COMPAL ELECTRONICS, INC.

Balance Sheets (Unaudited)

September 30, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

Assets	2011 Amount	%	2010 Amount	%
Current assets:				
Cash and cash equivalents	$ 32,617,756	12.0	26,025,916	8.5
Financial assets measured at fair value through profit or loss – current	163,775	0.1	113,875	-
Notes and accounts receivable, net	137,000,598	50.3	171,827,861	56.5
Notes and accounts receivable, net－related parties	4,254,664	1.6	3,196,785	1.1
Other current financial assets	298,329	0.1	522,613	0.2
Inventories, net	29,670,671	10.9	33,748,515	11.1
Prepayment and other current assets	673,069	0.1	1,231,186	0.4
	204,678,862	75.1	236,666,751	77.8
Investments:				
Long-term investment under equity method	54,966,847	20.2	48,444,853	16.0
Available-for-sale financial assets－non-current	4,553,121	1.7	10,645,246	3.5
Financial assets carried at cost－non-current	3,049,631	1.1	3,390,011	1.1
Debt investments without quoted price in active markets	1,655,382	0.6	1,559,035	0.5
Other non-current financial assets	103,156	-	36,846	-
	64,328,137	23.6	64,075,991	21.1
Property, plant and equipment:				
Land	874,125	0.3	894,785	0.3
Buildings	1,811,583	0.7	1,817,406	0.6
Research equipment	577,066	0.2	452,701	0.1
Other equipment	384,125	0.1	365,460	0.1
	3,646,899	1.3	3,530,352	1.1
Less: accumulated depreciation	(1,501,380)	(0.5)	(1,360,704)	(0.4)
Prepayment for purchase of equipment	24,232	-	16,436	-
	2,169,751	0.8	2,186,084	0.7
Intangible assets – patent licenses and others	747,815	0.3	944,941	0.3
Other assets – leased assets, net, and others	490,079	0.2	304,978	0.1
Total assets	**$ 272,414,644**	**100.0**	**304,178,745**	**100.0**

Liabilities and Stockholders' Equity	2011 Amount	%	2010 Amount	%
Current liabilities:				
Short-term loans	$ 21,976,080	8.1	12,708,900	4.2
Notes and accounts payable	89,731,995	32.9	118,499,963	39.0
Notes and accounts payable – related parties	45,040,183	16.5	48,364,294	15.9
Income tax payable	939,693	0.4	2,536,367	0.8
Accrued expenses and other current liabilities	7,410,311	2.7	7,592,786	2.5
Accrued product warranty liability	3,054,998	1.1	3,776,337	1.2
	168,153,260	61.7	193,478,647	63.6
Other liabilities:	130,583	0.1	27,657	-
Total liabilities	168,283,843	61.8	193,506,304	63.6
Stockholders' equity:				
Common stock	43,949,217	16.1	44,212,248	14.5
Capital surplus:				
Paid-in capital in excess of par value	13,587,697	5.0	13,483,811	4.4
Other	1,870,379	0.7	1,717,829	0.6
	15,458,076	5.7	15,201,640	5.0
Retained earnings:				
Legal reserve	13,878,611	5.1	11,551,432	3.8
Special reserve	4,825,698	1.8	798,081	0.3
Unappropriated retained earnings	35,324,667	12.9	40,975,604	13.5
	54,028,976	19.8	53,325,117	17.6
Equity adjustment:				
Foreign currency translation adjustments	(1,024,127)	(0.4)	(783,184)	(0.3)
Unrealized losses on financial instruments	(7,400,094)	(2.7)	(402,133)	(0.1)
Treasury stock	(881,247)	(0.3)	(881,247)	(0.3)
	(9,305,468)	(3.4)	(2,066,564)	(0.7)
Total stockholders' equity	104,130,801	38.2	110,672,441	36.4
Commitments and contingencies				
Total liabilities and stockholders' equity	**$ 272,414,644**	**100.0**	**304,178,745**	**100.0**

COMPAL ELECTRONICS, INC.
Statements of Income (Unaudited)

Nine-month periods ended September 30, 2011 and 2010
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	2011 Amount	2011 %	2010 Amount	2010 %
Net sales	$ 494,786,591	100.0	637,405,990	100.0
Cost of sales	479,072,146	96.8	611,835,172	96.0
	15,714,445	3.2	25,570,818	4.0
Change in unrealized inter-company profits	616	-	(1,195)	-
Gross profit	15,715,061	3.2	25,569,623	4.0
Operating expenses:				
Selling	2,713,023	0.6	3,433,076	0.6
General and administrative	1,723,510	0.3	1,967,993	0.3
Research and development	4,874,983	1.0	4,598,666	0.7
	9,311,516	1.9	9,999,735	1.6
Operating income	6,403,545	1.3	15,569,888	2.4
Non-operating income and gains:				
Interest income	356,291	0.1	233,155	-
Investment income under the equity method, net	3,834,500	0.8	1,684,809	0.3
Other investment income, net	204,284	-	4,115,083	0.6
Foreign currency exchange gain, net	-	-	94,020	-
Other	357,979	0.1	332,260	0.1
	4,753,054	1.0	6,459,327	1.0
Non-operating expenses and losses:				
Interest expense	101,296	-	95,161	-
Foreign currency exchange loss, net	585,744	0.2	-	-
Impairment loss	77,053	-	23,438	-
Loss on valuation of financial instruments, net	9,700	-	54,687	-
	773,793	0.2	173,286	-
Net income before income tax expense	10,382,806	2.1	21,855,929	3.4
Income tax expense	1,492,648	0.3	3,058,538	0.5
Net income	$ 8,890,158	1.8	18,797,391	2.9

	2011 Before income tax	2011 After income tax	2010 Before income tax	2010 After income tax
Basic net income per share	$ 2.38	2.04	5.08	4.37
Diluted net income per share	$ 2.32	1.99	4.88	4.20

The pro forma information under the assumption that the Company's outstanding shares held by its subsidiaries are not regarded as treasury stock was as follows:

	2011 Before income tax	2011 After income tax	2010 Before income tax	2010 After income tax
Net income	$ 10,518,313	9,025,665	21,972,059	18,913,521
Basic net income per share	$ 2.38	2.05	5.04	4.34

COMPAL ELECTRONICS, INC.

Statements of Cash Flows (Unaudited)

Nine-month periods ended September 30, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

		2011	2010
Cash flows from operating activities:			
Net income	$	8,890,158	18,797,391
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization		454,770	478,551
Decrease in allowance for doubtful accounts and inventory obsolescence provision		(522,623)	(1,012,619)
Other investment income, net		(30,522)	(4,076,562)
Impairment loss of financial assets carried at cost		77,053	23,438
Cash dividends received from long-term equity investments		724,715	321,883
Investment income under the equity method, net		(3,834,500)	(1,684,809)
Decrease (increase) in notes and accounts receivable		27,703,825	(18,952,986)
Decrease (increase) in inventories		(3,311,755)	14,160,761
Increase in prepayment, other current assets, and other current financial assets		(27,232)	(335,065)
Increase (decrease) in notes and accounts payable		(14,679,207)	7,314,403
Increase in accrued expenses, other current liabilities, and accrued product warranty liability		165,296	2,699,910
Increase (decrease) in income tax payable		(1,604,369)	952,552
Change in net deferred income tax assets		270,208	(439,992)
Increase in financial assets measured at fair value through profit or loss – current		(53,775)	(43,043)
Foreign currency exchange gain on bonds payable		-	(44,546)
Others		(138,137)	(91,209)
Net cash provided by operating activities		14,083,905	18,068,058
Cash flows from investing activities:			
Additions to property, plant and equipment		(158,375)	(103,510)
Increase in intangible assets		(201,119)	(535,363)
Decrease in restricted assets		-	142,000
Acquisition of long-term equity investment and financial assets carried at cost		(910,817)	(822,506)
Capital refund from investees and distribution from investees after completion of liquidation		523,556	70,692
Proceeds from sale of investments		134,208	179,075
Others		(27,143)	(1,916)
Net cash used in investing activities		(639,690)	(1,071,528)
Cash flows from financing activities:			
Decrease in short-term loans		(2,667,900)	(1,102,660)
Cash dividends paid		(11,905,350)	(10,264,535)
Proceeds from issuance of stock for employee stock options exercised		220,860	249,071
Repayment of bonds payable		-	(16,005)
Purchase of treasury stock		(1,305,866)	-
Others		135	314
Net cash used in financing activities		(15,658,121)	(11,133,815)
Net increase (decrease) in cash and cash equivalents		(2,213,906)	5,862,715
Cash and cash equivalents at beginning of period		34,831,662	20,163,201
Cash and cash equivalents at end of period	$	32,617,756	26,025,916
Supplementary disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$	98,514	89,434
Income taxes	$	2,826,808	2,545,977
Supplementary disclosures of financing activities not affecting cash flows:			
Convertible bonds payable transferred to common stock and capital surplus	$	-	5,641,203