

PRIMASIA SECURITIES CO., LTD.
Balance Sheets
December 31, 2009 and 2008
(expressed in thousands of New Taiwan dollars)

Assets	2009.12.31		2008.12.31		Liabilities and stockholders' equity	2009.12.31		2008.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (notes(4) and (21))	\$ 89,182	4	137,911	5	Short-term loans (note(14), (21) and (24))	\$ 834,000	27	905,000	32
Financial assets measured at fair value through profit and loss-current (notes(2), (5), (21),(23) and (24))	1,382,715	45	979,962	35	Commercial paper payable (note(14), (21) and (24))	376,808	13	382,418	14
Customer margin account (note(2),(6) and (21))	12,210	-	16,755	1	Bonds sold under repurchase agreements (notes(2), (15), (21), (23) and (24))	256,924	8	353,390	13
Accounts receivable(notes(21))	-	-	12,098	-	Customer accounts' liability (note(2), (16) and (21))	12,206	-	16,749	1
Prepaid expenses	1,156	-	1,303	-	Notes payable(note(21))	306	-	521	-
Other receivables	4,112	-	40,504	1	Accounts payable(note(21))	-	-	1,120	-
Restricted current assets (notes(4), (21) and (24))	450,300	15	491,000	18	Other current liabilities (note(23))	39,725	1	13,750	-
	<u>1,939,675</u>	<u>64</u>	<u>1,679,533</u>	<u>60</u>		<u>1,519,969</u>	<u>49</u>	<u>1,672,948</u>	<u>60</u>
Funds and investments:					Other liabilities:				
Long-term investments under equity method (notes(2), (8))	245,727	8	184,465	7	Reserve for loss caused by breach of contract (note(2))	71,164	2	68,648	2
Available-for-sale financial assets-noncurrent (notes(2), (5) and (21))	280,925	9	280,925	10	Reserve for securities trading losses (note(2))	17,166	1	-	-
	<u>526,652</u>	<u>17</u>	<u>465,390</u>	<u>17</u>	Guarantee Deposits Received	280	-	-	-
Fixed assets:(notes (2), (9) and (24))					Accrued pension liabilities and other liabilities-noncurrent(notes(18))	11,631	-	47,168	2
Land	198,336	6	242,956	9	Deferred income tax liabilities-Non Current (notes(19))	4,954	-	5,625	-
Buildings and improvements	182,919	6	238,617	9	Bad debt provision (notes(2))	17,757	1	17,757	1
Office and transportation equipment	43,954	1	66,685	2		<u>122,952</u>	<u>4</u>	<u>139,198</u>	<u>5</u>
	<u>425,209</u>	<u>13</u>	<u>548,258</u>	<u>20</u>	Total liabilities	<u>1,642,921</u>	<u>53</u>	<u>1,812,146</u>	<u>65</u>
Less: accumulated depreciation	(121,131)	(4)	(153,708)	(6)	Stockholder's equity:				
	<u>304,078</u>	<u>9</u>	<u>394,550</u>	<u>14</u>	Capital stock				
Other assets:					Common stock (note(17))	1,137,554	38	1,137,554	40
Operating bonds (note (10) , (21) and (24))	130,000	4	130,000	5	Capital surplus				
Settlement funds (note (11) , (21) and (24))	50,250	2	46,878	2	Capital surplus- long-term investments	35,905	1	35,905	1
Guarantee deposits (notes(21), (24) and (25))	7,363	-	18,891	1	Retained earnings				
Deferred charges (note (2))	2,191	-	2,971	-	Legal reserve (notes(17))	105,850	3	105,850	4
Leased Assets (notes(2), (12), (23) and (24))	114,868	4	36,245	1	Special reserve (notes(17))	351,569	12	351,569	13
	<u>304,672</u>	<u>10</u>	<u>234,985</u>	<u>9</u>	Unappropriate earning (notes(17) and (19))	(246,402)	(8)	(659,007)	(23)
Debit Items for Consignment Tradings (note(13) and (21))	3,147	-	468	-		<u>211,017</u>	<u>7</u>	<u>(201,588)</u>	<u>(6)</u>
					Other				
					Foreign currency translation adjustment (note(2))	(17,118)	(1)	(13,417)	-
					Unrealized gain on financial instruments	67,945	2	4,326	-
						<u>50,827</u>	<u>1</u>	<u>(9,091)</u>	<u>-</u>
					Total stockholders' equity	<u>1,435,303</u>	<u>47</u>	<u>962,780</u>	<u>35</u>
					Commitments and contingencies (note(25))				
Total assets	<u>\$ 3,078,224</u>	<u>100</u>	<u>2,774,926</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>\$ 3,078,224</u>	<u>100</u>	<u>2,774,926</u>	<u>100</u>

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

PRIMASIA SECURITIES CO., LTD.

Statements of Income

Years ended December 31, 2009 and 2008

(expressed in thousands of New Taiwan dollars except for earnings per common share)

	2009		2008	
	Amount	%	Amount	%
Income:				
Brokerage handling fee revenue(note(23))	\$ 63,840	10	52,829	33
Revenue from underwriting business	67	-	1,166	1
Profit from sale of operating securities(note(2))	171,002	27	-	-
Interest revenue (note(2))	2	-	6	-
Dividend revenue	2,635	-	8,945	-
Gain from valuation of operating securities	353,252	55	-	-
Gain from financial derivative instruments (note (2) and (21))	20,448	3	-	-
Profit from reversal of trading loss reserve	-	-	42,357	26
Other operating revenue	1,750	-	2,213	1
Non-operating revenue and profits (note (23))	26,691	5	54,387	33
Investment income under the equity method, net (note(8))	2,269	-	-	-
	<u>641,956</u>	<u>100</u>	<u>161,903</u>	<u>100</u>
Expenses:				
Brokerage handling fee expense	5,428	1	3,656	2
Dealing handling fee expense	130	-	1,107	1
Underwriting operation handling fee expense	-	-	80	-
Loss from sale of operating securities	-	-	90,874	56
Interest Expense(note(2) and (23))	2,815	-	7,826	5
Loss from valuation of operating securities	-	-	309,287	191
Settlement service expense	154	-	44	-
Loss from financial derivative instruments (notes(2) and (21))	-	-	120,785	75
Operating expenses (notes(2), (23) and (26))	192,391	30	203,980	126
Non-operating expenses and losses (note(2))	27,733	4	33,625	21
Investment loss under the equity method, net (note(8))	-	-	73,627	45
	<u>228,651</u>	<u>35</u>	<u>844,891</u>	<u>522</u>
Net income (loss) before income tax	<u>413,305</u>	<u>65</u>	<u>(682,988)</u>	<u>(422)</u>
Income tax expenses (benefits) (notes(2) and (19))	700	-	(20,207)	(12)
Net income (loss)	<u>\$ 412,605</u>	<u>65</u>	<u>(662,781)</u>	<u>(410)</u>
			<u>Before</u>	<u>After</u>
			<u>income taxes</u>	<u>income taxes</u>
Basic earnings (loss) per share (notes(2) and (20))			<u>Before</u>	<u>After</u>
Net income (loss)	<u>\$ 3.63</u>		<u>(6.00)</u>	<u>(5.83)</u>

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

PRIMASIA SECURITIES CO., LTD.
Statements of Changes in Stockholders' Equity
Years ended December 31, 2009 and 2008
(expressed in thousands of New Taiwan dollars)

	Reserves and unappropriated earnings (Accumulated deficit)					Cumulative translation adjustment	Unrealized gain (loss) on financial instruments	Total
	Common stock	Capital surplus- long-term investments	Legal reserve	Special reserve	Unappropriated earnings (Accumulated deficit)			
Balance at January 1, 2008	\$ 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)
Balance at December 31, 2008	\$ 1,137,554	35,905	105,850	351,569	(659,007)	(13,417)	4,326	962,780
Balance at January 1, 2009	\$ 1,137,554	35,905	105,850	351,569	(659,007)	(13,417)	4,326	962,780
Net Income in 2009	-	-	-	-	412,605	-	-	412,605
Accumulated translation adjustment	-	-	-	-	-	(3,701)	-	(3,701)
Unrealized loss on financial instruments caused by long-term investments under equity method	-	-	-	-	-	-	63,619	63,619
Balance at December 31, 2009	\$ 1,137,554	35,905	105,850	351,569	(246,402)	(17,118)	67,945	1,435,303

The accompanying notes are an integral part of the financial statements

PRIMASIA SECURITIES CO., LTD.
Statements of Cash Flows
Years ended December 31, 2009 and 2008
(Expressed in thousands of New Taiwan dollars)

	2009	2008
Cash flows from operating activities:		
Net income (loss)	\$ 412,605	(662,781)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,327	19,299
Depreciation of leased assets	1,380	912
Gain on disposal of fixed assets	(1,479)	(863)
Loss caused by securities trading loss(Profit from reversal of trading loss reserve)	17,166	(42,357)
Loss caused by default losses	2,516	1,747
Investment (income) loss under equity method	(2,269)	73,627
(Gain) loss on valuation of operating securities	(353,252)	309,287
Decrease in deferred pension costs	-	862
Decrease in bonds purchased under resale agreements	-	16,000
(Increase) decrease in financial assets measured at fair value through profit and loss	(49,501)	326,533
Decrease (increase) in customer margin account	4,545	(4,077)
Decrease in accounts receivable	12,098	73,299
Decrease (increase) in other receivables	36,392	(38,657)
Decrease in prepaid expenses	147	644
Net cash (used) provided by debit items for consigned trades	(2,679)	3,647
(Decrease) increase bonds sold under repurchase agreements	(96,466)	45,680
(Decrease) increase in notes and accounts payable	(1,335)	1,641
(Decrease) increase in customer accounts' liability	(4,543)	4,073
Increase (decrease) in other current liabilities	25,975	(48,755)
Decrease in accrued pension liabilities	(35,538)	(13,228)
Net increase in deferred income tax assets/liabilities- noncurrent	255	(18,729)
Decrease in guarantee deposits received	280	-
Net cash (used in) provided by operating activities	(19,376)	47,804
Cash flows from investing activities:		
Increase in available-for-sale financial assets-noncurrent	-	(21,250)
Acquisition of fixed assets	(5,863)	(20,017)
Proceeds from sale of fixed assets	5,352	3,050
Decrease (increase) in restricted current assets	40,700	(59,500)
(Increase) decrease in settlement fund and operating bonds	(3,372)	12,308
Decrease (increase) in guarantee deposits	11,528	(306)
Increase on deferred charges	(1,088)	(1,601)
Net cash provided by (used in) investing activities	47,257	(87,316)
Cash flows from financing activities:		
(Decrease) increase in short-term loans and commercial paper payable	(76,610)	226,304
Payment of cash dividends and employee bonuses	-	(137,907)
Net cash (used in) provided by financing activities	(76,610)	88,397
(Decrease) increase in cash and cash equivalents	(48,729)	48,885
Cash and cash equivalents, beginning of the year	137,911	89,026
Cash and cash equivalents, end of the year	\$ 89,182	137,911
Supplemental disclosures of cash flows information:		
Cash paid during the year for income taxes	\$ 1	19,076
Cash paid during the year for interest	\$ 26,518	40,146
Investing and financing activities with no effect on cash flows:		
Fixed assets transfer to leased assets	\$ 80,003	-
leased assets transfer to fixed assets	\$ -	2,193

The accompanying notes are an integral part of the financial statements