

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
1stQ of Year 2006 and 2005

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

	Assets	1 st Q of Year 2006		1 st Q of Year 2005	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 39,823	1	\$ 22,639	1
1310	Financial Assets at fair value through profile and loss	202,695	7	215,634	9
1120	Notes Receivable	40,568	2	50,806	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	333,246	12	210,133	9
1150	Receivable to Related Parties	81,732	3	67,776	3
1190	Other Banking Assets	7,134	-	21,309	1
1210	Inventories-Net	240,606	9	194,499	8
1286	Deferred Income Tax Assets	32,034	1	33,492	2
1298	Other Current Assets	<u>5,418</u>	-	<u>5,221</u>	-
11XX	Total Current Assets	<u>983,256</u>	<u>36</u>	<u>821,509</u>	<u>35</u>
	Long-Term Equity Investments				
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>682,881</u>	<u>24</u>	<u>613,393</u>	<u>26</u>
	Property, Plant, and Equipment Cost				
1501	Land Improvements	27,380	1	27,195	1
1521	Buildings	330,172	12	131,767	6
1531	Machinery and Equipment	922,138	33	773,384	33
1544	Instrument and Equipment	58,969	2	37,041	2
1551	Transportation and Other Equipment	<u>40,496</u>	<u>1</u>	<u>30,410</u>	<u>1</u>
15X1		1,379,155	49	999,797	43
15X9	Loss: Accumulated Depreciation	<u>457,456</u>	<u>16</u>	<u>387,324</u>	<u>17</u>
		921,699	33	612,473	26
1670	Construction in Progress and Prepayment for Equipment	<u>146,560</u>	<u>5</u>	<u>242,893</u>	<u>11</u>
15XX	Net Property, Plant and Equipment	<u>1,068,259</u>	<u>38</u>	<u>855,366</u>	<u>37</u>
	Intangible Assets				
1720	Patents	668	-	653	-
1770	Deferred Pension Costs	<u>13,597</u>	<u>1</u>	<u>14,570</u>	-
1780	Other Intangible Assets	5,589	-	-	-
17XX	Total Intangible Assets	<u>19,854</u>	<u>1</u>	<u>15,200</u>	-
	Other Assets				
1820	Refundable Deposit	57	-	58	-
1830	Deferred Expense	15,389	1	16,384	1
1860	Deferred Income Tax Assets	<u>32,171</u>	<u>1</u>	<u>12,963</u>	-
18XX	Total Other Assets	<u>47,617</u>	<u>2</u>	<u>29,405</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,801,867</u>	<u>100</u>	<u>\$ 2,334,873</u>	<u>100</u>
	Liabilities and Stockholders' Equity	Amount	%	Amount	%
	Current Liabilities				

2100	Short-Term Borrowings (Debt)	\$ 90,000	3	\$ 55,000	2
2110	Short-Term Notes and Bills Payable	59,743	2	219,387	10
2120	Notes Payable	989	-	15,191	1
2140	Accounts Payable	198,100	7	168,739	7
2150	Accounts Payable-Related Parties	25,304	1	5,628	-
2160	Income Tax Payable	21,202	1	15,418	1
2170	Accrued Expenses	47,799	2	28,226	1
2224	Accrued Cash Dividend	36,756	1	3,393	-
2260	Deferred credit	16,079	1	14,326	1
2271	Current Portion of Bound payable	9,290	-	73,683	3
2272	Current Portion of Long-term Debt	175,844	6	-	-
2280	Other Current Liabilities	<u>8,615</u>	<u>-</u>	<u>7,426</u>	<u>-</u>
21XX	Total Current Liabilities	<u>701,441</u>	<u>25</u>	<u>606,417</u>	<u>26</u>
	Long-Term Accrued Interest Liabilities				
2410	Bonds Payable	61,200	2	-	-
2420	Long-Term Loans Payable	<u>232,003</u>	<u>8</u>	<u>410,000</u>	<u>17</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>293,203</u>	<u>10</u>	<u>410,000</u>	<u>17</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	34,793	1	31,394	1
2820	Guarantee Deposit Received	42	-	42	-
2860	Deferred credit	<u>6,827</u>	<u>1</u>	<u>8,648</u>	<u>1</u>
28XX	Total Other Liabilities	<u>41,662</u>	<u>2</u>	<u>40,084</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,036,306</u>	<u>37</u>	<u>1,056,501</u>	<u>45</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>1,331,872</u>	<u>47</u>	<u>1,058,059</u>	<u>45</u>
3140	Additional Paid-in Capital	17,224	1	-	-
3211	Paid-in Capital in Excess of Par Value	23,875	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	101,582	4	702	-
3220	Treasury Stock Transactions	1,998	-	1,998	-
3290	Compensatory Stock Option Plan	<u>1,511</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>128,966</u>	<u>5</u>	<u>19,022</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	91,911	3	76,062	3
3320	Special Reserve	26,488	1	173	-
3350	Retained Earnings-Unappropriated	<u>267,792</u>	<u>10</u>	<u>251,596</u>	<u>11</u>
33XX	Total Retained Earning	<u>386,191</u>	<u>14</u>	<u>327,831</u>	<u>14</u>
3420	Cumulative Translation Adjustment	<u>1,360</u>	<u>-</u>	<u>(26,488)</u>	<u>(1)</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>1,765,561</u>	<u>63</u>	<u>1,278,372</u>	<u>55</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,801,867</u>	<u>100</u>	<u>\$ 2,334,873</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
1rdQ of Year 2006 and 2005

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

	1 rd Q of Year 2006		1 rd Q of Year 2005	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 365,253	101	\$ 282,078	100
4170 Loss: Sales Return and Allowances	(3,903)	(1)	(913)	(-)
4100 Sales Revenue-Net	361,350	100	281,159	100
5110 Cost of Goods Sold	<u>259,697</u>	<u>72</u>	<u>212,477</u>	<u>76</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	101,653	28	68,682	24
5920 Realized (Unrealized) Gain On Transactions With Related Parties	<u>629</u>	<u>-</u>	(<u>87</u>)	<u>-</u>
5910 Gross Profit	<u>101,024</u>	<u>28</u>	<u>68,595</u>	<u>24</u>
Operating Expenses				
6100 Selling Expenses	23,762	6	16,899	6
6200 General and Administrative Expenses	14,651	4	12,967	4
6300 Research and Development Expenses	<u>17,000</u>	<u>5</u>	<u>16,459</u>	<u>6</u>
6000 Total Operating Expenses	<u>55,413</u>	<u>15</u>	<u>46,325</u>	<u>16</u>
6900 Income From Operation	<u>45,611</u>	<u>13</u>	<u>22,270</u>	<u>8</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	13,988	4	12,949	5
7160 Price Recovery of Inventory	4,086	1	-	-
7140 Gain on Disposal of Investment	1,691	-	1,865	1
7110 Interest Income	1,278	-	1,228	1
7310 Gains from valuation of financial assets	\$ 95	-	\$ 2,989	1
7130 Gains on disposal of property , plant and equipment	-	-	880	-
7480 Other	2,185	1	1,748	1
7100 Total	23,251	6	21,659	8
Non-Operation Expense and loss				
7650 Loss from valuation of financial liabilities	8,017	2	-	-
7570 Loss for Market Price Decline of Inventories	6,000	2	5,000	2
7510 Interest Expense	3,903	1	3,406	1
7560 Foreign exchange losses, net	-	-	2,760	1
7880 Other	<u>589</u>	<u>-</u>	<u>2,175</u>	<u>1</u>
7500 Total	<u>18,509</u>	<u>5</u>	<u>13,431</u>	<u>5</u>
7900 Benefit Before Income Tax	50,353	14	30,498	11
8110 Income Tax Expense (benefit)	(1,406)	(-)	504	-
The net income before cumulative effect of changes in accounting principles	<u>51,759</u>	<u>14</u>	<u>31,002</u>	<u>11</u>
9300 Cumulative effect of changes in accounting principles	5,137	(1)	-	-

9600	Net Income	<u>\$ 46,622</u>	<u>13</u>	<u>\$ 31,002</u>	<u>11</u>
	Profit of Stock	Before Tax	After Tax	Before Tax	After Tax
9750	Primary EPS	<u>\$ 0.34</u>	<u>\$ 0.36</u>	<u>\$ 0.29</u>	<u>\$ 0.30</u>
9850	Fully diluted EPS	<u>\$ 0.32</u>	<u>\$ 0.34</u>	<u>\$ 0.29</u>	<u>\$ 0.29</u>