

POU CHEN CORPORATION

BALANCE SHEETS

March 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

| ASSETS | 2012 | | 2011 | | LIABILITIES AND STOCKHOLDERS' EQUITY | 2012 | | 2011 | |
|--|----------------------|------------|----------------------|------------|---|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | CURRENT LIABILITIES | | | | |
| Cash and cash equivalents | \$ 1,690,585 | 2 | \$ 715,241 | 1 | Short-term loans | \$ 5,345,000 | 6 | \$ 3,131,000 | 4 |
| Financial assets at fair value through profit or loss, current | - | - | 22,249 | - | Short-term bills | 499,597 | 1 | - | - |
| Available-for-sale financial assets, current | 3,387,434 | 4 | 3,692,387 | 5 | Financial liabilities at fair value through profit or loss, current | 8,251 | - | 20,428 | - |
| Notes receivable | 3,802 | - | 2,848 | - | Notes payable | 43,535 | - | 62,407 | - |
| Notes receivable from affiliates | 2,298 | - | 183 | - | Notes payable to affiliates | 48,139 | - | 31,045 | - |
| Accounts receivable | 45,101 | - | 90,465 | - | Accounts payable | 1,258,492 | 1 | 1,959,695 | 3 |
| Accounts receivable from affiliates | 1,574,377 | 2 | 1,856,505 | 2 | Accounts payable to affiliates | 146,395 | - | 219,499 | - |
| Other receivables | 256,309 | - | 300,198 | - | Income tax payable | 412,584 | - | 431,291 | 1 |
| Inventories | 263,336 | 1 | 521,448 | 1 | Hedging derivative liabilities, current | 16,695 | - | 16,998 | - |
| Other current assets | 34,564 | - | 25,557 | - | Other payables | 800,736 | 1 | 705,613 | 1 |
| Total current assets | <u>7,257,806</u> | <u>9</u> | <u>7,227,081</u> | <u>9</u> | Current portion of long-term liabilities | - | - | 1,750,000 | 2 |
| | | | | | Deferred income tax liability, current | 576,692 | 1 | 577,680 | 1 |
| | | | | | Other current liabilities | 23,851 | - | 21,501 | - |
| | | | | | Total current liabilities | <u>9,179,967</u> | <u>10</u> | <u>8,927,157</u> | <u>12</u> |
| FUNDS AND LONG-TERM INVESTMENTS | | | | | LONG-TERM LIABILITIES | | | | |
| Investments accounted for by the equity method | 72,942,674 | 84 | 63,169,551 | 82 | Long-term debt | 17,000,000 | 20 | 10,375,000 | 13 |
| Investments in real estate | 187,371 | - | 187,371 | - | Hedging derivative liabilities, noncurrent | 8,346 | - | 47,143 | - |
| Available-for-sale financial assets, noncurrent | - | - | 8 | - | Total long-term liabilities | <u>17,008,346</u> | <u>20</u> | <u>10,422,143</u> | <u>13</u> |
| Financial assets carried at cost, noncurrent | 60,000 | - | - | - | RESERVE FOR LAND VALUE INCREMENT TAX | <u>86,547</u> | <u>-</u> | <u>86,547</u> | <u>-</u> |
| Total funds and long-term investments | <u>73,190,045</u> | <u>84</u> | <u>63,356,930</u> | <u>82</u> | OTHER LIABILITIES | | | | |
| | | | | | Accrued pension cost | 787,014 | 1 | 700,465 | 1 |
| PROPERTY, PLANT AND EQUIPMENT | | | | | Guarantee deposits received | 3,452 | - | 3,452 | - |
| Cost | 5,911,088 | 7 | 5,407,001 | 7 | Others | 95,288 | - | 33,412 | - |
| Revaluation increment | 282,245 | - | 279,008 | 1 | Total other liabilities | <u>885,754</u> | <u>1</u> | <u>737,329</u> | <u>1</u> |
| | 6,193,333 | 7 | 5,686,009 | 8 | Total liabilities | <u>27,160,614</u> | <u>31</u> | <u>20,173,176</u> | <u>26</u> |
| Less accumulated depreciation | (2,445,338) | (3) | (2,112,405) | (3) | STOCKHOLDERS' EQUITY | | | | |
| Prepayments for equipment | 130 | - | 136 | - | Capital stock | 29,402,839 | 34 | 29,000,619 | 37 |
| Property, plant and equipment, net | <u>3,748,125</u> | <u>4</u> | <u>3,573,740</u> | <u>5</u> | Advance receipts for capital stock | 7,098 | - | - | - |
| | | | | | Capital surplus | 8,624,633 | 10 | 8,290,495 | 11 |
| | | | | | Retained earnings | 25,311,169 | 29 | 22,121,374 | 29 |
| | | | | | Cumulative translation adjustments | (3,326,174) | (4) | (3,847,354) | (5) |
| | | | | | Net loss not recognized as pension cost | (114,235) | - | (57,341) | - |
| | | | | | Unrealized losses on financial instruments | (247,300) | - | 1,459,821 | 2 |
| | | | | | Unrealized revaluation increment | 134,641 | - | 134,641 | - |
| | | | | | Treasury stock | (155,375) | - | (155,375) | - |
| | | | | | Total stockholders' equity | <u>59,637,296</u> | <u>69</u> | <u>56,946,880</u> | <u>74</u> |
| OTHER ASSETS | <u>2,601,934</u> | <u>3</u> | <u>2,962,305</u> | <u>4</u> | TOTAL | <u>\$ 86,797,910</u> | <u>100</u> | <u>\$ 77,120,056</u> | <u>100</u> |
| TOTAL | <u>\$ 86,797,910</u> | <u>100</u> | <u>\$ 77,120,056</u> | <u>100</u> | | | | | |

POU CHEN CORPORATION

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2012 AND 2011

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

(Reviewed, Not Audited)

| | 2012 | | 2011 | |
|---|------------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| GROSS SALES AND REVENUES EARNED | \$ 2,560,100 | 100 | \$ 3,372,632 | 100 |
| LESS SALES RETURNS AND ALLOWANCES | <u>(5,230)</u> | <u>-</u> | <u>(3,137)</u> | <u>-</u> |
| NET SALES AND REVENUES EARNED | 2,554,870 | 100 | 3,369,495 | 100 |
| COST OF GOODS SOLD | <u>1,923,661</u> | <u>75</u> | <u>2,668,018</u> | <u>79</u> |
| GROSS PROFIT BEFORE UNREALIZED GROSS PROFIT FROM INTER-AFFILIATE TRANSACTIONS | 631,209 | 25 | 701,477 | 21 |
| UNREALIZED GROSS PROFIT FROM INTER-AFFILIATE TRANSACTIONS | <u>(1,538)</u> | <u>-</u> | <u>(15)</u> | <u>-</u> |
| GROSS PROFIT | <u>629,671</u> | <u>25</u> | <u>701,462</u> | <u>21</u> |
| OPERATING EXPENSES | | | | |
| Selling expenses | 28,316 | 1 | 37,980 | 1 |
| General and administrative expenses | 274,625 | 11 | 655,499 | 20 |
| Research and development expenses | <u>228,754</u> | <u>9</u> | <u>213,329</u> | <u>6</u> |
| Total operating expenses | <u>531,695</u> | <u>21</u> | <u>906,808</u> | <u>27</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>97,976</u> | <u>4</u> | <u>(205,346)</u> | <u>(6)</u> |
| NON-OPERATING INCOME | | | | |
| Interest income | 285 | - | 277 | - |
| Investment income recognized under equity method | 2,523,090 | 99 | 1,928,493 | 57 |
| Net gain on disposal of property, plant, equipment and leased assets | 72 | - | 3,989 | - |
| Foreign exchange gains, net | - | - | 15,395 | 1 |
| Rental income | 41,957 | 2 | 41,359 | 1 |
| Valuation gain on financial assets | - | - | 249 | - |
| Valuation gain on financial liabilities | 8,973 | - | - | - |
| Others | <u>9,453</u> | <u>-</u> | <u>12,334</u> | <u>-</u> |
| Total non-operating income | <u>2,583,830</u> | <u>101</u> | <u>2,002,096</u> | <u>59</u> |

(Continued)

POU CHEN CORPORATION

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2012 AND 2011

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

(Reviewed, Not Audited)

| | 2012 | | 2011 | |
|--|---------------------|------------------|---------------------|------------------|
| | Amount | % | Amount | % |
| NON-OPERATING EXPENSES | | | | |
| Interest expense | \$ 86,498 | 3 | \$ 60,120 | 2 |
| Loss on disposal of property, plant, equipment and leased assets | 7 | - | 346 | - |
| Foreign exchange loss, net | 42,942 | 2 | - | - |
| Valuation loss on financial liabilities | - | - | 39,196 | 1 |
| Others | <u>16,757</u> | <u>1</u> | <u>18,709</u> | <u>-</u> |
| Total non-operating expenses | <u>146,204</u> | <u>6</u> | <u>118,371</u> | <u>3</u> |
| INCOME BEFORE INCOME TAX | 2,535,602 | 99 | 1,678,379 | 50 |
| INCOME TAX EXPENSE | <u>(120,338)</u> | <u>(4)</u> | <u>(126,710)</u> | <u>(4)</u> |
| NET INCOME | <u>\$ 2,415,264</u> | <u>95</u> | <u>\$ 1,551,669</u> | <u>46</u> |
| | 2012 | | 2011 | |
| | Before Income Tax | After Income Tax | Before Income Tax | After Income Tax |
| BASIC EARNINGS PER SHARE | <u>\$ 0.87</u> | <u>\$ 0.83</u> | <u>\$ 0.59</u> | <u>\$ 0.54</u> |
| DILUTED EARNINGS PER SHARE | <u>\$ 0.86</u> | <u>\$ 0.82</u> | <u>\$ 0.57</u> | <u>\$ 0.53</u> |

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

| | 2012 | | 2011 | |
|----------------------------|---------------------|------------------|---------------------|------------------|
| | Before Income Tax | After Income Tax | Before Income Tax | After Income Tax |
| NET INCOME | <u>\$ 2,415,264</u> | | <u>\$ 1,551,669</u> | |
| | 2012 | | 2011 | |
| | Before Income Tax | After Income Tax | Before Income Tax | After Income Tax |
| BASIC EARNINGS PER SHARE | <u>\$ 0.87</u> | <u>\$ 0.82</u> | <u>\$ 0.58</u> | <u>\$ 0.54</u> |
| DILUTED EARNINGS PER SHARE | <u>\$ 0.85</u> | <u>\$ 0.81</u> | <u>\$ 0.57</u> | <u>\$ 0.53</u> |

(Concluded)

POU CHEN CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | Capital Surplus | | | | | | Retained Earnings | | | Other Items of Stockholders' Equity | | | | | Total | |
|---|----------------------|------------------------------------|--|--|---------------------|-----------------------|------------------------------|---------------------|---------------------|-------------------------------------|------------------------------------|---|---|----------------------------------|---------------------|----------------------|
| | Capital Stock | Advance receipts for capital stock | Additional Paid-in Capital of Common Stock | Additional Paid-in Capital of Bonds Conversion | Treasury Stock | Employee Stock Option | Long-Term Equity Investments | Legal Reserve | Special Reserve | Unappropriated Earnings | Cumulative Translation Adjustments | Net Loss not Recognized as Pension Cost | Unrealized Gain (Loss) on Financial Instruments | Unrealized Revaluation Increment | | Treasury Stock |
| BALANCE, JANUARY 1, 2012 | \$ 29,241,469 | \$ - | \$ 812,890 | \$ 1,447,492 | \$ 1,575,523 | \$ - | \$ 4,720,416 | \$ 6,740,247 | \$ 3,283,792 | \$ 12,871,866 | \$ (2,154,982) | \$ (114,235) | \$ (993,798) | \$ 134,641 | \$ (155,375) | \$ 57,409,946 |
| Effect of changes of ownership interest in investees | - | - | - | - | - | - | 66,848 | - | - | - | - | - | - | - | - | 66,848 |
| Unrealized gain on available-for-sale financial assets | - | - | - | - | - | - | - | - | - | - | - | - | 104,960 | - | - | 104,960 |
| Investee's unrealized gain on available-for-sale financial assets | - | - | - | - | - | - | - | - | - | - | - | - | 632,228 | - | - | 632,228 |
| Unrealized gain on cash flow hedge financial liability | - | - | - | - | - | - | - | - | - | - | - | - | 9,310 | - | - | 9,310 |
| Execution of employee stock warrants | 161,370 | 7,098 | 1,464 | - | - | - | - | - | - | - | - | - | - | - | - | 169,932 |
| Translation adjustments on foreign long-term equity investments | - | - | - | - | - | - | - | - | - | - | (1,171,192) | - | - | - | - | (1,171,192) |
| Net income for the three months ended March 31, 2012 | - | - | - | - | - | - | - | - | - | 2,415,264 | - | - | - | - | - | 2,415,264 |
| BALANCE, MARCH 31, 2012 | \$ 29,402,839 | \$ 7,098 | \$ 814,354 | \$ 1,447,492 | \$ 1,575,523 | \$ - | \$ 4,787,264 | \$ 6,740,247 | \$ 3,283,792 | \$ 15,287,130 | \$ (3,326,174) | \$ (114,235) | \$ (247,300) | \$ 134,641 | \$ (155,375) | \$ 59,637,296 |
| BALANCE, JANUARY 1, 2011 | \$ 28,997,559 | \$ - | \$ 812,890 | \$ 1,447,492 | \$ 1,453,564 | \$ - | \$ 4,349,166 | \$ 5,950,686 | \$ 398,368 | \$ 14,220,651 | \$ (4,563,813) | \$ (57,341) | \$ 1,202,722 | \$ 134,641 | \$ (1,241,416) | \$ 53,105,169 |
| Effect of changes of ownership interest in investees | - | - | - | - | - | - | 114,880 | - | - | - | - | - | - | - | - | 114,880 |
| Unrealized gain on available-for-sale financial assets | - | - | - | - | - | - | - | - | - | - | - | - | 111,547 | - | - | 111,547 |
| Investee's unrealized gain on available-for-sale financial assets | - | - | - | - | - | - | - | - | - | - | - | - | 137,174 | - | - | 137,174 |
| Unrealized gain on cash flow hedge financial liability | - | - | - | - | - | - | - | - | - | - | - | - | 8,378 | - | - | 8,378 |
| Execution of employee stock warrants | 3,060 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,060 |
| Translation adjustments on foreign long-term equity investments | - | - | - | - | - | - | - | - | - | - | 716,459 | - | - | - | - | 716,459 |
| Compensation cost of treasury stock transfer to employees | - | - | - | - | - | 257,635 | - | - | - | - | - | - | - | - | - | 257,635 |
| Adjustments on capital surplus from transfer treasury stock to employees - 43,300 thousand shares | - | - | - | - | 112,503 | (257,635) | - | - | - | - | - | - | - | - | 1,086,041 | 940,909 |
| Net income for the three months ended March 31, 2011 | - | - | - | - | - | - | - | - | - | 1,551,669 | - | - | - | - | - | 1,551,669 |
| BALANCE, MARCH 31, 2011 | \$ 29,000,619 | \$ - | \$ 812,890 | \$ 1,447,492 | \$ 1,566,067 | \$ - | \$ 4,464,046 | \$ 5,950,686 | \$ 398,368 | \$ 15,772,320 | \$ (3,847,354) | \$ (57,341) | \$ 1,459,821 | \$ 134,641 | \$ (155,375) | \$ 56,946,880 |

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | 2012 | 2011 |
|--|---------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 2,415,264 | \$ 1,551,669 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | | |
| Depreciation | 67,544 | 69,686 |
| Amortization | 6,008 | 4,378 |
| Provision for doubtful accounts | - | 631 |
| Unrealized gross profit from inter-affiliate transactions | 1,538 | 15 |
| Investment income recognized under equity method | (2,523,090) | (1,928,493) |
| Net gain on disposal of property, plant, equipment and leased assets | (65) | (3,643) |
| Valuation gain on financial assets | - | (249) |
| Valuation (gain) loss on financial liabilities | (8,973) | 39,196 |
| Compensation cost of treasury stock transfer to employees | - | 257,635 |
| Net changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss, current | - | (22,000) |
| Notes receivable | 1,622 | (825) |
| Notes receivable from affiliates | 41,589 | 5,588 |
| Accounts receivable | 42,874 | 3,411 |
| Accounts receivable from affiliates | (271,799) | (90,270) |
| Other receivables | (53,820) | (51,969) |
| Inventories | (87,582) | (207,477) |
| Other current assets | (9,123) | 16,255 |
| Deferred income tax asset, noncurrent | (1,296) | (1,080) |
| Income tax prepayment | 1,978 | (21) |
| Financial liabilities at fair value through profit or loss, current | 226 | (18,768) |
| Notes payable | 7,831 | 24,053 |
| Notes payable to affiliates | 22,296 | (17,746) |
| Accounts payable | 207,551 | 293,203 |
| Accounts payable to affiliates | 43,648 | 16,056 |
| Income tax payable | (44,333) | - |
| Other payables | 57,183 | 69,263 |
| Deferred income tax liabilities, current | 115,326 | 127,790 |
| Other current liabilities | 794 | (3,665) |
| Accrued pension cost | 7,286 | 5,852 |
| Net cash provided by operating activities | <u>40,477</u> | <u>138,475</u> |

(Continued)

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | 2012 | 2011 |
|---|---------------------|-------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in investments accounted for by the equity method | (\$ 288,250) | - |
| Acquisitions of property, plant and equipment | (28,186) | (28,499) |
| Proceeds from disposal of property, plant and equipment | 126 | 11,690 |
| Acquisitions of leased assets | (198) | (154) |
| Proceeds from disposal of leased assets | - | 25,378 |
| Decrease in refundable deposits | 132 | 318 |
| Increase in deferred charges | (<u>1,125</u>) | (<u>635</u>) |
| Net cash (used in) provided by investing activities | (<u>317,501</u>) | <u>8,098</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term loans | 1,595,000 | (708,000) |
| Increase in short-term bills | 464 | - |
| Execution of employee stock warrants | 169,932 | 3,060 |
| Transferring treasury stock to employees | <u>-</u> | <u>940,909</u> |
| Net cash provided by financing activities | <u>1,765,396</u> | <u>235,969</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,488,372 | 382,542 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>202,213</u> | <u>332,699</u> |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$ 1,690,585</u> | <u>\$ 715,241</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| Cash paid during the period | | |
| Interest (excluding interest capitalized) | <u>\$ 85,773</u> | <u>\$ 51,097</u> |
| Income tax | <u>\$ 48,665</u> | <u>\$ 22</u> |
| SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Unrealized gain on available-for-sale financial assets | <u>\$ 104,960</u> | <u>\$ 111,547</u> |
| Investee's unrealized gain on available-for-sale financial assets | <u>\$ 632,228</u> | <u>\$ 137,174</u> |
| Unrealized gain on cash flow hedge financial liabilities | <u>\$ 9,310</u> | <u>\$ 8,378</u> |

(Continued)

POU CHEN CORPORATION

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | 2012 | 2011 |
|--|-----------------------|---------------------|
| Effect of changes in ownership interest in investees | <u>\$ 66,848</u> | <u>\$ 114,880</u> |
| Current portion of long-term liabilities | <u>\$ -</u> | <u>\$ 1,750,000</u> |
| Translation adjustments on foreign long-term equity investments | <u>(\$ 1,171,192)</u> | <u>\$ 716,459</u> |
| Adjustments on capital surplus from treasury stock transferred to employees | <u>\$ -</u> | <u>\$ 112,503</u> |
| Rental assets transferred to property, plant and equipment | <u>\$ 2,692</u> | <u>\$ -</u> |
| | | |
| CASH PAID DURING THE PERIOD FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | | |
| Fair value of property, plant and equipment acquired | \$ 17,904 | \$ 24,192 |
| Add payables for acquisition of property, plant and equipment at beginning of period | 15,922 | 11,328 |
| Less payables for acquisition of property, plant and equipment at end of period | <u>(5,640)</u> | <u>(7,021)</u> |
| Cash paid during the period for acquisition of property, plant and equipment | <u>\$ 28,186</u> | <u>\$ 28,499</u> |

(Concluded)