

CHILISIN ELECTRONICS CORP.

Year 2003 and 2002 Balance Sheets

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

	Assets	2003		2002	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and Cash Equivalents	\$ 63,719	3	\$ 129,584	6
1110	Short-Term Investments	463,483	20	343,738	15
1120	Notes Receivable	64,033	3	124,041	6
1140	Accounts Receivable-Allowance for 2003 uncollectible accounts NTD 7,886 Thousand on year 2003, NTD 9,386 Thousand on year 2002				
		184,535	8	158,060	7
1150	Receivable to Related Parties	59,712	2	78,864	4
1190	Other Assets Banking	8,631	-	10,843	-
1210	Inventories-Net	217,379	9	232,878	10
1286	Deferred Income Tax Assets	28,425	1	31,061	1
1298	Other Current Assets	6,699	-	10,228	1
11XX	Total Current Assets	<u>1,096,616</u>	<u>46</u>	<u>1,119,297</u>	<u>50</u>
	<b>Long-Term Equity Investments</b>				
142101	Long-Term equity Investments Recognized Under Equity Method	584,994	25	480,422	21
142102	Long-Term Equity Investments Recognized Under Equity Method	8,250	-	36,940	2
14XX	Total Long-Term Equity Investment	<u>593,244</u>	<u>25</u>	<u>517,362</u>	<u>23</u>
	<b>Property, Plant, and Equipment Cost</b>				
1501	Land Improvements	27,195	1	25,395	1
1521	Buildings and Equipment	115,186	5	113,756	5
1531	Machinery and Equipment	694,054	29	559,512	25
1544	Instrument and Equipment	21,712	1	16,472	1
1551	Transportation and Other Equipment	24,369	1	21,116	1
15X1		882,516	37	736,251	33
15X9	Loss: Accumulated Depreciation	332,285	14	265,642	12
		550,231	23	470,609	21
1670	Construction in Progress and Prepayment for Equipment	84,296	4	118,594	5
15XX	Property, Plant and Equipment-net	<u>634,527</u>	<u>27</u>	<u>589,203</u>	<u>26</u>
	<b>Intangible Assets</b>				
1720	Patents	121	-	151	-
1770	Deferred Pension Costs	12,833	1	10,198	-
17XX	Total Intangible Assets	<u>12,954</u>	<u>1</u>	<u>10,349</u>	<u>-</u>
	<b>Other Assets</b>				
1820	Refundable Deposit	87	-	62	-
1830	Deferred Costs	10,182	-	13,971	1
1860	Deferred Income Tax Assets	15,014	1	9,234	-
18XX	Total Other Assets	<u>25,283</u>	<u>1</u>	<u>23,267</u>	<u>1</u>
1XXX	Total Assets	<u>\$2,362,624</u>	<u>100</u>	<u>\$2,259,478</u>	<u>100</u>
	<b>Liabilities and Stockholders' Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-Term Borrowings (Debt)	\$ 10,071	-	\$ 13,860	1
2110	Short-Term Notes and Bills Payable	-	-	49,712	2
2120	Notes Payable	142,665	6	122,979	5
2140	Account Payable	51,482	2	36,305	2
2150	Account Payable-Related Parties	61,452	3	36,503	2
2160	Income Tax Payable	4,414	-	16,775	1
2170	Accrued Expenses	35,226	1	35,459	2
2260	Current portion of Deferred Income	14,184	1	11,043	-
2280	Other Current Liabilities	13,529	1	11,585	-

21XX	Total Current Liabilities	<u>333,023</u>	<u>14</u>	<u>334,221</u>	<u>15</u>
	Long-Term Liabilities				
2410	Corporate Bonds Payable	628,424	27	632,465	28
2420	Long-Term Loan Payable	<u>60,000</u>	<u>2</u>	<u>-</u>	<u>-</u>
24XX	Total Long-Term Liabilities	<u>688,424</u>	<u>29</u>	<u>632,465</u>	<u>28</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	25,000	1	19,068	1
2820	Guarantee Deposit Received	42	-	42	-
	Cruent Portion of Deferred				
2880	Income	<u>10,923</u>	<u>1</u>	<u>12,744</u>	<u>-</u>
28XX	Total Other Liabilities	<u>35,965</u>	<u>2</u>	<u>31,854</u>	<u>1</u>
2XXX	Total Liabilities	<u>1,057,412</u>	<u>45</u>	<u>998,540</u>	<u>44</u>
	Stockholders' Equity				
	Capital Stock-NT\$ 10 par Value; Authorized - 245,800 Thousand Shares for 2003, Issued-NT\$ 102,625 Shares for 2003, NT\$101,680 Thousand for 2002.				
3110		<u>1,026,248</u>	<u>43</u>	<u>1,016,800</u>	<u>45</u>
	Additional Paid-in Capital				
3211	Paid-in Capital in Excess of par	16,322	1	16,322	1
3213	CB	702	-	-	-
	From Long-Term Stock				
3260	Investments	-	-	1,794	-
3220	Treasury Stock	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total Additional Paid-in Capital	<u>19,022</u>	<u>1</u>	<u>18,116</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	62,676	3	52,557	2
	Other Appropriated Vetained				
3320	Earnings	173	-	-	-
	Retained				
3350	Earnings-Unappropriated	<u>187,560</u>	<u>8</u>	<u>152,924</u>	<u>7</u>
33XX	Total Retained Earning	<u>250,409</u>	<u>11</u>	<u>205,481</u>	<u>9</u>
	Unrealized Loss on Market Value Decline of Long-Term Equity				
3410	Investments	<u>-</u>	<u>-</u>	<u>( 173 )</u>	<u>-</u>
3420	Cumulative Translation Adjustment	<u>9,533</u>	<u>-</u>	<u>20,714</u>	<u>1</u>
3XXX	Stockholders' Equity	<u>1,305,212</u>	<u>55</u>	<u>1,260,938</u>	<u>56</u>
	Total Liabilities and Stockholders' Equality	<u>\$2,362,624</u>	<u>100</u>	<u>\$2,259,478</u>	<u>100</u>

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CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
Year 2003 and 2002

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

	Year 2003		Year 2002	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 967,288	102	\$ 904,157	103
4170 Loss: Sales return and Allowances	17,729	2	22,277	3
4100 Sales Revenue-Net	949,559	100	881,880	100
5110 Cost of Goods Sold	754,159	80	702,010	80
Additional (Loss) Receivable of Sales Gross Profit from Related Parties	195,400	20	179,870	20
5920 Receivable of Sales Gross Profit from Related Parties	6,576	1	( 880)	-
5910 Gross Profit	201,976	21	178,990	20
Operating Expenses				
6100 Selling Expenses	57,251	6	54,259	6
6200 General and Administrative Expenses	47,203	5	37,276	4
6300 Research and Development Expenses	34,294	3	23,826	3
6000 Total Operating Expenses	138,748	14	115,361	13
6900 Sales Profit	63,228	7	63,629	7
Non-Operating Revenue and Expenses				
7121 Investment Profit Recognized Under Equity Method	50,443	5	57,141	7
7140 Gain on Disposal of Investments	36,202	4	3,866	-
7110 Interest Income	19,749	2	20,228	2
7260 Gain from Price Recovery of Inventory	\$ 3,061	-	\$ -	-
7160 Foreign Exchange Profit	514	-	-	-
7130 Gain on Disposal of Assets	91	-	2,240	-
7480 Other	9,250	1	14,006	2
7100 Total	119,310	12	97,481	11
Non-Operating Expenses and Loss				
7510 Interest Expense	27,921	3	24,948	3
7570 Loss for Market Price Decline of Inventories	23,560	2	16,302	2
7530 Loss on Disposal of Property, Plant and Equipmen	14	-	633	-
7560 Exchange Losses	-	-	6,865	1
7550 Loss on Physical Inventory	-	-	332	-
7880 Other	6,415	1	2,922	-
7500 Total	57,910	6	52,002	6
7900 Benefit Before Income Tax	124,628	13	109,108	12
8110 Income Tax Expense	( 9,228)	( 1)	7,913	1
9600 Net Income	\$ 133,856	14	\$ 101,195	11
	Before Tax	After Tax	Before Tax	After Tax
750 Profit of stock primary EPS	\$ 1.25	\$ 1.34	\$ 1.06	\$ 0.99
850 Fully diluted EPS	\$ 1.21	\$ 1.24	\$ 1.06	\$ 0.99