

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Pro-Forma)
DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2009		2008		Code	Liabilities and shareholders' equity	2009		2008	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash	\$ 354,258	8	\$ 240,553	6	2100	Short-term loans	\$ 90,711	2	\$ 114,541	3
1140	Notes receivable and Accounts receivable, net	743,034	17	512,003	13	2110	Short-term bills payable	10,079	1	-	-
1178	Other receivables	10,358	-	32,247	1	2140	Notes payable and Accounts payable	175,303	4	127,809	3
120X	Inventories	531,520	12	590,757	14	2160	Income tax payable	51,097	1	19,247	1
1286	Deferred income tax assets - current	16,502	1	11,017	-	2170	Accrued expenses	122,558	3	86,914	2
1298	Other current assets	55,756	1	42,555	1	2216	Dividend payable	46,383	1	344,071	8
11XX	Total current assets	<u>1,711,428</u>	<u>39</u>	<u>1,429,132</u>	<u>35</u>		Current portion of long-term liabilities	790,462	18	33,234	1
	Property, plant and equipment					2280	Other current liabilities	<u>53,574</u>	<u>1</u>	<u>56,585</u>	<u>1</u>
	Cost					21XX	Total current liabilities	1,340,167	31	782,401	19
1501	Land	178,441	4	168,117	4	24XX	Long-term liabilities	446,171	10	1,167,834	28
1521	Buildings	1,819,692	42	1,789,817	44	2810	Accrued pension cost	87,864	2	82,120	2
1531	Machinery and equipment	807,127	18	787,070	19	2860	Deferred income tax liabilities - noncurrent	<u>66,838</u>	<u>1</u>	<u>39,040</u>	<u>1</u>
1561	Office equipment and others	273,590	6	215,041	5	2XXX	Total liabilities	<u>1,941,040</u>	<u>44</u>	<u>2,071,395</u>	<u>50</u>
1551	Transportation equipment	<u>80,542</u>	<u>2</u>	<u>72,158</u>	<u>2</u>		Shareholders' Equity				
15X1	Total cost	3,159,392	72	3,032,203	74		Parent's shareholders' equity				
15X9	Less: Accumulated depreciation	(<u>707,689</u>)	(<u>16</u>)	(<u>555,799</u>)	(<u>14</u>)	31XX	Common stock at par value of \$10 each; authorized and issued -64,700 thousand shares	647,000	15	647,000	16
		2,451,703	56	2,476,404	60	32XX	Capital surplus	1,011,275	23	707,131	17
1670	Construction in progress and prepayments for equipment	<u>92,448</u>	<u>2</u>	<u>79,449</u>	<u>2</u>	3310	Legal reserve	198,551	5	136,773	3
15XX	Total property, plant and equipment	<u>2,544,151</u>	<u>58</u>	<u>2,555,853</u>	<u>62</u>	3350	Un-appropriated earnings	440,129	10	307,459	8
	Intangible assets					3420	Cumulative translation adjustments	<u>12,480</u>	<u>-</u>	(<u>31,155</u>)	(<u>1</u>)
1750	Computer software	23,523	1	24,969	1			2,309,435	53	1,767,208	43
1760	Goodwill	20,909	-	20,973	-	3610	Minority Interest	<u>129,168</u>	<u>3</u>	<u>266,180</u>	<u>7</u>
1770	Deferred pension cost	14,064	-	17,938	-	3XXX	Total shareholders' equity	<u>2,438,603</u>	<u>56</u>	<u>2,033,388</u>	<u>50</u>
1782	Land access	<u>25,921</u>	<u>1</u>	<u>26,625</u>	<u>1</u>		Total Liabilities and shareholders' equity	<u>\$ 4,379,643</u>	<u>100</u>	<u>\$ 4,104,783</u>	<u>100</u>
17XX	Total intangible assets	<u>84,417</u>	<u>2</u>	<u>90,505</u>	<u>2</u>						
	Other assets										
1830	Deferred charges	32,568	1	27,271	1						
1860	Deferred income tax assets - noncurrent	6,429	-	1,735	-						
1880	Other Assets	<u>650</u>	<u>-</u>	<u>287</u>	<u>-</u>						
18XX	Total other assets	<u>39,647</u>	<u>1</u>	<u>29,293</u>	<u>1</u>						
1XXX	Total	<u>\$ 4,379,643</u>	<u>100</u>	<u>\$ 4,104,783</u>	<u>100</u>						

The Financial Statements have been audited by Deloitte Touche Tohmatsu Limited.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Pro-Forma)

YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2009		2008	
		Amount	%	Amount	%
4110	Operating revenue	\$2,862,186	100	\$2,718,416	100
4170	Less : Sales returns and allowances	(658)	-	(4,297)	-
4100	Net sales	2,861,528	100	2,714,119	100
5000	Operating costs	(1,384,919)	(49)	(1,430,555)	(53)
5910	Gross profit	<u>1,476,609</u>	<u>51</u>	<u>1,283,564</u>	<u>47</u>
	Operating expenses				
6100	Selling expenses	(327,967)	(11)	(358,589)	(13)
6200	General and administrative expenses	(282,163)	(10)	(275,117)	(10)
6300	Research and development expenses	(87,505)	(3)	(49,248)	(2)
6000	Total operating expenses	(697,635)	(24)	(682,954)	(25)
6900	Operating income	<u>778,974</u>	<u>27</u>	<u>600,610</u>	<u>22</u>
	Non-operating income and gains				
7330	Government subsidy	30,035	1	5,075	-
7110	Interest income	2,121	-	1,900	-
7480	Miscellaneous income	<u>13,179</u>	<u>1</u>	<u>9,378</u>	<u>1</u>
7100	Total non-operating income and gains	<u>45,335</u>	<u>2</u>	<u>16,353</u>	<u>1</u>
	Non-operating expenses and losses				
7510	Interest expense	(58,302)	(2)	(78,515)	(3)
7530	Loss on disposal of property, plant and equipment	(5,989)	-	(2,219)	-

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Code		2009		2008	
		Amount	%	Amount	%
7560	Exchange loss, net	(\$ 14,501)	(1)	(\$ 8,862)	(1)
7880	Miscellaneous expenses	(1,954)	-	(3,162)	-
7500	Total non-operating expenses and losses	(80,746)	(3)	(92,758)	(4)
7900	Income before income tax	743,563	26	524,205	19
8110	Income tax expense	(193,348)	(7)	(108,238)	(4)
9600	Consolidated net income	<u>\$ 550,215</u>	<u>19</u>	<u>\$ 415,967</u>	<u>15</u>
	Attributed to				
9601	Shareholders of the parent	\$ 459,426	16	\$ 355,834	13
9602	Minority interests	<u>90,789</u>	<u>3</u>	<u>60,133</u>	<u>2</u>
		<u>\$ 550,215</u>	<u>19</u>	<u>\$ 415,967</u>	<u>15</u>
		Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
9750	Earnings per share Basic	<u>\$ 9.51</u>	<u>\$ 7.10</u>	<u>\$ 7.02</u>	<u>\$ 5.50</u>

The Financial Statements have been audited by Deloitte Touche Tohmatsu Limited.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Pro-Forma)
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained Earnings		Cumulative translation adjustments	Minority Interest	Total shareholders' equity
			Legal reserve	Un-appropriated			
BALANCE, JANUARY 1, 2008	\$ 647,000	\$ 645,278	\$ 64,183	\$ 482,755	(\$ 8,542)	\$ 114,850	\$ 1,945,524
Net income for the year ended December 31, 2008	-	-	-	355,834	-	60,133	415,967
Legal reserve	-	-	67,394	(67,394)	-	-	-
Cash dividends	-	-	-	(502,506)	-	(42,736)	(545,242)
Cash bonus to employees	-	-	-	(309)	-	-	(309)
Issuance of common stock for subsidiary before recombination	-	21,231	-	-	-	-	21,231
Issuance of common stock for minority before recombination	-	-	-	-	-	67,057	67,057
Adjustment arising from changes in percentage of ownership in investees	-	(59,197)	-	-	-	59,197	-
Change in translation adjustments	-	99,819	5,196	39,079	(22,613)	7,679	129,160
BALANCE, DECEMBER 31, 2008	647,000	707,131	136,773	307,459	(31,155)	266,180	2,033,388
Net income for the year ended December 31, 2009	-	-	-	459,426	-	90,789	550,215
Legal reserve	-	-	62,194	(62,194)	-	-	-
Cash dividends	-	-	-	(263,626)	-	(61,720)	(325,346)
Issuance of common stock for subsidiary before recombination	-	46,940	-	-	-	-	46,940
Issuance of common stock for minority before recombination	-	261,323	-	-	-	(184,771)	76,552
Change in translation adjustments	-	(4,119)	(416)	(936)	43,635	18,690	56,854
BALANCE, DECEMBER 31, 2009	\$ 647,000	\$ 1,011,275	\$ 198,551	\$ 440,129	\$ 12,480	\$ 129,168	\$ 2,438,603

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AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Pro-Forma)

YEARS ENDED DECEMBER 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

	2009	2008
Cash flows from operating activities		
Net income	\$ 550,215	\$ 415,967
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	163,053	154,723
Amortization	18,462	13,322
Provision for doubtful accounts	638	(1,661)
Provision for loss on inventories	8,475	16,233
Loss on disposal of property, plant and equipment	5,989	2,219
Deferred income tax	17,768	29,959
Accrued pension cost	9,292	15,046
Changes in operating assets and liabilities:		
Accounts receivable and Notes receivable	(231,669)	157,932
Other receivables	21,889	(2,394)
Inventory	50,762	(65,054)
Other current assets	(13,201)	(6,823)
Accounts payable and Notes payable	47,494	(30,498)
Income tax payable	(685)	17,103
Accrued expenses	35,644	(209,176)
Other current liabilities	(<u>3,011</u>)	(<u>6,907</u>)
Net cash provided by operating activities	<u>681,115</u>	<u>513,805</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(131,339)	(351,367)
Proceeds from disposal of property, plant and equipment	3,115	4,682
Increase in Intangible assets and other assets	(20,897)	(21,586)
Increase in restricted assets	<u>-</u>	<u>10,695</u>
Net cash used in investing activities	(<u>149,121</u>)	(<u>357,576</u>)
Cash flows from financing activities		
Increase (decrease) in short-term loans	(23,830)	21,583
Proceeds from long-term debt	35,565	8,291
Issuance of common stock for minority	-	67,057

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	<u>2009</u>	<u>2008</u>
Increase in short-term bills payable	\$ 10,079	\$ -
Issuance of common stock for subsidiary before recombination	46,940	21,231
Cash dividends	(589,453)	(263,713)
Cash bonus to employees	<u>-</u>	<u>(309)</u>
Net cash used in financing activities	<u>(520,699)</u>	<u>(145,860)</u>
Effect of exchange rate changes	<u>102,410</u>	<u>33,779</u>
Net increase in cash and cash equivalents	113,705	44,148
Cash and cash equivalents, beginning of year	<u>240,553</u>	<u>196,405</u>
Cash and cash equivalents, end of year	<u>\$ 354,258</u>	<u>\$ 240,553</u>
Supplemental cash flow information		
Interest paid	<u>\$ 57,192</u>	<u>\$ 79,034</u>
Income tax paid	<u>\$ 107,301</u>	<u>\$ 129,548</u>
Non-cash investing and financing activities		
Current portion of long-term liabilities	<u>\$ 790,462</u>	<u>\$ 33,234</u>

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