

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

As of September 30, 2008 and September 30, 2007

(Figures in thousand of new taiwan dollars)

ASSETS	Sep. 30, 2008	%	Sep. 30, 2007	%	YoY %
Current Assets					
Cash	\$489,406	4	\$1,441,151	13	(66.0)
Account Receivable and Notes	3,910,685	36	3,685,079	34	6.1
Other Financial Assets*	195,785	2	143,951	2	36.0
Inventories	1,551,789	13	1,547,255	14	0.3
Prepaid Expenses and Other Current Assets	185,920	2	118,247	1	57.2
Financial assets at fair value through profit or loss-current	342,188	3	355,025	3	(3.6)
Total Current Assets	6,675,773	60	7,290,708	67	(8.4)
Long-Term Investment	2,043,400	19	1,450,392	14	40.9
Fixed Assets	3,310,842	30	2,845,582	26	16.4
Accumulated Depreciation	(987,314)	(9)	(792,628)	(7)	24.6
Net Fixed Assets	2,323,528	21	2,052,954	19	13.2
Other Assets	7,151	0	10,966	0	(34.8)
Total Assets	11,049,852	100	10,805,020	100	2.3
LIABILITIES					
Current Liabilities					
Short-Term Loans	840,454	7	1,001,642	9	(16.1)
Account Payable and Notes*	1,447,977	13	1,282,931	12	12.9
Other Current Liabilities	485,384	5	1,327,809	12	(63.4)
Total current Liabilities	2,773,815	25	3,612,382	33	(23.2)
Long-Term Liabilities					
Long-Term Loans	881,000	8	0	0	0.0
Other Liabilities	6,714	0	9,931	0	(32.4)
Total Liabilities	3,661,529	33	3,622,313	33	1.1
SHAREHOLDERS' EQUITY					
Capital Stock	2,806,456	25	2,694,660	25	4.1
Capital Surplus	2,729,943	25	2,731,902	26	(0.1)
Legal Reserve	624,427	6	505,526	5	23.5
Retained Earnings	1,099,235	10	1,296,428	12	(15.2)
Foreign currency translation adjustment	48,071	0	5,029	0	855.9
Unrealized gains of financial instruments	80,191	1	130,053	1	(38.3)
Treasury Stock	0	0	(180,891)	(2)	(100.0)
Total Equity	7,388,323	67	7,182,707	67	2.9
Total Liabilities & Shareholders' Equity	\$11,049,852	100	10,805,020	100	2.3

Remarks: Figures of 2007 were adjusted and characterized properly.

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

For the Three Months Ended September 30, 2008

(Figures in thousand of new taiwan dollars, except for per share)

	Sequential comparison				Year over year comparison			
	3Q 2008	% of Sales	2Q 2008	QoQ %	3Q 2008	% of Sales	3Q 2007	YoY %
Net Sales	\$3,720,314	100.0	3,249,358	14.5	3,720,314	100.0	3,630,027	2.5
Cost of Goods Sold	(3,242,761)	(87.2)	(2,823,340)	14.9	(3,242,761)	(87.2)	(2,995,421)	8.3
Gross Profit before Intercompany Profit	477,553	12.8	426,018	12.1	477,553	12.8	634,606	(24.7)
Net (Unrealized) Realized Intercompany Profit	(3,393)	(0.1)	(1,900)	78.6	(3,393)	(0.1)	(9,004)	(62.3)
Net Gross Profit	474,160	12.7	424,118	11.8	474,160	12.7	625,602	(24.2)
Operating Expenses	(185,706)	(5.0)	(185,619)	0.0	(185,706)	(5.0)	(163,295)	13.7
Operating Income	288,454	7.7	238,499	20.9	288,454	7.7	462,307	(37.6)
Net Non-operating Income	71,993	1.9	76,551	(6.0)	71,993	1.9	19,160	275.7
Net Non-operating Expenses (Loss)	(60,838)	(1.6)	(56,073)	8.5	(60,838)	(1.6)	(24,891)	144.4
Income before Income Tax	299,609	8.0	258,977	15.7	299,609	8.0	456,576	(34.4)
Income Tax (Expenses)	(39,880)	(1.0)	(54,017)	(26.2)	(39,880)	(1.0)	(94,935)	(58.0)
Net Income	<u>\$259,729</u>	<u>7.0</u>	<u>204,960</u>	<u>26.7</u>	<u>259,729</u>	<u>7.0</u>	<u>361,641</u>	<u>(28.2)</u>
Earnings Per Share – Before Tax *	<u>\$1.07</u>		<u>\$0.96</u>		<u>\$1.07</u>		<u>\$1.69</u>	
Earnings Per Share – After Tax *	<u>\$0.93</u>		<u>\$0.76</u>		<u>\$0.93</u>		<u>\$1.34</u>	

Remarks: EPS calculation is based on the outstanding shares at the end of each quarter.

HOLY STONE ENTERPRISE CO., LTD.

Unconsolidated Income Statement

For the Nine Months Ended September 30, 2008 and 2007

(Figures in thousand of new taiwan dollars, except for per share)

	9 months ended		September 30	YoY %
	2008	% of Sales	2007	
Net Sales	\$10,241,067	100.0	9,791,701	4.6
Cost of Goods Sold	(8,946,256)	(87.4)	(8,079,472)	10.7
Gross Profit before Intercompany Profit	1,294,811	12.6	1,712,229	(24.4)
Net (Unrealized) Realized Intercompany Profit	1,026	0.0	(19,230)	105.3
Net Gross Profit	1,295,837	12.6	1,692,999	(23.5)
Operating Expenses	(537,305)	(5.2)	(482,746)	11.3
Operating Income	758,532	7.4	1,210,253	(37.3)
Net Non-operating Income	173,712	1.7	73,734	135.6
Net Non-operating Expenses (Loss)	(127,242)	(1.2)	(58,818)	116.3
Income before Income Tax	805,002	7.9	1,225,169	(34.3)
Income Tax (Expenses)	(127,622)	(1.2)	(239,580)	(46.7)
Net Income	\$677,380	6.7	985,589	(31.3)
Earnings Per Share – Before Tax *	\$2.88		\$4.65	
Earnings Per Share – After Tax *	\$2.43		\$3.74	

Remarks: 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 Nine Months Ended September 30, 2008 and 2007

(Figures in thousand of new taiwan dollars)

	<u>9 months 2008</u>	<u>9 months 2007</u>
Cash flows from operating activities:		
Net income	\$677,380	985,589
Adjustments:		
Depreciation	165,852	138,210
Amortization	-	12,452
Losses on others-accumulated depreciation-assets rented out	336	336
Unrealized gain (loss) from intercompany profit	(1,026)	19,230
Allowance for doubtful accounts	4,645	-
Unrealized loss from allowance for inventory valuation loss	-	10,599
Unrealized gain (loss) from inventory valuation loss	94,534	16,858
Loss (gain) on disposal of long-term investments at equity	(47,879)	(6,341)
Loss (gain) on disposal of available-for-sale financial assets	(2,943)	(17,100)
Loss on valuation of financial assets	2,492	554
Loss (gain) on abandonment of property, plant and equipment, net	(419)	939
Fixed assets transferred to operating expenses	1,234	798
Cash dividends from investee's company under equity method	4,637	5,181
Investment loss recognized by equity method	(58,681)	(12,192)
Deferred income tax benefit	(2,755)	(3,583)
Changes in assets and liabilities:		
Decrease (increase) in Financial assets at fair value through profit or loss	(77,865)	72,561
Decrease (increase) in accounts/notes receivable	(343,171)	(91,622)
Decrease (increase) in accounts receivable-related parties	(142,466)	(245,459)
Decrease (increase) in other financial assets	(60,950)	(30,465)
Decrease (increase) in inventories	(9,086)	(63,463)
Decrease (increase) in prepaid accounts and other current asset:	(38,265)	(41,380)
Increase (decrease) in accounts/notes payable	360,277	150,424
Increase (decrease) in accounts payable-related parties	(38,759)	(57,691)
Increase (decrease) in income tax payable	(143,205)	111,294
Increase (decrease) in accrued expenses and other current	99,838	(46,585)
Net cash provided from operating activities	<u>443,755</u>	<u>909,144</u>
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	2,923	1,236
Decrease (increase) in fixed assets	(415,116)	(344,212)
Proceed from sale of available-for-sale financial assets	13,288	24,458
Increase in long-term investments	(661,250)	(91,619)
Decrease in long-term investments	25,676	79,844
Decrease (increase) in Financial assets carried at cost	-	(46,063)
Decrease (increase) in deposit out	(296)	(1,807)
Net cash used in investing activities	<u>(1,034,775)</u>	<u>(378,163)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(26,932)	276,609
Increase (decrease) in long-term loans	904,000	-
Cash dividends paid	(811,055)	-
Directors' remuneration & employees bonuses	(29,266)	-
Issuance of stocks option	-	6,840
Decrease in treasury stock	-	(151,798)
Net cash used in financing activities	<u>36,747</u>	<u>131,651</u>
Net increaseing cash and cash equivalents	<u>(554,273)</u>	<u>662,632</u>
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><u>\$489,406</u></u>	<u><u>1,441,151</u></u>