

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
2ndQ of Year 2008 and 2007

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

	Assets	2 nd Q of Year 2008		2 nd Q of Year 2007	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 53,829	1	\$ 137,301	4
1310	Financial Assets at fair value through profile and loss				
		308,235	9	222,137	7
1120	Notes Receivable- allowance for uncollectible accounts NTD 158 Thousand on year 2007, NTD412 Thousand on year 2006	31,516	1	40,825	1
1140	Accounts Receivable—allowance for uncollectible accounts NTD 2,957 Thousand on year 2007, NTD2,925 Thousand on year 2006	357,538	10	398,687	12
1150	Receivable to Related Parties	199,074	6	160,519	5
1190	Other Banking Assets	27,547	1	9,242	-
1210	Inventories-Net	241,940	7	251,715	7
1286	Deferred Income Tax Assets	34,356	1	24,719	1
1298	Other Current Assets	<u>7,613</u>	<u>-</u>	<u>6,040</u>	<u>-</u>
11XX	Total Current Assets	<u>1,261,648</u>	<u>36</u>	<u>1,251,185</u>	<u>37</u>
	Long-Term Equity Investments				
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>999,605</u>	<u>29</u>	<u>870,345</u>	<u>26</u>
	Property, Plant, and Equipment				
	Cost				
1501	Land Improvements	27,785	1	27,720	1
1521	Buildings	354,330	10	346,212	10
1531	Machinery and Equipment	1,235,401	36	1,151,409	34
1544	Instrument and Equipment	72,320	2	58,602	2
1551	Transportation and Other Equipment	<u>41,164</u>	<u>1</u>	<u>45,246</u>	<u>1</u>
15X1		1,731,000	50	1,629,189	48
15X9	Loss: Accumulated Depreciation	<u>625,963</u>	<u>18</u>	<u>538,653</u>	<u>16</u>
		1,105,037	32	1,090,536	32
1670	Construction in Progress and Prepayment for Equipment	<u>46,048</u>	<u>1</u>	<u>69,474</u>	<u>2</u>
15XX	Net Property, Plant and Equipment	<u>1,151,085</u>	<u>33</u>	<u>1,160,010</u>	<u>34</u>
	Intangible Assets				
1720	Patents	1,475	-	614	-
1770	Deferred Pension Costs	10,536	1	12,643	1
1780	Other Intangible Assets	<u>4,406</u>	<u>-</u>	<u>5,696</u>	<u>-</u>
17XX	Total Intangible Assets	<u>16,417</u>	<u>1</u>	<u>18,953</u>	<u>1</u>
	Other Assets				
1820	Refundable Deposit	1,130	-	83	-
1830	Deferred Expense	7,136	-	12,983	1
1860	Deferred Income Tax Assets	32,180	1	42,604	1
1880	Other	<u>1,375</u>	<u>-</u>	<u>1,375</u>	<u>-</u>
18XX	Total Other Assets	<u>41,821</u>	<u>1</u>	<u>57,045</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 3,470,576</u>	<u>100</u>	<u>\$ 3,357,528</u>	<u>100</u>

Liabilities and Stockholders' Equity		Amount	%	Amount	%
Current Liabilities					
2100	Short-Term Borrowings (Debt)	\$ 7,585	-	\$ 160,000	5
2110	Short-Term Notes and Bills Payable	-	-	79,671	2
2120	Notes Payable	551	-	2,372	-
2140	Accounts Payable	239,650	7	242,709	7
2150	Accounts Payable-Related Parties	38,591	1	62,194	2
2160	Income Tax Payable	12,001	-	10,640	-
2170	Accrued Expenses	58,698	2	62,877	2
2180	Financial Liabilities at fair value through profile and loss	1,045	-	157	-
2224	Accounts Payable-Equipment	6,327	-	12,765	-
2216	Accounts Payable-Stock dividends	143,768	-	186,736	6
2260	Deferred credit	18,291	1	18,456	-
2272	Current Portion of Long-term Debt	149,500	4	87,833	3
2280	Other Current Liabilities	<u>15,013</u>	<u>1</u>	<u>20,925</u>	<u>1</u>
21XX	Total Current Liabilities	<u>691,020</u>	<u>20</u>	<u>947,335</u>	<u>28</u>
Long-Term Accrued Interest Liabilities					
2410	Bonds Payable	503,172	15	-	-
2420	Long-Term Loans Payable	<u>154,497</u>	<u>4</u>	<u>392,167</u>	<u>12</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>657,669</u>	<u>19</u>	<u>392,167</u>	<u>12</u>
Other Liabilities					
2810	Accrued Pension Liabilities	58,705	2	66,816	2
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>2,731</u>	<u>-</u>	<u>4,552</u>	<u>-</u>
28XX	Total Other Liabilities	<u>61,478</u>	<u>2</u>	<u>71,212</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,265,850</u>	<u>37</u>	<u>1,206,774</u>	<u>38</u>
Stockholders' Equity					
3110	Capital Stock- NT\$10 par value authorized, 300,000 Thousand shares , Issued 147,768 Thousand shares for 2007,143,643 Thousand shares for 2006	<u>1,477,677</u>	<u>43</u>	<u>1,436,428</u>	<u>43</u>
3140	Additional Paid-in Capital	<u>-</u>	<u>-</u>	<u>670</u>	<u>-</u>
3150	Stock dividends to be distributed	<u>45,829</u>	<u>1</u>	<u>32,864</u>	<u>1</u>
3211	Paid-in Capital in Excess of Par Value	47,208	1	31,825	1
3213	Additional Paid-in Capital-Bond Conversion	119,246	4	119,246	4
3220	Treasury Stock Transactions	30	-	30	-
3280	Compensatory Stock Option Plan	<u>3,276</u>	<u>-</u>	<u>4,195</u>	<u>-</u>
3272	Stock Option Plan	<u>101,899</u>	<u>3</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>271,659</u>	<u>8</u>	<u>155,296</u>	<u>5</u>
Retained Earning					
3310	Legal Reserve	161,943	5	136,470	4
3320	Special Reserve	-	-	9,371	-
3350	Retained Earnings-Unappropriated	<u>135,148</u>	<u>4</u>	<u>161,464</u>	<u>5</u>
33XX	Total Retained Earning	<u>297,091</u>	<u>9</u>	<u>307,305</u>	<u>9</u>
3420	Cumulative Translation Adjustment	<u>53,799</u>	<u>1</u>	<u>42,680</u>	<u>1</u>
3430	Net loss not recognized as pension cost	<u>(17,907)</u>	<u>(1)</u>	<u>(28,419)</u>	<u>(1)</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	<u>(67,739)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
3XXX	Total Stockholders' Equity	<u>2,060,409</u>	<u>59</u>	<u>1,946,824</u>	<u>58</u>
Total Liabilities and Stockholder's Equality		<u>\$ 3,470,576</u>	<u>100</u>	<u>\$ 3,357,538</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
2ndQ of Year 2008 and 2007

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

	2 nd Q of Year 2008		2 nd Q of Year 2007	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 818,740	101	\$ 813,825	101
4170 Loss: Sales Return and Allowances	<u>7,878</u>	<u>1</u>	<u>11,512</u>	<u>1</u>
4100 Sales Revenue-Net	810,862	100	802,313	100
5110 Cost of Goods Sold	<u>608,804</u>	<u>75</u>	<u>571,228</u>	<u>71</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	202,058	25	231,085	29
5920 Realized (Unrealized) Gain On Transactions With Related Parties	<u>(918)</u>	<u>-</u>	<u>1,256</u>	<u>-</u>
5910 Gross Profit	<u>201,140</u>	<u>25</u>	<u>232,341</u>	<u>29</u>
Operating Expenses				
6100 Selling Expenses	41,156	5	43,950	6
6200 General and Administrative Expenses	38,572	5	30,591	4
6300 Research and Development Expenses	<u>46,521</u>	<u>6</u>	<u>43,403</u>	<u>5</u>
6000 Total Operating Expenses	<u>126,249</u>	<u>16</u>	<u>117,899</u>	<u>15</u>
6900 Income From Operation	<u>74,891</u>	<u>9</u>	<u>114,442</u>	<u>14</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	8,363	1	31,406	4
7310 Gain on valuation of financial asset	-	-	8,281	1
7110 Interest Income	4,979	-	2,828	-
7140 Gain on Disposal of Investment	839	1	963	1
7320 Gain on payable of financial asset	878	-	-	-
7480 Other	<u>6,719</u>	<u>-</u>	<u>7,100</u>	<u>1</u>
7100 Total	<u>28,320</u>	<u>3</u>	<u>54,801</u>	<u>7</u>
Non-Operation Expense and loss				
7510 Interest Expense	15,833	2	11,444	1
7650 Loss from valuation of financial liabilities	5,383	-	9,151	1
7570 loss for market price decline	7,500	1	8,500	1
7880 Other	<u>997</u>	<u>-</u>	<u>3,830</u>	<u>1</u>
7500 Total	<u>35,436</u>	<u>4</u>	<u>32,925</u>	<u>4</u>
7900 Benefit Before Income Tax	67,775	8	136,318	17
8110 Income Tax Expense (benefit)	<u>8,985</u>	<u>1</u>	<u>11,237</u>	<u>1</u>
9600 Net Income	<u>58,790</u>	<u>7</u>	<u>125,081</u>	<u>16</u>
	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 0.47</u>	<u>\$ 0.41</u>	<u>\$ 0.94</u>	<u>\$ 0.87</u>

\$ 0.45

\$ 0.38

\$ 0.94

\$ 0.86