

## Financial Statement – Balance Sheet

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit : NT\$ thousand

Accounting Title	2008/12/31		2007/12/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	1,475,991.00	15.73	1,641,571.00	16.08
Financial assets measured at fair value through profit or loss - current	0.00	0.00	100,009.00	0.97
Notes receivable - net	14,170.00	0.15	26,666.00	0.26
Accounts receivable - net	3,174,377.00	33.84	3,446,758.00	33.76
Accounts receivable - related parties - net	465,497.00	4.96	657,565.00	6.44
Other receivables	20,244.00	0.21	20,244.00	0.19
Other receivables - related parties	64,734.00	0.69	43,918.00	0.43
Other financial assets - current	17,389.00	0.18	33,193.00	0.32
Inventories	1,164,624.00	12.41	1,535,002.00	15.03
Other current assets	53,682.00	0.57	17,444.00	0.17
Current assets	6,450,708.00	68.76	7,522,370.00	73.69
Funds and Investments				
Financial assets carried at cost - non current	38,000.00	0.40	0.00	0.00
Equity investments under equity method	2,357,089.00	25.12	2,160,407.00	21.16
Investments	2,357,089.00	25.12	2,160,407.00	21.16
Funds and long-term investments	2,395,089.00	25.53	2,160,407.00	21.16
Fixed Assets				
Cost				
Land	77,274.00	0.82	77,274.00	0.75
Buildings and structures	242,114.00	2.58	241,289.00	2.36

Machinery and equipment	168,999.00	1.80	148,609.00	1.45
Transportation equipment	6,025.00	0.06	5,121.00	0.05
Other facilities	122,812.00	1.30	100,725.00	0.98
Fixed assets cost	617,224.00	6.58	573,018.00	5.61
Accumulated depreciation	-255,687.00	-2.72	-211,254.00	-2.06
Construction in process and prepayment for equipments	5,696.00	0.06	8,478.00	0.08
Fixed assets	367,233.00	3.91	370,242.00	3.62
Intangible Assets				
Computer software cost	18,283.00	0.19	14,716.00	0.14
Goodwill	114,411.00	1.21	114,411.00	1.12
Other intangible assets	10,220.00	0.10	12,198.00	0.11
Intangible assets	142,914.00	1.52	141,325.00	1.38
OtherAssets				
Guarantee deposits paid	17,977.00	0.19	4,953.00	0.04
Deferred charges	1,932.00	0.02	3,047.00	0.02
Deferred income tax assets - non current	4,288.00	0.04	5,225.00	0.05
Other assets	24,197.00	0.25	13,225.00	0.12
Assets	9,380,141.00	100.00	10,207,569.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	16,778.00	0.17	8,277.00	0.08
Notes payable	15,150.00	0.16	12,446.00	0.12
Accounts payable	4,023,746.00	42.89	5,122,330.00	50.18
Accounts payable - related parties	89,931.00	0.95	100,151.00	0.98
Income tax payable	62,754.00	0.66	92,165.00	0.90
Accrued expenses	325,304.00	3.46	237,313.00	2.32
Other current liabilities	65,625.00	0.69	49,687.00	0.48
Current liabilities	4,599,288.00	49.03	5,622,369.00	55.08
Long term Liabilities				
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	36,525.00	0.38	40,296.00	0.39
Other liabilities	36,525.00	0.38	40,296.00	0.39

Liabilities	4,635,813.00	49.42	5,662,665.00	55.47
Stockholders' Equity				
Capital				
Common stock	2,126,887.00	22.67	1,970,020.00	19.29
Capital Surplus				
Capital surplus - additional paid-in capital	1,223,413.00	13.04	1,258,097.00	12.32
Capital surplus	1,223,413.00	13.04	1,258,097.00	12.32
Retained Earnings				
Legal reserve	352,043.00	3.75	277,412.00	2.71
Special reserve	0.00	0.00	0.00	0.00
Unappropriated retained earnings	806,520.00	8.59	935,396.00	9.16
Retained earnings	1,158,563.00	12.35	1,212,808.00	11.88
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	235,465.00	2.51	103,979.00	1.01
Equity adjustments	235,465.00	2.51	103,979.00	1.01
Stockholders' equity	4,744,328.00	50.57	4,544,904.00	44.52
Number of treasury stock acquired by the company and subsidiaries (unit: share)	0.00	0.00	0.00	0.00

## Financial Statement – Income Statement

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit : NT\$ thousand

Accounting Title	2008/12/31		2007/12/31	
	Amount	%	Amount	%
Sales	14,725,471.00	101.51	14,341,727.00	100.76
Sales returns	102,080.00	0.70	24,385.00	0.17
Sales discounts and allowances	118,252.00	0.81	85,048.00	0.59
Sales	14,505,139.00	100.00	14,232,294.00	100.00
Operating income	14,505,139.00	100.00	14,232,294.00	100.00
Cost of sales	12,425,870.00	85.66	12,435,905.00	87.37
Operating costs	12,425,870.00	85.66	12,435,905.00	87.37
Gross profit (loss) from operations	2,079,269.00	14.33	1,796,389.00	12.62
Unrealized gains on intercompany transactions	-59.00	0.00	928.00	0.00
Selling expense	672,671.00	4.63	569,774.00	4.00
General and administrative expenses	406,406.00	2.80	323,780.00	2.27
Research and development expenses	296,709.00	2.04	245,609.00	1.72
Operating expenses	1,375,786.00	9.48	1,139,163.00	8.00
Operating income (loss)	703,542.00	4.85	656,298.00	4.61
Non-Operating Income				
Interest income	27,139.00	0.18	26,491.00	0.18
Income from long-term equity investments under the equity method	63,372.00	0.43	166,736.00	1.17
Investment income	63,372.00	0.43	166,736.00	1.17
Gains on disposal of fixed assets	0.00	0.00	2.00	0.00
Gains on physical inventory	29.00	0.00	0.00	0.00
Foreign exchange gains	0.00	0.00	5,103.00	0.03
Revaluation gain on financial assets	1,812.00	0.01	1,043.00	0.00

Miscellaneous income	56,305.00	0.38	80,846.00	0.56
Non-operating revenues and gains	148,657.00	1.02	280,221.00	1.96
Non-Operating Expenses				
Interest expense	4,422.00	0.03	9,035.00	0.06
Loss on physical inventory	0.00	0.00	18.00	0.00
Foreign exchange losses	43,542.00	0.30	0.00	0.00
Loss on inventory valuation and obsolescence	50,670.00	0.34	33,832.00	0.23
Miscellaneous disbursements	498.00	0.00	1,799.00	0.01
Non-operating expenses and losses	99,132.00	0.68	44,684.00	0.31
Income from continuing operations before income tax	753,067.00	5.19	891,835.00	6.26
Income tax expense (benefit)	121,095.00	0.83	145,524.00	1.02
Income from continuing operations	631,972.00	4.35	746,311.00	5.24
Net income (loss)	631,972.00	4.35	746,311.00	5.24
Primary Earnings per Share				
Primary earnings per share	2.90	0.00	3.70	0.00
Diluted earnings per share				
Diluted earnings per share	2.86	0.00	3.70	0.00

## Statements of Changes in Stockholders' Equity

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

FSP TECHNOLOGY INC.

### Statement of Changes in Stockholders' Equity

For the years ended December 31, 2008 and 2007

(expressed in thousands of New Taiwan dollars)

	Retained earnings							Total
	Common stock	Capital surplus	Legal	Special reserves	Unappropriated reserves	Cumulative foreign currency translation adjustments		
Balance as of Jan. 1, 2007	\$1,507,613	462,362	227,375	4,494	743,779	25,634	2,971,257	
Increase capital from cash	160,000	540,799	0	0	0	0	700,799	
Increase in capital by issuing stock for consolidation	70,000	210,000	0	0	0	0	280,000	
Appropriation of retained earnings :								
Legal reserve	0	0	50,037	0	(50,037)	0	0	
Special reserve	0	0	0	(4,494)	4,494	0	0	
Cash dividends	0	0	0	0	(264,334)	0	(264,334)	

Remuneration to directors and supervisors	0	0	0	0	(5,092)	0	(5,092)
Bonus to employees	0	0	0	0	(10,185)	0	(10,185)
Increase in capital by distributing stock to employees	40,730	0	0	0	(40,730)	0	0
Increase in capital by distributing stock dividends to stockholders	188,810	0	0	0	(188,810)	0	0
Convertible bonds payable transfer to common stock	2,867	7,109	0	0	0	0	9,976
Adjustments due to the change in percentage of ownership of investees	0	37,827	0	0	0	0	37,827
Net income for 2007	0	0	0	0	746,311	0	746,311
Foreign currency translation adjustment	0	0	0	0	0	78,345	78,345
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Balance as of Dec. 31, 2007	\$1,970,020	1,258,097	277,412	0	935,396	103,979	4,544,904
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Appropriation of retained earnings :							
Legal reserve	0	0	74,631	0	(74,631)	0	0
Cash dividends	0	0	0	0	(394,004)	0	(394,004)
Remuneration to directors and supervisors	0	0	0	0	(6,640)	0	(6,640)
Bonus to employees	0	0	0	0	(44,270)	0	(44,270)
Increase in capital by distributing stock to employees	22,135	0	0	0	(22,135)	0	0
Increase in capital by distributing stock dividends to stockholders	197,002	0	0	0	(197,002)	0	0
Treasury stocks wrote off	(62,270)	(34,684)	0	0	(22,166)	0	(119,120)
Net income for 2008	0	0	0	0	631,972	0	631,972
Foreign currency translation adjustment	0	0	0	0	0	131,486	131,486
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Balance as of Dec. 31, 2008	\$2,126,887	1,223,413	352,043	0	806,520	235,465	4,744,328
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## Statements of Cash Flows

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

FSP TECHNOLOGY INC.

### Statements of Cash Flows

For the year periods ended December 31, 2008 and 2007  
(expressed in thousands of New Taiwan dollars)

	2008	2007
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Cash flows from operating activities:		
Net Income	\$ 631,972	\$ 746,311
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	46,241	36,455
Amortization	13,325	9,277
Allowance for uncollectible accounts	55,273	16,646
Loss on obsolescence and decline in value of inventory	50,670	33,832
Increase in unrealized gain from affiliate	(59)	928
Gain on long-term equity investments under equity method	(63,372)	(166,736)

Loss (gain) on disposal of fixed assets		0	(2)
Loss on disposal of intangible assets and deferred shares	24		0
Unrealized foreign exchange losses, net	57,488		(17,316)
Decrease (increase) in financial assets at fair value through profit or loss-current	100,009		(100,009)
Decrease (increase) in notes and accounts receivable (including accounts receivable—affiliate)	503,027		(420,095)
Decrease in other receivables	0		3,486
Decrease (increase) in other monetary assets—current		15,804	(13,779)
Decrease (increase) in inventories	319,708		(183,002)
Increase in other current assets	(2,034)		(3,936)
Decrease (increase) in deferred income tax assets, net		(33,267)	9,387
Increase (decrease) in notes and accounts payable (including accounts payable—affiliate)		(1,241,157)	989,984
Increase (decrease) in income tax payable	(29,411)		89,151
Increase in accrued expenses and other current liabilities	89,190		92,207
Decrease in accrued pension liability	(3,771)		(2,320)
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Net cash provided by operating activities	509,660		1,120,469
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Cash flows from investing activities:

Increase in other receivables from affiliates	(20,816)		(19,666)
Increase in long-term equity investments	(39,824)		(270,820)
Sale of property, plant and equipment	0		2
Purchase of property, plant and equipment	(58,589)		(45,859)
Increase in other intangible assets	(12,570)		(14,730)
Increase in refundable deposits		(13,024)	(972)
Increases in other assets	0		(2,533)
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Net cash used in by investing activities	(144,823)	(354,578)
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Cash flows from financing activities:		
Increase (decrease) in short-term debt	8,501	(467,114)
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	(419,798)	(279,230)
Increase capital from cash	0	700,799
Treasury stock purchased	(119,120)	0
Increase in capital by issuing stock for consolidation	0	87,277
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Net cash provided by(used in) financing activities	(530,417)	41,732
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Net increase(decrease) in cash and cash equivalents	(165,580)	807,623
Cash and cash equivalents at beginning of period	1,641,571	833,948
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Cash and cash equivalents at end of period	\$ 1,475,991	\$ 1,641,571
	=====	=====
Supplemental disclosures of cash flow information:		
Cash payment for interest	\$ 4,413	\$ 9,364
	=====	=====
Cash payment for income tax	\$ 183,773	\$ 43,619
	=====	=====
Investing and financing activities not affecting cash flows:		
Adjustments due to the change in percentage of ownership of investees	\$ 0	\$ 37,827
	=====	=====
Cumulative foreign currency translation adjustments in long-term equity investment	\$ 131,486	\$ 78,345
	=====	=====
Convertible bonds payable transfer to common stock	\$ 0	\$ 9,976

Cash paid for purchase of property, plant and equipment:

Purchase of property, plant and equipment	\$ 44,485	\$ 43,666
Add: Beginning balance of payables for property, plant and equipment	14,104	16,297
Less: Ending balance of Payables for property, plant and equipment	0	(14,104)
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Cash paid	\$ 58,589	\$ 45,859

Reconciliation for cash dividends, bonus to employees and remunerations to directors and supervisors:

Total distribution	\$ 444,914	\$ 279,611
Add: Beginning balance of remuneration to directors and supervisors	381	0
Less: Ending balance of bonus to employees and remuneration to directors and supervisors	(25,497)	(381)
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Cash paid	\$ 419,798	\$ 279,230