

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

SEP. 30, 2012 AND 2011

(In Thousands of New Taiwan Dollars, Except Par Value)

(Reviewed, Not Audited)

C o d e	Assets	2012.9.30			2011.9.30			C o d e	Liabilities and shareholders' equity	2012.9.30			2011.9.30		
		RMB	NTD	%	RMB	NTD	%			RMB	NTD	%	RMB	NTD	%
	<b>Current assets</b>							<b>Current liabilities</b>							
1100	Cash	\$ 208,878	\$ 973,371	10	\$ 291,741	\$ 1,398,898	17	2100	Short-term loans	\$ 649,977	\$ 3,028,891	30	\$ 352,351	\$ 1,689,521	20
1310	Financial assets at fair value							2110	Short-term bills payable	32,190	150,000	2	6,258	30,000	1
	through profit or loss	71,711	334,173		27,042	129,666		2140	Notes payable and Accounts payable	84,981	396,014		67,463	323,489	
1140	Notes receivable and Accounts receivable, net	362,848	1,690,871	17	322,780	1,547,730	18	2160	Income tax payable	17,936	83,584	1	17,138	82,176	1
1178	Other receivables	15,444	71,969	1	19,243	92,270	1	2170	Accrued expenses	49,358	230,007	2	51,811	248,435	3
120X	Inventories	217,443	1,013,284	10	188,325	903,018	11	2270	Current portion of long-term liabilities	4,811	22,416	-	4,606	22,086	-
1286	Deferred income tax assets - current	13,425	62,561	-	9,736	46,684	1	2298	Other current liabilities	50,405	234,897	2	23,426	112,335	1
1298	Other current assets	24,584	114,561	1	21,739	104,243	1	21XX	Total current liabilities	889,658	4,145,809	41	523,053	2,508,042	30
11XX	Total current assets	914,333	4,260,790	42	880,606	4,222,509	51		<b>Long-term liabilities</b>						
	<b>Property, plant and equipment</b>							2421	Long-term bank loan	51,836	241,548	3	59,063	283,207	3
	<b>Cost</b>								<b>Other liabilities</b>						
1501	Land	34,327	159,957	2	33,367	159,957	2	2810	Accrued pension cost	6,749	31,449	-	26,466	126,905	2
1521	Buildings	532,983	2,483,700	25	458,636	2,199,158	26	2860	Deferred income tax liabilities-noncurrent	40,847	190,347	2	37,779	181,149	2
1531	Machinery and equipment	395,526	1,843,150	18	294,601	1,412,613	17	28XX	Total other liabilities	47,596	221,796	2	64,245	308,054	4
1551	Transportation equipment	40,924	190,707	2	38,575	184,969	2	2XXX	Total liabilities	989,090	4,609,153	46	646,361	3,099,303	37
1561	Office equipment and other	80,932	377,141	4	76,217	365,455	5		<b>Shareholders' Equity</b>						
15X1	Total cost	1,084,692	5,054,655	51	901,396	4,322,152	52		Parent's shareholders' equity						
15X9	Less: Accumulated depreciation	(254,596)	(1,186,419)	(12)	(209,659)	(1,005,315)	(12)	31XX	Common stock at par value of \$10 each; authorized and issued :150,000 thousand shares	315,759	1,500,000	15	315,759	1,500,000	18
		830,096	3,868,236	39	691,737	3,316,837	40	32XX	Capital surplus	448,529	2,090,146	21	448,529	2,150,697	26
1670	Construction in progress and prepayments for equipment	348,232	1,622,761	16	113,897	546,136	6	3350	Unappropriated earnings	380,802	1,774,536	18	311,164	1,492,030	18
15XX	Total property, plant and equipment	1,178,328	5,490,997	55	805,634	3,862,973	46	3420	Cumulative translation adjustments	(9,751)	(74,008)	(1)	(11,935)	(43,206)	(1)
	<b>Intangible assets</b>								Total parent's shareholders' equity	1,135,339	5,290,674	53	1,063,517	5,099,521	61
1750	Computer software	5,906	27,524	-	4,485	21,507	-	3610	Minority Interest	31,256	145,651	1	30,109	144,374	2
1760	Goodwill	4,370	20,365	-	4,370	20,955	-	3XXX	Total shareholders' equity	1,166,595	5,436,325	54	1,093,626	5,243,895	63
1770	Deferred pension cost	1,865	8,691	-	2,742	13,144	-		<b>Total</b>	<b>\$ 2,155,685</b>	<b>\$ 10,045,478</b>	<b>100</b>	<b>\$ 1,739,987</b>	<b>\$ 8,343,198</b>	<b>100</b>
1782	Land access	28,025	130,597	2	28,665	137,450	2								
17XX	Total intangible assets	40,166	187,177	2	40,262	193,056	2								
	<b>Other assets</b>														
1830	Deferred charges	18,558	86,479	1	9,325	44,714	1								
1860	Deferred income tax assets - noncurrent	3,890	18,127	-	3,913	18,762	-								
1880	Other Assets	410	1,908	-	247	1,184	-								
18XX	Total other assets	22,858	106,514	1	13,485	64,660	1								
1XXX	Total	\$ 2,155,685	\$ 10,045,478	100	\$ 1,739,987	\$ 8,343,198	100								

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



AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED SEP 30, 2012 AND 2011  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	2012.1.1~2012.9.30		2011.1.1~2011.9.30	
	RMB	NTD	RMB	NTD
Cash flows from operating activities				
Net income	\$ 186,374	\$ 868,502	\$ 230,472	\$ 1,105,110
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	44,502	207,380	35,989	172,566
Amortization	6,180	28,801	3,972	19,048
Provision for doubtful accounts	2,407	11,215	2,261	10,842
Recovery of loss on inventories	( 253 )	( 1,180 )	( 337 )	( 1,615 )
Loss on disposal of property, plant and equipment	839	3,910	803	3,852
Valuation gain on financial instruments	( 1,882 )	( 8,769 )	( 42 )	( 201 )
Deferred income tax	9,455	44,059	10,676	51,191
Accrued pension cost	( 14,613 )	( 68,097 )	4,069	19,511
Changes in operating assets and liabilities:				
Accounts receivable and Notes receivable	( 75,914 )	( 353,759 )	( 99,590 )	( 477,534 )
Other receivables	( 5,516 )	( 25,705 )	( 6,889 )	( 33,033 )
Inventory	( 11,561 )	( 53,874 )	( 30,695 )	( 147,183 )
Other current assets	( 7,480 )	( 34,857 )	( 9,797 )	( 46,977 )
Accounts payable and Notes payable	25,797	120,214	10,221	49,010
Income tax payable	( 3,470 )	( 16,170 )	773	3,707
Accrued expenses	2,844	13,253	( 9,018 )	( 43,241 )
Other current liabilities	7,835	36,511	287	1,376
Net cash provided by operating activities	<u>165,544</u>	<u>771,434</u>	<u>143,155</u>	<u>686,429</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	( 309,745 )	( 1,443,412 )	( 219,269 )	( 1,051,395 )
Proceeds from disposal of property, plant and equipment	264	1,230	967	4,637

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	2012.1.1~2012.9.30		2011.1.1~2011.9.30	
	RMB	NTD	RMB	NTD
Acquisition of financial assets designated as at fair value through profit or loss	( 322,000 )	( 1,500,520 )	( 27,000 )	( 129,465 )
Disposal of financial assets designated as at fair value through profit or loss	293,437	1,367,416	-	-
Increase in Intangible assets and other assets	( 14,702 )	( 68,511 )	( 19,570 )	( 93,838 )
Net cash used in investing activities	( 352,746 )	( 1,643,797 )	( 264,872 )	( 1,270,061 )
Cash flows from financing activities				
Increase in short-term loans	298,746	1,392,156	226,583	1,086,465
Decrease in long-term bank loan	( 7,537 )	( 35,122 )	( 96,185 )	( 461,207 )
Increase in short-term bills payable	10,660	49,676	6,258	30,000
cash dividends appropriated from capital surplus	( 172,447 )	( 803,603 )	( 150,000 )	( 719,250 )
Net cash provided by (used in) financing activities	129,422	603,107	( 13,344 )	( 63,992 )
Effect of exchange rate changes	3,886	( 20,518 )	( 4,403 )	131,756
Net decrease in cash and cash equivalents	( 53,894 )	( 289,774 )	( 139,464 )	( 515,868 )
Cash and cash equivalents, beginning of period	262,772	1,263,145	431,205	1,914,766
Cash and cash equivalents, end of period	\$ 208,878	\$ 973,371	\$ 291,741	\$ 1,398,898
Supplemental cash flow information				
Interest paid	\$ 6,960	\$ 32,434	\$ 5,105	\$ 24,478
Income tax paid	\$ 64,070	\$ 298,566	\$ 57,505	\$ 275,736
Non-cash investing and financing activities				
Current portion of long-term liabilities	\$ 4,811	\$ 22,416	\$ 4,606	\$ 22,086

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