

## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

March 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS	2009		2008		LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents	\$ 32,401,333	13	\$ 26,183,522	13	Short-term loans	\$ 34,437,255	14	\$ 25,149,913	12
Financial assets at fair value through profit or loss, current	3,136,405	1	12,643,061	6	Short-term bills payable	1,423,635	1	798,138	-
Available-for-sale financial assets, current	5,588,808	2	-	-	Notes payable	76,956	-	122,976	-
Hedging derivative financial assets, current	-	-	7,453	-	Notes payable to affiliates	44,038	-	30,827	-
Notes receivable	26,090	-	261,189	-	Accounts payable	13,615,943	6	14,696,780	7
Accounts receivable	28,571,010	12	28,093,271	13	Accounts payable to affiliates	1,616,035	1	1,043,219	1
Accounts receivable from affiliates	958,839	-	1,986,356	1	Income tax payable	500,389	-	987,095	1
Other receivables	4,692,693	2	4,479,092	2	Financial liabilities at fair value through profit or loss, current	1,352,551	1	1,519,757	1
Inventories	31,046,909	13	21,909,466	11	Hedging derivative financial liabilities, current	33,364	-	46,193	-
Other current assets	8,892,560	4	7,527,884	4	Other payables	13,014,400	5	13,063,921	6
Total current assets	<u>115,314,647</u>	<u>47</u>	<u>103,091,294</u>	<u>50</u>	Current portion of long-term liabilities	10,189,279	4	15,573,854	7
					Other current liabilities	2,269,536	1	4,160,402	2
					Total current liabilities	<u>78,573,381</u>	<u>33</u>	<u>77,193,075</u>	<u>37</u>
<b>FUNDS AND LONG-TERM INVESTMENTS</b>					<b>LONG-TERM LIABILITIES</b>				
Investments accounted for by the equity method	33,868,990	14	28,436,250	14	Bonds payable	8,812,226	4	7,406,747	4
Investments in real estate	1,554,930	1	1,143,859	1	Long-term debt	41,413,850	17	32,459,558	16
Available-for-sale financial assets, noncurrent	790,548	-	965,960	-	Hedging derivative liabilities, noncurrent	152,686	-	-	-
Hedging derivative assets, noncurrent	-	-	26,676	-	Total long-term liabilities	<u>50,378,762</u>	<u>21</u>	<u>39,866,305</u>	<u>20</u>
Financial assets carried at cost, noncurrent	1,261,374	1	880,180	-	<b>RESERVE FOR LAND VALUE INCREMENT TAX</b>	<u>142,664</u>	<u>-</u>	<u>142,664</u>	<u>-</u>
Total funds and long-term investments	<u>37,475,842</u>	<u>16</u>	<u>31,452,925</u>	<u>15</u>	<b>OTHER LIABILITIES</b>				
					Accrued pension cost	602,092	-	582,113	-
<b>PROPERTY, PLANT AND EQUIPMENT</b>					Guarantee deposits received	4,157	-	27,600	-
Cost	111,177,197	46	91,731,221	44	Deferred income tax liability, noncurrent	260,531	-	-	-
Revaluation increment	293,323	-	293,323	-	Total other liabilities	<u>866,780</u>	<u>-</u>	<u>609,713</u>	<u>-</u>
	111,470,520	46	92,024,544	44	Total liabilities	<u>129,961,587</u>	<u>54</u>	<u>117,811,757</u>	<u>57</u>
Less accumulated depreciation	(44,862,450)	(18)	(35,363,327)	(17)	<b>STOCKHOLDERS' EQUITY</b>				
Less accumulated impairment	(249,861)	-	(164,021)	-	Capital stock	27,125,675	11	25,136,070	12
Construction in progress and prepayments for equipment	4,986,758	2	2,901,407	1	Capital surplus	7,026,304	3	5,427,644	3
Property, plant and equipment, net	<u>71,344,967</u>	<u>30</u>	<u>59,398,603</u>	<u>28</u>	Retained earnings	14,357,903	6	16,441,556	8
					Cumulative translation adjustments	2,939,415	1	(2,694,838)	(1)
<b>INTANGIBLE ASSETS</b>					Unrealized losses on financial instruments	(3,804,823)	(2)	(170,917)	-
Goodwill	7,507,616	3	6,572,827	3	Unrealized revaluation increment	134,641	-	134,641	-
Deferred pension cost	-	-	1,970	-	Treasury stock	(1,345,482)	-	(1,241,416)	(1)
Total intangible assets	<u>7,507,616</u>	<u>3</u>	<u>6,574,797</u>	<u>3</u>	Minority interest	65,070,500	27	46,941,859	22
					Total stockholders' equity	<u>111,504,133</u>	<u>46</u>	<u>89,974,599</u>	<u>43</u>
<b>OTHER ASSETS</b>	<u>9,822,648</u>	<u>4</u>	<u>7,268,737</u>	<u>4</u>	<b>TOTAL</b>	<u>\$ 241,465,720</u>	<u>100</u>	<u>\$ 207,786,356</u>	<u>100</u>
<b>TOTAL</b>	<u>\$ 241,465,720</u>	<u>100</u>	<u>\$ 207,786,356</u>	<u>100</u>					

## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
GROSS SALES AND REVENUES EARNED	\$ 53,213,045	100	\$ 53,376,921	100
LESS SALES RETURNS AND ALLOWANCES	<u>(108,916)</u>	<u>-</u>	<u>(92,211)</u>	<u>-</u>
NET SALES AND REVENUES EARNED	53,104,129	100	53,284,710	100
COST OF GOODS SOLD	<u>40,449,455</u>	<u>76</u>	<u>41,305,806</u>	<u>77</u>
GROSS PROFIT	<u>12,654,674</u>	<u>24</u>	<u>11,978,904</u>	<u>23</u>
OPERATING EXPENSES				
Selling expenses	3,380,573	6	2,617,275	5
General and administrative expenses	4,467,603	9	3,395,814	7
Research and development expenses	<u>1,275,378</u>	<u>2</u>	<u>1,242,021</u>	<u>2</u>
Total operating expenses	<u>9,123,554</u>	<u>17</u>	<u>7,255,110</u>	<u>14</u>
INCOME FROM OPERATIONS	<u>3,531,120</u>	<u>7</u>	<u>4,723,794</u>	<u>9</u>
NON-OPERATING INCOME				
Interest income	172,773	-	162,871	-
Investment income recognized under equity method	368,173	1	389,304	1
Dividend income	1,559	-	21,339	-
Gain on disposal of property, plant and equipment	277	-	2,084	-
Gain on disposal of investments	-	-	5,606	-
Foreign exchange gain, net	88,317	-	-	-
Rental income	30,396	-	9,886	-
Reversal of provision for bad debts	17,704	-	-	-
Valuation gain on financial assets	-	-	1,693,111	3
Valuation gain on financial liabilities	59,148	-	-	-
Others	<u>243,556</u>	<u>1</u>	<u>93,852</u>	<u>-</u>
Total non-operating income	<u>981,903</u>	<u>2</u>	<u>2,378,053</u>	<u>4</u>

(Continued)



# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(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:

	<b>2009</b>		<b>2008</b>	
CONSOLIDATED NET INCOME ATTRIBUTED TO STOCKHOLDERS OF THE PARENT COMPANY	<u>\$ 1,283,107</u>		<u>\$ 2,969,536</u>	
	<b>2009</b>		<b>2008</b>	
	<b>Before Income Tax</b>	<b>After Income Tax</b>	<b>Before Income Tax</b>	<b>After Income Tax</b>
<b>BASIC EARNINGS PER SHARE</b>				
Included income for minority interests	<u>\$ 1.15</u>	<u>\$ 1.09</u>	<u>\$ 1.80</u>	<u>\$ 1.76</u>
Attributed to stockholders of the Parent Company		<u>\$ 0.48</u>		<u>\$ 1.07</u>
<b>DILUTED EARNINGS PER SHARE</b>				
Included income for minority interests	<u>\$ 1.14</u>	<u>\$ 1.09</u>	<u>\$ 1.78</u>	<u>\$ 1.74</u>
Attributed to stockholders of the Parent Company		<u>\$ 0.47</u>		<u>\$ 1.06</u>

(Concluded)

# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 2,941,582	\$ 4,881,654
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Valuation loss (gain) on financial assets	275,306	(1,693,111)
Valuation (gain) loss on financial liabilities	(59,148)	628,331
Depreciation and amortization	2,047,383	1,775,063
(Reversal of) provision for bad debts	(17,704)	37,294
Investment income recognized under equity method	(368,173)	(389,304)
Cash dividends received from investees under equity method	125,603	68,524
Net loss (gain) on disposal of investments	50,555	(5,606)
Net loss on disposal of property, plant and equipment	86,065	51,100
Net changes in operating assets and liabilities		
Notes receivable	32,110	9,573
Accounts receivable	(963,055)	(839,689)
Accounts receivable from affiliates	513,364	(733,315)
Other receivables	(86,085)	(176,780)
Inventories	(1,174,844)	(752,237)
Other current assets	(402,825)	(1,028,342)
Prepaid pension cost	(490)	(77)
Long-term receivable	-	6,211
Deferred income tax assets, noncurrent	(2,352)	(2,963)
Other assets	(121)	804
Notes payable	6,297	45,278
Notes payable to affiliates	(12,258)	(22,789)
Accounts payable	(633,111)	(2,612,069)
Accounts payable to affiliates	695,628	(74,934)
Income tax payable	(20,557)	(80,343)
Other payables	(767,850)	2,613,935
Other current liabilities	698,795	2,012,106
Interest compensation payable	217,938	211,768
Deferred income tax liabilities, noncurrent	(4,493)	-
Reserve for retirement plan	5,839	6,158
Minority interest	<u>1,295,311</u>	<u>70,758</u>
Net cash provided by operating activities	<u>4,478,710</u>	<u>4,006,998</u>

(Continued)

## POU CHEN CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in financial assets at fair value through profit or loss, current	\$ (155,734)	\$ (1,672,889)
Increase in investments accounted for by the equity method	(692,923)	(1,577,332)
Decrease (increase) in available-for-sale financial assets, noncurrent	40,522	(94,663)
Increase in financial assets carried at cost, noncurrent	(67,820)	-
Increase in investment in real estate	(97,694)	(384,389)
Acquisitions of property, plant and equipment	(6,318,961)	(2,753,829)
Proceeds from disposal of property, plant and equipment	196,378	120,251
Acquisitions of leased assets	(799)	(140)
Decrease (increase) in refundable deposits	198,822	(624,940)
(Increase) decrease in goodwill	(247,798)	24,941
Increase in deferred charges	<u>(376,036)</u>	<u>(160,618)</u>
Net cash used in investing activities	<u>(7,522,043)</u>	<u>(7,123,608)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	5,553,363	5,888,770
Increase in short-term bills payable	571,096	21,030
Repurchased Euro convertible bonds and domestic secured bond	(8,980,351)	-
Increase in long-term debt	10,204,957	2,957,555
Increase in guarantee deposits received	284	7,813
Execution of employee stock warrants	620	17,530
Cash paid for acquisition of treasury stocks	<u>(256,168)</u>	<u>(1,086,041)</u>
Net cash provided by financing activities	<u>7,093,801</u>	<u>7,806,657</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>814,318</u>	<u>(688,542)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,864,786	4,001,505
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>27,536,547</u>	<u>22,182,017</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 32,401,333</u>	<u>\$ 26,183,522</u>

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# POU CHEN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2009	2008
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period		
Interest (excluding interest capitalized)	<u>\$ 2,626,522</u>	<u>\$ 1,137,535</u>
Income tax	<u>\$ 217,435</u>	<u>\$ 164,257</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING, INVESTING AND FINANCING ACTIVITIES		
Adjustments on changes of unrealized loss (gain) on available-for-sale financial assets	<u>\$ 343,045</u>	<u>\$ (69,840)</u>
Adjustments on changes of unrealized loss (gain) on cash flow hedge financial liabilities	<u>\$ 3,266</u>	<u>\$ (13,367)</u>
Effect of changes in ownership interest in investees	<u>\$ (82,894)</u>	<u>\$ 5,611</u>
Current portion of long-term liabilities	<u>\$ 10,189,279</u>	<u>\$ 15,573,854</u>
Translation adjustments on foreign long-term equity investments	<u>\$ 1,522,556</u>	<u>\$ (2,537,754)</u>
Retirement of treasury stock	<u>\$ 410,326</u>	<u>\$ -</u>
Cash paid during the period for acquisitions of property, plant and equipment		
Fair value of property, plant and equipment acquired	\$ 6,379,287	\$ 2,606,850
Add payables for acquisitions of property, plant and equipment at beginning of period	199,051	319,536
Less payables for acquisitions of property, plant and equipment at end of period	<u>(259,377)</u>	<u>(172,557)</u>
Cash paid during the period for acquisitions of property, plant and equipment	<u>\$ 6,318,961</u>	<u>\$ 2,753,829</u>

(Concluded)