

CHILISIN ELECTRONICS CORP.  
Consolidated Balance Sheets  
2<sup>nd</sup>Q of Year 2005 and 2004

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

Assets		2 <sup>nd</sup> Q of Year 2005		2 <sup>nd</sup> Q of Year 2004	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash	\$ 25,743	1	\$ 26,075	1
1110	Short-Term Investments	109,956	5	491,169	19
1120	Notes Receivable	50,965	2	59,540	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7,886 Thousand on year 2004	221,519	10	189,904	8
1150	Receivable to Related Parties	51,333	2	64,827	3
1190	Other Banking Assets	6,550	-	55,505	2
1210	Inventories-Net	212,455	10	238,267	9
1286	Deferred Income Tax Assets	26,995	1	37,496	2
1298	Other Current Assets	<u>6,783</u>	<u>-</u>	<u>7,931</u>	<u>-</u>
11XX	Total Current Assets	<u>712,299</u>	<u>31</u>	<u>1,170,714</u>	<u>46</u>
<b>Long-Term Equity Investments</b>					
142101	Long-Term Equity Investments Recognized Under Equity Method	625,226	27	612,803	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>625,226</u>	<u>27</u>	<u>621,053</u>	<u>24</u>
<b>Property, Plant, and Equipment</b>					
Cost					
1501	Land Improvements	27,195	1	27,195	1
1521	Buildings	132,453	6	116,437	4
1531	Machinery and Equipment	854,387	38	683,556	27
1544	Instrument and Equipment	44,889	2	22,338	1
1551	Transportation and Other Equipment	<u>32,262</u>	<u>1</u>	<u>25,045</u>	<u>1</u>
15X1		1,091,186	48	874,571	34
15X9	Loss: Accumulated Depreciation	<u>403,776</u>	<u>18</u>	<u>343,243</u>	<u>13</u>
		687,410	30	531,328	21
1670	Construction in Progress and Prepayment for Equipment	<u>195,324</u>	<u>9</u>	<u>186,168</u>	<u>7</u>
15XX	Net Property, Plant and Equipment	<u>882,734</u>	<u>39</u>	<u>717,496</u>	<u>28</u>
<b>Intangible Assets</b>					
1720	Patents	700	-	699	-
1770	Deferred Pension Costs	<u>14,570</u>	<u>1</u>	<u>12,833</u>	<u>1</u>
17XX	Total Intangible Assets	<u>15,270</u>	<u>1</u>	<u>13,532</u>	<u>1</u>
<b>Other Assets</b>					
1820	Refundable Deposit	58	-	87	-
1830	Deferred Expense	14,564	1	8,443	1
1860	Deferred Income Tax Assets	<u>27,395</u>	<u>1</u>	<u>6,683</u>	<u>-</u>
18XX	Total Other Assets	<u>42,017</u>	<u>2</u>	<u>15,203</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 2,277,546</u>	<u>100</u>	<u>\$ 2,537,998</u>	<u>100</u>
Liabilities and Stockholders' Equity		Amount	%	Amount	%
<b>Current Liabilities</b>					

2100	Short-Term Borrowings (Debt)	\$ 60,000	3	\$ 49,520	2
2110	Short-Term Notes and Bills Payable	79,705	4	79,845	3
2120	Notes Payable	5,156	-	167,564	7
2140	Accounts Payable	205,593	9	37,258	1
2150	Accounts Payable-Related Parties	6,426	-	32,050	1
2160	Income Tax Payable	5,668	-	4,424	-
2170	Accrued Expenses	36,011	2	42,559	2
2216	Accrued Cash Dividend	101,286	4	79,056	3
2260	Deferred credit	14,570	1	16,177	1
2270	Corporate Bonds Payable - Current Portion	17,541	1	639,269	25
2280	Other Current Liabilities	<u>10,026</u>	<u>-</u>	<u>15,758</u>	<u>1</u>
21XX	Total Current Liabilities	<u>541,982</u>	<u>24</u>	<u>1,163,480</u>	<u>46</u>
	Long-Term Accrued Interest Liabilities				
2420	Long-Term Loans Payable	<u>467,847</u>	<u>20</u>	<u>130,000</u>	<u>5</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	32,356	2	27,201	1
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>8,192</u>	<u>-</u>	<u>10,013</u>	<u>-</u>
28XX	Total Other Liabilities	<u>40,590</u>	<u>2</u>	<u>37,256</u>	<u>1</u>
2XXX	Total Liabilities	<u>1,050,419</u>	<u>46</u>	<u>1,330,736</u>	<u>52</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>46</u>	<u>1,026,248</u>	<u>41</u>
3150	Reserve for Raising Capital Additional Paid-in Capital	<u>36,107</u>	<u>1</u>	<u>31,811</u>	<u>1</u>
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	91,911	4	76,062	3
3320	Special Reserve	26,488	1	173	-
3350	Retained Earnings-Unappropriated	<u>123,420</u>	<u>6</u>	<u>147,208</u>	<u>6</u>
33XX	Total Retained Earning	<u>241,819</u>	<u>11</u>	<u>223,443</u>	<u>9</u>
3420	Cumulative Translation Adjustment	<u>( 27,828)</u>	<u>( 1)</u>	<u>6,790</u>	<u>-</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>1,227,127</u>	<u>54</u>	<u>1,207,262</u>	<u>48</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,277,546</u>	<u>100</u>	<u>\$ 2,537,998</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
2<sup>nd</sup>Q of Year 2005 and 2004

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

	2 <sup>nd</sup> Q of Year 2005		2 <sup>nd</sup> Q of Year 2004	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 588,410	101	\$ 532,743	101
4170 Loss: Sales Return and Allowances	<u>3,759</u>	<u>1</u>	<u>5,915</u>	<u>1</u>
4100 Sales Revenue-Net	584,651	100	526,828	100
5110 Cost of Goods Sold	<u>436,850</u>	<u>75</u>	<u>392,862</u>	<u>75</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	147,801	25	133,966	25
5930 Realized (Unrealized) Gain On Transactions With Related Parties	<u>583</u>	<u>-</u>	<u>(1,416)</u>	<u>-</u>
5910 Gross Profit	<u>148,384</u>	<u>25</u>	<u>132,550</u>	<u>25</u>
Operating Expenses				
6100 Selling Expenses	36,333	6	30,646	6
6200 General and Administrative Expenses	24,967	4	23,205	4
6300 Research and Development Expenses	<u>32,194</u>	<u>5</u>	<u>19,752</u>	<u>4</u>
6000 Total Operating Expenses	<u>93,494</u>	<u>15</u>	<u>73,603</u>	<u>14</u>
6900 Income From Operation	<u>54,890</u>	<u>10</u>	<u>58,947</u>	<u>11</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	26,122	5	30,552	6
7260 Price Recovery of Inventory	5,255	1	1,216	-
7140 Gain on Disposal of Investment	2,504	-	13,652	3
7110 Interest Income	2,492	-	5,872	1
7160 Foreign exchange gain	\$ 2,290	-	\$ 701	-
7480 Other	<u>4458</u>	<u>1</u>	<u>3,688</u>	<u>1</u>
7100 Total	<u>43,121</u>	<u>7</u>	<u>55,681</u>	<u>11</u>
Non-Operation Expense and Loss				
7570 Loss for Market Price Decline of Inventories	11,756	2	11,216	2
7510 Interest Expense	6,774	1	15,380	3
7880 Other	<u>4,995</u>	<u>1</u>	<u>2,642</u>	<u>1</u>
7500 Total	<u>23,525</u>	<u>4</u>	<u>29,238</u>	<u>6</u>
7900 Benefit Before Income Tax	74,486	13	85,390	16
8110 Income Tax Expense (benefit)	<u>(9,060)</u>	<u>(1)</u>	<u>284</u>	<u>-</u>
9600 Net Income	<u>\$ 83,546</u>	<u>14</u>	<u>\$ 85,106</u>	<u>16</u>
Profit of Stock				
	Before Tax	After Tax	Before Tax	After Tax
9750 Primary EPS	<u>\$ 0.74</u>	<u>\$ 0.82</u>	<u>\$ 0.83</u>	<u>\$ 0.82</u>
9850 Fully diluted EPS	<u>\$ 0.73</u>	<u>\$ 0.82</u>	<u>\$ 0.77</u>	<u>\$ 0.74</u>