

**HOLY STONE ENTERPRISE COMPANY LIMITED**  
**Balance Sheets**  
**December 31, 2009 and 2008**  
**(Expressed in thousands of New Taiwan Dollars)**

	12.31.2009		12.31.2008		YoY		12.31.2009		12.31.2008		YoY
	Amount	%	Amount	%	%		Amount	%	Amount	%	%
<b>Assets</b>											
<b>Current assets:</b>						<b>Liabilities and stockholders' equity</b>					
Cash and cash equivalents	\$ 1,616,573	14	1,107,952	10	46	<b>Current liabilities:</b>					
Financial assets at fair value through profit or loss-current	467,968	4	229,612	2	104	Short-term loans	\$ 885,258	7	656,469	6	35
Notes and accounts receivable, net	2,121,871	18	2,106,941	20	1	Notes and Accounts Payable	1,033,853	10	1,001,390	9	3
Receivables from related parties	816,592	7	838,033	8	(3)	Payables to related parties	18,546	-	36,673	-	(49)
Other financial assets-current	81,432	1	122,941	1	(34)	Income tax payable	102,914	1	13,390	-	669
Inventories, net	1,423,741	12	1,666,465	16	(15)	Accrued expenses and other current liabilities	394,721	3	385,113	4	2
Prepaid expenses and other current assets	76,897	1	148,787	1	(48)	Current portion of bonds payable	-	-	126,800	1	(100)
<b>Total current assets</b>	<b>6,605,074</b>	<b>56</b>	<b>6,220,731</b>	<b>58</b>	<b>6</b>	Current portion of long-term debt	125,417	1	51,000	-	146
<b>Funds and investments:</b>						<b>Total current liabilities</b>	<b>2,560,709</b>	<b>22</b>	<b>2,270,835</b>	<b>20</b>	<b>13</b>
Available-for-sale financial assets-noncurrent*	342,242	3	185,495	2	85	<b>Long-term liabilities</b>	<b>1,016,833</b>	<b>9</b>	<b>1,137,250</b>	<b>11</b>	<b>(11)</b>
Financial assets carried at cost-noncurrent*	300,000	3	300,000	3	-	<b>Other liabilities:</b>					
Long-term equity investments under equity method	2,210,849	19	1,669,365	16	32	Accrued pension liabilities	21,466	-	12,740	-	68
<b>Total funds and investments</b>	<b>2,853,091</b>	<b>25</b>	<b>2,154,860</b>	<b>21</b>	<b>32</b>	Deferred income tax liabilities-noncurrent	32,532	-	-	-	-
<b>Property, plant and equipment:</b>						Other liabilities	2,334	-	272	-	758
Land	460,179	4	440,783	4	4	<b>Total other liabilities</b>	<b>56,332</b>	<b>-</b>	<b>13,012</b>	<b>-</b>	<b>333</b>
Buildings	1,090,672	9	753,838	7	45	<b>Total liabilities</b>	<b>3,633,874</b>	<b>31</b>	<b>3,421,097</b>	<b>31</b>	<b>6</b>
Machinery and equipment	1,312,059	11	1,409,761	13	(7)	<b>Stockholders' equity:</b>					
Leasing assets	47,569	-	71,071	1	(33)	Common stock	2,872,175	24	2,806,456	26	2
Other equipment	146,549	1	253,995	2	(42)	Capital surplus	2,763,032	23	2,741,791	26	1
Subtotal	3,057,028	25	2,929,448	27	4	Retained earnings:					
Less: Accumulated depreciation	(752,372)	(6)	(945,300)	(9)	(20)	Legal reserve	691,876	6	624,427	6	11
Construction in progress and prepayments for equipment	38,498	-	360,457	3	(89)	Unappropriated earnings	1,373,352	12	1,096,352	10	25
<b>Net property, plant and equipment</b>	<b>2,343,154</b>	<b>19</b>	<b>2,344,605</b>	<b>21</b>	<b>(0)</b>		<b>2,065,228</b>	<b>18</b>	<b>1,720,779</b>	<b>16</b>	<b>20</b>
<b>Other assets</b>	<b>6,197</b>	<b>-</b>	<b>7,028</b>	<b>-</b>	<b>(12)</b>	Others:					
						Cumulative translation adjustments	34,041	-	73,076	1	(53)
						Net loss unrecognized as pension cost	(15,783)	-	(6,406)	-	146
						Unrealized gain or loss on financial instruments	454,949	4	(29,569)	-	1,639
							<b>473,207</b>	<b>4</b>	<b>37,101</b>	<b>-</b>	<b>1,175</b>
						<b>Total stockholders' equity</b>	<b>8,173,642</b>	<b>69</b>	<b>7,306,127</b>	<b>69</b>	<b>12</b>
						<b>Commitments and contingencies</b>					
<b>Total assets</b>	<b>\$11,807,516</b>	<b>100</b>	<b>10,727,224</b>	<b>100</b>	<b>10</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$11,807,516</b>	<b>100</b>	<b>10,727,224</b>	<b>100</b>	<b>10</b>

Note: Figures of 2008 were adjusted and characterized properly.

**HOLY STONE ENTERPRISE COMPANY LIMITED**  
**Statements of Income**  
**For the three months ended December 31, 2009**  
**(Expressed in thousands of New Taiwan Dollars, except earnings per share)**

	4Q 2009		3Q 2009		4Q 2008		QoQ		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	\$2,796,642	100.0	3,036,425	100.0	2,536,387	100.0	(239,783)	(7.9)	260,255	10.3
Cost of goods sold (Note 1)	(2,462,453)	(88.1)	(2,630,757)	(86.6)	(2,297,501)	(90.6)	168,304	(6.4)	(164,952)	7.2
Gross profit	334,189	11.9	405,668	13.4	238,886	9.4	(71,479)	(17.6)	95,303	39.9
Realized (unrealized) gross profit from affiliates	467	0.0	(409)	(0.0)	10,502	0.4	876	214.2	(10,035)	(95.6)
Realized gross profit	334,656	12.0	405,259	13.3	249,388	9.8	(70,603)	(17.4)	85,268	34.2
Operating expenses (Note 1)	(182,251)	(6.5)	(178,351)	(5.9)	(220,460)	(8.7)	(3,900)	2.2	38,209	(17.3)
Operating income	152,405	5.4	226,908	7.5	28,928	1.1	(74,503)	(32.8)	123,477	426.8
Non-operating income and gain (Note 1)	56,707	2.0	87,881	2.9	102,924	4.1	(31,174)	(35.5)	(46,217)	(44.9)
Non-operating expenses and losses (Note 1)	(13,536)	(0.5)	3,076	0.1	(122,510)	(4.8)	(16,612)	(540.1)	108,974	(89.0)
Income before income tax	195,576	7.0	317,865	10.5	9,342	0.4	(122,289)	(38.5)	186,234	1,993.5
Income tax expense	(27,846)	(1.0)	(69,871)	(2.3)	(12,225)	(0.5)	42,025	(60.1)	(15,621)	127.8
Net income	<u>\$ 167,730</u>	<u>6.0</u>	<u>247,994</u>	<u>8.2</u>	<u>(2,883)</u>	<u>(0.1)</u>	<u>(80,264)</u>	<u>(32.4)</u>	<u>170,613</u>	<u>5,917.9</u>
Earnings per share-before tax (NT Dollars) (Note 2)	<u>\$ 0.68</u>		<u>1.11</u>		<u>0.03</u>					
Earnings per share-after tax (NT Dollars) (Note 2)	<u>\$ 0.58</u>		<u>0.86</u>		<u>(0.01)</u>					

Note 1: Figures of 2008 were adjusted and characterized properly.

Note 2: EPS calculation is based on the outstanding shares at the end of each quarter.

**HOLY STONE ENTERPRISE COMPANY LIMITED**  
**Statements of Income**  
**For the Twelve months ended December 31, 2009 and 2008**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	2009		2008		YoY
	Amount	%	Amount	%	%
<b>Gross sales</b>	\$11,223,876	101	12,927,172	101	(13)
Less: Sales returns	(117,947)	(1)	(149,718)	(1)	(21)
<b>Net sales</b>	11,105,929	100	12,777,454	100	(13)
<b>Cost of goods sold*</b>	(9,670,450)	(87)	(11,337,839)	(89)	(15)
<b>Gross profit*</b>	1,435,479	13	1,439,615	11	(0)
Unrealized gross profit from affiliates	12,063	-	11,528	-	5
<b>Realized gross profit*</b>	1,447,542	13	1,451,143	11	(0)
<b>Operating expenses:</b>					
Selling and administrative	(589,534)	(5)	(624,578)	(6)	(6)
Research and development	(96,700)	(1)	(133,189)	(1)	(27)
	(686,234)	(6)	(757,767)	(7)	(9)
<b>Operating income*</b>	761,308	7	693,376	4	10
<b>Non-operating income and gains:</b>					
Interest income*	10,564	-	13,497	-	(22)
Investment income recognized under equity method	181,817	2	97,958	1	86
Dividend income	13,265	-	14,181	-	(6)
Gain on disposal of investments	12,453	-	52,697	-	(76)
Foreign exchange gain*	-	-	81,948	1	(100)
Valuation gain on financial assets	9,362	-	0	-	
Others*	93,030	1	10,561	-	781
	320,491	3	270,842	2	18
<b>Non-operating expenses and losses:</b>					
Interest expenses*	(15,750)	-	(20,927)	-	(25)
Foreign exchange loss	(7,576)	-	-	-	
Valuation loss on financial assets*	-	-	(40,924)	-	(100)
Impairment loss	-	-	(81,998)	(1)	(100)
Others*	(23,420)	-	(6,025)	-	289
	(46,746)	-	(149,874)	(1)	(69)
<b>Income before income tax</b>	1,035,053	10	814,344	5	27
<b>Income tax expense</b>	(185,442)	(2)	(139,847)	(1)	33
<b>Net income</b>	<b>\$ 849,611</b>	<b>8</b>	<b>674,497</b>	<b>4</b>	<b>26</b>
	<b>Before</b>	<b>After</b>	<b>Before</b>	<b>After</b>	
	<b>income tax</b>	<b>income tax</b>	<b>income tax</b>	<b>income tax</b>	
<b>Earnings per share (NT Dollar)</b>					
<b>Basic earnings per share</b>	<b>\$ 3.61</b>	<b>2.96</b>	<b>2.91</b>	<b>2.41</b>	
<b>Basic earnings per share – retroactive</b>			<b>\$ 2.86</b>	<b>2.36</b>	
<b>Diluted earnings per share</b>	<b>\$ 3.55</b>	<b>2.92</b>	<b>2.83</b>	<b>2.34</b>	
<b>Diluted earnings per share – retroactive</b>			<b>\$ 2.78</b>	<b>2.30</b>	

Note: Figures of 2008 were adjusted and characterized properly.

**HOLY STONE ENTERPRISE COMPANY LIMITED**  
**Statements of Changes in Stockholders' Equity**  
**For the Twelve Months Ended December 31, 2009 and 2008**  
**(Figures in thousand of new taiwan dollars)**

	Retained Earnings				Others			Treasury Stock	Total Shareholders' Equity
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Net loss not recognized as pension cost	Unrealized gains on financial instruments		
<b>Balance, January 1, 2008</b>	\$ 2,703,274	2,747,093	505,526	1,499,846	6,394	-	83,013	(14,568)	7,530,578
Appropriations of prior year's earnings									
Legal capital reserve	-	-	118,901	(118,901)	-	-	-	-	-
Capitalization of stock dividends to shareholders	27,035	-	-	(27,035)	-	-	-	-	-
Capitalization of bonus to employees - in stock	56,500	-	-	(56,500)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	(811,055)	-	-	-	-	(811,055)
Bonus to employees - in cash	-	-	-	(37,500)	-	-	-	-	(37,500)
Bonus to directors and supervisors	-	-	-	(27,000)	-	-	-	-	(27,000)
Convertible bonds transferred to capital stock and capital surplus	19,647	52,653	-	-	-	-	-	-	72,300
Net loss not recognized as pension cost	-	-	-	-	-	(6,406)	-	-	(6,406)
Valuation adjustment on available-for-sale financial assets	-	-	-	-	-	-	(50,379)	-	(50,379)
Cumulative translation adjustments	-	-	-	-	66,682	-	-	-	66,682
Adjustment on long-term investments	-	(57,955)	-	-	-	-	(62,203)	-	(120,158)
Subsidiary trading in parent stocks	-	-	-	-	-	-	-	14,568	14,568
Net income for the twelve months ended December 31, 2008	-	-	-	674,497	-	-	-	-	674,497
<b>Balance, December 31, 2008</b>	<b>2,806,456</b>	<b>2,741,791</b>	<b>624,427</b>	<b>1,096,352</b>	<b>73,076</b>	<b>(6,406)</b>	<b>(29,569)</b>	<b>-</b>	<b>7,306,127</b>
Appropriations of prior year's earnings									
Legal capital reserve	-	-	67,449	(67,449)	-	-	-	-	-
Capitalization of stock dividends to shareholders	56,129	-	-	(56,129)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	(449,033)	-	-	-	-	(449,033)
Capitalization of bonus to employees - in stock	9,590	15,410	-	-	-	-	-	-	25,000
Valuation adjustment on available-for-sale financial assets	-	-	-	-	-	-	191,378	-	191,378
Net loss not recognized as pension cost	-	-	-	-	-	(9,377)	-	-	(9,377)
Cumulative translation adjustments	-	-	-	-	(39,035)	-	-	-	(39,035)
Adjustment on long-term investments	-	5,831	-	-	-	-	293,140	-	298,971
Net income for the twelve months ended December 31, 2009	-	-	-	849,611	-	-	-	-	849,611
<b>Balance, December 31, 2009</b>	<b>\$ 2,872,175</b>	<b>2,763,032</b>	<b>691,876</b>	<b>1,373,352</b>	<b>34,041</b>	<b>(15,783)</b>	<b>454,949</b>	<b>-</b>	<b>8,173,642</b>

**HOLY STONE ENTERPRISE COMPANY LIMITED**  
**Statements of Cash Flows**  
**For the Nine months ended December 31, 2009 and 2008**  
**(Expressed in thousands of New Taiwan Dollars)**

	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	\$ 849,611	674,497
<b>Adjustments to reconcile net income to cash provided by operating activities:</b>		
Depreciation	209,256	226,209
Other expenditures - accumulated depreciation on assets leased to others	368	448
Deferred credits - unrealized loss from intercompany profit	(12,063)	(11,528)
Allowance (reversal) for doubtful accounts	(19,175)	26,712
Loss on retirement of inventory	30,004	24,461
Allowance (reversal) for unrealized inventory valuation loss	(55,219)	120,236
Gain on disposal of available-for-sale financial assets -uncurrent	(18,655)	(2,847)
Loss on disposal of property, plant and equipment, net	22,788	5,578
Property, plant and equipment reclassified as expense	-	1,234
Cash dividends from investee's company accounted for using equity method	-	4,637
Investment gain accounted for using equity method, net	(181,817)	(97,958)
Impairment loss	-	81,998
Loss (gain) on disposal of long-term investments accounted for using equity method	6,202	(49,850)
Gain on buyback of bonds payable	(6)	-
Deferred income tax expense (benefit)	34,425	(17,747)
<b>Changes in assets and liabilities:</b>		
Decrease (increase) in financial assets at fair value through profit or loss - current	(238,356)	38,603
Decrease in notes and accounts receivable	4,245	473,283
Decrease (increase) in receivables from related parties	137,920	(15,276)
Decrease in other financial assets - current	41,509	17,280
Decrease (increase) in inventories	267,939	(173,925)
Decrease in prepaid expenses and other current assets	61,487	13,860
Increase (decrease) in notes and accounts payable	32,463	(47,923)
Decrease in payables from related parties	(18,127)	(40,473)
Increase (decrease) in income tax payable	89,524	(129,815)
Increase in accrued expenses and other current liabilities	97,696	48,748
Decrease in accrued pension liabilities	(651)	(108)
Increase in other liabilities	2,062	-
<b>Net cash provided from operating activities</b>	<u>1,343,430</u>	<u>1,170,334</u>
<b>Cash flows from investing activities:</b>		
Increase in receivables from related parties	(116,479)	-
Acquisition of available-for-sale financial assets - noncurrent	(5,471)	-
Proceeds from sale of available-for-sale financial assets - noncurrent	58,757	13,288
Increase in long-term equity investments	(140,000)	(811,250)
Proceeds from sale of long-term equity investments	15,685	25,675
Proceeds from return of capital by investee's company accounted for using equity method	26,892	-
Additions to property, plant and equipment	(283,348)	(590,552)
Proceeds from sale of property, plant and equipment	1,362	3,173
Decrease (increase) in other assets	831	(173)
<b>Net cash used in investing activities</b>	<u>(441,771)</u>	<u>(1,359,839)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans	228,789	(58,917)
Borrowing of long-term loans	5,000	1,189,000
Repayment of long-term loans	(51,000)	(750)
Buyback and cancellation of bonds payable	(126,794)	-
Cash dividends	(449,033)	(811,055)
Directors' and supervisors' remuneration & employees' bonus	-	(64,500)
<b>Net cash used in financing activities</b>	<u>(393,038)</u>	<u>253,778</u>
<b>Net increase in cash and cash in banks</b>	508,621	64,273
<b>Cash and cash in banks at beginning of period</b>	1,107,952	1,043,679
<b>Cash and cash in banks at end of period</b>	<u>\$ 1,616,573</u>	<u>1,107,952</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid, excluding capitalization of interest	<u>\$ 15,793</u>	<u>40,332</u>
Income tax paid	<u>\$ 69,253</u>	<u>287,428</u>
<b>Supplemental information on non-cash investing and financing activities:</b>		
Unrealized loss (gain) on available-for-sale financial instruments	<u>\$ 484,518</u>	<u>(112,582)</u>
Changes in capital reserve from long-term equity investments	<u>\$ 5,831</u>	<u>(57,955)</u>
Current portion of bonds payable and long-term debt	<u>\$ 125,417</u>	<u>177,800</u>
Net loss not recognized as pension cost	<u>\$ (9,377)</u>	<u>(6,406)</u>
Convertible bonds converted into common stock and capital surplus	<u>\$ -</u>	<u>72,300</u>
Property, plant and equipment reclassified as other assets	<u>\$ -</u>	<u>81,998</u>
<b>Cash used in acquisition of property, plant and equipment</b>		
Acquisition of property, plant and equipment	232,323	597,253
Add: Payable at beginning of period	72,048	65,347
Less: Payable at end of period	(21,023)	(72,048)
Payment in cash	<u>\$ 283,348</u>	<u>590,552</u>