

**EVA AIRWAYS CORP.**  
**Balance Sheets**  
**March 31, 2011 and 2010**  
**(Reviewed, not Audited)**  
**(Expressed in Thousands of New Taiwan Dollars)**

		2011 NT dollars	2010 NT dollars			2011 NT dollars	2010 NT dollars
<b>Assets</b>				<b>Liabilities and Stockholders' Equity</b>			
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash and cash equivalents	\$	13,369,991	8,761,075	Short-term borrowings	\$	-	-
Financial assets at fair value through profit or loss — current		-	-	Financial liabilities at fair value through profit or loss — current		-	270,888
Available-for-sale financial assets — current		2,087,044	2,062,492	Derivative financial liabilities for hedge purposes — current		-	343,288
Derivative financial assets for hedge purposes — current		-	-	Accounts payable		1,597,303	1,318,343
Notes receivable		284,112	352,410	Accounts payable — related parties		2,613,060	1,209,462
Accounts receivable, net		7,646,092	7,504,020	Accrued expenses		7,955,131	5,711,595
Accounts receivable — related parties		208,407	177,241	Other payables — related parties		156,634	161,184
Other receivables		51,796	45,950	Other payables		3,185,168	3,917,133
Other receivables — related parties		71,872	81,491	Unearned revenue		6,125,103	5,690,119
Inventories		8,302,399	8,429,409	Current portion of long-term liabilities		11,439,574	14,722,908
Other prepayments		458,436	528,493	Other current liabilities		3,209,316	3,001,542
Deferred income tax assets — current		856,476	88,460	<b>Total current liabilities</b>		<u>36,281,289</u>	<u>36,346,462</u>
Other current assets		142,107	71,667				
<b>Total current assets</b>		<u>33,478,732</u>	<u>28,102,708</u>	<b>Long-term liabilities:</b>			
<b>Funds and investments:</b>				Bonds payable		5,600,000	7,000,000
Available-for-sale financial assets — noncurrent		874,874	950,401	Long-term borrowings		36,375,609	45,540,268
Financial assets carried at cost — noncurrent		2,251,437	2,252,588	Installment accounts payable		14,754,755	14,343,849
Long-term equity investments under equity method		8,836,993	8,370,398	Lease liability — noncurrent		10,047,104	11,804,640
<b>Total funds and investments</b>		<u>11,963,304</u>	<u>11,573,387</u>	<b>Total long-term liabilities</b>		<u>66,777,468</u>	<u>78,688,757</u>
<b>Property, plant and equipment:</b>				<b>Other liabilities:</b>			
Land		1,869,572	1,869,572	Accrued employee retirement liabilities		362,946	236,281
Buildings		4,543,278	4,543,278	Other liabilities		1,505,187	1,693,155
Machinery and equipment		7,174,682	6,788,520	<b>Total other liabilities</b>		<u>1,868,133</u>	<u>1,929,436</u>
Aircraft		104,059,063	100,723,237	<b>Total liabilities</b>		<u>104,926,890</u>	<u>116,964,655</u>
Leased assets		14,911,835	16,092,766				
		132,558,430	130,017,373	<b>Stockholders' equity:</b>			
Less: accumulated depreciation		(49,068,998)	(44,055,695)	Common stock		29,626,772	29,626,772
Advances for purchases of equipment		5,784,591	14,223,209	Capital surplus		2,649,436	5,564,505
<b>Net property, plant and equipment</b>		<u>89,274,023</u>	<u>100,184,887</u>	Retained earnings (accumulated deficit)		12,286,060	(1,669,628)
<b>Intangible assets:</b>				Other stockholders' equity adjustments:			
Deferred pension cost		149,633	238,093	Cumulative translation adjustments		(3,633,540)	125,727
<b>Other assets:</b>				Net loss not yet recognized as net pension cost		(511,128)	(157,412)
Refundable deposits		1,751,354	1,715,489	Unrealized gains on financial instruments		313,761	24,414
Deferred charges		4,850,523	3,962,032	<b>Total other stockholders' equity adjustments</b>		<u>(3,830,907)</u>	<u>(7,271)</u>
Deferred income tax assets — noncurrent		3,703,316	3,699,011	<b>Total stockholders' equity</b>		<u>40,731,361</u>	<u>33,514,378</u>
Other assets		487,366	1,003,426				
<b>Total other assets</b>		<u>10,792,559</u>	<u>10,379,958</u>				
<b>Total assets</b>	\$	<u>145,658,251</u>	<u>150,479,033</u>	<b>Total liabilities and stockholders' equity</b>	\$	<u>145,658,251</u>	<u>150,479,033</u>

**EVA AIRWAYS CORP.**

**Statements of Operations**

**For the Three Months ended March 31, 2011 and 2010**

**(Reviewed, not Audited)**

**(Expressed in Thousands of New Taiwan Dollars, Except Earnings per Share)**

	<b>2011</b>	<b>2010</b>
	<b>NT dollars</b>	<b>NT dollars</b>
<b>Operating revenue</b>	\$ 24,184,992	23,144,093
<b>Operating cost</b>	(21,971,032)	(20,313,834)
<b>Gross profit from operations</b>	<u>2,213,960</u>	<u>2,830,259</u>
<b>Operating expenses</b>	(1,659,619)	(1,481,295)
<b>Operating income (loss)</b>	<u>554,341</u>	<u>1,348,964</u>
<b>Non-operating income and gains:</b>		
Interest income	35,401	4,921
Investment income	222,941	257,676
Gains on valuation of financial liabilities	-	94,255
Other income	37,524	80,559
	<u>295,866</u>	<u>437,411</u>
<b>Non-operating expenses and losses:</b>		
Interest expenses	(414,813)	(465,458)
Exchange losses, net	(164,227)	(71,121)
Other losses	(1,274)	(2,998)
	<u>(580,314)</u>	<u>(539,577)</u>
<b>Income (loss) before income tax</b>	269,893	1,246,798
<b>Income tax benefit(expenses)</b>	(569)	(1,352)
<b>Net income(loss)</b>	<u>\$ 269,324</u>	<u>1,245,446</u>

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

**EVA AIRWAYS CORP.**  
**Statements of Cash Flows**  
**For the Three Months ended March 31, 2011 and 2010**  
**(Reviewed, not Audited)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2011</b>	<b>2010</b>
	<b>NT dollars</b>	<b>NT dollars</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 269,324	1,245,446
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,043,134	2,058,936
Amortization and maintenance expense	258,369	302,075
Investment income under equity method	(222,941)	(257,676)
Proceeds from cash dividends on long-term equity investments	5,131	-
Losses on disposal and obsolescence of property, plant and equipment	394	415
Amortization expense recorded as interest expenses	9,751	9,419
Amortization of other deferred gain	(6,511)	(21,943)
Gains on sale of investments	(1,395)	(1,537)
Changes in operating assets and liabilities, net:		
Changes in operating assets, net:		
Financial assets at fair value through profit or loss — current	-	17,247
Notes receivable	(53,504)	(63,210)
Accounts receivable	(204,976)	(698,567)
Accounts receivable — related parties	(17,868)	(22,664)
Other receivables	23,742	18,692
Other receivables — related parties	(9,337)	6,910
Inventories	223,670	260,974
Other prepayments	40,727	35,555
Other current assets	(106,254)	(92,487)
Changes in operating liabilities, net:		
Financial liabilities at fair value through profit or loss — current	-	(414,909)
Accounts payable	8,085	149,930
Accounts payable — related parties	(43,111)	131,282
Accrued expenses	721,120	(145,019)
Other payables	(576,283)	4,427
Other payables — related parties	3,240	12,244
Unearned revenue	(495,168)	(290,096)
Other current liabilities	135,593	102,946
Accrued employee retirement liabilities	(35,276)	(32,680)
Other liabilities	(3,599)	(15,518)
<b>Net cash provided by (used in) operating activities</b>	<b>1,966,057</b>	<b>2,300,192</b>
<b>Cash flows from investing activities:</b>		
Decrease (increase) in available-for-sale financial assets	(112,334)	2,448,664
Payments for purchase of property, plant and equipment	(99,510)	(128,742)
Proceeds from disposal of property, plant and equipment	2,351	8
Decrease (increase) in refundable deposits	(6,127)	(26,099)
Increase in deferred charges	(171,290)	(307,096)
Decrease (increase) in other assets	230,710	(13,992)
<b>Net cash provided by (used in) investing activities</b>	<b>(156,200)</b>	<b>1,972,743</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	-	(979,994)
Issuance of bonds payable	3,100,000	-
Redemption of bonds payable	(2,000,000)	(1,000,000)
Increase in long-term borrowings (including installment accounts payable)	-	7,284,877
Redemption of long-term borrowings (including installment accounts payable)	(3,311,307)	(4,676,097)
Redemption of lease liability	(373,986)	(359,394)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,585,293)</b>	<b>269,392</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(775,436)</b>	<b>4,542,327</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>14,145,427</b>	<b>4,218,748</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 13,369,991</b>	<b>8,761,075</b>
<b>Additional disclosure of cash flow information:</b>		
Interest paid	\$ 435,878	477,875
Less: capitalized interest	21,458	56,237
Interest paid(excluding capitalized interest)	<b>414,420</b>	<b>421,638</b>
Income tax paid	<b>\$ 7,392</b>	<b>5,781</b>
<b>Supplemental schedule of noncash investing and financing activities:</b>		
Current portion of long-term liabilities and bonds payable	<b>\$ 11,439,574</b>	<b>14,722,908</b>
Inventory transferred from fixed assets	<b>\$ -</b>	<b>13</b>
Unrealized gains(losses) on financial instruments (including investee)	<b>\$ (94,375)</b>	<b>539,925</b>
Translation adjustments (including investee)	<b>\$ (78,850)</b>	<b>(298,106)</b>
Others	<b>\$ 182,228</b>	<b>-</b>