

CHILISIN ELECTRONICS CORP.  
Consolidated Balance Sheets  
Year of Year 2005 and 2004

Unit: In Thousands of New Taiwan Dollars,  
Except Number of Shares Par Value

Assets		4 <sup>rd</sup> Q of Year 2005		4 <sup>rd</sup> Q of Year 2004	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash	\$ 74,425	3	\$ 36,725	2
1110	Short-Term Investments	166,776	6	253,197	11
1120	Notes Receivable	53,177	2	63,931	3
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	328,116	12	198,160	9
1150	Receivable to Related Parties	79,776	3	50,650	2
1190	Other Banking Assets	22,611	1	19,765	1
1210	Inventories-Net	221,208	8	211,565	9
1286	Deferred Income Tax Assets	32,270	1	34,939	1
1298	Other Current Assets	<u>4,688</u>	-	<u>5,667</u>	-
11XX	Total Current Assets	<u>983,047</u>	<u>36</u>	<u>874,626</u>	<u>37</u>
<b>Long-Term Equity Investments</b>					
142101	Long-Term Equity Investments Recognized Under Equity Method	672,438	24	600,444	26
142102	Long-Term Equity Investments Recognized Under Cost Approach	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>1</u>
14XX	Total Long-Term Equity Investment	<u>672,438</u>	<u>24</u>	<u>608,694</u>	<u>26</u>
<b>Property, Plant, and Equipment</b>					
Cost					
1501	Land Improvements	27,380	1	27,195	1
1521	Buildings	327,969	12	131,502	6
1531	Machinery and Equipment	915,010	33	752,605	32
1544	Instrument and Equipment	54,078	2	30,315	2
1551	Transportation and Other Equipment	<u>39,311</u>	<u>2</u>	<u>28,536</u>	<u>1</u>
15X1		1,363,748	50	970,153	42
15X9	Loss: Accumulated Depreciation	<u>440,173</u>	<u>16</u>	<u>369,261</u>	<u>16</u>
		923,575	34	600,892	26
1670	Construction in Progress and Prepayment for Equipment	<u>113,012</u>	<u>4</u>	<u>224,650</u>	<u>9</u>
15XX	Net Property, Plant and Equipment	<u>1,036,587</u>	<u>38</u>	<u>825,542</u>	<u>35</u>
<b>Intangible Assets</b>					
1720	Patents	693	-	653	-
1770	Deferred Pension Costs	<u>13,597</u>	<u>1</u>	<u>14,570</u>	-
1780	Other Intangible Assets	5,589	-	-	-
17XX	Total Intangible Assets	<u>19,879</u>	<u>1</u>	<u>15,223</u>	-
<b>Other Assets</b>					
1820	Refundable Deposit	57	-	857	-
1830	Deferred Expense	17,355	-	6,308	-
1860	Deferred Income Tax Assets	<u>23,702</u>	<u>1</u>	<u>7,370</u>	<u>1</u>
18XX	Total Other Assets	<u>41,114</u>	<u>1</u>	<u>14,535</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,753,065</u>	<u>100</u>	<u>\$ 2,382,396</u>	<u>100</u>
Liabilities and Stockholders' Equity		Amount	%	Amount	%

	<b>Current Liabilities</b>				
2100	Short-Term Borrowings (Debt)	\$ 140,000	5	\$ 110,000	5
2110	Short-Term Notes and Bills Payable	-	-	159,777	7
2120	Notes Payable	2,370	-	75,838	3
2140	Accounts Payable	212,285	8	92,559	4
2150	Accounts Payable-Related Parties	32,617	1	19,337	1
2160	Income Tax Payable	15,886	-	11,776	-
2170	Accrued Expenses	54,126	2	44,523	2
2224	Accrued Cash Dividend	28,642	1	6,219	-
2260	Deferred credit	16,360	-	13,122	1
2271	Current Portion of Bound payable	16,465	1	101,702	4
2272	Current Portion of Long-term Debt	75,215	3	-	-
2280	Other Current Liabilities	<u>22,503</u>	<u>1</u>	<u>6,907</u>	<u>1</u>
21XX	Total Current Liabilities	<u>616,469</u>	<u>22</u>	<u>641,760</u>	<u>27</u>
	<b>Long-Term Accrued Interest Liabilities</b>				
2410	Bonds Payable	377,300	14	-	-
2420	Long-Term Loans Payable	<u>332,632</u>	<u>12</u>	<u>410,000</u>	<u>18</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>709,932</u>	<u>26</u>	<u>410,000</u>	<u>18</u>
	<b>Other Liabilities</b>				
2810	Accrued Pension Liabilities	34,203	1	30,346	1
2820	Guarantee Deposit Received	42	-	42	-
2860	Deferred credit	<u>7,282</u>	<u>-</u>	<u>9,102</u>	<u>1</u>
28XX	Total Other Liabilities	<u>41,572</u>	<u>2</u>	<u>39,490</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,367,928</u>	<u>50</u>	<u>1,091,250</u>	<u>47</u>
	<b>Stockholders' Equity</b>				
3110	Capital Stock-NT\$ 10 par Value Authorized-245,800 Thousand Shares, Issued-NT\$ 109,817 Thousand Shares for 2005, NT\$ 105,806Thousand Shares for 2004	<u>1,104,348</u>	<u>40</u>	<u>1,058,059</u>	<u>45</u>
3140	Additional Paid-in Capital	7,279	-	-	-
3211	Paid-in Capital in Excess of Par Value	16,997	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	7,461	-	702	-
3220	Treasury Stock Transactions	1,998	-	1,998	-
3290	Compensatory Stock Option Plan	<u>2,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>29,088</u>	<u>1</u>	<u>19,022</u>	<u>1</u>
	<b>Retained Earning</b>				
3310	Legal Reserve	91,911	3	76,062	3
3320	Special Reserve	26,488	1	173	-
3350	Retained Earnings-Unappropriated	<u>221,170</u>	<u>8</u>	<u>220,594</u>	<u>9</u>
33XX	Total Retained Earning	<u>339,569</u>	<u>12</u>	<u>296,829</u>	<u>12</u>
3420	Cumulative Translation Adjustment	<u>4,905</u>	<u>-</u>	<u>( 26,488)</u>	<u>( 1)</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	<u>( 100,052 )</u>	<u>( 3 )</u>	<u>( 100,052)</u>	<u>( 4)</u>
3XXX	Total Stockholders' Equity	<u>1,385,137</u>	<u>50</u>	<u>1,247,370</u>	<u>53</u>
	<b>Total Liabilities and Stockholder's Equality</b>	<u>\$ 2,753,065</u>	<u>100</u>	<u>\$ 2,338,620</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
4<sup>rd</sup>Q of Year 2005 and 2004

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

	4 <sup>rd</sup> Q of Year 2005		4 <sup>rd</sup> Q of Year 2004	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 1,375,260	101	\$ 1,115,098	101
4170 Loss: Sales Return and Allowances	( 16,560)	( 1)	( 9,978)	( 1)
4100 Sales Revenue-Net	1,358,700	100	1,105,120	100
5110 Cost of Goods Sold	<u>986,842</u>	<u>73</u>	<u>826,012</u>	<u>75</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	371,858	27	279,018	25
5920 Realized (Unrealized) Gain On Transactions With Related Parties	<u>4,016</u>	<u>-</u>	<u>( 1,870)</u>	<u>-</u>
5910 Gross Profit	<u>367,842</u>	<u>27</u>	<u>280,978</u>	<u>25</u>
Operating Expenses				
6100 Selling Expenses	85,156	6	63,737	6
6200 General and Administrative Expenses	57,378	4	48,742	4
6300 Research and Development Expenses	<u>64,992</u>	<u>5</u>	<u>43,377</u>	<u>4</u>
6000 Total Operating Expenses	<u>207,526</u>	<u>15</u>	<u>155,856</u>	<u>14</u>
6900 Income From Operation	<u>160,316</u>	<u>12</u>	<u>125,122</u>	<u>11</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	35,601	3	351,471	5
7260 Price Recovery of Inventory	7,297	-	7,278	1
7140 Gain on Disposal of Investment	6,576	-	17,034	1
7110 Interest Income	4,697	-	9,676	1
7160 Foreign exchange gain	\$ 4,407	-	\$ 1,338	-
7480 Other	<u>10,730</u>	<u>1</u>	<u>9,138</u>	<u>1</u>
7100 Total	<u>69,308</u>	<u>5</u>	<u>95,935</u>	<u>9</u>
Non-Operation Expense and Loss				
7570 Loss for Market Price Decline of Inventories	23,797	2	22,278	2
7510 Interest Expense	13,901	1	24,202	2
7880 Other	<u>11,046</u>	<u>1</u>	<u>6,512</u>	<u>1</u>
7500 Total	<u>48,744</u>	<u>3</u>	<u>52,992</u>	<u>5</u>
7900 Benefit Before Income Tax	180,880	13	168,065	15
8110 Income Tax Expense (benefit)	( 416 )	( -)	9,573	1
9600 Net Income	<u>\$ 181,296</u>	<u>13</u>	<u>\$ 158,492</u>	<u>14</u>
Profit of Stock	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 1.72</u>	<u>\$ 1.73</u>	<u>\$ 1.61</u>	<u>\$ 1.52</u>
9850 Fully diluted EPS	<u>\$ 1.59</u>	<u>\$ 1.59</u>	<u>\$ 1.58</u>	<u>\$ 1.48</u>