

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
1stQ of Year 2005 and 2004

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

	Assets	Year 2005		Year 2004	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 22,639	1	\$ 13,475	1
1110	Short-Term Investments	212,564	9	575,075	23
1120	Notes Receivable	50,806	2	55,274	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 7,883 Thousand on year 2005, NTD7,886 Thousand on year 2004	210,133	9	187,628	8
1150	Receivable to Related Parties	67,776	3	55,467	2
1190	Other Banking Assets	24,379	1	18,297	1
1210	Inventories-Net	194,499	8	228,568	9
1286	Deferred Income Tax Assets	33,492	2	26,104	1
1298	Other Current Assets	<u>5,221</u>	<u>-</u>	<u>4,999</u>	<u>-</u>
11XX	Total Current Assets	<u>821,509</u>	<u>35</u>	<u>1,164,887</u>	<u>47</u>
	Long-Term Equity Investments				
142101	Long-Term Equity Investments Recognized Under Equity Method	613,393	26	601,945	24
142102	Long-Term Equity Investments Recognized Under Cost Approach	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>-</u>
14XX	Total Long-Term Equity Investment	<u>613,393</u>	<u>26</u>	<u>610,195</u>	<u>24</u>
	Property, Plant, and Equipment				
	Cost				
1501	Land Improvements	27,195	1	27,195	1
1521	Buildings	131,767	6	116,437	5
1531	Machinery and Equipment	773,384	33	696,593	28
1544	Instrument and Equipment	37,041	2	22,035	1
1551	Transportation and Other Equipment	<u>30,410</u>	<u>1</u>	<u>24,408</u>	<u>1</u>
15X1		999,797	43	886,668	36
15X9	Loss: Accumulated Depreciation	<u>387,324</u>	<u>17</u>	<u>346,691</u>	<u>14</u>
		612,473	26	539,977	22
1670	Construction in Progress and Prepayment for Equipment	<u>242,893</u>	<u>11</u>	<u>133,428</u>	<u>5</u>
15XX	Net Property, Plant and Equipment	<u>855,366</u>	<u>37</u>	<u>673,405</u>	<u>27</u>
	Intangible Assets				
1720	Patents	630	-	722	-
1770	Deferred Pension Costs	<u>14,570</u>	<u>1</u>	<u>12,833</u>	<u>1</u>
17XX	Total Intangible Assets	<u>15,200</u>	<u>1</u>	<u>13,555</u>	<u>1</u>
	Other Assets				
1820	Refundable Deposit	58	-	87	-
1830	Deferred Expense	16,384	1	9,644	-
1860	Deferred Income Tax Assets	<u>12,963</u>	<u>-</u>	<u>16,611</u>	<u>1</u>
18XX	Total Other Assets	<u>29,405</u>	<u>1</u>	<u>26,342</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,334,873</u>	<u>100</u>	<u>\$ 2,488,384</u>	<u>100</u>
	Liabilities and Stockholders' Equity	Amount	%	Amount	%
	Current Liabilities				

2100	Short-Term Borrowings (Debt)	\$ 55,000	2	\$ 45,733	2
2110	Short-Term Notes and Bills Payable	219,387	10	-	-
2120	Notes Payable	15,191	1	148,597	6
2140	Accounts Payable	172,132	7	52,164	2
2150	Accounts Payable-Related Parties	5,628	-	87,362	3
2160	Income Tax Payable	15,418	1	4,414	-
2170	Accrued Expenses	28,226	1	33,046	1
2260	Deferred credit	14,326	1	14,537	1
2270	Corporate Bonds Payable - Current Portion	73,683	3	-	-
2280	Other Current Liabilities	<u>7,426</u>	<u>-</u>	<u>13,853</u>	<u>1</u>
21XX	Total Current Liabilities	<u>606,417</u>	<u>26</u>	<u>399,706</u>	<u>16</u>
	Long-Term Accrued Interest Liabilities				
2410	Corporate Bonds Payable	-	-	633,776	26
2420	Long-Term Loans Payable	<u>410,000</u>	<u>17</u>	<u>130,000</u>	<u>5</u>
24XX	Total Long-Term Liabilities	<u>410,000</u>	<u>17</u>	<u>763,776</u>	<u>31</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	31,394	1	26,036	1
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>8,648</u>	<u>1</u>	<u>10,923</u>	<u>-</u>
28XX	Total Other Liabilities	<u>40,084</u>	<u>2</u>	<u>37,001</u>	<u>1</u>
2XXX	Total Liabilities	<u>1,056,501</u>	<u>45</u>	<u>1,200,483</u>	<u>48</u>
	Stockholders' Equity				
3110	Capital Stock-NT\$ 10 par Value Authorized-245,800 Thousand Shares, Issued-NT\$ 105,806 Thousand Shares for 2005, NT\$ 102,625Thousand Shares for 2004	<u>1,058,059</u>	<u>45</u>	<u>1,026,248</u>	<u>41</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>-</u>	<u>1,998</u>	<u>-</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>251,596</u>	<u>11</u>	<u>227,862</u>	<u>9</u>
33XX	Total Retained Earning	<u>327,831</u>	<u>14</u>	<u>290,711</u>	<u>12</u>
3420	Cumulative Translation Adjustment	(26,488)	(1)	9,533	-
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2005, 2,708 Thousands Shares in 2004	(<u>100,052</u>)	(<u>4</u>)	(<u>57,613</u>)	(<u>2</u>)
3XXX	Total Stockholders' Equity	<u>1,278,372</u>	<u>55</u>	<u>1,287,901</u>	<u>52</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,334,873</u>	<u>100</u>	<u>\$ 2,488,384</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
1stQ of Year 2005 and 2004

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

	Year 2005		Year 2004	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 282,072	100	\$ 254,211	101
4170 Loss: Sales Return and Allowances	<u>913</u>	<u>-</u>	<u>2,880</u>	<u>1</u>
4100 Sales Revenue-Net	281,159	100	251,331	100
5110 Cost of Goods Sold	<u>212,477</u>	<u>76</u>	<u>193,358</u>	<u>77</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	68,682	24	57,973	23
5920 Realized (Unrealized) Gain On Transactions With Related Parties	(<u>87</u>)	<u>-</u>	<u>1,619</u>	<u>1</u>
5900 Gross Profit	<u>68,595</u>	<u>24</u>	<u>59,592</u>	<u>24</u>
Operating Expenses				
6100 Selling Expenses	16,899	6	14,953	6
6200 General and Administrative Expenses	12,967	4	10,721	4
6300 Research and Development Expenses	<u>16,459</u>	<u>6</u>	<u>9,043</u>	<u>4</u>
6000 Total Operating Expenses	<u>46,325</u>	<u>16</u>	<u>34,717</u>	<u>14</u>
6900 Income From Operation	<u>22,270</u>	<u>8</u>	<u>24,875</u>	<u>10</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	\$ 12,949	5	\$ 16,951	7
7140 Gain on Disposal of Investment	1,865	1	8,377	3
7160 Foreign exchange gain	1,282	-	-	-
7110 Interest Income	1,228	-	3,059	1
7130 Gain on Disposal of Fixed Assets	880	-	-	-
7480 Other	<u>1,748</u>	<u>1</u>	<u>1,846</u>	<u>1</u>
7100 Total	<u>19,952</u>	<u>7</u>	<u>30,233</u>	<u>12</u>
Non-Operation Expense and Loss				
7570 Market Price Decline of Inventories and Retirement Losses	5,000	2	5,000	2
7510 Interest Expense	3,496	1	7,564	3
7522 Loss On Reduction of Short-Term Investments to Market	1,053	-	-	-
7560 Exchange Net Loss	-	-	238	-
7880 Other	<u>2,175</u>	<u>1</u>	<u>1,220</u>	<u>1</u>
7500 Total	<u>11,724</u>	<u>4</u>	<u>14,022</u>	<u>6</u>
7900 Benefit Before Income Tax	30,498	11	41,086	16
8110 Income Tax Expense (benefit)	(<u>504</u>)	<u>-</u>	<u>784</u>	<u>-</u>
9600 Net Income	<u>\$ 31,002</u>	<u>11</u>	<u>\$ 40,302</u>	<u>16</u>
Profit of Stock	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 0.30</u>	<u>\$ 0.31</u>	<u>\$ 0.39</u>	<u>\$ 0.38</u>
9850 Fully diluted EPS	<u>\$ 0.30</u>	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.35</u>