

POU CHEN CORPORATION

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	\$ 748,927	1	\$ 1,471,407	2	Short-term loans	\$ 440,000	1	\$ 1,890,000	3
Financial assets at fair value through profit or loss, current	414,003	1	101,810	-	Notes payable	33,651	-	31,703	-
Available-for-sale financial assets, current	2,933,679	4	1,933,533	3	Notes payable to affiliates	45,697	-	44,038	-
Notes receivable	1,790	-	14,590	-	Accounts payable	1,241,513	2	790,696	1
Notes receivable from affiliates	-	-	37,557	-	Accounts payable to affiliates	227,500	-	167,688	1
Accounts receivable	93,000	-	126,099	-	Income tax payable	144,788	-	513	-
Accounts receivable from affiliates	1,560,444	2	1,170,314	2	Hedging derivative liabilities, current	22,609	-	33,364	-
Other receivables	605,631	1	458,215	1	Other payables	953,960	1	819,586	1
Inventories	300,666	1	204,213	-	Current portion of long-term liabilities	-	-	3,875,000	6
Other current assets	57,993	-	75,763	-	Other current liabilities	22,183	-	23,268	-
Total current assets	6,716,133	10	5,593,501	8	Total current liabilities	3,131,901	4	7,675,856	12
FUNDS AND LONG-TERM INVESTMENTS					LONG-TERM LIABILITIES				
Investments accounted for by the equity method	57,427,076	81	54,468,950	81	Long-term debt	12,625,000	18	12,125,000	18
Investments in real estate	187,371	-	-	-	Hedging derivative liabilities, noncurrent	87,232	-	152,686	-
Available-for-sale financial assets, noncurrent	10	-	-	-	Total long-term liabilities	12,712,232	18	12,277,686	18
Financial assets carried at cost, noncurrent	-	-	-	-	RESERVE FOR LAND VALUE INCREMENT TAX	86,547	-	86,547	-
Total funds and long-term investments	57,614,457	81	54,468,950	81	OTHER LIABILITIES				
PROPERTY, PLANT AND EQUIPMENT					Accrued pension cost	653,798	1	582,470	1
Cost	5,395,737	8	5,401,361	9	Guarantee deposits received	2,288	-	2,288	-
Revaluation increment	279,008	-	279,008	-	Others	101,573	-	31,616	-
	5,674,745	8	5,680,369	9	Total other liabilities	757,659	1	616,374	1
Less accumulated depreciation	(1,967,860)	(3)	(1,800,643)	(3)	Total liabilities	16,688,339	23	20,656,463	31
Construction in progress and prepayments for equipment	851	-	-	-	STOCKHOLDERS' EQUITY				
Property, plant and equipment, net	3,707,736	5	3,879,726	6	Capital stock	28,431,097	40	27,125,675	40
OTHER ASSETS	3,070,241	4	3,147,919	5	Capital surplus	7,719,412	11	7,026,304	11
					Retained earnings	20,246,496	29	14,357,903	21
					Cumulative translation adjustments	(429,754)	(1)	2,939,415	5
					Net loss not recognized as pension cost	(40,706)	-	-	-
					Unrealized losses on financial instruments	(399,542)	-	(3,804,823)	(6)
					Unrealized revaluation increment	134,641	-	134,641	-
					Treasury stock	(1,241,416)	(2)	(1,345,482)	(2)
TOTAL	\$ 71,108,567	100	\$ 67,090,096	100	Total stockholders' equity	54,420,228	77	46,433,633	69
					TOTAL	\$ 71,108,567	100	\$ 67,090,096	100

POU CHEN CORPORATION

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	\$ 3,039,234	100	\$ 2,424,935	100
LESS SALES RETURNS AND ALLOWANCES	<u>(3,012)</u>	<u>-</u>	<u>(4,655)</u>	<u>-</u>
NET SALES AND REVENUES EARNED	3,036,222	100	2,420,280	100
COST OF GOODS SOLD	<u>2,315,591</u>	<u>76</u>	<u>1,778,854</u>	<u>73</u>
GROSS PROFIT BEFORE UNREALIZED GROSS PROFIT FROM INTER-AFFILIATE TRANSACTIONS	720,631	24	641,426	27
UNREALIZED GROSS PROFIT FROM INTER-AFFILIATE TRANSACTIONS	<u>(1,890)</u>	<u>-</u>	<u>(871)</u>	<u>-</u>
GROSS PROFIT	<u>718,741</u>	<u>24</u>	<u>640,555</u>	<u>27</u>
OPERATING EXPENSES				
Selling expenses	35,525	1	46,288	2
General and administrative expenses	443,185	15	469,963	19
Research and development expenses	<u>199,543</u>	<u>6</u>	<u>208,454</u>	<u>9</u>
Total operating expenses	<u>678,253</u>	<u>22</u>	<u>724,705</u>	<u>30</u>
INCOME (LOSS) FROM OPERATIONS	<u>40,488</u>	<u>2</u>	<u>(84,150)</u>	<u>(3)</u>
NON-OPERATING INCOME				
Interest income	1	-	4,120	-
Investment income recognized under equity method	2,585,815	85	1,337,875	55
Gain on disposal of property, plant and equipment	282	-	53	-
Gain on disposal of investment	301,673	10	43	-
Foreign exchange gain, net	-	-	56,348	2
Rental income	41,162	1	43,266	2
Reversal of provision for bad debts	-	-	91	-
Valuation gain on financial assets	3	-	1,811	-
Others	<u>26,077</u>	<u>1</u>	<u>37,716</u>	<u>2</u>
Total non-operating income	<u>2,955,013</u>	<u>97</u>	<u>1,481,323</u>	<u>61</u>

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POU CHEN CORPORATION

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	%
NON-OPERATING EXPENSES				
Interest expense	\$ 64,020	2	\$ 98,276	4
Loss on disposal of property, plant and equipment	63	-	68	-
Foreign exchange loss, net	11,440	-	-	-
Others	<u>16,320</u>	<u>1</u>	<u>15,722</u>	<u>1</u>
Total non-operating expenses	<u>91,843</u>	<u>3</u>	<u>114,066</u>	<u>5</u>
INCOME BEFORE INCOME TAX	2,903,658	96	1,283,107	53
INCOME TAX EXPENSE	<u>(90,930)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 2,812,728</u>	<u>93</u>	<u>\$ 1,283,107</u>	<u>53</u>
	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
BASIC EARNINGS PER SHARE	<u>\$ 1.04</u>	<u>\$ 1.01</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.03</u>	<u>\$ 0.99</u>	<u>\$ 0.45</u>	<u>\$ 0.45</u>

(Continued)

POU CHEN CORPORATION

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	
NET INCOME	<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	<u>\$ 1.04</u>	<u>\$ 1.00</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>
DILUTED EARNINGS PER SHARE	<u>\$ 1.02</u>	<u>\$ 0.99</u>	<u>\$ 0.45</u>	<u>\$ 0.45</u>

(Concluded)

POU CHEN CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY THREE MONTHS ENDED MARCH 31, 2010 AND 2009 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Capital Surplus				Retained Earnings			Other Equity				Total		
	Capital Stock	Additional Paid-in Capital of Common Stock	Additional Paid-in Capital of Bonds Conversion	Treasury Stock	Long-Term Equity Investments	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Net Loss not Recognized as Pension Cost	Unrealized Losses on Financial Instruments		Unrealized Revaluation Increment	Treasury Stock
BALANCE, JANUARY 1, 2010	\$ 28,430,847	\$ 812,890	\$ 1,447,492	\$ 1,438,517	\$ 3,754,538	\$ 5,248,562	\$ 2,599,633	\$ 9,585,573	\$ (127,367)	\$ (40,706)	\$ (364,936)	\$ 134,641	\$ (1,241,416)	\$51,678,268
Effect of changes of ownership interest in investees	-	-	-	-	265,975	-	-	-	-	-	-	-	-	265,975
Adjustments on changes of unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(16,249)	-	-	(16,249)
Adjustments on changes of investee's unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(37,188)	-	-	(37,188)
Adjustments on changes of unrealized loss on cash flow hedge financial liability	-	-	-	-	-	-	-	-	-	-	18,831	-	-	18,831
Execution of employee stock warrants	250	-	-	-	-	-	-	-	-	-	-	-	-	250
Translation adjustments on foreign long-term equity investments	-	-	-	-	-	-	-	-	(302,387)	-	-	-	-	(302,387)
Net income for three months ended March 31, 2010	-	-	-	-	-	-	-	2,812,728	-	-	-	-	-	2,812,728
BALANCE, MARCH 31, 2010	<u>\$ 28,431,097</u>	<u>\$ 812,890</u>	<u>\$ 1,447,492</u>	<u>\$ 1,438,517</u>	<u>\$ 4,020,513</u>	<u>\$ 5,248,562</u>	<u>\$ 2,599,633</u>	<u>\$ 12,398,301</u>	<u>\$ (429,754)</u>	<u>\$ (40,706)</u>	<u>\$ (399,542)</u>	<u>\$ 134,641</u>	<u>\$ (1,241,416)</u>	<u>\$ 54,420,228</u>
BALANCE, JANUARY 1, 2009	\$ 27,400,055	\$ 793,573	\$ 1,465,950	\$ 1,574,683	\$ 3,410,318	\$ 4,749,843	\$ 110,153	\$ 8,214,800	\$ 1,416,859	\$ -	\$ (4,151,134)	\$ 134,641	\$ (1,499,640)	\$43,620,101
Effect of changes of ownership interest in investees	-	-	-	-	(82,894)	-	-	-	-	-	-	-	-	(82,894)
Adjustments on changes of unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	111,695	-	-	111,695
Adjustments on changes of investee's unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	231,350	-	-	231,350
Adjustments on changes of unrealized loss on cash flow hedge financial liability	-	-	-	-	-	-	-	-	-	-	3,266	-	-	3,266
Execution of employee stock warrants	620	-	-	-	-	-	-	-	-	-	-	-	-	620
Translation adjustments on foreign long-term equity investments	-	-	-	-	-	-	-	-	1,522,556	-	-	-	-	1,522,556
Acquisition of treasury stock - 17,300 thousand shares	-	-	-	-	-	-	-	-	-	-	-	-	(256,168)	(256,168)
Retirement of treasury stock - 27,500 thousand shares	(275,000)	(7,965)	(14,713)	(112,648)	-	-	-	-	-	-	-	-	410,326	-
Net income for three months ended March 31, 2009	-	-	-	-	-	-	-	1,283,107	-	-	-	-	-	1,283,107
BALANCE, MARCH 31, 2009	<u>\$ 27,125,675</u>	<u>\$ 785,608</u>	<u>\$ 1,451,237</u>	<u>\$ 1,462,035</u>	<u>\$ 3,327,424</u>	<u>\$ 4,749,843</u>	<u>\$ 110,153</u>	<u>\$ 9,497,907</u>	<u>\$ 2,939,415</u>	<u>\$ -</u>	<u>\$ (3,804,823)</u>	<u>\$ 134,641</u>	<u>\$ (1,345,482)</u>	<u>\$ 46,433,633</u>

POU CHEN CORPORATION

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		
Net income	\$ 2,812,728	\$ 1,283,107
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	87,874	84,937
Provision for doubtful accounts (reversal of bad debts)	342	(91)
Unrealized gross profit from inter-affiliate transactions	1,890	871
Investment income recognized under equity method	(2,585,815)	(1,337,875)
Net (gain) loss on disposal of property, plant and equipment	(219)	15
Gain on disposal of investments	(301,673)	(43)
Valuation loss on financial assets	(3)	(1,811)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss, current	(414,000)	43
Notes receivable	880	22,437
Notes receivable from affiliates	-	(35,030)
Accounts receivable, net	7,425	72,755
Accounts receivable from affiliates	(26,970)	(98,315)
Other receivables	(355,523)	(7,102)
Inventories	(125,889)	(55,409)
Deferred income tax asset, current	3,560	-
Other current assets	(4,120)	3,340
Deferred income tax asset, noncurrent	(1,630)	-
Income tax prepayment	-	(333)
Notes payable	(3,921)	(4,342)
Notes payable to affiliates	(12,556)	(12,258)
Accounts payable	118,501	142,376
Accounts payable to affiliates	49,921	44,931
Income tax payable	89,000	-
Other payables	87,394	100,683
Other current liabilities	(68)	(1,404)
Reserve for retirement plan	<u>8,524</u>	<u>5,223</u>
Net cash (used in) provided by operating activities	<u>(564,348)</u>	<u>206,705</u>

(Continued)

POU CHEN CORPORATION

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 investments accounted for by the equity method	\$ -	\$ (40)
Proceeds from disposal of investments accounted for by the equity method	4,224,408	-
Acquisitions of property, plant and equipment	(24,356)	(8,018)
Proceeds from disposal of property, plant and equipment	570	870
Acquisitions of leased equipment	(400)	(799)
Decrease in refundable deposits	451	735
Increase in deferred charges	<u>(352)</u>	<u>(4,644)</u>
Net cash provided (used in) by investing activities	<u>4,200,321</u>	<u>(11,896)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(4,001,000)	(1,670,000)
Increase in long-term loans	500,000	-
Execution of employee stock warrants	250	620
Cash paid for acquisition of treasury stocks	<u>-</u>	<u>(256,168)</u>
Net cash used in financing activities	<u>(3,500,750)</u>	<u>(1,925,548)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,223	(1,730,739)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>613,704</u>	<u>3,202,146</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 748,927</u>	<u>\$ 1,471,407</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period		
Interest (excluding interest capitalized)	<u>\$ 65,059</u>	<u>\$ 110,206</u>
Income tax	<u>\$ -</u>	<u>\$ 333</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Adjustments on changes of unrealized gain (loss) on available-for-sale financial assets	<u>\$ (54,437)</u>	<u>\$ 343,045</u>
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>

(Continued)

POU CHEN CORPORATION

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

	2010	2009
Current portion of long-term liabilities	<u>\$ -</u>	<u>\$ 3,875,000</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>
CASH PAID DURING THE PERIOD FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT		
Fair value of property, plant and equipment acquired	\$ 23,105	\$ 6,519
Add payables for acquisitions of property, plant and equipment at beginning of period	5,682	4,906
Less payables for acquisitions of property, plant and equipment at end of period	<u>(4,431)</u>	<u>(3,407)</u>
Cash paid during the period for acquisitions of property, plant and equipment	<u>\$ 24,356</u>	<u>\$ 8,018</u>

(Concluded)