

**PRIMASIA SECURITIES CO., LTD.**  
**Nonconsolidated Balance Sheets**  
**December 31, 2008 and 2007**  
(expressed in thousands of New Taiwan dollars)

Assets	2008.12.31		2007.12.31		Liabilities and stockholders' equity	2008.12.31		2007.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>				
Cash and cash equivalents (notes(4) and (22))	\$ 137,911	5	89,026	3	Short-term loans (note(15), (22) and (25))	\$ 905,000	32	736,500	21
Financial assets measured at fair value through profit and loss-current (notes(2), (5), (22),(24) and (25))	979,962	35	1,615,782	47	Commercial paper payable (note(15), (22) and (25))	382,418	14	324,614	9
Bonds purchased under resale agreements(notes(2),(6),(22) and (25))	-	-	16,000	-	Bonds sold under agreement to repurchase (notes(2), (16), (22), (24) and (25))	353,390	13	307,710	9
Customer margin account (note(2),(7) and (22))	16,755	1	12,678	-	Customer accounts' liability (note(2), (17) and (22))	16,749	1	12,676	-
Accounts receivable(notes(22))	12,098	-	85,397	2	Notes payable (note (22))	521	-	-	-
Prepaid expenses	1,303	-	1,947	-	Accounts payable (note (22))	1,120	-	-	-
Other receivables and other current assets	40,504	1	1,847	-	Other current liabilities (note (24))	13,750	-	62,505	2
Pledged short-term deposits (notes(4), (22) and (25))	491,000	18	431,500	12		<u>1,672,948</u>	<u>60</u>	<u>1,444,005</u>	<u>41</u>
	<u>1,679,533</u>	<u>60</u>	<u>2,254,177</u>	<u>64</u>	<b>Other liabilities:</b>				
<b>Funds and investments:</b>					Reserve for default losses (note(2) and (20))	68,648	2	66,901	2
Long-term investments under equity method (notes(2), (9))	184,465	7	334,284	10	Reserve for securities trading losses (notes(2))	-	-	42,357	1
Available-for-sale financial assets-noncurrent (notes(2), (5) and (22))	280,925	10	259,675	8	Accrued pension liabilities and other liabilities-noncurrent (notes(2), (19) and (20))	70,550	3	102,184	3
	<u>465,390</u>	<u>17</u>	<u>593,959</u>	<u>18</u>		<u>139,198</u>	<u>5</u>	<u>211,442</u>	<u>6</u>
<b>Fixed assets:(notes (2), (10) and (25))</b>					<b>Total liabilities</b>	<u>1,812,146</u>	<u>65</u>	<u>1,655,447</u>	<u>47</u>
Land	242,956	9	242,956	7	<b>Stockholder's equity:</b>				
Buildings and improvements	238,617	9	221,313	6	Capital stock (note(18))				
Office and transportation equipment	66,685	2	57,177	2	Common stock	1,137,554	40	1,137,554	33
	548,258	20	521,446	15	Capital surplus				
Less: accumulated depreciation	(153,708)	(6)	(130,100)	(4)	Capital surplus- long-term investments	35,905	1	35,905	1
	<u>394,550</u>	<u>14</u>	<u>391,346</u>	<u>11</u>	Retained earnings				
<b>Other assets:</b>					Legal reserve (notes(18))	105,850	4	95,476	3
Deferred pension costs (note (2))	-	-	862	-	Special reserve (notes(18))	351,569	13	330,822	9
Operating bond (note (11) and (22) )	130,000	5	140,000	4	Unappropriate earning (notes(18) and (20))	(659,007)	(23)	172,802	5
Settlement funds (note (12) and (22))	46,878	2	49,186	1		<u>(201,588)</u>	<u>(6)</u>	<u>599,100</u>	<u>17</u>
Guarantee deposits (notes(22), (25) and (26))	18,891	1	18,584	1	<b>Other</b>				
Deferred charges (note (2))	2,971	-	3,850	-	Foreign currency translation adjustment (note(2))	(13,417)	-	(14,384)	-
Leased Assets (notes(2), (13), (24) and (25))	36,245	1	39,350	1	Unrealized gain on financial instruments	4,326	-	81,807	2
	<u>234,985</u>	<u>9</u>	<u>251,832</u>	<u>7</u>		<u>(9,091)</u>	<u>-</u>	<u>67,423</u>	<u>2</u>
Debit Items for Consignment Tradings (note(14) and (22))	468	-	4,115	-	<b>Total stockholders' equity</b>	<u>962,780</u>	<u>35</u>	<u>1,839,982</u>	<u>53</u>
					<b>Commitments and contingencies (note(26))</b>				
					<b>Total liabilities and stockholders' equity</b>	<u>\$ 2,774,926</u>	<u>100</u>	<u>3,495,429</u>	<u>100</u>
<b>Total assets</b>	<u>\$ 2,774,926</u>	<u>100</u>	<u>3,495,429</u>	<u>100</u>					

The accompanying notes are an integral part of the financial statements.

**PRIMASIA SECURITIES CO., LTD.**  
**Non-Consolidated Statements of Income**  
**Years ended December 31, 2008 and 2007**  
(expresses in thousands of New Taiwan dollars except for earnings per common share)

	<u>2008</u>		<u>2007</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Income:</b>				
Brokerage handling fee revenue(note(24))	\$ 52,829	33	125,096	24
Revenue from underwriting business	1,166	1	12,538	3
Profit from sale of operating securities	-	-	329,403	64
Interest revenue (note(2))	6	-	3	-
Dividend revenue	8,945	6	10,436	2
Profit from reversal of trading loss reserve	42,357	26	-	-
Other operating revenue	2,213	1	1,008	-
Non-operating revenue and profits (note (2) and (24))	54,387	33	36,259	7
Investment income under the equity method, net (note(9))	-	-	807	-
	<u>161,903</u>	<u>100</u>	<u>515,550</u>	<u>100</u>
<b>Expenses:</b>				
Brokerage handling fee expense	3,656	2	6,619	1
Dealing handling fee expense	1,107	1	1,312	-
Underwriting operation handling fee expense	80	-	3,527	1
Loss from sale of operating securities	90,874	56	-	-
Interest Expense(note(2) and (24))	7,826	5	4,066	1
Loss from valuation of operating securities	309,287	191	75,704	15
Settlement service expense	44	-	117	-
Loss from derivative financial instruments (notes(2) and (22))	120,785	75	10,791	2
Operating expenses (notes(2), (24) and (27))	203,980	126	242,727	47
Non-operating expenses and losses(not(2))	33,625	21	30,966	6
Investment loss under the equity method, net (note(9))	73,627	45	-	-
	<u>844,891</u>	<u>522</u>	<u>375,829</u>	<u>73</u>
<b>Net loss before income tax</b>	<u>(682,988)</u>	<u>(422)</u>	<u>139,721</u>	<u>27</u>
Income tax (profit) expense (notes(2) and (20))	(20,207)	(12)	35,981	7
<b>Net (loss) income</b>	<u>\$ (662,781)</u>	<u>(410)</u>	<u>103,740</u>	<u>20</u>
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
	<u>income taxes</u>	<u>income taxes</u>	<u>income taxes</u>	<u>income taxes</u>
<b>Basic earnings per share (notes(2) and (21))</b>				
<b>Net (loss) income</b>	<u>\$ (6.00)</u>	<u>(5.83)</u>	<u>1.23</u>	<u>0.91</u>

The accompanying notes are an integral part of the financial statements.

**PRIMASIA SECURITIES CO., LTD.**  
**Non-consolidated Statements of Changes in Stockholders' Equity**  
**Years ended December 31, 2008 and 2007**  
(expressed in thousands of New Taiwan dollars)

	Common stock	Capital surplus- long-term investments	Reserves and unappropriated earnings (Accumulated deficit)			Cumulative translation adjustment	Unrealized gain on financial instruments	Total
			Legal reserve	Special reserve	Unappropriated earnings (Accumulated deficit)			
<b>Balance at January 1, 2007</b>	\$ 1,137,554	35,905	69,188	278,245	262,882	(12,787)	62,009	1,832,996
Legal reserve	-	-	26,288	-	(26,288)	-	-	-
Special reserve	-	-	-	52,577	(52,577)	-	-	-
Cash Dividend	-	-	-	-	(113,755)	-	-	(113,755)
Employees bonuses (cash)	-	-	-	-	(1,200)	-	-	(1,200)
Net Income in 2007	-	-	-	-	103,740	-	-	103,740
Foreign currency translation adjustment	-	-	-	-	-	(1,597)	-	(1,597)
Unrealized gains on financial instruments caused by long-term investments under equity method	-	-	-	-	-	-	19,798	19,798
<b>Balance at December 31, 2007</b>	<b>\$ 1,137,554</b>	<b>35,905</b>	<b>95,476</b>	<b>330,822</b>	<b>172,802</b>	<b>(14,384)</b>	<b>81,807</b>	<b>1,839,982</b>
<b>Balance at January 1, 2008</b>	\$ 1,137,554	35,905	95,476	330,822	172,802	(14,384)	81,807	1,839,982
Legal reserve	-	-	10,374	-	(10,374)	-	-	-
Special reserve	-	-	-	20,747	(20,747)	-	-	-
Cash Dividend	-	-	-	-	(136,507)	-	-	(136,507)
Employees bonuses (cash)	-	-	-	-	(1,400)	-	-	(1,400)
Net loss in 2008	-	-	-	-	(662,781)	-	-	(662,781)
Accumulated translation adjustment	-	-	-	-	-	967	-	967
Unrealized gains on financial instruments caused by long-term investments under equity method	-	-	-	-	-	-	(77,481)	(77,481)
<b>Balance at December 31, 2008</b>	<b>\$ 1,137,554</b>	<b>35,905</b>	<b>105,850</b>	<b>351,569</b>	<b>(659,007)</b>	<b>(13,417)</b>	<b>4,326</b>	<b>962,780</b>

The accompanying notes are an integral part of the financial statements

**PRIMASIA SECURITIES CO., LTD.**  
**Non-Consolidated Statements of Cash Flows**  
**Years ended December 31, 2008 and 2007**  
**(Expressed in thousands of New Taiwan dollars)**

	2008	2007
<b>Cash flows from operating activities:</b>		
Net (loss) Income	\$ (662,781)	103,740
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,299	21,160
Depreciation of leased assets	912	1,181
Bad debt expense	-	34
Gain on disposal of fixed assets	(863)	-
Gain from reversal of lawsuit loss reserve	-	(8,000)
(Profit from reversal of trading loss reserve) Loss caused by securities trading loss	(42,357)	32,940
Loss caused by default losses	1,747	3,167
Investment loss (income) under equity method	73,627	(807)
Loss on operating security valuation	309,287	-
Decrease (increase) in deferred pension costs	862	(862)
Decrease (increase) in bonds purchased under resale agreements	16,000	(16,000)
Decrease in financial assets measured at fair value through profit and loss	326,533	183,622
(Increase) decrease in customer margin account	(4,077)	193,985
Decrease (increase) in accounts receivable	73,299	(83,225)
(Increase) decrease in other receivables and other current assets	(38,657)	40,340
Decrease in prepaid expenses	644	1,011
Net cash provided by debit items for consigned trades	3,647	(3,194)
Increase in bonds sold under agreement to repurchase	45,680	307,710
Increase (decrease) in notes and accounts payable	1,641	(11,840)
Increase (decrease) in customer accounts' liability	4,073	(193,985)
Decrease in accrued expenses and other current liabilities	(48,755)	(11,936)
(Decrease) increase in accrued pension liabilities	(13,228)	5,094
Net increase in deferred income tax assets/liabilities- noncurrent	(18,729)	13,964
<b>Net cash provided by operating activities</b>	<b>47,804</b>	<b>578,099</b>
<b>Cash flows from investing activities:</b>		
Increase in available-for-sale financial assets-noncurrent	(21,250)	(10,600)
Acquisition of fixed assets	(20,017)	(10,417)
Increase in deferred expenses	-	(1,967)
Proceeds from sale of fixed assets	3,050	-
Increase in pledged deposits	(59,500)	(102,500)
Decrease (increase) in settlement fund and operating bonds	12,308	(14,359)
Increase in guarantee deposits	(306)	(10,297)
Increase on deferred charges	(1,601)	-
<b>Net cash used in investing activities</b>	<b>(87,316)</b>	<b>(150,140)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans and commercial paper payable	226,304	(299,320)
Payment of cash dividends and employee bonuses	(137,907)	(114,955)
<b>Net cash used in financing activities</b>	<b>88,397</b>	<b>(414,275)</b>
<b>Increase in cash and cash equivalents</b>	<b>48,885</b>	<b>13,684</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>89,026</b>	<b>75,342</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 137,911</b>	<b>89,026</b>
<b>Supplemental disclosures of cash flows information:</b>		
Cash paid during the year for income taxes	\$ 19,076	2,603
Cash paid during the year for interest	\$ 40,146	33,547
<b>Investing and financing activities with no effect on cash flows:</b>		
Leased assets transfer to fixed assets	\$ 2,193	11,814
Fixed assets transfer to deferred expenses	\$ -	800

The accompanying notes are an integral part of the financial statements