

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
4rdQ of Year 2007 and 2006

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

Assets		4 rd Q of Year 2007		4 rd Q of Year 2006	
		Amount	%	Amount	%
Current Assets					
1100	Cash	\$ 228,010	7	\$ 36,283	1
1310	Financial Assets at fair value through profile and loss	243,746	7	153,901	5
1120	Notes Receivable- allowance for uncollectible accounts NTD 234 Thousand on year 2007, NTD524 Thousand on year 2006	46,503	1	51,902	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 3,186 Thousand on year 2007, NTD2,870 Thousand on year 2006	373,974	11	403,365	13
1150	Receivable to Related Parties	227,937	6	75,982	2
1190	Other Banking Assets	7,754	-	33,246	1
1210	Inventories-Net	251,192	7	268,375	9
1286	Deferred Income Tax Assets	42,257	1	37,134	1
1298	Other Current Assets	<u>4,980</u>	<u>-</u>	<u>5,988</u>	<u>-</u>
11XX	Total Current Assets	<u>1,426,353</u>	<u>40</u>	<u>1,066,176</u>	<u>34</u>
Long-Term Equity Investments					
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>917,404</u>	<u>26</u>	<u>815,307</u>	<u>26</u>
Property, Plant, and Equipment Cost					
1501	Land Improvements	27,785	1	27,380	1
1521	Buildings	346,758	10	343,533	11
1531	Machinery and Equipment	1,217,984	34	1,125,318	36
1544	Instrument and Equipment	64,561	2	54,570	2
1551	Transportation and Other Equipment	<u>41,177</u>	<u>1</u>	<u>45,133</u>	<u>1</u>
15X1		1,698,265	48	1,596,114	51
15X9	Loss: Accumulated Depreciation	<u>580,831</u>	<u>17</u>	<u>501,197</u>	<u>16</u>
		1,117,434	31	1,094,917	35
1670	Construction in Progress and Prepayment for Equipment	<u>30,221</u>	<u>1</u>	<u>56,029</u>	<u>2</u>
15XX	Net Property, Plant and Equipment	<u>1,147,655</u>	<u>32</u>	<u>1,151,126</u>	<u>37</u>
Intangible Assets					
1720	Patents	1,497	-	661	-
1770	Deferred Pension Costs	10,536	1	12,643	1
1780	Other Intangible Assets	<u>6,609</u>	<u>-</u>	<u>3,720</u>	<u>-</u>
17XX	Total Intangible Assets	<u>18,642</u>	<u>1</u>	<u>17,024</u>	<u>1</u>
Other Assets					
1820	Refundable Deposit	1,083	-	83	-
1830	Deferred Expense	8,851	1	14,021	1
1860	Deferred Income Tax Assets	21,017	1	31,260	1
1880	Other	<u>1,375</u>	<u>-</u>	<u>-</u>	<u>-</u>
18XX	Total Other Assets	<u>32,326</u>	<u>1</u>	<u>45,364</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 3,542,380</u>	<u>100</u>	<u>\$ 3,094,997</u>	<u>100</u>

Liabilities and Stockholders' Equity		Amount	%	Amount	%
Current Liabilities					
2100	Short-Term Borrowings (Debt)	\$ -	-	\$ 100,000	3
2110	Short-Term Notes and Bills Payable	-	-	149,379	5
2120	Notes Payable	5,40	-	5,546	-
2140	Accounts Payable	246,609	7	215,482	7
2150	Accounts Payable-Related Parties	80,767	2	51,185	2
2160	Income Tax Payable	24,445	1	22,988	1
2170	Accrued Expenses	69,314	2	74,237	2
2180	Financial Liabilities at fair value through profile and loss	8,465	-	4,380	-
2224	Accounts Payable-Equipment	3,944	-	5,186	1
2260	Deferred credit	16,746	1	19,536	1
2272	Current Portion of Long-term Debt	146,583	4	86,000	3
2280	Other Current Liabilities	<u>7,370</u>	-	<u>11,844</u>	-
21XX	Total Current Liabilities	<u>604,783</u>	<u>17</u>	<u>745,763</u>	<u>24</u>
Long-Term Accrued Interest Liabilities					
2410	Bonds Payable	492,878	14	28,600	1
2420	Long-Term Loans Payable	<u>229,247</u>	<u>6</u>	<u>394,000</u>	<u>13</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>722,125</u>	<u>20</u>	<u>422,600</u>	<u>14</u>
Other Liabilities					
2810	Accrued Pension Liabilities	56,787	2	63,726	2
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>3,614</u>	-	<u>5,461</u>	-
28XX	Total Other Liabilities	<u>60,470</u>	<u>2</u>	<u>69,229</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,387,378</u>	<u>39</u>	<u>1,237,592</u>	<u>40</u>
Stockholders' Equity					
3110	Capital Stock- NT\$10 par value authorized, 300,000 Thousand shares for 2007,245,800 Thousand shares for 2006, Issued 147,123 Thousand shares for 2007,140,748 Thousand shares for 2006	<u>1,471,227</u>	<u>42</u>	<u>1,407,482</u>	<u>45</u>
3211	Paid-in Capital in Excess of Par Value	33,844	1	25,885	1
3213	Additional Paid-in Capital-Bond Conversion	119,246	3	111,207	4
3220	Treasury Stock Transactions	30	-	1,998	-
3271	Compensatory Stock Option Plan	16,317	1	8,233	-
3272	Stock Option Plan	<u>101,899</u>	<u>3</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>271,336</u>	<u>8</u>	<u>147,323</u>	<u>5</u>
Retained Earning					
3310	Legal Reserve	136,470	4	110,041	3
3320	Special Reserve	9,371	-	26,488	1
3350	Retained Earnings-Unappropriated	<u>291,117</u>	<u>8</u>	<u>275,494</u>	<u>9</u>
33XX	Total Retained Earning	<u>373,570</u>	<u>10</u>	<u>346,178</u>	<u>11</u>
3420	Cumulative Translation Adjustment	<u>61,127</u>	<u>2</u>	<u>19,048</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>(100,052)</u>	<u>(3)</u>
3XXX	Total Stockholders' Equity	<u>2,155,002</u>	<u>61</u>	<u>1,857,405</u>	<u>60</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 3,542,380</u>	<u>100</u>	<u>\$ 2,094,997</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
4rdQ of Year 2007 and 2006

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

	4 rd Q of Year 2007		4 rd Q of Year 2006	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 1,726,236	102	\$ 1,588,036	101
4170 Loss: Sales Return and Allowances	<u>28,143</u>	<u>2</u>	<u>15,106</u>	<u>1</u>
4100 Sales Revenue-Net	1,698,093	100	1,572,093	100
5110 Cost of Goods Sold	<u>1,216,817</u>	<u>72</u>	<u>1,098,287</u>	<u>70</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	481,276	28	474,643	30
5920 Realized (Unrealized) Gain On Transactions With Related Parties	<u>2,520</u>	<u>-</u>	<u>(3,564)</u>	<u>-</u>
5910 Gross Profit	<u>483,796</u>	<u>28</u>	<u>471,079</u>	<u>30</u>
Operating Expenses				
6100 Selling Expenses	84,543	5	87,447	5
6200 General and Administrative Expenses	72,169	4	72,259	5
6300 Research and Development Expenses	<u>88,629</u>	<u>5</u>	<u>73,659</u>	<u>5</u>
6000 Total Operating Expenses	<u>245,341</u>	<u>14</u>	<u>233,365</u>	<u>15</u>
6900 Income From Operation	<u>238,455</u>	<u>14</u>	<u>237,714</u>	<u>15</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	43,342	4	54,934	5
7310 Gain on valuation of financial asset	11,015	1	-	-
7110 Interest Income	3,906	-	4,583	-
7140 Gain on Disposal of Investment	2,324	-	8,932	1
7320 Gain on payable of financial asset	816	-	-	-
7480 Other	<u>12,884</u>	<u>1</u>	<u>7,022</u>	<u>1</u>
7100 Total	<u>92,890</u>	<u>6</u>	<u>91,022</u>	<u>6</u>
Non-Operation Expense and loss				
7510 Interest Expense	25,086	1	18,133	1
7650 Loss from valuation of financial liabilities	8,741	1	4,076	1
7570 loss for market price decline	8,500	1	18,000	1
7650 Gain on valuation of financial asset	-	-	1,694	-
7640 Gain on payable of financial asset	-	-	887	-
7880 Other	<u>5,062</u>	<u>-</u>	<u>3,626</u>	<u>-</u>
7500 Total	<u>47,389</u>	<u>3</u>	<u>46,416</u>	<u>3</u>
7900 Benefit Before Income Tax	284,046	17	282,320	18
8110 Income Tax Expense (benefit)	<u>29,312</u>	<u>2</u>	<u>12,885</u>	<u>1</u>
8900 The net income before cumulative effect of changes in accounting principles	<u>254,734</u>	<u>15</u>	<u>269,435</u>	<u>17</u>
9300 Cumulative effect of changes in accounting principles	<u>-</u>	<u>=</u>	<u>(5,137)</u>	<u>(-)</u>

		<u>\$ 254,734</u>	<u>15</u>	<u>\$ 264,298</u>	<u>17</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
<u>9750</u>	Primary EPS				
	The net income before cumulative effect of changes in accounting principles	<u>\$1.95</u>	<u>\$ 1.75</u>	<u>\$ 2.05</u>	<u>\$ 1.96</u>
	Cumulative effect of changes in accounting principles				
	Net income	-	-	(0.05)	(0.04)
		<u>\$ 1.95</u>	<u>\$ 1.75</u>	<u>\$2.00</u>	<u>\$ 1.92</u>
<u>9850</u>	Fully diluted EPS				
	The net income before cumulative effect of changes in accounting principles	<u>\$ 1.90</u>	<u>\$ 1.70</u>	<u>\$ 1.99</u>	<u>\$ 1.90</u>
	Cumulative effect of changes in accounting principles				
	Net income	-	-	(0.05)	(0.04)
		<u>\$ 1.90</u>	<u>\$ 1.70</u>	<u>\$ 1.94</u>	<u>\$1.86</u>