

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS	2010		2009		LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 40,428,300	17	\$ 32,401,333	13	Short-term loans	\$ 17,211,561	7	\$ 34,437,255	14
Financial assets at fair value through profit or loss, current	1,402,610	1	1,096,447	1	Short-term bills payable	1,578,595	1	1,423,635	1
Available-for-sale financial assets, current	8,472,619	4	5,588,808	2	Notes payable	41,139	-	76,956	-
Notes receivable	22,977	-	26,090	-	Notes payable to affiliates	45,697	-	44,038	-
Accounts receivable	21,922,073	10	28,571,010	12	Accounts payable	10,639,571	5	13,615,943	6
Accounts receivable from affiliates	557,515	-	958,839	-	Accounts payable to affiliates	1,739,481	1	1,616,035	1
Other receivables	7,409,149	3	4,692,693	2	Income tax payable	732,796	-	500,389	-
Inventories	26,546,345	11	32,601,839	14	Financial liabilities at fair value through profit or loss, current	382,554	-	1,352,551	1
Other current assets	6,969,826	3	8,892,560	4	Hedging derivative financial liabilities, current	22,609	-	33,364	-
					Other payables	12,904,185	6	13,014,400	5
Total current assets	113,731,414	49	114,829,619	48	Advance Construction Receipts	70,860	-	-	-
					Current portion of long-term liabilities	9,082,824	4	10,189,279	4
					Other current liabilities	2,498,185	1	2,269,536	1
					Total current liabilities	56,950,057	25	78,573,381	33
FUNDS AND LONG-TERM INVESTMENTS					LONG-TERM LIABILITIES				
Investments accounted for by the equity method	32,530,907	14	33,868,990	14	Bonds payable	8,190,185	4	8,812,226	4
Investments in real estate	186,123	-	-	-	Long-term debt	46,681,319	20	41,413,850	17
Available-for-sale financial assets, noncurrent	2,127,862	1	501,411	-	Hedging derivative liabilities, noncurrent	87,232	-	152,686	-
Financial assets at fair value through profit or loss, noncurrent	1,752,911	1	2,039,958	1					
Financial assets carried at cost, noncurrent	1,252,549	1	1,550,511	-	Total long-term liabilities	54,958,736	24	50,378,762	21
Total funds and long-term investments	37,850,352	17	37,960,870	15					
					RESERVE FOR LAND VALUE INCREMENT TAX	86,547	-	142,664	-
PROPERTY, PLANT AND EQUIPMENT					OTHER LIABILITIES				
Cost	98,717,220	43	111,177,197	46	Accrued pension cost	653,895	-	602,092	-
Revaluation increment	293,323	-	293,323	-	Guarantee deposits received	4,399	-	4,157	-
	99,010,543	43	111,470,520	46	Deferred income tax liability, noncurrent	820,599	-	260,531	-
Less accumulated depreciation	(42,216,595)	(18)	(44,862,450)	(18)	Other liabilities	104,959	-	-	-
Less accumulated impairment	(100,683)	-	(249,861)	-	Total other liabilities	1,583,852	-	866,780	-
Construction in progress and prepayments for equipment	2,747,485	1	4,986,758	2	Total liabilities	113,579,192	49	129,961,587	54
Property, plant and equipment, net	59,440,750	26	71,344,967	30	STOCKHOLDERS' EQUITY				
					Capital stock	28,431,097	12	27,125,675	11
INTANGIBLE ASSETS	7,753,790	3	7,507,616	3	Capital surplus	7,719,412	4	7,026,304	3
					Retained earnings	20,246,496	8	14,357,903	6
OTHER ASSETS	11,780,642	5	9,822,648	4	Cumulative translation adjustments	(429,754)	-	2,939,415	1
					Net Loss not Recognized as Pension Cost	(40,706)	-	-	-
					Unrealized losses on financial instruments	(399,542)	-	(3,804,823)	(2)
					Unrealized revaluation increment	134,641	-	134,641	-
					Treasury stock	(1,241,416)	-	(1,345,482)	-
					Minority interest	62,557,528	27	65,070,500	27
					Total stockholders' equity	116,977,756	51	111,504,133	46
TOTAL	\$ 230,556,948	100	\$ 241,465,720	100	TOTAL	\$ 230,556,948	100	\$ 241,465,720	100

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	2010		2009	
	Amount	%	Amount	%
GROSS SALES AND REVENUES EARNED	\$ 51,383,443	100	\$ 53,213,045	100
LESS SALES RETURNS AND ALLOWANCES	<u>(67,196)</u>	<u>-</u>	<u>(108,916)</u>	<u>-</u>
NET SALES AND REVENUES EARNED	51,316,247	100	53,104,129	100
COST OF GOODS SOLD	<u>38,323,169</u>	<u>75</u>	<u>40,449,455</u>	<u>76</u>
GROSS PROFIT	<u>12,993,078</u>	<u>25</u>	<u>12,654,674</u>	<u>24</u>
OPERATING EXPENSES				
Selling expenses	3,650,146	7	3,380,573	6
General and administrative expenses	4,283,501	8	4,467,603	9
Research and development expenses	<u>1,400,341</u>	<u>3</u>	<u>1,275,378</u>	<u>2</u>
Total operating expenses	<u>9,333,988</u>	<u>18</u>	<u>9,123,554</u>	<u>17</u>
INCOME FROM OPERATIONS	<u>3,659,090</u>	<u>7</u>	<u>3,531,120</u>	<u>7</u>
NON-OPERATING INCOME				
Interest income	47,005	-	172,773	-
Investment income recognized under equity method	895,997	2	368,173	1
Dividend income	3,055	-	1,559	-
Gain on disposal of property, plant and equipment	120,436	-	277	-
Gain on disposal of investments	805,248	2	-	-
Foreign exchange gain, net	89,834	-	88,317	-
Rental income	14,196	-	30,396	-
Reversal of provision for bad debts	31,079	-	17,704	-
Valuation gain on financial assets	116,138	-	-	-
Valuation gain on financial liabilities	-	-	59,148	-
Others	<u>128,956</u>	<u>-</u>	<u>243,556</u>	<u>1</u>
Total non-operating income	<u>2,251,944</u>	<u>4</u>	<u>981,903</u>	<u>2</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

Pro-forma information, assuming common shares of the Company held by its subsidiaries were not treated as treasury stock:

	2010		2009	
CONSOLIDATED NET INCOME ATTRIBUTED TO STOCKHOLDERS OF THE PARENT COMPANY	<u>\$ 2,812,728</u>		<u>\$ 1,283,107</u>	
	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
BASIC EARNINGS PER SHARE				
Included income for minority interests	<u>\$ 1.86</u>	<u>\$ 1.76</u>	<u>\$ 1.10</u>	<u>\$ 1.05</u>
Attributed to stockholders of the Parent Company		<u>\$ 1.00</u>		<u>\$ 0.46</u>
DILUTED EARNINGS PER SHARE				
Included income for minority interests	<u>\$ 1.84</u>	<u>\$ 1.74</u>	<u>\$ 1.09</u>	<u>\$ 1.04</u>
Attributed to stockholders of the Parent Company		<u>\$ 0.99</u>		<u>\$ 0.45</u>

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 4,928,431	\$ 2,941,582
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Valuation (gain) loss on financial assets	(116,138)	275,306
Valuation loss (gain) on financial liabilities	47,061	(59,148)
Depreciation and amortization	1,784,780	2,047,383
Reversal of bad debts	(31,079)	(17,704)
Investment income recognized under equity method	(895,997)	(368,173)
Cash dividends received from investees under equity method	659,178	125,603
Net (gain) loss on disposal of investments	(805,248)	50,555
Net (gain) loss on disposal of property, plant and equipment	(9,374)	86,065
Provision for impairment loss	53,320	-
Redeemed overseas convertible bonds	14,858	-
Net changes in operating assets and liabilities		
Notes receivable	151	32,110
Accounts receivable	522,706	(963,055)
Accounts receivable from affiliates	387,664	513,364
Other receivables	(1,172,288)	(86,085)
Inventories	2,024,729	(1,174,844)
Other current assets	(358,028)	(402,825)
Deferred income tax assets, noncurrent	1,867	(2,352)
Other assets	(611)	(611)
Notes payable	(4,240)	6,297
Notes payable to affiliates	(12,556)	(12,258)
Accounts payable	(3,597,099)	(633,111)
Accounts payable to affiliates	567,591	695,628
Income tax payable	67,139	(20,557)
Other payables	660,922	(549,912)
Other current liabilities	292,961	698,795
Deferred income tax liabilities, noncurrent	(14,116)	(4,493)
Reserve for retirement plan	(12,358)	5,839
Other liabilities	(69,284)	-
Minority interest	(338,248)	1,295,311
Net cash provided by operating activities	<u>4,576,694</u>	<u>4,478,710</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at fair value through profit or loss, current	\$ (327,229)	\$ (155,734)
Increase in investments accounted for by the equity method	(470,514)	(692,923)
Proceeds from disposal of investments accounted for by the equity method	3,101	-
(Increase) decrease in available-for-sale financial assets, noncurrent	(10,027)	40,522
Decrease (increase) in financial assets carried at cost, noncurrent	23,233	(67,820)
Acquisitions of property, plant and equipment	(1,513,950)	(6,318,961)
Proceeds from disposal of property, plant and equipment	93,740	196,378
Acquisitions of leased assets	(399)	(799)
Increase in investment in real estate	-	(97,694)
(Increase) decrease in refundable deposits	(14,336)	198,822
Decrease (increase) in goodwill	65,236	(247,798)
Increase in deferred charges	<u>(115,156)</u>	<u>(376,036)</u>
Net cash used in investing activities	<u>(2,266,301)</u>	<u>(7,522,043)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(8,198,934)	5,553,363
(Decrease) increase in short-term bills payable	(200,479)	571,096
(Decrease) increase in long-term debt	(1,020,391)	10,204,957
Repurchased Euro convertible bonds	(629,715)	(8,980,351)
(Decrease) increase in guarantee deposits received	(1,435)	284
Execution of employee stock warrants	250	620
Cash paid for acquisition of treasury stocks	<u>-</u>	<u>(256,168)</u>
Net cash (used in) provided by financing activities	<u>(10,050,704)</u>	<u>7,093,801</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(227,983)	814,318
EFFECT OF DISPOSAL OF SUBSIDIARY	<u>757,130</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,211,164)	4,864,786
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>47,639,464</u>	<u>27,536,547</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 40,428,300</u>	<u>\$ 32,401,333</u>

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2010	2009
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period		
Interest (excluding interest capitalized)	<u>\$ 564,543</u>	<u>\$ 831,493</u>
Income tax	<u>\$ 133,766</u>	<u>\$ 217,435</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Adjustments on changes of unrealized gain (loss) on cash flow hedge financial liabilities	<u>\$ 18,831</u>	<u>\$ 3,266</u>
Effect of changes in ownership interest in investees	<u>\$ 265,975</u>	<u>\$ (82,894)</u>
Adjustments on changes of unrealized gain (loss) on available-for-sale financial assets	<u>\$ (53,437)</u>	<u>\$ 343,045</u>
Translation adjustments on foreign long-term equity investments	<u>\$ (302,387)</u>	<u>\$ 1,522,556</u>
Retirement of treasury stock	<u>\$ -</u>	<u>\$ 410,326</u>
Current portion of long-term liabilities	<u>\$ 9,082,824</u>	<u>\$ 10,189,279</u>
CASH PAID DURING THE PERIOD FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT		
Fair value of property, plant and equipment acquired	\$ 1,580,922	\$ 6,379,287
Add payables for acquisitions of property, plant and equipment at beginning of period	183,739	199,051
Less payables for acquisitions of property, plant and equipment at end of period	<u>(250,711)</u>	<u>(259,377)</u>
Cash paid during the period for acquisitions of property, plant and equipment	<u>\$ 1,513,950</u>	<u>\$ 6,318,961</u>

(Concluded)