

EVA AIRWAYS CORP.
Balance Sheets
September 30, 2009 and 2008
(Reviewed, not Audited)
(In Thousands)

	2009	2008		2009	2008
Assets	NT dollars	NT dollars	Liabilities and Stockholders' Equity	NT dollars	NT dollars
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 6,735,239	7,150,243	Short-term borrowings	\$ 4,169,000	2,460,000
Financial assets at fair value through profit or loss - current	66	114,540	Commercial paper payable	899,210	-
Available-for-sale financial assets - current	4,495,434	2,332,380	Financial liabilities at fair value through profit or loss - current	1,410,508	929,886
Notes receivable	229,166	235,707	Derivative financial liabilities for hedge purposes - current	1,906,769	5,795
Accounts receivable, net	5,803,260	7,440,307	Accounts payable	826,832	1,649,248
Accounts receivable - related parties	124,575	140,062	Accounts payable - related parties	855,324	681,426
Other receivables	120,272	247,863	Accrued expenses	5,363,594	6,907,281
Other receivables - related parties	45,706	270,891	Other payables - related parties	8,096,692	104,923
Inventories	8,476,743	9,352,632	Other payables	2,706,739	2,370,861
Prepaid expenses	47,963	98,448	Unearned revenue	5,000,641	6,209,253
Other prepayments	554,892	597,375	Current portion of long-term liabilities	13,036,308	12,477,930
Deferred income tax assets - current	328,172	280,208	Lease liability - current	1,437,884	1,398,554
Other current assets	69,296	96,580	Other current liabilities	1,426,242	2,099,894
Total current assets	<u>27,030,784</u>	<u>28,357,236</u>	Total current liabilities	<u>47,135,743</u>	<u>37,295,051</u>
Funds and investments:			Long-term liabilities:		
Financial assets at fair value through profit or loss - noncurrent	-	5,687	Financial liabilities at fair value through profit or loss - noncurrent	-	879,825
Available-for-sale financial assets - noncurrent	554,246	443,738	Bonds payable	4,000,000	7,100,000
Financial assets carried at cost - noncurrent	2,252,588	2,263,455	Long-term borrowings	44,323,232	42,439,401
Long-term equity investments under equity method	7,872,963	7,419,302	Aircraft payable	7,711,683	10,101,454
Total funds and investments	<u>10,679,797</u>	<u>10,132,182</u>	Lease liability - noncurrent	12,610,311	13,985,539
Property, plant and equipment:			Total long-term liabilities	<u>68,645,226</u>	<u>74,506,219</u>
Land	1,869,784	1,869,784	Other liabilities:		
Buildings	4,543,278	4,543,278	Accrued employee retirement liabilities	82,882	548,295
Machinery and equipment	6,744,555	6,533,733	Other liabilities	2,294,491	1,981,312
Aircraft	101,492,909	93,534,811	Total other liabilities	<u>2,377,373</u>	<u>2,529,607</u>
Leased assets	16,284,345	16,245,137	Total liabilities	<u>118,158,342</u>	<u>114,330,877</u>
Other equipment	-	52,131	Stockholders' equity:		
	130,934,871	122,778,874	Common stock	29,626,772	39,426,772
Less: accumulated depreciation	(41,825,410)	(34,640,688)	Capital surplus	5,568,860	4,820,433
Advances for purchases of equipment	9,093,569	9,238,894	Retained earnings:		
Net property, plant and equipment	<u>98,203,030</u>	<u>97,377,080</u>	Legal reserve	0	18,864
Intangible assets:			Accumulated deficit	(3,971,831)	(10,474,716)
Deferred pension cost	81,888	109,182	Total accumulated deficit	<u>(3,971,831)</u>	<u>(10,455,852)</u>
Other assets:			Other stockholders' equity adjustments:		
Refundable deposits	3,144,251	4,705,978	Cumulative translation adjustments	692,231	499,796
Deferred charges	4,389,300	5,170,343	Net loss not yet recognized as net pension cost	(130,014)	(472,617)
Deferred income tax assets - noncurrent	3,623,512	1,816,616	Unrealized gains on financial instruments	(1,399,365)	(5,211)
Other assets	1,392,433	475,581	Total other stockholders' equity adjustments	<u>(837,148)</u>	<u>21,968</u>
Total other assets	<u>12,549,496</u>	<u>12,168,518</u>	Total stockholders' equity	<u>30,386,653</u>	<u>33,813,321</u>
Total assets	<u>\$ 148,544,995</u>	<u>148,144,198</u>	Commitments and contingencies		
			Total liabilities and stockholders' equity	<u>\$ 148,544,995</u>	<u>148,144,198</u>

EVA AIRWAYS CORP.

Statements of Operations

For Nine Months ended September 30, 2009 and 2008

(Reviewed, not Audited)

(In Thousands, Except Earnings Per Share)

	2009	2008
	NT dollars	NT dollars
Operating revenue	\$ 51,265,194	70,103,754
Operating cost	(50,527,205)	(72,873,543)
Gross profit from operations	<u>737,989</u>	<u>(2,769,789)</u>
Operating expenses	(4,471,592)	(4,982,800)
Operating loss	<u>(3,733,603)</u>	<u>(7,752,589)</u>
Non-operating income and gains:		
Interest income	26,300	83,000
Investment income	14,895	95,947
Gains on disposal of property, plant and equipment	33,755	93,724
Gains on valuation of financial liabilities	320,131	-
Other income	157,534	490,053
	<u>552,615</u>	<u>762,724</u>
Non-operating expenses and losses:		
Interest expenses, net of capitalized interest of NT\$107,288 and NT\$248,632 in 2009 and 2008, respectively	(1,533,989)	(2,000,682)
Losses on valuation of financial liabilities	-	(1,320,379)
Exchange losses, net	(48,219)	(94,558)
Other losses	(23,994)	(29,360)
	<u>(1,606,202)</u>	<u>(3,444,979)</u>
Loss before income tax	(4,787,190)	(10,434,844)
Income tax benefit(expenses)	886,179	(39,872)
Net income(loss)	<u><u>\$ (3,901,011)</u></u>	<u><u>(10,474,716)</u></u>

	Loss before income tax	Net loss	Loss before income tax	Net loss
	NT dollars	NT dollars	NT dollars	NT dollars
Basic earnings per share(expressed in dollars)	<u><u>(2.05)</u></u>	<u><u>(1.67)</u></u>	<u><u>(4.64)</u></u>	<u><u>(4.65)</u></u>

EVA AIRWAYS CORP.
Statements of Cash Flows
For Nine Months ended September 30, 2009 and 2008
(Reviewed, not Audited)
(In Thousands)

	2009	2008
	NT dollars	NT dollars
Cash flows from operating activities:		
Net income(loss)	\$ (3,901,011)	(10,474,716)
Adjustments to reconcile net loss to net cash flow provided by operating activities:		
Depreciation	6,085,259	5,392,326
Employee stock option	282,100	-
Amortization and maintenance expense	939,354	1,298,851
Amortization expense recorded as interest expenses	25,241	22,809
Gains on sale of investments	(5,335)	(45,839)
Exchange gains arising from disposal of foreign operating units	-	(58,839)
Losses (gains) on disposal and obsolescence of property, plant and equipment	4,433	(16,078)
Gains on disposal of property, plant and equipment recorded as exchange gains	-	(187,083)
Amortization of other deferred gain	(121,193)	(85,750)
Provision for unrealized exchange gain from long-term borrowings	-	(3,881)
Investment income under equity method	(14,895)	(95,947)
Proceeds from cash dividends on long-term equity investments	113,915	197,593
Deferred income tax (benefit) expenses	(901,698)	10,224
Changes in operating assets and liabilities, net:		
Financial assets at fair value through profit or loss - current	424,954	(51,295)
Financial assets at fair value through profit or loss - noncurrent	-	101,069
Financial liabilities at fair value through profit or loss - current	(2,585,540)	929,801
Financial liabilities at fair value through profit or loss - noncurrent	(1,790,636)	878,649
Notes receivable	(30,482)	45,647
Accounts receivable (including related parties)	(62)	843,967
Other receivables (including related parties)	5,875	82,103
Inventories	154,079	158,842
Prepaid expenses	(1,568)	(3,832)
Other prepayments	(694,426)	(106,138)
Other current assets	(46,086)	(22,103)
Accounts payable (including related parties)	14,858	(249,674)
Accrued expenses	(416,366)	(916,779)
Other payables (including related parties)	(361,672)	(664,718)
Unearned revenue	(1,511,591)	(797,593)
Other current liabilities	(484,918)	584,157
Accrued employee retirement liabilities	(112,380)	(42,419)
Other liabilities	(585,719)	64,362
Net cash used in operating activities	<u>(5,515,510)</u>	<u>(3,212,284)</u>
Cash flows from investing activities:		
Withdrawal of long-term investments	27,052	554,706
Decrease (increase) in available-for-sale financial assets - current	(3,357,073)	2,834,266
Proceeds from sale of financial assets carried at cost - noncurrent	-	3,409
Payments for purchase of long-term equity investments under equity method	(252,750)	(426,105)
Proceeds from disposal of property, plant and equipment	3,302	6,378,866
Payments for purchase of property, plant and equipment	(7,193,009)	(15,082,594)
Decrease in refundable deposits and in other assets	1,745,852	2,825,079
Increase in deferred charges	(318,378)	(640,780)
Net cash used in investing activities	<u>(9,345,004)</u>	<u>(3,553,153)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	2,768,210	2,460,000
Increase in long-term borrowings	12,845,472	18,144,000
Redemption of long-term borrowings	(10,739,255)	(6,678,804)
Installment payments for purchase of property, plant and equipment	(1,508,287)	(1,858,654)
Redemption of lease liability	(1,052,316)	(1,107,625)
Installment payments for sale and buyback	(18,500)	-
Sale and buyback by installment	670,000	-
Increase in long-term accounts payable to related parties	7,982,342	-
Cash subscription	7,420,000	-
Net cash provided by financing activities	<u>18,367,666</u>	<u>10,958,917</u>
Net increase (decrease) in cash and cash equivalents	<u>3,507,152</u>	<u>4,193,480</u>
Cash and cash equivalents at beginning of year	<u>3,228,087</u>	<u>2,956,763</u>
Cash and cash equivalents at end of year	<u>\$ 6,735,239</u>	<u>7,150,243</u>
Additional disclosure of cash flow information:		
Cash payments of interest (excluding capitalized interest expense)	<u>\$ 1,639,286</u>	<u>2,219,405</u>
Cash payments of income tax	<u>\$ 17,177</u>	<u>34,198</u>
Supplemental schedule of noncash investing and financing activities:		
Current portion of long-term liabilities	<u>\$ 13,036,308</u>	<u>12,477,930</u>
Convertible bonds converted into common stock	<u>\$ -</u>	<u>914,600</u>
Fixed assets transferred from inventory	<u>\$ -</u>	<u>16,529</u>
Inventory transferred from fixed assets	<u>\$ 18</u>	<u>-</u>
Translation adjustments (including investee)	<u>\$ (799,665)</u>	<u>(527,001)</u>
Unrealized gains(losses) on financial instruments (including investee)	<u>\$ 1,610,580</u>	<u>(229,439)</u>