

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2010			2009			Code	Liabilities and shareholders' equity	2010			2009		
		RMB	NTD	%	RMB	NTD	%			RMB	NTD	%	RMB	NTD	%
	Current assets							Current liabilities							
1100	Cash	\$ 431,205	\$ 1,914,766	29	\$ 74,043	\$ 354,258	8	2100	Short-term loans	\$ 136,949	\$ 608,122	9	\$ 18,959	\$ 90,711	2
1140	Notes receivable and Accounts receivable, net	225,407	1,000,921	15	155,300	743,034	17	2110	Short-term bills payable	-	-	-	2,107	10,079	1
1178	Other receivables	12,354	54,859	1	2,165	10,358	-	2140	Notes payable and Accounts payable	57,242	254,184	4	36,640	175,303	4
120X	Inventories	157,385	698,870	10	111,092	531,520	12	2160	Income tax payable	16,365	72,668	1	10,680	51,097	1
1286	Deferred income tax assets - current	6,437	28,582	-	3,449	16,502	1	2170	Accrued expenses	60,829	270,111	4	25,616	122,558	3
1298	Other current assets	11,942	53,023	1	11,654	55,756	1	2216	Dividend payable	-	-	-	9,694	46,383	1
11XX	Total current assets	844,730	3,751,021	56	357,703	1,711,428	39	2270	Current portion of long-term liabilities	4,864	21,599	-	165,213	790,462	18
	Property, plant and equipment							2280	Other current liabilities	18,066	80,219	1	11,197	53,574	1
	Cost							21XX	Total current liabilities	294,315	1,306,903	19	280,106	1,340,167	31
1501	Land	38,054	168,979	2	37,296	178,441	4	24XX	Long-term liabilities	150,194	666,939	10	93,253	446,171	10
1521	Buildings	383,529	1,703,059	25	380,331	1,819,692	42	2810	Accrued pension cost	22,615	100,420	1	18,404	87,864	2
1531	Machinery and equipment	238,751	1,060,174	16	168,696	807,127	18	2860	Deferred income tax liabilities - noncurrent	23,117	102,651	2	13,970	66,838	1
1551	Transportation equipment	23,364	103,747	2	16,834	80,542	2								
1561	Office equipment and others	57,606	255,801	4	57,182	273,590	6	2XXX	Total liabilities	490,241	2,176,913	32	405,733	1,941,040	44
15X1	Total cost	741,304	3,291,760	49	660,339	3,159,392	72		Shareholders' Equity						
15X9	Less: Accumulated depreciation	(178,827)	(794,081)	(12)	(147,913)	(707,689)	(16)		Parent's shareholders' equity						
		562,477	2,497,679	37	512,426	2,451,703	56	31XX	Common stock at par value of \$10 each; authorized and issued						
1670	Construction in progress and prepayments for equipment	66,048	293,285	4	19,322	92,448	2		-2010:150,000 thousand shares ;authorized and issued						
15XX	Total property, plant and equipment	628,525	2,790,964	41	531,748	2,544,151	58		-2009:64,700 thousand shares	315,759	1,500,000	22	135,228	647,000	15
	Intangible assets							32XX	Capital surplus	448,529	1,991,694	30	343,378	1,642,892	38
1750	Computer software	4,636	20,587	1	4,916	23,523	1	3350	Un-appropriated earnings	235,643	1,046,373	16	1,476	7,063	-
1760	Goodwill	4,370	19,406	-	4,370	20,909	-	3420	Cumulative translation adjustments	(6,569)	(127,043)	(2)	2,730	12,480	-
1770	Deferred pension cost	2,960	13,144	-	3,101	14,064	-		Minority Interest	993,362	4,411,024	66	482,812	2,309,435	53
1782	Land access	16,433	72,972	1	5,418	25,921	1	3610	Total shareholders' equity	27,490	122,071	2	26,997	129,168	3
17XX	Total intangible assets	28,399	126,109	2	17,805	84,417	2	3XXX		1,020,852	4,533,095	68	509,809	2,438,603	56
	Other assets								Total Liabilities and shareholders' equity	\$ 1,511,093	\$ 6,710,008	100	\$ 915,542	\$ 4,379,643	100
1830	Deferred charges	5,857	26,009	1	6,807	32,568	1								
1860	Deferred income tax assets - noncurrent	3,366	14,948	-	1,344	6,429	-								
1880	Other Assets	216	957	-	135	650	-								
18XX	Total other assets	9,439	41,914	1	8,286	39,647	1								
1XXX	Total	\$ 1,511,093	\$ 6,710,008	100	\$ 915,542	\$ 4,379,643	100								

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

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2010 AND FOR THE PERIOD FROM SEP. 16, 2009 (DATE OF ESTABLISH)

TO DECEMBER 31, 2009

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

Code		2010			2009.9.16(Date of establish)~2009.12.31				
		RMB	NTD	%	RMB	NTD	%		
4110	Operating revenue	\$ 968,499	\$ 4,300,620	100	\$ 22,053	\$ 105,513	100		
4170	Less : Sales returns and allowances	(344)	(1,527)	-	-	-	-		
4100	Net sales	968,155	4,299,093	100	22,053	105,513	100		
5000	Operating costs	(433,831)	(1,926,429)	(45)	(11,773)	(56,330)	(53)		
5910	Gross profit	<u>534,324</u>	<u>2,372,664</u>	<u>55</u>	<u>10,280</u>	<u>49,183</u>	<u>47</u>		
	Operating expenses								
6100	Selling expenses	(109,078)	(484,362)	(11)	(3,498)	(16,738)	(16)		
6200	General and administrative expenses	(94,936)	(421,561)	(10)	(3,476)	(16,631)	(16)		
6300	Research and development expenses	(23,377)	(103,805)	(3)	(552)	(2,637)	(2)		
6000	Total operating expenses	(227,391)	(1,009,728)	(24)	(7,526)	(36,006)	(34)		
6900	Operating income	<u>306,933</u>	<u>1,362,936</u>	<u>31</u>	<u>2,754</u>	<u>13,177</u>	<u>13</u>		
	Non-operating income and gains								
7110	Interest income	515	2,288	-	13	64	-		
7160	Exchange gain, net	8,104	35,986	1	-	-	-		
7330	Government subsidy	5,338	23,703	1	-	-	-		
7480	Miscellaneous income	<u>3,112</u>	<u>13,817</u>	-	<u>94</u>	<u>449</u>	-		
7100	Total non-operating income and gains	<u>17,069</u>	<u>75,794</u>	<u>2</u>	<u>107</u>	<u>513</u>	-		
	Non-operating expenses and losses								
7510	Interest expense	(10,641)	(47,249)	(1)	(367)	(1,757)	(2)		
7530	Loss on disposal of property, plant and equipment	(1,316)	(5,842)	-	-	-	-		
7880	Miscellaneous expenses	(169)	(752)	-	(327)	(1,564)	(1)		
7500	Total non-operating expenses and losses	(12,126)	(53,843)	(1)	(694)	(3,321)	(3)		
7900	Income before income tax	311,876	1,384,887	32	2,167	10,369	10		
8110	Income tax expense	(75,428)	(334,940)	(8)	(1,097)	(5,247)	(5)		
9600	Consolidated net income	<u>\$ 236,448</u>	<u>\$ 1,049,947</u>	<u>24</u>	<u>\$ 1,070</u>	<u>\$ 5,122</u>	<u>5</u>		
	Attributed to								
9601	Shareholders of the parent	\$ 234,167	\$ 1,039,818	24	\$ 1,476	\$ 7,063	7		
9602	Minority interests	<u>2,281</u>	<u>10,129</u>	-	(406)	(1,941)	(2)		
		<u>\$ 236,448</u>	<u>\$ 1,049,947</u>	<u>24</u>	<u>\$ 1,070</u>	<u>\$ 5,122</u>	<u>5</u>		
Code		Before Income Tax		After Income Tax		Before Income Tax		After Income Tax	
		RMB	NTD	RMB	NTD	RMB	NTD	RMB	NTD
	Earnings per share								
9750	Basic	<u>\$ 2.31</u>	<u>\$10.25</u>	<u>\$ 1.75</u>	<u>\$ 7.76</u>	<u>\$ 0.02</u>	<u>\$ 0.10</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>
9850	Diluted	<u>\$ 2.31</u>	<u>\$10.24</u>	<u>\$ 1.75</u>	<u>\$ 7.75</u>	<u>\$ 0.02</u>	<u>\$ 0.10</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>

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

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2010 AND FOR THE PERIOD FROM SEP. 16, 2009 (DATE OF ESTABLISH) TO DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

	Common stock		Capital surplus		Retained Earnings		Cumulative translation adjustments		Minority Interest		Total shareholders' equity	
	RMB	NTD	RMB	NTD	RMB	NTD	RMB	NTD	RMB	NTD	RMB	NTD
BALANCE, JANUARY 1, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effect in Recombination	135,228	647,000	343,378	1,642,892	-	-	-	-	27,098	129,651	505,704	2,419,543
Net income 2009.9.16(Date of establish)~2009.12.31	-	-	-	-	1,476	7,063	-	-	(406)	(1,941)	1,070	5,122
Change in translation adjustments	-	-	-	-	-	-	2,730	12,480	305	1,458	3,035	13,938
BALANCE, DECEMBER 31, 2009	135,228	647,000	343,378	1,642,892	1,476	7,063	2,730	12,480	26,997	129,168	509,809	2,438,603
Net income for the year ended December 31, 2010	-	-	-	-	234,167	1,039,818	-	-	2,281	10,129	236,448	1,049,947
cash dividends appropriated from capital surplus	-	-	(47,385)	(226,409)	-	-	-	-	-	-	(47,385)	(226,409)
Issuance of common stock from capital surplus	143,131	683,000	(143,131)	(683,000)	-	-	-	-	-	-	-	-
Issuance of common stock for cash	37,400	170,000	286,310	1,300,768	-	-	-	-	-	-	323,710	1,470,768
Donations from shareholders	-	-	9,357	41,552	-	-	-	-	-	-	9,357	41,552
Change in translation adjustments	-	-	-	(84,109)	-	(508)	(9,299)	(139,523)	(1,788)	(17,226)	(11,087)	(241,366)
BALANCE, DECEMBER 31, 2010	<u>\$ 315,759</u>	<u>\$1,500,000</u>	<u>\$ 448,529</u>	<u>\$1,991,694</u>	<u>\$ 235,643</u>	<u>\$1,046,373</u>	<u>(\$ 6,569)</u>	<u>(\$ 127,043)</u>	<u>\$ 27,490</u>	<u>\$ 122,071</u>	<u>\$1,020,852</u>	<u>\$4,533,095</u>

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AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2010 AND FOR THE PERIOD FROM SEP. 16, 2009 (DATE OF ESTABLISH) TO DECEMBER 31, 2009

(In Thousands of New Taiwan Dollars)

	2010		2009.9.16(Date of establish)~2009.12.31	
	RMB	NTD	RMB	NTD
Cash flows from operating activities				
Net income	\$ 236,448	\$1,049,947	\$ 1,070	\$ 5,122
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	39,697	176,272	1,739	8,321
Amortization	4,712	20,925	133	637
Provision for doubtful accounts	468	2,078	133	637
Loss on disposal of property, plant and equipment	1,316	5,842	-	-
Provision for loss on inventories	1,201	5,333	1,771	8,475
Deferred income tax	11,585	51,443	(53)	(256)
Accrued pension cost	4,352	19,325	(321)	(1,541)
Changes in operating assets and liabilities:				
Accounts receivable and Notes receivable	(70,575)	(313,388)	7,838	37,502
Other receivables	(10,189)	(45,244)	(128)	(612)
Inventory	(47,494)	(210,897)	(1)	(5)
Other current assets	(288)	(1,279)	224	1,073
Accounts payable and Notes payable	20,602	91,483	5,689	27,218
Income tax payable	5,685	25,244	-	-
Accrued expenses	35,213	156,363	174	830
Other current liabilities	<u>6,869</u>	<u>30,502</u>	<u>(703)</u>	<u>(3,364)</u>
Net cash provided by operating activities	<u>239,602</u>	<u>1,063,949</u>	<u>17,565</u>	<u>84,037</u>
Cash flows from investing activities				
Increase in Recombination	-	-	45,090	215,732
Acquisition of property, plant and equipment	(138,574)	(615,338)	(4,526)	(21,658)
Proceeds from disposal of property, plant and equipment	784	3,481	-	-
Increase in Intangible assets and other assets	<u>(14,578)</u>	<u>(64,734)</u>	<u>(1,962)</u>	<u>(9,385)</u>

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	2010		2009.9.16(Date of establish)~2009.12.31	
	RMB	NTD	RMB	NTD
Net cash used in investing activities	<u>(\$ 152,368)</u>	<u>(\$ 676,591)</u>	<u>\$ 38,602</u>	<u>\$ 184,689</u>
Cash flows from financing activities				
Increase in short-term loans	117,990	523,935	-	-
Proceeds from long-term debt	(103,408)	(459,183)	-	-
Increase (decrease) in short-term bills payable	(2,107)	(9,356)	2,107	10,079
Issuance of common stock for cash	323,710	1,437,434	-	-
Cash dividends appropriated from capital surplus	(47,385)	(210,413)	-	-
Net cash used in financing activities	<u>288,800</u>	<u>1,282,417</u>	<u>2,107</u>	<u>10,079</u>
Effect of exchange rate changes	<u>(18,872)</u>	<u>(109,267)</u>	<u>15,769</u>	<u>75,453</u>
Net increase in cash and cash equivalents	357,162	1,560,508	74,043	354,258
Cash and cash equivalents, beginning of year	<u>74,043</u>	<u>354,258</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 431,205</u>	<u>\$ 1,914,766</u>	<u>\$ 74,043</u>	<u>\$ 354,258</u>
Supplemental cash flow information				
Interest paid	<u>\$ 9,248</u>	<u>\$ 41,066</u>	<u>\$ 317</u>	<u>\$ 1,519</u>
Income tax paid	<u>\$ 58,093</u>	<u>\$ 257,961</u>	<u>\$ 892</u>	<u>\$ 4,267</u>
Non-cash investing and financing activities				
Current portion of long-term liabilities	<u>\$ 4,864</u>	<u>\$ 21,599</u>	<u>\$ 165,213</u>	<u>\$ 790,462</u>

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AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2010 AND 2009

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

	2010		2009 (pro-forma)	
	RMB	NTD	RMB	NTD
Operating revenue	\$ 968,499	\$ 4,300,620	\$ 598,220	\$ 2,862,186
Less : Sales returns and allowances	(344)	(1,527)	(137)	(658)
Net sales	968,155	4,299,093	598,083	2,861,528
Operating costs	(433,831)	(1,926,429)	(289,460)	(1,384,919)
Gross profit	<u>534,324</u>	<u>2,372,664</u>	<u>308,623</u>	<u>1,476,609</u>
Operating expenses				
Selling expenses	(109,078)	(484,362)	(68,548)	(327,967)
General and administrative expenses	(94,936)	(421,561)	(58,974)	(282,163)
Research and development expenses	(23,377)	(103,805)	(18,289)	(87,505)
Total operating expenses	<u>(227,391)</u>	<u>(1,009,728)</u>	<u>(145,811)</u>	<u>(697,635)</u>
Operating income	<u>306,933</u>	<u>1,362,936</u>	<u>162,812</u>	<u>778,974</u>
Non-operating income and gains				
Interest income	515	2,288	443	2,121
Exchange gain, net	8,104	35,986	-	-
Government subsidy	5,338	23,703	6,278	30,035
Miscellaneous income	<u>3,112</u>	<u>13,817</u>	<u>2,754</u>	<u>13,179</u>
Total non-operating income and gains	<u>17,069</u>	<u>75,794</u>	<u>9,475</u>	<u>45,335</u>
Non-operating expenses and losses				
Interest expense	(10,641)	(47,249)	(12,185)	(58,302)
Loss on disposal of property, plant and equipment	(1,316)	(5,842)	(1,252)	(5,989)
Exchange loss, net	-	-	(3,031)	(14,501)
Miscellaneous expenses	<u>(169)</u>	<u>(752)</u>	<u>(408)</u>	<u>(1,954)</u>
Total non-operating expenses and losses	<u>(12,126)</u>	<u>(53,843)</u>	<u>(16,876)</u>	<u>(80,746)</u>
Income before income tax	311,876	1,384,887	155,411	743,563
Income tax expense	<u>(75,428)</u>	<u>(334,940)</u>	<u>(40,411)</u>	<u>(193,348)</u>
Consolidated net income	<u>\$ 236,448</u>	<u>\$ 1,049,947</u>	<u>\$ 115,000</u>	<u>\$ 550,215</u>
Attributed to				
Shareholders of the parent	\$ 234,167	\$ 1,039,818	\$ 96,024	\$ 459,426
Minority interests	<u>2,281</u>	<u>10,129</u>	<u>18,976</u>	<u>90,789</u>
	<u>\$ 236,448</u>	<u>\$ 1,049,947</u>	<u>\$ 115,000</u>	<u>\$ 550,215</u>

Annotate : The Pro Forma Consolidated Income statement of 2009 is provided for comparing.

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