

CHILISIN ELECTRONICS CORP.  
Consolidated Balance Sheets  
Year 2004 and 2003

Unit: In Thousands of Taiwan Dollars and  
U.S. Dollars Except Number of Shares Par Value

	Assets	Year 2004		Year 2003	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash	\$ 36,752	2	\$ 63,719	3
1110	Short-Term Investments	253,197	11	463,483	20
1120	Notes Receivable	63,931	3	64,033	3
1140	Accounts Receivable—allowance for uncollectible accounts NTD 7,883 Thousand on year 2004, NTD7,886 Thousand on year 2003	198,160	8	184,535	8
1150	Receivable to Related Parties	50,650	2	59,712	2
1190	Other Banking Assets	19,765	1	8,631	-
1210	Inventories-Net	211,565	9	217,379	9
1286	Deferred Income Tax Assets	34,939	1	28,425	1
1298	Other Current Assets	<u>5,667</u>	<u>-</u>	<u>6,699</u>	<u>-</u>
11XX	Total Current Assets	<u>874,626</u>	<u>37</u>	<u>1,096,616</u>	<u>46</u>
	<b>Long-Term Equity Investments</b>				
142101	Long-Term Equity Investments Recognized Under Equity Method	600,444	26	584,994	25
142102	Long-Term Equity Investments Recognized Under Cost Approach	<u>8,250</u>	<u>-</u>	<u>8,250</u>	<u>-</u>
14XX	Total Long-Term Equity Investment	<u>608,694</u>	<u>26</u>	<u>593,244</u>	<u>25</u>
	<b>Property, Plant, and Equipment</b>				
	Cost				
1501	Land Improvements	27,195	1	27,195	1
1521	Buildings	131,502	6	115,186	5
1531	Machinery and Equipment	752,605	32	694,054	29
1544	Instrument and Equipment	30,315	2	21,712	1
1551	Transportation and Other Equipment	<u>28,536</u>	<u>1</u>	<u>24,369</u>	<u>1</u>
15X1		970,153	42	882,516	37
15X9	Loss: Accumulated Depreciation	<u>369,261</u>	<u>16</u>	<u>332,285</u>	<u>14</u>
		600,892	26	550,231	23
1670	Construction in Progress and Prepayment for Equipment	<u>224,650</u>	<u>9</u>	<u>84,296</u>	<u>4</u>
15XX	Net Property, Plant and Equipment	<u>825,542</u>	<u>35</u>	<u>634,527</u>	<u>27</u>
	<b>Intangible Assets</b>				
1720	Patents	653	-	121	-
1770	Deferred Pension Costs	<u>14,570</u>	<u>1</u>	<u>12,833</u>	<u>1</u>
17XX	Total Intangible Assets	<u>15,223</u>	<u>1</u>	<u>12,954</u>	<u>1</u>
	<b>Other Assets</b>				
1820	Refundable Deposit	857	-	87	-
1830	Deferred Expense	6,308	-	10,182	-
1860	Deferred Income Tax Assets	<u>7,370</u>	<u>1</u>	<u>15,014</u>	<u>1</u>
18XX	Total Other Assets	<u>14,535</u>	<u>1</u>	<u>25,283</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,338,620</u>	<u>100</u>	<u>\$ 2,362,624</u>	<u>100</u>
	<b>Liabilities and Stockholders' Equity</b>	Amount	%	Amount	%

	Current Liabilities				
2100	Short-Term Borrowings (Debt)	\$ 110,000	5	\$ 10,071	-
2110	Short-Term Notes and Bills Payable	159,777	7	-	-
2120	Notes Payable	75,838	3	142,665	6
2140	Accounts Payable	98,778	4	51,482	2
2150	Accounts Payable-Related Parties	19,337	1	61,452	3
2160	Income Tax Payable	11,776	-	4,414	-
2170	Accrued Expenses	44,523	2	35,226	1
2260	Deferred credit	13,122	1	14,184	1
2270	Corporate Bonds Payable - Current Portion	101,702	4	-	-
2280	Other Current Liabilities	<u>6,907</u>	-	<u>13,529</u>	<u>1</u>
21XX	Total Current Liabilities	<u>641,760</u>	<u>27</u>	<u>333,023</u>	<u>14</u>
	Long-Term Accrued Interest Liabilities				
2410	Corporate Bonds Payable	-	-	628,424	27
2420	Long-Term Loans Payable	<u>410,000</u>	<u>18</u>	<u>60,000</u>	<u>2</u>
24XX	Total Long-Term Liabilities	<u>410,000</u>	<u>18</u>	<u>688,424</u>	<u>29</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	30,346	1	25,000	1
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>9,102</u>	<u>1</u>	<u>10,923</u>	<u>1</u>
28XX	Total Other Liabilities	<u>39,490</u>	<u>2</u>	<u>35,965</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,091,250</u>	<u>47</u>	<u>1,057,412</u>	<u>45</u>
	Stockholders' Equity				
3110	Capital Stock-NT\$ 10 par Value Authorized-245,800 Thousand Shares, Issued-NT\$ 105,806 Thousand Shares for 2004, NT\$ 102,589Thousand Shares for 2003	<u>1,058,059</u>	<u>45</u>	<u>1,026,248</u>	<u>43</u>
	Capital surplus				
3211	Paid-in Capital in Excess of Par	16,322	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	702	-	702	-
3220	Treasury Stock Transactions	<u>1,998</u>	-	<u>1,998</u>	-
32XX	Total capital surplus	<u>19,022</u>	<u>1</u>	<u>19,022</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	76,062	3	62,676	3
3320	Special Reserve	173	-	173	-
3350	Retained Earnings-Unappropriated	<u>220,594</u>	<u>9</u>	<u>187,560</u>	<u>8</u>
33XX	Total Retained Earning	<u>296,829</u>	<u>12</u>	<u>250,409</u>	<u>11</u>
3420	Cumulative Translation Adjustment	( 26,488)	( 1)	9,533	-
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	( <u>100,052</u> )	( <u>4</u> )	-	-
3XXX	Total Stockholders' Equity	<u>1,247,370</u>	<u>53</u>	<u>1,305,212</u>	<u>55</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,338,620</u>	<u>100</u>	<u>\$ 2,362,624</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
Year 2004 and 2003

Unit: In Thousands of Taiwan Dollars and U.S. Dollars.  
Except Number of Shares Par Value

	Year 2004		Year 2003	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 1,115,098	101	\$ 967,288	102
4170 Loss: Sales Return and Allowances	<u>9,978</u>	<u>1</u>	<u>17,729</u>	<u>2</u>
4100 Sales Revenue-Net	1,105,120	100	949,559	100
5110 Cost of Goods Sold	<u>826,012</u>	<u>75</u>	<u>754,159</u>	<u>80</u>
Additional Realized of Sales Gross Profit from Related Parties	279,108	25	195,400	20
5920 Realized Gain On Transactions With Related Parties	<u>1,870</u>	<u>-</u>	<u>6,576</u>	<u>1</u>
5910 Gross Profit	<u>280,978</u>	<u>25</u>	<u>201,976</u>	<u>21</u>
Operating Expenses				
6100 Selling Expenses	63,737	6	57,251	6
6200 General and Administrative Expenses	48,742	4	47,203	5
6300 Research and Development Expenses	<u>43,377</u>	<u>4</u>	<u>34,294</u>	<u>3</u>
6000 Total Operating Expenses	<u>155,856</u>	<u>14</u>	<u>138,748</u>	<u>14</u>
6900 Income From Operation	<u>125,122</u>	<u>11</u>	<u>63,228</u>	<u>7</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity	51,471	5	50,443	5
7140 Gain on Disposal of Investment	17,034	1	36,202	4
7110 Interest Income	9,676	1	19,749	2
7260 Market Price Recovery of Inventories	7,278	1	3,061	-
7160 Foreign exchange gain	1,338	-	514	-
7130 Gain on Disposal of Fixed Assets	\$ 173	-	\$ 91	-
7480 Other	<u>8,965</u>	<u>1</u>	<u>9,250</u>	<u>1</u>
7100 Total	<u>95,935</u>	<u>9</u>	<u>119,310</u>	<u>12</u>
Non-Operation Expense and Loss				
7510 Interest Expense	24,202	2	27,921	3
7570 Loss for Market Price Decline of Inventories	22,278	2	23,560	2
7530 Loss on Disposal of Fixed Assets	231	-	14	-
7880 Other	<u>6,281</u>	<u>1</u>	<u>6,415</u>	<u>1</u>
7500 Total	<u>52,992</u>	<u>5</u>	<u>57,910</u>	<u>6</u>
7900 Benefit Before Income Tax	168,065	15	124,628	13
8110 Income Tax Expense (benefit)	<u>9,573</u>	<u>1</u>	<u>( 9,228 )</u>	<u>( 1 )</u>
9600 Net Income	<u>\$ 158,492</u>	<u>14</u>	<u>\$ 133,856</u>	<u>14</u>
Profit of Stock				
	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 1.66</u>	<u>\$ 1.57</u>	<u>\$ 1.21.95</u>	<u>\$ 1.30</u>
9850 Fully diluted EPS	<u>\$ 1.64</u>	<u>\$ 1.54</u>	<u>\$ 1.18.91</u>	<u>\$ 1.21</u>