COMPAL ELECTRONICS, INC.

Balance Sheets (Unaudited)

March 31, 2012 and 2011
(expressed in thousands of New Taiwan dollars)

Assets	2012 Amount	%	2011 Amount	%
Current assets:				
Cash and cash equivalents	$ 19,803,723	8.3	40,018,028	14.5
Financial assets measured at fair value through profit or loss – current	111,239	-	175,150	0.1
Notes and accounts receivable, net	121,728,893	50.7	136,134,051	49.5
Notes and accounts receivable, net－related parties	3,832,005	1.6	1,119,589	0.4
Other current financial assets	99,076	-	133,839	-
Inventories, net	21,420,369	8.9	27,870,506	10.1
Prepayment and other current assets	940,896	0.4	911,977	0.4
	167,936,201	69.9	206,363,140	75.0
Investments:				
Long-term investment under equity method	58,487,478	24.4	52,191,803	19.0
Available-for-sale financial assets－non-current	5,329,553	2.2	8,083,517	2.9
Financial assets carried at cost－non-current	3,094,021	1.3	3,210,395	1.2
Debt investments without quoted price in active markets	1,706,975	0.7	1,606,104	0.6
Other non-current financial assets	114,324	-	76,682	-
	68,732,351	28.6	65,168,501	23.7
Property, plant and equipment:				
Land	844,892	0.4	895,394	0.3
Buildings	1,766,078	0.7	1,815,397	0.7
Research equipment	645,151	0.3	495,927	0.2
Other equipment	424,144	0.2	377,132	0.1
	3,680,265	1.6	3,583,850	1.3
Less: accumulated depreciation	(1,566,976)	(0.7)	(1,427,452)	(0.5)
Prepayment for purchase of equipment	2,369	-	5,990	-
	2,115,658	0.9	2,162,388	0.8
Intangible assets – patent licenses and others	681,065	0.3	845,200	0.3
Other assets – leased assets, net, and others	636,517	0.3	609,082	0.2
Total assets	$ 240,101,792	100.0	275,148,311	100.0

Liabilities and Stockholders' Equity	2012 Amount	%	2011 Amount	%
Current liabilities:				
Short-term loans	$ 7,318,480	3.0	12,715,500	4.6
Notes and accounts payable	84,176,517	35.1	90,427,340	32.9
Notes and accounts payable – related parties	31,937,761	13.3	45,295,726	16.4
Income tax payable	632,067	0.3	2,537,570	0.9
Accrued expenses and other current liabilities	5,274,107	2.2	6,191,736	2.3
Accrued product warranty liability	2,592,128	1.1	3,272,987	1.2
	131,931,060	55.0	160,440,859	58.3
Other liabilities	30,242	-	18,491	-
Total liabilities	131,961,302	55.0	160,459,350	58.3
Stockholders' equity:				
Common stock	44,094,963	18.4	44,348,646	16.1
Capital surplus:				
Paid-in capital in excess of par value	13,775,710	5.7	13,687,044	5.0
Other	1,865,724	0.8	1,716,031	0.6
	15,641,434	6.5	15,403,075	5.6
Retained earnings:				
Legal reserve	13,878,611	5.8	11,551,432	4.2
Special reserve	4,825,698	2.0	798,081	0.3
Unappropriated retained earnings	39,302,051	16.3	48,946,782	17.8
	58,006,360	24.1	61,296,295	22.3
Equity adjustment:				
Foreign currency translation adjustments	(2,170,855)	(0.9)	(2,215,907)	(0.8)
Unrealized losses on financial instruments	(6,550,165)	(2.7)	(3,261,901)	(1.2)
Treasury stock	(881,247)	(0.4)	(881,247)	(0.3)
	(9,602,267)	(4.0)	(6,359,055)	(2.3)
Total stockholders' equity	108,140,490	45.0	114,688,961	41.7
Commitments and contingencies				
Total liabilities and stockholders' equity	$ 240,101,792	100.0	275,148,311	100.0

COMPAL ELECTRONICS, INC.
Statements of Income (Unaudited)

Three-month periods ended March 31, 2012 and 2011
(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	2012 Amount	%	2011 Amount	%
Net sales	$ 139,544,368	100.0	162,860,857	100.0
Cost of sales	135,300,569	97.0	157,776,255	96.9
	4,243,799	3.0	5,084,602	3.1
Change in unrealized inter-company profits	466	-	(237)	-
Gross profit	4,244,265	3.0	5,084,365	3.1
Operating expenses:				
Selling	657,615	0.5	828,236	0.5
General and administrative	443,353	0.3	655,478	0.4
Research and development	1,583,162	1.1	1,670,839	1.0
	2,684,130	1.9	3,154,553	1.9
Operating income	1,560,135	1.1	1,929,812	1.2
Non-operating income and gains:				
Interest income	91,153	0.1	112,751	0.1
Investment income under the equity method, net	237,890	0.2	1,908,128	1.2
Other investment income, net	-	-	18,187	-
Gain on valuation of financial instruments, net	4,424	-	28,609	-
Others	193,963	0.1	75,978	-
	527,430	0.4	2,143,653	1.3
Non-operating expenses and losses:				
Interest expense	50,414	-	28,370	-
Foreign currency exchange loss, net	6,290	-	163,275	0.1
Impairment loss	-	-	48,636	-
	56,704	-	240,281	0.1
Net income before income tax expense	2,030,861	1.5	3,833,184	2.4
Income tax expense	162,226	0.1	335,786	0.2
Net income	$ 1,868,635	1.4	3,497,398	2.2

	Before income tax	After income tax	Before income tax	After income tax
Basic net income per share	$ 0.47	0.43	0.87	0.80
Diluted net income per share	$ 0.46	0.42	0.86	0.78

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:

	2012 Before income tax	2012 After income tax	2011 Before income tax	2011 After income tax
Net income	$ 2,030,861	1,868,635	3,833,184	3,497,398
Basic net income per share	$ 0.46	0.42	0.86	0.79

COMPAL ELECTRONICS, INC.

Statements of Cash Flows (Unaudited)

Three-month periods ended March 31, 2012 and 2011
(expressed in thousands of New Taiwan dollars)

	2012	2011
Cash flows from operating activities:		
Net income	$ 1,868,635	3,497,398
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	120,200	154,206
Increase (decrease) in allowance for doubtful accounts and inventory obsolescence provision	(149,961)	109,923
Other investment income, net	-	(18,187)
Impairment losses of financial assets carried at cost	-	48,636
Investment income under the equity method, net	(237,890)	(1,908,128)
Decrease (increase) in notes and accounts receivable	(6,040,654)	31,067,618
Decrease (increase) in inventories	621,487	(1,506,307)
Increase in prepayment, other current assets, and other current financial assets	(293,749)	(141,357)
Decrease in notes and accounts payable	(3,180,871)	(13,728,319)
Decrease in accrued expenses, other current liabilities, and accrued product warranty liability	(1,172,671)	(749,325)
Increase (decrease) in income tax payable	89,175	(6,492)
Change in net deferred income tax assets	(22,286)	335,788
Decrease (increase) in financial assets measured at fair value through profit or loss – current	49,781	(65,150)
Others	(22,591)	(55,223)
Net cash provided by (used in) operating activities	(8,371,395)	17,035,081
Cash flows from investing activities:		
Additions to property, plant and equipment	(53,371)	(44,937)
Increase in intangible assets	(186,313)	(170,157)
Acquisition of long-term equity investment and financial assets carried at cost	(536,453)	(249,870)
Capital refund from investee	-	258,240
Proceeds from sale of investment	-	109,052
Decrease in long-term receivables – related parties	14,012	8,861
Others	470	9
Net cash used in investing activities	(761,655)	(88,802)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	5,501,980	(11,928,480)
Proceeds from issuance of stock for employee stock options exercised	211,617	168,443
Others	(9)	124
Net cash provided by (used in) financing activities	5,713,588	(11,759,913)
Net increase (decrease) in cash and cash equivalents	(3,419,462)	5,186,366
Cash and cash equivalents at beginning of period	23,223,185	34,831,662
Cash and cash equivalents at end of period	$ 19,803,723	40,018,028
Supplementary disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 49,856	36,130
Income taxes	$ 95,338	15,843