AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2012 AND 2011 (In Thousands of Chinese Yuan and New Taiwan Dollars, Except Par Value)

			2012			2011				2012		2011			
Code	Assets	RMB	NTD	%	RMB	NTD	%	Code	Liabilities and shareholders' equity	RMB	NTD	%	RMB	NTD	%
	Current assets								Current liabilities						
1100	Cash	\$ 184,936	\$ 861,802	8	\$ 262,772	\$ 1,263,145	15	2100	Short-term loans	\$ 654,831	\$ 3,051,510	30	\$ 347,648	\$ 1,671,145	20
1310	Financial assets at fair value							2110	Short-term bills payable	38,628	180,000	2	20,800	100,000	1
	through profit or loss	40.000	224.042	2	11.0//	100.0//	2	2140	Notes payable and Accounts		201 202	2	F 0 104	204 400	2
1110		48,082	224,062	2	41,266	198,366	2	21.00	payable	64,658	301,303	3	59,184	284,498	3
1140	Notes receivable and Accounts	224 570	1 550 007	15	200 400	1 207 010	10	2160	Income tax payable	16,659	77,631	1	21,406	102,897	1
1170	receivable, net	334,570	1,559,097	15	288,498	1,386,810	16	2170	Accrued expenses	51,885	241,786	2	46,514	223,592	3
1178 120X	Other receivables Inventories, net	13,099 231,528	61,041 1,078,920	1 11	9,928 205,191	47,724 986,353	1 11	2270	Current portion of long-term liabilities	4,829	22,501		8,610	41,390	1
1207	Deferred income tax assets -	231,328	1,078,920	11	203,191	900,000	11	2298	Other current liabilities	<u>4,829</u> <u>38,372</u>	178,825	-	25,910	124,499	1
1266	current	14,661	68,320	1	11,020	52,973	1	2298 21XX	Total current liabilities	869,862	4,053,556	$\frac{2}{40}$	530,072	2,548,021	$\frac{1}{30}$
1298	Other current assets	16,219	<u>75,580</u>		17,104	82,219		2177	Total current habilities	009,002	4,000,000	40	550,072	2,040,021	
1290 11XX	Total current assets	843,095	3,928,822	$\frac{1}{39}$	835,779	4,017,590	$\frac{1}{47}$								
11/07	Total current assets	040,070	5,720,022			4,017,070		2420	Long-term liabilities	50,622	235,891	2	53,746	258,394	3
	Investments							2420	Long term nublities	50,022	200,001		00,140	200,074	
1421	Investments accounted for by the														
	equity method	61,532	286,739	3	-	-	_								
	1 9								Other liabilities						
								2810	Accrued pension cost	6,904	32,173	-	21,305	102,415	1
								2860	Deferred income tax liabilities -						
	Property, plant and equipment Cost								noncurrent	31,989	149,070	2	28,913	138,986	2
1501	Land	34,327	159,957	1	33,271	159,957	2	28XX	Total Other liabilities	38,893	181,243	2	50,218	241,401	3
1521	Buildings	668,164	3,113,642	31	487,725	2,344,496	27								
1531	Machinery and equipment	418,548	1,950,433	19	301,551	1,449,557	17	2XXX	Total liabilities	959,377	4,470,690	44	634,036	3,047,816	36
1551	Transportation equipment	42,074	196,064	2	41,111	197,618	2								
1561	Office equipment and other	86,420	402,716	$\frac{4}{57}$	70,947	341,044	$\frac{4}{52}$								
15X1	Total cost	1,249,533	5,822,812	57	934,605	4,492,672	52								
15X9	Less: Accumulated														
	depreciation	(<u>266,884</u>)	(<u>1,243,679</u>)	(<u>12</u>)	(<u>221,112</u>)	$(\underline{1,062,884})$	(<u>12</u>)								
		982,649	4,579,133	45	713,493	3,429,788	40		Shareholders' Equity						
1670	Construction in progress and						10								
1522	prepayments for equipment	225,182	1,049,348	10	177,425	852,882	10	01///	Parent's shareholders' equity						
15XX	Total property, plant and							31XX	Common stock at par value of						
	equipment								\$10 each; authorized and issued 150,000 thousand						
		1,207,831	5,628,481	55	890,918	4,282,670	50		shares in 2012 and 2011	315,759	1,500,000	15	315,759	1,500,000	17
		1,207,031	5,020,401		090,910	4,202,070		32XX	Capital surplus	448,529	2,090,146	21	448,529	2,156,080	25
	Intangible assets							3350	Unappropriated earnings	433,903	2,090,140	20	366,514	1,761,832	23
	intaligible assets							3420	Cumulative translation	1 00,700	2,021,770	20	500,514	1,701,002	21
1750	Computer software	5,633	26,251	-	4,270	20,526	-	0420	adjustments	(10,108)	(75,669)	(1)	(14,447)	(51,567)	(1)
	r	-,			-/_: •	,		3430	Net loss not recognized as	()	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(-)	(,)	((-)
1760	Goodwill	4,370	20,365	-	4,370	21,007	-		pension cost	(611)	(2,849)	-	-	-	-
1770	Deferred pension cost	1,645	7,665	-	1,808	8,691	-		1	1,187,472	5,533,618	55	1,116,355	5,366,345	62
1782	Land access	27,865	129,851	2	28,505	137,025	2	3610	Minority Interest	31,648	147,480	1	30,651	147,338	
17XX	Total intangible assets	39,513	184,132	2	38,953	187,249	2	3XXX	Total shareholders' equity	1,219,120	5,681,098	56	1,147,006	5,513,683	$\frac{2}{64}$
	U U														
	Other assets														
1830	Deferred charges	20,781	96,841	1	11,336	54,490	1								
1860	Deferred income tax assets -														
	noncurrent	5,474	25,509	-	3,798	18,257	-								
1880	Other Assets	271	1,264		258	1,243									
18XX	Total other assets	26,526	123,614	1	15,392	73,990	1								
1100/	T + 1														
1XXX	Total	¢ 0.150.405		100	¢ 1 701 040	¢ 0 E (1 400	100		Total Liabilities and shareholders'	¢ 0 1 70 407		100	¢ 1 701 040	¢ 0 E(1 400	100
		<u>\$ 2,178,497</u>	<u>\$ 10,151,788</u>	100	<u>\$ 1,781,042</u>	<u>\$ 8,561,499</u>	100		equity	<u>\$ 2,178,497</u>	<u>\$ 10,151,788</u>	100	<u>\$ 1,781,042</u>	<u>\$ 8,561,499</u>	100

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011 (In Thousands of Chinese Yuan and New Taiwan Dollars, Except Earnings Per Share)

C o d c 4110 Cperating revenue RMB NTD % RNB NTD % 4110 Less : Sales returns and allowances (-408) (-1900) -: (-625) (-3000) -: 4100 Net sales 1.216.306 5.667.987 100 1.172.936 5.638.304 100 5000 Operating costs (-5794.25) ($-2.700.122$) (-48) (-565.610) ($-2.718.885$) (-48) 5010 Gross profit (-636.81] $2.967.865$ 52 -607.326 $2.919.419$ 52 6100 Selling expenses (-177.810) (828.596) (14) (123.716) (594.702) (10) 6200 ceptuss (-38.309) (-178.520) (3) (-236.261) (-114.194) (-2) 6000 Research and development (-38.309) (-128.520) (3) (-237.56 (-114.194) (-2) 6000 Operating income and gains 1.897 8.840 - 1.031 4.956 <th></th> <th></th> <th></th> <th>2012</th> <th></th> <th></th> <th>2011</th> <th></th>				2012			2011		
4110 Operating revenue \$ 1,216,714 \$ 5,669,887 100 \$ 1,173,561 \$ 5,641,310 100 4170 Less : Sales returns and allowances ($_408$) ($_{_1900}$) $$ ($_{_6025}$) ($_{_30066}$) $$ 4100 Net sales 1,216,306 5,667,987 100 1,172,936 5,638,304 100 5000 Operating costs ($_{_579,425$) ($_{_2700,122$) ($_{48}$) ($_{_{565,610}$) ($_{_{2718,8855}$) ($_{48}$) 5910 Gross profit ($_{636,881}$ $_{_{2967,865}$ 52 ($_{607,326}$ $_{2919,419}$ 52 Coperating expenses ($_{177,810$) ($_{825,596$) ($_{14}$) ($_{23,726}$) ($_{10}$ ($_{23,726}$) ($_{10}$ ($_{23,726}$) ($_{20}$ 6000 Perating income $_{_{325,321}$ 1,515,997 27 $_{371,065}$ 1,283,716 32 Non-operating income 1,897 8,840 - 1,031 4,956 - 7100 Total one-operating income and gains income <td< th=""><th>Code</th><th></th><th>RMB</th><th></th><th>%</th><th>RMB</th><th></th><th>%</th></td<>	Code		RMB		%	RMB		%	
4100 Net sales 1,216,306 5,667,987 100 1,172,936 5,638,304 100 5000 Operating costs $(579,425)$ $(2,700,122)$ (48) $(565,610)$ $(2,218,885)$ (48) 5010 Gross profit $636,881$ $2,967,865$ 52 $607,326$ $2,919,419$ 52 6100 Selling expenses Ceneral and administrative expenses $(177,810)$ $(828,596)$ (14) $(123,716)$ $(594,702)$ (10) 6200 Research and development expenses $(233,309)$ $(-178,520)$ (3) $(23,756)$ $(-114,194)$ (2) 6000 Operating income and gains intercest income $1,897$ $8,840$ $-1,031$ $4,956$ $-7,633$ $36,694$ 1 7110 Interest income $1,897$ $8,840$ $-1,031$ $4,956$ $-7,633$ $36,694$ 1 7110 Interest income $1,897$ $8,840$ $-1,031$ $4,956$ $-7,633$ $36,694$ 1 7100 Valuation gain on financial gains income and gains income and gains incone and gains income and gains income and gains incon		Operating revenue	\$ 1,216,714	\$ 5,669,887		\$ 1,173,561	\$ 5,641,310		
5000 Operating costs $(\ 579.425 \)$ $(\ 2.700.122 \)$ $(\ 4.8 \)$ $(\ 565.6.0 \)$ $(\ 2.718.885 \)$ $(\ 4.8 \)$ 5910 Gross profit -636.881 $2.967.865$ 52 -607.326 $2.919.419$ 52 6100 Selling expenses $(\ 177,810 \)$ $(\ 828,596 \)$ $(\ 14 \)$ $(\ 123,716 \)$ $(\ 594,702 \)$ $(\ 10 \)$ 6200 Cerearial and administrative expenses $(\ 95,411 \)$ $(\ 444,752 \)$ $(\ 8 \)$ $(\ 88,789 \)$ $(\ 426,807 \)$ $(\ 8 \)$ 6300 Cerearial and administrative expenses $(\ 95,411 \)$ $(\ 444,752 \)$ $(\ 8 \)$ $(\ 23,756 \)$ $(\ 1425,807 \)$ $(\ 23)$ 6400 Operating income and gains $1.897 \ 8.840 \ -2 \ 1.031 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.937 \ 4.956 \ -2 \ 7.633 \ 3.6694 \ 1$ $1.910 \ -2 \ 9.2722 \ 2.2722 \ -2 \ -2 \ 7.633 \ 3.6694 \ 1$ <	4170	Less : Sales returns and allowances	(<u>408</u>)	()	<u> </u>	(<u>625</u>)	(<u>3,006</u>)	<u> </u>	
5910 Gross profit 636.881 $2.967.865$ 52 607.326 $2.919.419$ 52 6100 Selling expenses General and administrative expenses $(177,810)$ 828.596 (14) (123.716) (594.702) (10) 6300 Research and development expenses $(177,810)$ (425.520) (-3) (-23756) (-114.194) (-2) 6000 Operating income 325.321 $1.515.997$ 27 371.065 $1.783.716$ 32 6000 Operating income 325.321 $1.515.997$ 27 371.065 $1.783.716$ 32 7110 Interest income 1.897 8.840 $ 1.031$ 4.956 $-$ 7100 Total non-operating income 1.897 8.840 $ 7.633$ 36.694 1 7100 Total non-operating income 1.897 8.840 $ 7.633$ 36.694 1 7200 Total non-operating expenses 1.759 35.407 1 4.727 22.722 $-$ 7510 In	4100	Net sales	1,216,306	5,667,987	100	1,172,936	5,638,304	100	
Operating expenses Selling expenses (177,810) (828,596) (14) (123,716) (594,702) (10) 6200 General and administrative expenses (95,411) (444,752) (8) (88789) (426,807) (8) 6300 Research and development expenses (38,309) (-128,520) (-3) (23756) (-114,194) (-2) 6000 Total operating expenses (311,560) (-1451,868) (-25) (-236,261) (-1,135,703) (-20) 6900 Operating income and gains Interest income 1,897 8,840 - 1,031 4,956 - 7110 Interest income 1,897 8,840 - 1,031 4,956 - 7100 Exchange gain, net 1,4141 19,296 - 7,633 36,694 1 7100 Miscellaneous income - 7,599 -35,407 - 4,727 22,722 - 7100 Interest expense (9,333) (43,490) (11) (5,589) (26,869) (11) <	5000	Operating costs	(<u>579,425</u>)	(<u>2,700,122</u>)	(<u>48</u>)	(<u>565,610</u>)	(<u>2,718,885</u>)	(<u>48</u>)	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	5910	Gross profit	636,881	2,967,865	52	607,326	2,919,419	52	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		Operating expenses							
6200 General and administrative expenses (95,441) (444,752) (8) (88,789) (426,807) (8) 6300 Research and development expenses (38,309) (178,520) (3) (23,756) (114,194) (2) 6000 Total operating expenses (311,560) (1451,868) (25) (236,261) (113,5703) (20) 6900 Operating income 325,321 1.515,997 27 371,065 1.783,716 32 Non-operating income and gains interest income 1,897 8,840 - 1,031 4,956 - 7110 Interest income 1,897 8,840 - 1,031 4,956 - 7140 Valuation gain on financial assets, net 2,180 10,160 - 786 3,776 - 7100 Total non-operating income and gains 15,817 73,703 1 14,177 68,148 1 7510 Investment loss recognized (11) 500 - - - 7500 Total non-operating (1,242) 8,116) - (1,910	6100		(177,810)	(828,596)	(14)	(123,716)	(594,702)	(10)	
6300 Research and development expenses $(38,309)$ $(178,520)$ (3) $(23,756)$ $(114,194)$ (2) 6000 Total operating expenses $(311,560)$ $(1451,868)$ (25) $(23,756)$ $(114,194)$ (2) 6000 Operating income $325,321$ $1,515,997 $ $27 $ $371,065 $ $1,783,716 $ 32 6000 Operating income and gains Interest income and gains $1,897 $ $8,840 $ $- 1,031 $ $4,956 $ $- 7,633 $ $36,694 $ 1 7100 Total non-operating income and gains $1,597 $ $35,407 $ $1 $ $4,227 $ $22,722 $ $- 7,633 $ $36,694 $ 1 7100 Total non-operating income and gains $1,5817 $ $73,703 $ $1 $ $44,727 $ $22,722 $ $- 7,733 $ 7100 Total non-operating income and gains $15,817 $ $73,703 $ $1 $ $14,177 $ $68,148 $ $1 $ 7510 Investment loss recognized under equity method $(1,1) ($ $500 $ $- $ $- $ $- $ $- $ $- $ $- $ $- $ $- $		0 1	, , ,	. ,	. ,	,	. ,		
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	6300		(95,441)	(444,752)	(8)	(88,789)	(426,807)	(8)	
expenses (311,560) (1451,868) (25) (236,261) (1135,703) (20) 6900 Operating income 325,321 1515,997 27 371,065 1783,716 32 7110 Interest income 1,897 8,840 - 1,031 4,956 - 7110 Exchange gain, net 4,141 19,296 - 7,633 36,694 1 7110 Valuation gain on financial assets, net 2,180 10,160 - 786 3,776 - 7100 Total non-operating income and gains		expenses	(<u>38,309</u>)	(<u>178,520</u>)	(<u>3</u>)	(<u>23,756</u>)	(<u>114,194</u>)	(<u>2</u>)	
Non-operating income and gains Interest income 1,897 8,840 - 1,031 4,956 - 7100 Exchange gain, net 4,141 19,296 - 7,633 36,694 1 7310 Valuation gain on financial assets, net 2,180 10,160 - 786 3,776 - 7480 Miscellaneous income 7,599 35,407 1 4,727 22,722 - 7100 Total non-operating income and gains 15,817 73,703 1 14,177 68,148 1 Non-operating expenses and losses Interest expense 9,333 (43,490) (1) (5,589) 26,869) (1) 7501 Investment loss recognized under equity method (11) (50) - - - - 7500 Total non-operating expenses and losses (1,122) (-8,116) - (1,910) (-9,182) - <td>0000</td> <td></td> <td>(<u>311,560</u>)</td> <td>(<u>1,451,868</u>)</td> <td>(<u>25</u>)</td> <td>(<u>236,261</u>)</td> <td>(<u>1,135,703</u>)</td> <td>(<u>20</u>)</td>	0000		(<u>311,560</u>)	(<u>1,451,868</u>)	(<u>25</u>)	(<u>236,261</u>)	(<u>1,135,703</u>)	(<u>20</u>)	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	6900	Operating income	325,321	1,515,997	27	371,065	1,783,716	32	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		Non-operating income and gains							
7310 Valuation gain on financial assets, net 2,180 10,160 - 786 3,776 - 7480 Miscellaneous income $7,599$ $35,407$ 1 $4,727$ $22,722$ - 7100 Total non-operating income and gains $15,817$ $73,703$ 1 $14,177$ $68,148$ 1 Non-operating expenses and losses 17510 Interest expense $(9,333)$ $(43,490)$ (1) $5,589$ $26,869$ (1) 7521 Investment loss recognized under equity method (11) 50 $ -$ 7500 Total non-operating expenses and losses $(1,742)$ $8,116$ $ (1,910)$ $9,182$ $-$ 7500 Total non-operating expenses $(1,742)$ $(8,116)$ $ (1,910)$ $(9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-1,910)$ $(-9,183)$ $(-2,92,13)$ (-7) $(-9,1,335)$ $(-4,90,45)$ <td>7110</td> <td></td> <td>1,897</td> <td>8,840</td> <td>-</td> <td>1,031</td> <td>4,956</td> <td>-</td>	7110		1,897	8,840	-	1,031	4,956	-	
assets, net 2,180 10,160 - 786 3,776 - 7480 Miscellaneous income 7,599 35,407 1 4,727 22,722 - 7100 Total non-operating income and gains 15,817 73,703 1 14,177 68,148 1 Non-operating expenses and losses Interest expense 9,333 (43,490) (1) (5,589) (26,869) (1) 7521 Investment loss recognized under equity method (11) (50) - - - 7500 Total non-operating expenses and losses (11,086) (51,656) (1) (7499) (36,051) (1) 7900 Income before income tax 330,052 1,538,044 27 377,743 1,815,813 32 8110 Income tax expense (7160	Exchange gain, net	4,141	19,296	-	7,633	36,694	1	
7480 Miscellaneous income $7,599$ $35,407$ 1 $4,727$ $22,722$ $-$ 7100 Total non-operating income and gains $15,817$ $73,703$ 1 $14,177$ $68,148$ 1 Non-operating expenses and losses 7510 Intrest expense $9,333$ $(43,490)$ (1) $5,589$ $26,869$ (1) 7521 Investment loss recognized under equity method 11 500 $ -$ 7500 Total non-operating expenses and losses $(-1,742)$ $(-8,116)$ $ (-1,910)$ $9,182$ $-$ 7500 Total non-operating expenses and losses $(-1,742)$ $(-8,116)$ $ (-1,910)$ $9,182$ $-$ 7900 Income before income tax $330,052$ $1,538,044$ 27 $377,743$ $1,815,813$ 32 8110 Income tax expense $(-90,183)$ $(-420,253)$ (-7) $91,335$ $(-439,045)$ (-8) 9600 Consolidated net income $\frac{\$ 239,869}{2.39,869}$ $\$1,117,791$ 20 $\frac{\$ 280,871}{2.85,3$	7310	=							
7100 Total non-operating income and gains 15.817 73.703 1 14.177 68.148 1 Non-operating expenses and losses Interest expense $9,333$ $43,490$ (1) $5,589$ $26,869$ (1) 7521 Investment loss recognized under equity method (11) 500 $ -$ 7500 Miscellaneous expenses (-1.742) (-8.116) $ (-1.910)$ $9,182$ $-$ 7500 Total non-operating expenses and losses (-1.742) (-8.116) $ (-1.910)$ $9,182$ $-$ 7500 Total non-operating expenses and losses (-1.742) (-8.116) $ (-1.910)$ $9,182$ $-$ 7900 Income before income tax $330,052$ $1,538,044$ 27 $377,743$ $1,815,813$ 32 8110 Income tax expense $(-90,183)$ $(-420,253)$ (-7) $91,335$ $(-439,045)$ (-8) 9600 Consolidated net income $\frac{\$ 239,869}{$ 239,869}$ $\$ 1,117,791$ 20 $\frac{\$ 286,408}{$ 1.376,768}$ $\frac{24}{$ 239,869$	- 100				-			-	
income and gains $15,817$ $73,703$ 1 $14,177$ $68,148$ 1 Non-operating expenses and losses Interest expense $9,333$ $(43,490)$ (1) $5,589$ $26,869$ (1) 7510 Investment loss recognized under equity method (11) 500 $ -$ 7500 Total non-operating expenses and losses $(-1,742)$ $(-8,116)$ $ (-1,910)$ $9,182$ $-$ 7500 Total non-operating expenses and losses $(-1,742)$ $(-8,116)$ $ (-1,910)$ $(-9,182)$ $-$ 7500 Income before income tax $330,052$ $1,538,044$ 27 $377,743$ $1,815,813$ 32 8110 Income tax expense $(-90,183)$ $(-420,253)$ (-7) $(-91,335)$ $(-439,045)$ (-8) 9600 Consolidated net income $\frac{8}{239,869}$ $\frac{1,117,791}{1,117,791}$ 20 $\frac{9}{286,408}$ $\frac{1,376,768}{1,376,768}$ 24 9601 Shareholders of the parent $\frac{9}{239,869}$ $\frac{1,112,791}{1,117,791}$ 20 $\frac{9}{286,408}$ $\frac{1,376,768}{1,376,768}$			7,599	35,407		4,727	22,722		
7510 Interest expense (9,333) (43,490) (1) (5,589) (26,869) (1) 7521 Investment loss recognized under equity method (11) (50) - - - - 7880 Miscellaneous expenses (11) (50) - - - - - 7500 Total non-operating expenses and losses (11,086) (51,656) (1) (7,499) (36,051) (1) 7900 Income before income tax 330,052 1,538,044 27 377,743 1,815,813 32 8110 Income tax expense (90,183) (420,253) (7) (91,335) (439,045) (8) 9600 Consolidated net income \$ 239,869 \$ 1,117,791 20 \$ 286,408 \$ 1,376,768 24 9601 Shareholders of the parent \$ 236,889 \$ 1,1103,905 20 \$ 280,871 \$ 1,350,146 24 9602 Shareholders of the parent \$ 236,889 \$ 1,117,791 20 \$ 280,871 \$ 1,350,146 24 9602 Shareholders of the parent \$ 236,889 \$ 1,1	7100	1 0	15,817	73,703	1	14,177	68,148	<u>1</u>	
7510 Interest expense (9,333) (43,490) (1) (5,589) (26,869) (1) 7521 Investment loss recognized under equity method (11) (50) - - - - 7880 Miscellaneous expenses (11) (50) - - - - - 7500 Total non-operating expenses and losses (11,086) (51,656) (1) (7,499) (36,051) (1) 7900 Income before income tax 330,052 1,538,044 27 377,743 1,815,813 32 8110 Income tax expense (90,183) (420,253) (7) (91,335) (439,045) (8) 9600 Consolidated net income \$ 239,869 \$ 1,117,791 20 \$ 286,408 \$ 1,376,768 24 9601 Shareholders of the parent \$ 236,889 \$ 1,1103,905 20 \$ 280,871 \$ 1,350,146 24 9602 Shareholders of the parent \$ 236,889 \$ 1,117,791 20 \$ 280,871 \$ 1,350,146 24 9602 Shareholders of the parent \$ 236,889 \$ 1,1		Non-operating expenses and losses							
7521 Investment loss recognized under equity method (11) (50) - <td>7510</td> <td></td> <td>(9,333)</td> <td>(43,490)</td> <td>(1)</td> <td>(5,589)</td> <td>(26,869)</td> <td>(1)</td>	7510		(9,333)	(43,490)	(1)	(5,589)	(26,869)	(1)	
7880 Miscellaneous expenses $(-1,742)$ $(-8,116)$ $$ $(-1,910)$ $(-9,182)$ $$ 7500 Total non-operating expenses and losses $(-1,742)$ $(-8,116)$ $$ $(-1,910)$ $(-9,182)$ $$ 7900 Income before income tax 330,052 $1,538,044$ 27 $377,743$ $1,815,813$ 32 8110 Income tax expense $(-90,183)$ $(-420,253)$ (-7) $(-91,335)$ $(-439,045)$ (-8) 9600 Consolidated net income $\$$ $239,869$ $\$$ $1,117,791$ 20 $\$$ $286,408$ $\$$ $1,376,768$ 24 9601 Shareholders of the parent $\$$ $236,889$ $\$$ $1,103,905$ 20 $\$$ $280,871$ $\$$ $1,350,146$ 24 9602 Minority interests $\$$ $236,889$ $\$$ $1,117,791$ 20 $\$$ $280,871$ $\$$ $1,350,146$ 24 9602 Minority interests $\$$ $236,889$ $\$$ $1,117,791$ 20 $\$$ $286,408$ $\$$	7521	Investment loss recognized	(, , ,	(, ,	()	(, , ,	(· · · /		
7500 Total non-operating expenses and losses ($11,086$) ($51,656$) (1) ($7,499$) ($36,051$) (1) 7900 Income before income tax $330,052$ $1,538,044$ 27 $377,743$ $1,815,813$ 32 8110 Income tax expense ($90,183$) ($420,253$) (7) ($91,335$) ($439,045$) (8) 9600 Consolidated net income $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 9601 Shareholders of the parent Minority interests $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9602 Minority interests $$236,889$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 9602 Shareholders of the parent Minority interests $$236,889$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 $$240$ $$239,869$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 $$9602$ Shareholders of the parent Minority interests $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ <td></td> <td></td> <td>(11)</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>			(11)		-	-	-	-	
expenses and losses $(11,086)$ $(51,656)$ (1) $(7,499)$ $(36,051)$ (1) 7900 Income before income tax 330,052 1,538,044 27 $377,743$ 1,815,813 32 8110 Income tax expense $(90,183)$ $(420,253)$ (7) $91,335$ $(439,045)$ (8) 9600 Consolidated net income $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 Attributed to Shareholders of the parent $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9601 Shareholders of the parent $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9602 Minority interests $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 $$2,980$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 $$602$ Minority interests $$2,980$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 $$29,809$ $$1,117,791$ 20 $$286,408$			(<u>1,742</u>)	(<u> </u>		(<u> 1,910</u>)	(<u> </u>		
7900 Income before income tax 330,052 1,538,044 27 377,743 1,815,813 32 8110 Income tax expense $(90,183)$ $(420,253)$ (7) $91,335$ $(439,045)$ (8) 9600 Consolidated net income $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 Attributed to Shareholders of the parent $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9602 Shareholders of the parent $$236,889$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 9602 Shareholders of the parent $$236,889$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 9602 Minority interests $$236,889$ $$1,117,791$ 20 $$$280,871$ $$1,350,146$ $$24$ $$2980$ $$1,3886$ $ $5,537$ $$26,622$ $ $5,137,6768$ $$24$ $$Before Income Tax$ After Income Tax After Income Tax Before Income Tax After Income Tax After Income Tax $$Earnings per shar$	7500	1 0	(11.096)	(51.656)	(1)	(7400)	(26.051)	(1)	
8110 Income tax expense $(90,183)$ $(420,253)$ (7) $(91,335)$ $(439,045)$ (8) 9600 Consolidated net income $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ 24 Attributed to Shareholders of the parent $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9602 Minority interests $$236,889$ $$1,103,905$ 20 $$280,871$ $$1,350,146$ 24 9602 Minority interests $$236,889$ $$1,117,791$ 20 $$280,871$ $$1,350,146$ 24 $$2,980$ $$13,886$ $ $5,537$ $$26,622$ $ $239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ $$24$ $$239,869$ $$1,117,791$ 20 $$286,408$ $$1,376,768$ $$24$ $$Earnings per share$ $$Before Income Tax$ After Income Tax After Income Tax After Income Tax $$9750$ Basic $$2.18$ $$10.14$ $$1.58$ $$7.36$ $$2.47$ $$11.88$ $$1.87$		expenses and losses	()	()	$\left(\underline{1}\right)$	((<u></u>)	$(\underline{1})$	
9600 Consolidated net income $$ 239,869$ $$ 1,117,791$ 20 $$ 286,408$ $$ 1,376,768$ 24 Attributed to 9601 Shareholders of the parent $$ 236,889$ $$ 1,103,905$ 20 $$ 280,871$ $$ 1,350,146$ 24 9602 Minority interests $$ 236,889$ $$ 1,103,905$ 20 $$ 280,871$ $$ 1,350,146$ 24 9602 Minority interests $$ 236,889$ $$ 1,103,905$ 20 $$ 280,871$ $$ 1,350,146$ 24 9602 Minority interests $$ 239,869$ $$ 1,117,791$ 20 $$ 286,408$ $$ 1,376,768$ 24 $$ 239,869$ $$ 1,117,791$ 20 $$ 286,408$ $$ 1,376,768$ 24 $$ Before Income Tax$ After Income Tax After Income Tax After Income Tax $$ Before Income Tax$ After Income Tax After Income Tax After Income Tax $$ PAMB$ NTD RMB NTD RMB NTD $$ PAMB$ NTD RMB NTD RMB NTD $$ PAMB$ $$ 2.18$ $$ 10.14$ $$$	7900	Income before income tax	330,052	1,538,044	27	377,743	1,815,813	32	
Attributed to 9601 Shareholders of the parent \$ 236,889 \$ 1,103,905 20 \$ 280,871 \$ 1,350,146 24 9602 Minority interests $\frac{2,980}{\$ 239,869}$ $\frac{13,886}{\$ 1,117,791}$ $\frac{5,537}{20}$ $\frac{26,622}{\$ 239,6408}$ $\frac{-}{\$ 1,376,768}$ $\frac{-}{24}$ Before Income Tax After Income Tax Before Income Tax After Income Tax RMB NTD RMB NTD RMB NTD Farnings per share 9750 Basic $\frac{\$ 2.18}{\$ 10.14}$ $\$ 1.58$ $\$ 7.36$ $\$ 2.47$ $\$ 11.88$ $\$ 1.87$ $\$ 9.00$	8110	Income tax expense	(<u>90,183</u>)	(<u>420,253</u>)	(<u>7</u>)	(<u>91,335</u>)	(<u>439,045</u>)	(<u>8</u>)	
9601 Shareholders of the parent \$ 236,889 \$ 1,103,905 20 \$ 280,871 \$ 1,350,146 24 9602 Minority interests \$ 2,980 \$ 13,886 - \$ 5,537 \$ 26,622 - \$ 239,869 \$ 1,117,791 20 \$ 286,408 \$ 1,376,768 \$ 24 Before Income Tax After Income Tax Before Income Tax After Income Tax After Income Tax Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00	9600	Consolidated net income	<u>\$ 239,869</u>	<u>\$ 1,117,791</u>	20	<u>\$ 286,408</u>	<u>\$ 1,376,768</u>	24	
9601 Shareholders of the parent \$ 236,889 \$ 1,103,905 20 \$ 280,871 \$ 1,350,146 24 9602 Minority interests \$ 2,980 \$ 13,886 - \$ 5,537 \$ 26,622 - \$ 239,869 \$ 1,117,791 20 \$ 286,408 \$ 1,376,768 \$ 24 Before Income Tax After Income Tax Before Income Tax After Income Tax After Income Tax Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00		Attributed to							
\$ 239,869 \$ 1,117,791 20 \$ 286,408 \$ 1,376,768 24 Before Income Tax After Income Tax Before Income Tax After Income Tax After Income Tax After Income Tax RMB NTD RMB NTD RMB NTD RMB NTD Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00	9601		\$ 236,889	\$ 1,103,905	20	\$ 280,871	\$ 1,350,146	24	
Before Income TaxAfter Income TaxBefore Income TaxAfter Income TaxAfter Income TaxRMBNTDRMBNTDRMBNTDRMBNTDEarnings per share9750Basic\$ 2.18\$10.14\$ 1.58\$ 7.36\$ 2.47\$11.88\$ 1.87\$ 9.00	9602	Minority interests	2,980	13,886		5,537	26,622		
RMB NTD RMB NTD RMB NTD RMB NTD Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00			<u>\$ 239,869</u>	<u>\$ 1,117,791</u>	20	<u>\$ 286,408</u>	<u>\$ 1,376,768</u>	24	
RMB NTD RMB NTD RMB NTD RMB NTD Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00			D-C- T	T A (* T		D-f- I	T A (* T	T	
Earnings per share 9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00									
9750 Basic \$ 2.18 \$10.14 \$ 1.58 \$ 7.36 \$ 2.47 \$11.88 \$ 1.87 \$ 9.00		Farnings per share	NIVID N		INTD	NIVID N	ID KNID	MID	
	9750	0 1	\$ 2.18 \$10).14 \$ 1.58	\$ 7.36	\$ 2.47 \$1	L88 \$ 1.87	\$ 9.00	
		Diluted							

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011 (In Thousands of Chinese Yuan and New Taiwan Dollars)

	Commo	on stock	Capital	surplus	Retain	ed Earnings	Cum	nulative trans	ation adjustments	Net loss not reco	gnized as pension ost		Minority	y Interest	Total shareho	olders' equity
	RMB	NTD	RMB	NTD	RMB	NTD		RMB	NTD	RMB	NTD		RMB	NTD	RMB	NTD
BALANCE, JANUARY 1, 2011	\$ 315,759	\$ 1,500,000	\$ 448,529	\$ 1,991,694	\$ 235,643	\$ 1,046,373	(\$	6,569)	(\$ 127,043)	\$ -	\$ -	\$	27,490	\$ 122,071	\$ 1,020,852	\$ 4,533,095
Cash dividends	-	-	-	-	(150,000)	(721,050)		-	-	-	-		-	-	(150,000)	(721,050)
Net income for the year ended December 31, 2011	-	-	-	-	280,871	1,350,146		-	-	-	-		5,537	26,622	286,408	1,376,768
Change in translation adjustments		<u> </u>	<u> </u>	164,386		86,363	(7,878)	75,476	<u> </u>		(2,376)	()	(10,254)	324,870
BALANCE, DECEMBER 31, 2011	315,759	1,500,000	448,529	2,156,080	366,514	1,761,832	(14,447)	(51,567)	-	-		30,651	147,338	1,147,006	5,513,683
Cash dividends	-	-	-	-	(169,500)	(795,000)		-	-	-	-		-	-	(169,500)	(795,000)
Net income for the year ended December 31, 2012	-	-	-	-	236,889	1,103,905		-	-	-	-		2,980	13,886	239,869	1,117,791
Changes in minority interests	-	-	-	-	-	-		-	-	-	-	(2,947)	(13,857)	(2,947)	(13,857)
Change in translation adjustments	-	-	-	(65,934)	-	(48,747)		4,339	(24,102)	-	-		964	113	5,303	(138,670)
Change in net loss not recognized as pension cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u> </u>	<u>-</u>		<u> </u>		(611)	(<u> </u>	<u>-</u>	(611)	(
BALANCE, DECEMBER 31, 2012	<u>\$ 315,759</u>	<u>\$ 1,500,000</u>	<u>\$ 448,529</u>	<u>\$ 2,090,146</u>	<u>\$ 433,903</u>	<u>\$ 2,021,990</u>	(<u>\$</u>	10,108)	(<u>\$ 75,669</u>)	(<u>\$611</u>)	(<u>\$2,849</u>)	<u>\$</u>	31,648	<u>\$ 147,480</u>	<u>\$ 1,219,120</u>	<u>\$ 5,681,098</u>

AIRTAC INTERNATIONAL GROUPAND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011 (In Thousands of Chinese Yuan and New Taiwan Dollars)

		20)12		2011					
		RMB		NTD		RMB		NTD		
Cash flows from operating activities Net income		\$ 239,869		\$ 1,117,791		286,408	\$	1,376,768		
Adjustments to reconcile net income to net cash provided by operating activities:	Ŷ		4		\$	_00,100	Ŷ	2,01 0,1 00		
Depreciation		61,250		285,425		49,886		239,805		
Amortization		9,608		44,777		5,653		27,177		
Provision for doubtful accounts		3,286		15,312		2,782		13,375		
Provision for recovery of	,		,	\	,	. —	,			
inventories	(436)	(2,030)	(179)	(858)		
Investment loss recognized under equity method		11		50		-		_		
Loss on disposal of property, plant and equipment		1,383		6,444		1,265		6,081		
Valuation gain on financial		1,000		0,111		1,200		0,001		
instruments	(2,180)	(10,160)	(786)	(3,776)		
Deferred income tax		11,455		53 <i>,</i> 383		463		2,227		
Accrued pension cost	(14,849)	(69,198)	(158)	(760)		
Changes in operating assets and liabilities: Accounts receivable and										
Notes receivable	(48,476)	(225,898)	(65,838)	(316,483)		
Other receivables	Ì	3,171)	Ì	14,777)	,	2,426	``	11,662		
Inventory	(25,259)	(117,707)	(47,722)	(229,400)		
Other current assets		885		4,124	(5,162)	(24,814)		
Accounts payable and										
Notes payable	,	5,474	,	25,509		1,942		9,335		
Income tax payable	(4,841)	(22,559)	,	5,189	/	24,944		
Accrued expenses Other current liabilities	(5,371	(25,029	(14,315)	(68,812) 27.706		
Net cash provided by	(12,501)	(_	58,255)		7,844	_	37,706		
operating activities		226,879	_	1,057,260		229,698	_	1,104,177		
Cash flows from investing activities Acquisition of financial assets designated as at fair value										
through profit or loss	(420,000)	(1,957,200)	(162,530)	(781,282)		

(Continued)

(Continued)

(continued)	20)12	2011					
	RMB	NTD	RMB	NTD				
Proceeds from disposal of financial assets designated as at fair value through profit or loss	415,364	1,935,596	122,050	586,694				
Acquisition of investments accounted for by equity			,					
method Acquisition of property, plant	(61,485)	(286,520)	-	-				
and equipment Proceeds from disposal of property, plant and	(367,670)	(1,713,342)	(325,099)	(1,562,751)				
equipment Increase in Intangible assets	5,670	26,422	1,975	9,494				
and other assets Net cash used in investing	(<u>19,780</u>)	(<u>92,175</u>)	(<u>22,926</u>)	(<u>110,205</u>)				
activities	(<u>447,901</u>)	((<u>386,530</u>)	(<u>1,858,050</u>)				
Cash flows from financing activities								
Increase in short-term loans	309,190	1,440,825	206,533	992,804				
Repayment of long-term debt Increase in short-term bills	(8,732)	(40,691)	(97,662)	(469,461)				
payable	17,080	79,593	20,800	100,000				
Cash dividends	(169,500)	(795,000)	(150,000)	(721,050)				
Cash dividends to minority interests	(<u>2,947</u>)	(<u>13,857</u>)	<u> </u>					
Net cash provided by (used in) financing	1 45 001		(20.220)					
activities Effect of exchange rate changes	$(145,091 \\ (1,905)$	$(\underline{670,870})$	(<u>20,329</u>) <u>8,728</u>	(<u>97,707</u>) <u>199,959</u>				
	()	$\left(\underline{12,201}\right)$	0,720					
Net decrease in cash and cash equivalents	(77,836)	(401,343)	(168,433)	(651,621)				
Cash and cash equivalents, beginning of year	262,772	1,263,145	431,205	1,914,766				
Cash and cash equivalents, end of year	<u>\$ 184,936</u>	<u>\$ 861,802</u>	<u>\$ 262,772</u>	<u>\$ 1,263,145</u>				
Supplemental cash flow information Interest paid (excluding capitalized interest) Income tax paid	<u>\$ </u>	<u>\$ 44,181</u> <u>\$ 389,772</u>	<u>\$5,584</u> <u>\$72,832</u>	<u>\$26,842</u> <u>\$350,103</u>				
Non-cash investing and financing activities Current portion of long-term liabilities	<u>\$ 4,829</u>	<u>\$ 22,501</u>	<u>\$ 8,610</u>	<u>\$ 41,390</u>				