,917)
Decrease (increase) in refundable deposits	(3)	-
Issuance of stocks option	-	6,409
Decrease (increase) in treasury stock	-	<u>(151,799)</u>
Net cash used in financing activities	<u>70,876</u>	<u>(239,307)</u>
Net increase in cash and cash equivalents	155,181	13,581
Cash and cash equivalents at beginning of period	<u>1,043,679</u>	<u>778,519</u>
Cash and cash equivalents at end of period	<u>1,198,860</u>	<u>792,100</u>