

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
3rdQ of Year 2005 and 2004

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

Assets		3 rd Q of Year 2005		3 rd Q of Year 2004	
		Amount	%	Amount	%
Current Assets					
1100	Cash	\$ 49,060	2	\$ 23,898	1
1110	Short-Term Investments	212,401	8	302,792	13
1120	Notes Receivable	534,387	1	50,096	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	316,419	12	201,416	9
1150	Receivable to Related Parties	63,469	2	59,819	3
1190	Other Banking Assets	23,516	1	9,323	-
1210	Inventories-Net	202,723	8	224,029	9
1286	Deferred Income Tax Assets	21,310	1	28,378	1
1298	Other Current Assets	<u>12,158</u>	<u>1</u>	<u>6,611</u>	<u>-</u>
11XX	Total Current Assets	<u>935,443</u>	<u>36</u>	<u>906,362</u>	<u>38</u>
Long-Term Equity Investments					
142101	Long-Term Equity Investments Recognized Under Equity Method	672,078	26	625,773	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>672,078</u>	<u>26</u>	<u>634,023</u>	<u>27</u>
Property, Plant, and Equipment					
Cost					
1501	Land Improvements	27,195	1	27,195	1
1521	Buildings	324,464	13	116,487	5
1531	Machinery and Equipment	873,394	33	691,782	29
1544	Instrument and Equipment	48,245	2	29,416	2
1551	Transportation and Other Equipment	<u>36,334</u>	<u>1</u>	<u>27,416</u>	<u>1</u>
15X1		1,309,632	50	892,296	38
15X9	Loss: Accumulated Depreciation	<u>421,937</u>	<u>16</u>	<u>348,080</u>	<u>15</u>
		887,695	34	544,216	23
1670	Construction in Progress and Prepayment for Equipment	<u>41,467</u>	<u>1</u>	<u>260,257</u>	<u>11</u>
15XX	Net Property, Plant and Equipment	<u>929,162</u>	<u>35</u>	<u>804,473</u>	<u>34</u>
Intangible Assets					
1720	Patents	674	-	676	-
1770	Deferred Pension Costs	<u>14,456</u>	<u>1</u>	<u>12,833</u>	<u>-</u>
1780	Other Intangible Assets	5,589	-	-	-
17XX	Total Intangible Assets	<u>20,719</u>	<u>1</u>	<u>13,509</u>	<u>-</u>
Other Assets					
1820	Refundable Deposit	58	-	58	-
1830	Deferred Expense	18,048	1	7,934	-
1860	Deferred Income Tax Assets	<u>38,814</u>	<u>1</u>	<u>16,037</u>	<u>1</u>
18XX	Total Other Assets	<u>56,920</u>	<u>2</u>	<u>24,029</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,614,322</u>	<u>100</u>	<u>\$ 2,382,396</u>	<u>100</u>
Liabilities and Stockholders' Equity		Amount	%	Amount	%

	Current Liabilities				
2100	Short-Term Borrowings (Debt)	\$ 30,000	1	\$ 190,000	8
2110	Short-Term Notes and Bills Payable	-	-	269,273	11
2120	Notes Payable	7,860	-	154,161	6
2140	Accounts Payable	167,387	6	40,789	2
2150	Accounts Payable-Related Parties	40,058	2	33,553	1
2160	Income Tax Payable	9,111	-	8,295	-
2170	Accrued Expenses	47,346	2	42,853	2
2216	Accrued Cash Dividend	101,286	4	-	-
2260	Deferred credit	12,149	-	16,060	1
2271	Current Portion of Bound payable	17,561	1	122,362	5
2272	Current Portion of Long-term Debt	60,000	2	-	-
2280	Other Current Liabilities	<u>17,427</u>	<u>1</u>	<u>12,463</u>	<u>1</u>
21XX	Total Current Liabilities	<u>510,185</u>	<u>19</u>	<u>889,809</u>	<u>37</u>
	Long-Term Accrued Interest Liabilities				
2410	Bonds Payable	400,000	15	-	-
2420	Long-Term Loans Payable	<u>347,847</u>	<u>14</u>	<u>210,000</u>	<u>9</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>747,847</u>	<u>29</u>	<u>210,000</u>	<u>9</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	34,459	2	28,162	1
2820	Guarantee Deposit Received	42	-	42	-
2860	Deferred credit	<u>7,737</u>	<u>-</u>	<u>9,558</u>	<u>1</u>
28XX	Total Other Liabilities	<u>42,238</u>	<u>2</u>	<u>37,762</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,300,270</u>	<u>50</u>	<u>1,137,571</u>	<u>48</u>
	Stockholders' Equity				
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>1,094,166</u>	<u>42</u>	<u>1,058,059</u>	<u>44</u>
	Additional Paid-in Capital				
3211	Paid-in Capital in Excess of Par Value	16,322	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	702	-	702	-
3220	Treasury Stock Transactions	1,998	-	1,998	-
3290	Compensatory Stock Option Plan	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>20,342</u>	<u>1</u>	<u>19,022</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	91,911	4	76,062	3
3320	Special Reserve	26,488	1	173	-
3350	Retained Earnings-Unappropriated	<u>169,373</u>	<u>6</u>	<u>180,846</u>	<u>8</u>
33XX	Total Retained Earning	<u>287,772</u>	<u>11</u>	<u>257,081</u>	<u>11</u>
3420	Cumulative Translation Adjustment	<u>111,824</u>	<u>-</u>	<u>10,715</u>	<u>-</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	(<u>100,052</u>)	(<u>4</u>)	(<u>100,052</u>)	(<u>4</u>)
3XXX	Total Stockholders' Equity	<u>1,314,052</u>	<u>50</u>	<u>1,244,825</u>	<u>52</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,614,322</u>	<u>100</u>	<u>\$ 2,382,396</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
3rdQ of Year 2005 and 2004

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

	3 rd Q of Year 2005		3 rd Q of Year 2004	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 963,769	101	\$ 828,505	101
4170 Loss: Sales Return and Allowances	(9,154)	(1)	(7,913)	(1)
4100 Sales Revenue-Net	954,615	100	820,592	100
5110 Cost of Goods Sold	<u>711,645</u>	<u>74</u>	<u>611,802</u>	<u>75</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	242,970	26	208,790	25
5920 Realized (Unrealized) Gain On Transactions With Related Parties	<u>2,046</u>	<u>-</u>	<u>(1,129)</u>	<u>-</u>
5910 Gross Profit	<u>245,016</u>	<u>26</u>	<u>207,661</u>	<u>25</u>
Operating Expenses				
6100 Selling Expenses	64,066	7	47,738	6
6200 General and Administrative Expenses	40,100	4	37,165	4
6300 Research and Development Expenses	<u>47,569</u>	<u>5</u>	<u>30,643</u>	<u>4</u>
6000 Total Operating Expenses	<u>151,735</u>	<u>16</u>	<u>115,546</u>	<u>14</u>
6900 Income From Operation	<u>93,281</u>	<u>10</u>	<u>92,115</u>	<u>11</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	33,322	4	39,597	5
7260 Price Recovery of Inventory	3,065	-	-	-
7140 Gain on Disposal of Investment	4,747	1	14,091	2
7110 Interest Income	3,373	-	8,698	1
7160 Foreign exchange gain	\$ 4,018	-	\$ 1,921	-
7480 Other	<u>4,971</u>	<u>1</u>	<u>6,878</u>	<u>1</u>
7100 Total	<u>54,473</u>	<u>6</u>	<u>71,358</u>	<u>9</u>
Non-Operation Expense and Loss				
7570 Loss for Market Price Decline of Inventories	12,065	1	15,000	2
7510 Interest Expense	10,214	1	21,116	3
7880 Other	<u>7,327</u>	<u>1</u>	<u>4,631</u>	<u>-</u>
7500 Total	<u>29,606</u>	<u>3</u>	<u>40,747</u>	<u>5</u>
7900 Benefit Before Income Tax	118,148	13	122,726	15
8110 Income Tax Expense (benefit)	(11,351)	(1)	3,982	1
9600 Net Income	<u>\$ 129,499</u>	<u>14</u>	<u>\$ 118,744</u>	<u>14</u>
Profit of Stock	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 1.13</u>	<u>\$ 1.23</u>	<u>\$ 1.15</u>	<u>\$ 1.12</u>
9850 Fully diluted EPS	<u>\$ 0.89</u>	<u>\$ 0.97</u>	<u>\$ 1.13</u>	<u>\$ 1.09</u>