



TATUNG CO., LTD.
 UNAUDITED BALANCE SHEETS
 As of March 31, 2009 and 2008
 (Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2009		March 31, 2008		Liabilities and Shareholders' Equity	March 31, 2009		March 31, 2008	
	Amount	%	Amount	%		Amount	%	Amount	%
Current Assets	16,197,467	20.45	21,982,864	23.41	Current Liabilities	17,938,181	22.65	23,387,114	24.92
Cash and cash equivalents	2,191,605	2.77	2,177,564	2.32	Short-term loans	7,863,104	9.93	10,182,387	10.85
Financial assets at fair value through profit or loss- current	1,478	-	6,038	0.01	Financial liabilities at fair value through profit or loss- current	1,528	-	169,640	0.18
Notes receivable	365,343	0.46	645,482	0.69	Short-term notes and bills payable	997,216	1.26	1,438,412	1.53
Notes receivable- affiliates, net	389,534	0.49	419,716	0.45	Accounts payable	2,577,830	3.25	3,664,863	3.91
Accounts receivable, net	3,834,475	4.84	5,883,736	6.27	Accounts payable- affiliates	1,923,140	2.43	3,390,026	3.61
Accounts receivable- affiliates, net	1,545,446	1.95	2,385,256	2.54	Other payables- affiliates	388,320	0.49	558,157	0.59
Other receivables, net	135,542	0.17	1,399,216	1.49	Other payables	1,621,072	2.05	1,880,405	2.01
Other receivables- affiliates, net	2,087,797	2.64	3,297,231	3.51	Advance receipts	933,679	1.18	589,650	0.63
Inventories, net	4,683,810	5.91	5,141,697	5.48	Current portion of long-term debt	1,558,906	1.97	1,193,757	1.27
Prepayments	401,924	0.51	370,937	0.39	Other current liabilities	73,386	0.09	198,590	0.21
Restricted assets- current	11,901	-	5,186	-	Deferred tax liabilities- current	-	-	121,227	0.13
Other current assets- others	548,612	0.69	250,805	0.26					
					Long-term Liabilities	20,708,973	26.14	18,237,438	19.44
					Financial liabilities at fair value through profit or loss- noncurrent	272,325	0.34	766,675	0.82
					Bonds payable	2,040,900	2.58	1,949,226	2.08
Funds and Investments	57,152,820	72.14	65,128,311	69.41	Long-term loans	17,424,673	22.00	15,521,537	16.54
Long-term investments accounted for under the equity method	56,882,403	71.80	64,769,871	69.02	Long-term payable	376,000	0.47	-	-
Prepayments for long-term investments	89,464	0.11	-	-	Long-term deferred revenues	595,075	0.75	-	-
Available-for-sale financial assets- noncurrent	100,938	0.13	277,165	0.30					
Financial assets carried at cost- noncurrent	80,015	0.10	81,275	0.09	Reserves	3,418	-	3,418	-
					Reserve for increment tax on land revaluation	3,418	-	3,418	-
					Other Liabilities	6,103,647	7.70	6,910,767	7.37
Property, Plant and Equipment	4,448,260	5.62	3,997,392	4.26	Accrued pension liability	3,494,593	4.41	3,390,070	3.62
Cost					Deposits in	1,969	-	2,810	-
Buildings	1,689,275	2.13	1,659,561	1.77	Deferred credit among affiliates	848,257	1.07	851,725	0.91
Machinery and equipment	5,865,395	7.40	5,781,491	6.16	Other liabilities- others	1,758,828	2.22	2,666,162	2.84
Transportation equipment	91,227	0.12	93,639	0.10					
Instrument of equipment	618,014	0.78	638,917	0.68	Total Liabilities	44,754,219	56.49	48,538,737	51.73
Leased assets	448,071	0.57	441,707	0.47					
Miscellaneous equipment	2,083,038	2.63	2,074,020	2.21	Total Shareholders' Equity	34,465,878	43.51	45,305,370	48.27
Revaluation increment	258,351	0.33	258,351	0.28	Capital stock	45,495,276	57.43	44,877,758	47.82
Subtotal	11,053,371	13.96	10,947,686	11.67	Capital stock to be registered	-	-	493,220	0.53
Less: accumulated depreciation	(8,018,353)	(10.12)	(7,928,837)	(8.45)	Capital reserve				
Construction in progress and prepayment for equipments	1,413,242	1.78	978,543	1.04	Premium on convertible bonds	33,038	0.04	197,509	0.21
					Treasury stock transactions	-	-	37,802	0.03
					Long-term investments	12,054,518	15.21	11,725,579	12.49
Intangible Assets	592,789	0.75	883,050	0.94	Retained earnings				
Computer software cost	-	-	61	-	Accumulated deficits	(21,482,177)	(27.12)	(10,394,924)	(11.08)
Deferred pension cost	572,640	0.72	858,960	0.92					
Other intangible assets	20,149	0.03	24,029	0.02	Adjusting items in shareholders' equity				
					Cumulative translation adjustment	1,849,531	2.34	961,842	1.02
Other Assets	828,761	1.04	1,852,490	1.98	Unrecognized net loss on pension cost	(1,205,690)	(1.52)	(1,020,706)	(1.09)
Refundable deposits	226,286	0.29	226,576	0.24	Unrealized gain or loss on financial instruments	(1,336,803)	(1.69)	(449,506)	(0.48)
Deferred charges	1,578	-	2,755	-	Unrealized gain or loss on cash flow hedge	(27,856)	(0.03)	(305)	-
Long-term receivables- affiliates, net	191,326	0.24	1,075,853	1.16	Unrealized increment of revaluation	222,059	0.28	222,059	0.24
Deferred tax assets- noncurrent	334,829	0.42	459,003	0.49					
Other assets- others	74,742	0.09	88,303	0.09	Treasury stock	(1,136,018)	(1.43)	(1,344,958)	(1.43)
Total Assets	79,220,097	100.00	93,844,107	100.00	Total Liabilities and Shareholders' Equity	79,220,097	100.00	93,844,107	100.00



TATUNG CO., LTD.
 UNAUDITED STATEMENTS OF OPERATIONS
 For the Three-Month Periods Ended March 31, 2009 and 2008
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Contents	January 1 to March 31, 2009			January 1 to March 31, 2008		
	Subtotal	Total	%	Subtotal	Total	%
Operating revenues						
Sales revenues		7,208,209	100.24		9,626,643	100.99
Less: Sales returns	(17,359)			(93,821)		
Sales allowances	(289)	(17,648)	(0.24)	(809)	(94,630)	(0.99)
Net operating revenues		7,190,561	100.00		9,532,013	100.00
Operating cost		(6,455,430)	(89.78)		(8,812,524)	(92.46)
Gross profit, including deferred intercompany profit		735,131	10.22		719,489	7.54
Unrealized intercompany profit, net		(46,383)	(0.65)		(49,851)	(0.52)
Realized intercompany profit, net		49,589	0.69		48,505	0.51
Net Gross profit		738,337	10.26		718,143	7.53
Operating expenses		(721,966)	(10.04)		(949,701)	(9.96)
Sales and marketing	(369,808)			(549,940)		
General and administrative	(138,535)			(157,073)		
Research and development	(213,623)			(242,688)		
Operating income (loss)		16,371	0.22		(231,558)	(2.43)
Non-operating income		67,537	0.94		1,935,028	20.30
Interest income	452			3,327		
Investment income accounted for under equity method	-			1,666,670		
Dividend income	1,500			2,500		
Gain on disposal of property, plant and equipment	512			3,147		
Gain on disposal of investments	824			1,407		
Foreign exchange gain, net	-			117,688		
Gain on financial assets at fair value through profit or loss, net	2,114			6,020		
Miscellaneous income	62,135			134,269		
Non-operating expenses		(3,022,044)	(42.03)		(727,332)	(7.63)
Interest expenses	(212,326)			(296,855)		
Investment loss accounted for under equity method	(2,668,970)			-		
Loss on disposal of property, plant and equipment	(4,533)			(8,053)		
Foreign exchange loss, net	(47,008)			-		
Loss on financial liabilities at fair value through profit or loss, net	(80,473)			(410,443)		
Miscellaneous expenses	(8,734)			(11,981)		
(Loss) income from continuing operating units before income tax		(2,938,136)	(40.87)		976,138	10.24
Income tax expense		-	-		(32,069)	(0.34)
Net (loss) income		(2,938,136)	(40.87)		944,069	9.90
(Loss) earnings per share-basic (in New Taiwan dollars)						
(Loss) income from continuing operating units before income tax		(0.66)			0.22	
Net (loss) income		(0.66)			0.21	
(Loss) earnings per share-diluted (in New Taiwan dollars)						
(Loss) income from continuing operating units before income tax		(0.66)			0.21	
Net (loss) income		(0.66)			0.21	
Pro forma information on (loss) gain as if subsidiaries' investment in the Company is not treated as treasury stock						
Net (loss) income		(2,938,136)			981,871	
(Loss) earnings per share-basic (in New Taiwan dollars)		(0.65)			0.22	
(Loss) earnings per share-diluted (in New Taiwan dollars)		(0.65)			0.22	



TATUNG CO., LTD.
 UNAUDITED STATEMENTS OF CASH FLOWS
 For the Three-Month Periods Ended March 31, 2009 and 2008
 (Expressed in Thousands of New Taiwan Dollars)

	January 1 to March 31, 2009	January 1 to March 31, 2008
Cash flows from operating activities:		
Net (loss) income	(2,938,136)	944,069
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Effects on foreign exchange	5,275	22,991
Depreciation	134,612	136,648
Amortization(including other losses)	1,264	3,284
Discount on bonds payable	27,996	25,854
Investment loss (income) accounted for under equity method	2,668,970	(1,666,670)
Cash dividend under equity method	6,946	-
Gain on disposal of investments	(824)	(1,407)
Loss on financial liabilities at fair value through profit or loss, net	80,473	410,443
Gain on financial assets at fair value through profit or loss, net	(2,114)	(6,020)
Gain on disposal of property, plant and equipment	(512)	(3,147)
Loss on disposal of property, plant and equipment	4,533	8,053
Changes in assets and liabilities :		
Notes receivable	134,362	(51,401)
Notes receivable- affiliates	(56,970)	24,776
Accounts receivable	481,145	1,640,103
Other receivables	(18,533)	293,185
Accounts receivable- affiliates	308,755	703,079
Other receivables- affiliates	840,408	761,308
Inventories	1,187,347	674,743
Transfer of inventories into property, plant and equipment	(5,915)	778
Prepayments	(2,854)	(66,492)
Other current assets	34,471	10,611
Long-term receivable- affiliates	(75,141)	(120,655)
Accounts payable	(764,288)	(1,153,090)
Accounts payable- affiliates	(1,124,971)	(1,390,587)
Other payables- affiliates	(788,550)	(1,415,279)
Other payables	(55,100)	(20,389)
Advance receipts	(126,447)	(8,176)
Other current liabilities	(21,707)	42,568
Accrued pension liability	28,553	(81,388)
Deferred tax assets	-	(982)
Deferred tax liabilities	-	33,050
Long-term deferred revenues	47,250	-
Deferred credit among affiliates	(3,206)	1,346
Net cash provided by (used in) operating activities	7,092	(248,794)
Cash flows from investing activities:		
Decrease in restricted assets	-	85,484
Proceeds from disposal of financial assets carried at cost	2,084	-
Acquisition of long-term investments accounted for under equity method	(237,227)	(610,602)
Proceeds from disposal of long-term investments accounted for under equity method	8,822	2,967
Increase in prepayments for long-term investments	(89,464)	-
Proceeds from disposal of property, plant and equipment	3,165	83,762
Acquisition of property, plant and equipment	(112,239)	(238,928)
Increase in deferred charges	-	(500)
Decrease in refundable deposits	30,820	29,466
Net cash used in investing activities	(394,039)	(648,351)
Cash flows from financing activities:		
(Increase) decrease in short-term loans	(133,898)	1,204,493
Decrease in short-term notes and bills payable	(150,793)	(7,128)
Decrease in bonds payable	(1,750)	-
Decrease in long-term loans	(504,933)	(344,213)
Increase in deposits in	9	-
Exercise of employees' stock options	-	279,242
Net cash (used in) provided by financing activities	(791,365)	1,132,394
Effects on foreign exchange	(5,275)	(22,991)
Net (decrease) increase in cash and cash equivalents	(1,183,587)	212,258
Cash and cash equivalents, at beginning of the period	3,375,192	1,965,306
Cash and cash equivalents, at end of the period	2,191,605	2,177,564
Supplemental disclosures of cash flow information:		
Cash paid for interest	183,635	270,473
Cash paid for income tax	-	-
Investing and financing activities not affecting cash flows:		
Current portion of long-term debt	1,558,906	1,193,757
Conversion of convertible bonds into capital stock	-	159,090