

CHILISIN ELECTRONICS CORP.  
Consolidated Balance Sheets  
3<sup>rd</sup>Q of Year 2004 and 2003

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

Assets		3 <sup>rd</sup> Q of Year 2004		3 <sup>rd</sup> Q of Year 2003	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash	\$ 23,898	1	\$ 15,927	1
1110	Short-Term Investments	302,792	13	519,640	22
1120	Notes Receivable	50,096	2	49,242	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 7,883 Thousand on year 2004, NTD9,386 Thousand on year 2003	201,416	9	168,865	7
1150	Receivable to Related Parties	59,819	3	57,069	3
1190	Other Banking Assets	9,323	-	16,178	1
1210	Inventories-Net	224,029	9	226,826	10
1286	Deferred Income Tax Assets	28,378	1	7,766	-
1298	Other Current Assets	<u>6,611</u>	<u>-</u>	<u>5,201</u>	<u>-</u>
11XX	Total Current Assets	<u>906,362</u>	<u>38</u>	<u>1,066,714</u>	<u>46</u>
<b>Long-Term Equity Investments</b>					
142101	Long-Term Equity Investments Recognized Under Equity Method	625,773	26	578,696	25
142102	Long-Term Equity Investments Recognized Under Cost Approach	<u>8,250</u>	<u>1</u>	<u>8,250</u>	<u>-</u>
14XX	Total Long-Term Equity Investment	<u>634,023</u>	<u>27</u>	<u>586,946</u>	<u>25</u>
<b>Property, Plant, and Equipment</b>					
Cost					
1501	Land Improvements	27,195	1	27,195	1
1521	Buildings and Equipment	116,487	5	115,086	5
1531	Machinery and Equipment	691,782	29	595,705	26
1544	Instrument and Equipment	29,416	2	21,505	1
1551	Transportation and Other Equipment	<u>27,416</u>	<u>1</u>	<u>24,221</u>	<u>1</u>
15X1		892,296	38	783,712	34
15X9	Loss: Accumulated Depreciation	<u>348,080</u>	<u>15</u>	<u>315,149</u>	<u>14</u>
		544,216	23	468,563	20
1670	Construction in Progress and Prepayment for Equipment	<u>260,257</u>	<u>11</u>	<u>154,725</u>	<u>7</u>
15XX	Property, Plant and Equipment-net	<u>804,473</u>	<u>34</u>	<u>623,288</u>	<u>27</u>
<b>Intangible Assets</b>					
1720	Patents	676	-	128	-
1770	Deferred Pension Costs	<u>12,833</u>	<u>-</u>	<u>10,198</u>	<u>-</u>
17XX	Total Intangible Assets	<u>13,509</u>	<u>-</u>	<u>10,326</u>	<u>-</u>
<b>Other Assets</b>					
1820	Refundable Deposit	58	-	87	-
1830	Deferred Expense	7,934	-	11,719	-
1860	Deferred Income Tax Assets	<u>16,037</u>	<u>1</u>	<u>35,228</u>	<u>2</u>
18XX	Total Other Assets	<u>24,029</u>	<u>1</u>	<u>47,034</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 2,382,396</u>	<u>100</u>	<u>\$ 2,334,308</u>	<u>100</u>
<b>Liabilities and Stockholders' Equity</b>		Amount	%	Amount	%

	Current Liabilities				
2100	Short-Term Borrowings (Debt)	\$ 190,000	8	\$ 34,826	1
2110	Short-Term Notes and Bills Payable	269,273	11	69,843	3
2120	Notes Payable	154,161	6	109,413	5
2140	Accounts Payable	40,789	2	38,568	2
2150	Accounts Payable-Related Parties	33,553	1	60,479	2
2160	Income Tax Payable	8,295	-	1,813	-
2170	Accrued Expenses	42,853	2	37,961	2
2260	Deferred credit	16,060	1	15,967	1
2270	Corporate Bonds Payable - Current Portion	122,362	5	-	-
2280	Other Current Liabilities	<u>12,463</u>	<u>1</u>	<u>9,421</u>	<u>-</u>
21XX	Total Current Liabilities	<u>889,809</u>	<u>37</u>	<u>378,291</u>	<u>16</u>
	Long-Term Accrued Interest Liabilities				
2410	Corporate Bonds Payable	-	-	624,058	27
2420	Long-Term Loans Payable	<u>210,000</u>	<u>9</u>	<u>60,000</u>	<u>2</u>
24XX	Total Long-Term Liabilities	<u>210,000</u>	<u>9</u>	<u>684,058</u>	<u>29</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	28,162	1	22,404	1
2820	Guarantee Deposit Received	42	-	42	-
2860	Deferred credit	<u>9,558</u>	<u>1</u>	<u>11,378</u>	<u>1</u>
28XX	Total Other Liabilities	<u>37,762</u>	<u>2</u>	<u>33,824</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,137,571</u>	<u>48</u>	<u>1,096,173</u>	<u>47</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>44</u>	<u>1,025,890</u>	<u>44</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	-	-	-
3220	Treasury Stock Transactions	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>19,022</u>	<u>1</u>	<u>16,322</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	76,062	3	62,677	2
3320	Special Reserve	173	-	173	-
3350	Retained Earnings-Unappropriated	<u>180,846</u>	<u>8</u>	<u>162,400</u>	<u>7</u>
33XX	Total Retained Earning	<u>257,081</u>	<u>11</u>	<u>225,250</u>	<u>9</u>
3420	Cumulative Translation Adjustment	<u>10,715</u>	<u>-</u>	<u>19,242</u>	<u>1</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004, 3,019 Thousands Shares in 2003	( <u>100,052</u> )	( <u>4</u> )	( <u>48,569</u> )	( <u>2</u> )
3XXX	Total Stockholders' Equity	<u>1,244,825</u>	<u>52</u>	<u>1,238,135</u>	<u>53</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,382,396</u>	<u>100</u>	<u>\$ 2,334,308</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
3<sup>rd</sup>Q of Year 2004 and 2003

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

	3 <sup>rd</sup> Q of Year 2004		3 <sup>rd</sup> Q of Year 2003	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 828,505	101	\$ 678,821	101
4170 Loss: Sales Return and Allowances	( 7,913)	( 1)	( 8,114)	( 1)
4100 Sales Revenue-Net	820,592	100	670,707	100
5110 Cost of Goods Sold	<u>611,802</u>	<u>75</u>	<u>540,166</u>	<u>81</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit from Related Parties	208,790	25	130,541	19
5920 Realized (Unrealized) Gain On Transactions With Related Parties	( 1,129 )	-	<u>3,784</u>	<u>1</u>
5910 Gross Profit	<u>207,661</u>	<u>25</u>	<u>134,325</u>	<u>20</u>
Operating Expenses				
6100 Selling Expenses	47,738	6	42,938	6
6200 General and Administrative Expenses	37,165	4	34,449	5
6300 Research and Development Expenses	<u>30,643</u>	<u>4</u>	<u>23,989</u>	<u>4</u>
6000 Total Operating Expenses	<u>115,546</u>	<u>14</u>	<u>101,376</u>	<u>15</u>
6900 Income From Operation	<u>92,115</u>	<u>11</u>	<u>32,949</u>	<u>5</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	39,597	5	35,987	5
7110 Interest Income	8,698	1	15,084	2
7130 Gain on Disposal of Fixed Assets	173	-	-	-
7140 Gain on Disposal of Investment	\$ 14,091	2	\$ 30,777	5
7160 Foreign exchange gain	1,921	-	708	-
7480 Other	<u>6,878</u>	<u>1</u>	<u>8,253</u>	<u>1</u>
7100 Total	<u>71,358</u>	<u>9</u>	<u>90,809</u>	<u>13</u>
Non-Operation Expense and Loss				
7510 Interest Expense	21,116	3	20,206	3
7570 Loss for Market Price Decline of Inventories	15,000	2	2,000	-
7530 Loss on Disposal of Fixed Assets	126	-	13	-
7880 Other	<u>4,505</u>	<u>-</u>	<u>4,263</u>	<u>1</u>
7500 Total	<u>40,747</u>	<u>5</u>	<u>26,482</u>	<u>4</u>
7900 Benefit Before Income Tax	122,726	15	97,276	14
8110 Income Tax Expense (benefit)	<u>3,982</u>	<u>1</u>	( 11,420 )	( 2 )
9600 Net Income	<u>\$ 118,744</u>	<u>14</u>	<u>\$ 108,696</u>	<u>16</u>
Profit of Stock				
	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 1.19</u>	<u>\$ 1.16</u>	<u>\$ 0.95</u>	<u>\$ 1.06</u>
9850 Fully diluted EPS	<u>\$ 1.17</u>	<u>\$ 1.13</u>	<u>\$ 0.91</u>	<u>\$ 0.97</u>