

EVA AIRWAYS CORP.
Balance Sheets
March 31, 2010 and 2009
(Reviewed, not Audited)
(In Thousands)

	2010	2009		2010	2009
Assets	NT dollars	NT dollars	Liabilities and Stockholders' Equity	NT dollars	NT dollars
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 8,761,075	2,925,921	Short-term borrowings	\$ -	3,220,000
Financial assets at fair value through profit or loss — current	-	111,039	Commercial paper payable	-	498,704
Available-for-sale financial assets — current	2,062,492	1,600,336	Financial liabilities at fair value through profit or loss — current	270,888	3,118,899
Notes receivable	352,410	232,442	Derivative financial liabilities for hedge purposes — current	343,288	3,756,442
Accounts receivable, net	7,504,020	4,859,096	Accounts payable	1,318,343	934,400
Accounts receivable — related parties	177,241	226,305	Accounts payable — related parties	1,209,462	880,651
Other receivables	3,757	10,906	Accrued expenses	5,711,595	5,035,699
Other receivables — related parties	81,491	93,641	Other payables — related parties	161,184	134,566
Inventories	8,429,409	8,703,551	Other payables	3,917,133	2,533,566
Prepaid expenses	63,356	72,997	Unearned revenue	5,690,119	4,840,290
Other prepayments	465,137	617,571	Current portion of long-term liabilities	14,722,908	13,287,274
Deferred income tax assets — current	88,460	811,576	Lease liability — current	1,454,614	1,440,441
Other current assets	113,860	161,350	Other current liabilities	1,546,928	1,392,389
Total current assets	<u>28,102,708</u>	<u>20,426,731</u>	Total current liabilities	<u>36,346,462</u>	<u>41,073,321</u>
Funds and investments:			Long-term liabilities:		
Available-for-sale financial assets — noncurrent	950,401	470,092	Financial liabilities at fair value through profit or loss — noncurrent	-	830,316
Financial assets carried at cost — noncurrent	2,252,588	2,252,588	Derivative financial liabilities for hedge purposes — noncurrent	-	643,256
Long-term equity investments under equity method	8,370,398	7,667,526	Bonds payable	7,000,000	6,100,000
Total funds and investments	<u>11,573,387</u>	<u>10,390,206</u>	Long-term borrowings	45,637,666	43,828,171
			Long-term accounts payable — related parties	-	2,659,200
Property, plant and equipment:			Aircraft payable	13,319,083	9,392,506
Land	1,869,572	1,869,784	Lease liability — noncurrent	11,822,283	13,565,943
Buildings	4,543,278	4,543,278	Total long-term liabilities	<u>77,779,032</u>	<u>77,019,392</u>
Machinery and equipment	6,788,520	7,064,523	Other liabilities:		
Aircraft	100,723,237	103,711,147	Accrued employee retirement liabilities	236,281	154,111
Leased assets	16,092,766	17,147,575	Other liabilities	2,890,321	1,946,985
Other equipment	-	7,971	Total other liabilities	<u>3,126,602</u>	<u>2,101,096</u>
	<u>130,017,373</u>	<u>134,344,278</u>	Total liabilities	<u>117,252,096</u>	<u>120,193,809</u>
Less: accumulated depreciation	(44,055,695)	(40,270,031)	Stockholders' equity:		
Advances for purchases of equipment	14,223,209	7,917,386	Common stock	29,626,772	39,426,772
Net property, plant and equipment	<u>100,184,887</u>	<u>101,991,633</u>	Capital surplus	5,564,505	4,866,758
Intangible assets:			Retained earnings:		
Deferred pension cost	238,093	81,888	Legal reserve	-	18,864
			Accumulated deficit	(1,669,628)	(16,690,081)
Other assets:			Total accumulated deficit	<u>(1,669,628)</u>	<u>(16,671,217)</u>
Refundable deposits	1,715,489	5,084,129	Other stockholders' equity adjustments:		
Deferred charges	4,249,473	4,835,644	Cumulative translation adjustments	125,727	3,033,148
Deferred income tax assets — noncurrent	3,699,011	2,988,184	Net loss not yet recognized as net pension cost	(157,412)	(162,517)
Other assets	1,003,426	1,603,548	Unrealized gains or losses on financial instruments	24,414	(3,284,790)
Total other assets	<u>10,667,399</u>	<u>14,511,505</u>	Total other stockholders' equity adjustments	<u>(7,271)</u>	<u>(414,159)</u>
			Total stockholders' equity	<u>33,514,378</u>	<u>27,208,154</u>
Total assets	<u>\$ 150,766,474</u>	<u>147,401,963</u>	Commitments and contingencies		
			Total liabilities and stockholders' equity	<u>\$ 150,766,474</u>	<u>147,401,963</u>

EVA AIRWAYS CORP.

Statements of Operations

For the Three Months ended March 31, 2010 and 2009

(Reviewed, not Audited)

(In Thousands, Except Earnings Per Share)

	2010	2009
	NT dollars	NT dollars
Operating revenue	\$ 23,144,093	16,721,657
Operating cost	<u>(20,313,834)</u>	<u>(15,351,757)</u>
Gross profit from operations	2,830,259	1,369,900
Operating expenses	<u>(1,481,295)</u>	<u>(1,359,697)</u>
Operating income	<u>1,348,964</u>	<u>10,203</u>
Non-operating income and gains:		
Interest income	4,921	9,773
Investment income	257,676	112,623
Gains on disposal of property, plant and equipment	10,591	27,779
Exchange gains, net	-	48,157
Gains on valuation of financial liabilities	94,255	-
Other income	<u>69,968</u>	<u>26,434</u>
	<u>437,411</u>	<u>224,766</u>
Non-operating expenses and losses:		
Interest expenses, net of capitalized interest of NT\$56,237 and NT\$37,533 in first quarter of 2010 and first quarter of 2009, respectively	(465,458)	(559,629)
Exchange losses, net	(71,121)	-
Losses on valuation of financial assets	-	(358,188)
Other losses	<u>(2,998)</u>	<u>(18,481)</u>
	<u>(539,577)</u>	<u>(936,298)</u>
Income(Loss) before income tax	1,246,798	(701,329)
Income tax benefit(expenses)	<u>(1,352)</u>	<u>900,932</u>
Net income	<u>\$ 1,245,446</u>	<u>199,603</u>

	<u>Income before income tax</u>	<u>Net income</u>	<u>Loss before income tax</u>	<u>Net income</u>
	<u>NT dollars</u>	<u>NT dollars</u>	<u>NT dollars</u>	<u>NT dollars</u>
Basic earnings per share(expressed in dollars)	<u>0.42</u>	<u>0.42</u>	<u>(0.31)</u>	<u>0.09</u>
Diluted earnings per share(expressed in dollars)	<u>0.42</u>	<u>0.42</u>	<u>(0.30)</u>	<u>0.09</u>

EVA AIRWAYS CORP.
Statements of Cash Flows
For The Three Months ended March 31, 2010 and 2009
(Reviewed, not Audited)
(In Thousands)

	2010	2009
	NT dollars	NT dollars
Cash flows from operating activities:		
Net income(loss)	\$ 1,245,446	199,603
Adjustments to reconcile net gain to net cash flow provided by operating activities:		
Depreciation	2,058,936	2,046,880
Amortization and maintenance expense	302,075	321,007
Investment income	(257,676)	(112,623)
Proceeds from cash dividends on long-term equity investments	-	65,431
Losses (gains) on disposal and obsolescence of property, plant and equipment	415	1,939
Deferred income tax (benefit) expenses	-	(901,698)
Amortization expense recorded as interest expenses	9,419	8,303
Amortization of other deferred gain	(21,943)	(57,066)
Gains on sale of available-for-sale financial assets – current	(1,537)	(3,512)
Changes in operating assets and liabilities, net:		
Financial assets at fair value through profit or loss – current	17,247	313,981
Notes receivable	(63,210)	(33,758)
Accounts receivable	(698,567)	950,129
Accounts receivable -related parties	(22,664)	(61,172)
Other receivables	18,692	171,043
Other receivables -related parties	6,910	(66,181)
Inventories	260,974	(72,747)
Prepaid expenses	(24,695)	(26,602)
Other prepayments	60,250	(51,553)
Other current assets	(92,487)	(138,140)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(414,909)	(1,837,469)
Accounts payable	149,930	(4,155)
Accounts payable-related parties	131,282	151,908
Accrued expenses	(145,019)	(744,261)
Other payables	4,427	(658,281)
Other payables -related parties	12,244	27,213
Unearned revenue	(290,096)	(1,671,942)
Other current liabilities	102,946	(518,771)
Accrued employee retirement liabilities	(32,680)	(41,151)
Other operating liabilities	(15,518)	33,385
Net cash used in operating activities	<u>2,300,192</u>	<u>(2,710,260)</u>
Cash flows from investing activities:		
Purchase of available-for-sale financial assets – current	(3,119,000)	(7,790,000)
Sale of financial assets carried at cost	5,567,664	7,326,218
Purchase of property, plant and equipment	(128,742)	(3,737,311)
Disposal of property, plant and equipment	8	1,499
Increase in refundable deposits	(26,099)	(28,593)
Increase in deferred charges	(307,096)	(129,437)
Increase in other assets	(13,992)	(213,942)
Net cash provided by (used in) investing activities	<u>1,972,743</u>	<u>(4,571,566)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	(979,994)	1,419,658
Redemption of bond payable	(1,000,000)	(500,000)
Increase in long-term borrowings	1,219,877	6,998,553
Redemption of long-term borrowings	(3,842,247)	(2,536,302)
Increase(Decrease) in payable liabilities	5,231,150	(713,192)
Redemption of lease liability	(359,394)	(348,257)
Financing from related parties	-	2,659,200
Net cash provided by financing activities	<u>269,392</u>	<u>6,979,660</u>
Net increase (decrease) in cash and cash equivalents	<u>4,542,327</u>	<u>(302,166)</u>
Cash and cash equivalents at beginning of year	<u>4,218,748</u>	<u>3,228,087</u>
Cash and cash equivalents at end of year	<u>\$ 8,761,075</u>	<u>2,925,921</u>
Additional disclosure of cash flow information:		
Cash payments of interest (excluding capitalized interest expenses)	<u>\$ 421,638</u>	<u>783,595</u>
Cash payments of income tax	<u>\$ 5,781</u>	<u>9,558</u>
Supplemental schedule of noncash investing and financing activities:		
Current portion of long-term liabilities	<u>\$ 10,622,908</u>	<u>10,140,574</u>
Current portion of bonds payable	<u>\$ 4,100,000</u>	<u>3,146,700</u>
Inventory transferred from fixed assets	<u>\$ 13</u>	<u>-</u>
Unrealized losses(gains) on financial instruments	<u>\$ 539,925</u>	<u>(274,845)</u>
Translation adjustments	<u>\$ (298,106)</u>	<u>1,541,253</u>