

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
2rdQ of Year 2006 and 2005

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

	Assets	2 rd Q of Year 2006		2 rd Q of Year 2005	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 60,279	2	\$ 25,743	1
1310	Financial Assets at fair value through profile and loss	165,190	6	109,956	5
1120	Notes Receivable	46,652	2	50,965	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	314,431	11	221,519	10
1150	Receivable to Related Parties	75,700	3	51,333	2
1190	Other Banking Assets	13,030	-	6,550	-
1210	Inventories-Net	249,415	9	212,455	10
1286	Deferred Income Tax Assets	25,885	1	26,995	1
1298	Other Current Assets	<u>11,375</u>	-	<u>6,783</u>	-
11XX	Total Current Assets	<u>961,957</u>	<u>34</u>	<u>712,299</u>	<u>31</u>
	Long-Term Equity Investments				
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>700,605</u>	<u>25</u>	<u>625,226</u>	<u>27</u>
	Property, Plant, and Equipment Cost				
1501	Land Improvements	27,380	1	27,195	1
1521	Buildings	330,210	12	132,453	6
1531	Machinery and Equipment	1,042,335	37	854,387	38
1544	Instrument and Equipment	54,344	2	44,889	2
1551	Transportation and Other Equipment	<u>41,659</u>	<u>1</u>	<u>32,262</u>	<u>1</u>
15X1		1,495,928	53	1,091,186	48
15X9	Loss: Accumulated Depreciation	<u>475,757</u>	<u>17</u>	<u>403,776</u>	<u>18</u>
		1,020,171	36	687,410	30
1670	Construction in Progress and Prepayment for Equipment	<u>67,138</u>	<u>2</u>	<u>195,324</u>	<u>9</u>
15XX	Net Property, Plant and Equipment	<u>1,087,309</u>	<u>38</u>	<u>882,734</u>	<u>39</u>
	Intangible Assets				
1720	Patents	643	-	700	-
1770	Deferred Pension Costs	<u>13,597</u>	<u>1</u>	<u>14,570</u>	<u>1</u>
1780	Other Intangible Assets	5,589	-	-	-
17XX	Total Intangible Assets	<u>19,829</u>	<u>1</u>	<u>15,270</u>	<u>1</u>
	Other Assets				
1820	Refundable Deposit	57	-	58	-
1830	Deferred Expense	17,615	1	14,564	1
1860	Deferred Income Tax Assets	<u>44,738</u>	<u>1</u>	<u>27,395</u>	<u>1</u>
18XX	Total Other Assets	<u>62,410</u>	<u>2</u>	<u>42,017</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 2,832,110</u>	<u>100</u>	<u>\$ 2,277,546</u>	<u>100</u>
	Liabilities and Stockholders' Equity	Amount	%	Amount	%
	Current Liabilities				

2100	Short-Term Borrowings (Debt)	\$ 140,000	5	\$ 60,000	3
2110	Short-Term Notes and Bills Payable	-	-	79,705	4
2120	Notes Payable	333	-	5,156	-
2140	Accounts Payable	189,481	7	201,465	9
2150	Accounts Payable-Related Parties	46,398	2	6,426	-
2160	Income Tax Payable	9,328	-	5,668	-
2170	Accrued Expenses	47,799	2	28,226	1
2180	Financial Liabilities at fair value through profile and loss	9,158	-	2,259	-
2224	Accounts Payable-Equipment	11,854	-	4,128	-
2216	Cash dividend payable	157,340	6	101,286	4
2260	Deferred credit	16,471	1	14,570	1
2271	Current Portion of Bound payable	-	-	17,541	1
2272	Current Portion of Long-term Debt	186,329	7	-	-
2280	Other Current Liabilities	<u>12,888</u>	<u>-</u>	<u>7,767</u>	<u>-</u>
21XX	Total Current Liabilities	<u>836,255</u>	<u>30</u>	<u>541,982</u>	<u>24</u>
	Long-Term Accrued Interest Liabilities				
2410	Bonds Payable	44,700	1	-	-
2420	Long-Term Loans Payable	<u>221,518</u>	<u>8</u>	<u>467,847</u>	<u>20</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>266,218</u>	<u>9</u>	<u>467,847</u>	<u>20</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	35,258	1	32,356	2
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>6,372</u>	<u>-</u>	<u>8,192</u>	<u>-</u>
28XX	Total Other Liabilities	<u>41,672</u>	<u>1</u>	<u>40,590</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,144,145</u>	<u>40</u>	<u>1,050,419</u>	<u>46</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>1,356,368</u>	<u>48</u>	<u>1,058,059</u>	<u>46</u>
3140	Additional Paid-in Capital	5,345	-	-	-
3150	Stock dividends to be distributed	31,241	1	36,107	1
3211	Paid-in Capital in Excess of Par Value	24,332	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	106,495	4	702	-
3220	Treasury Stock Transactions	1,998	-	1,998	-
3290	Compensatory Stock Option Plan	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Total capital surplus	<u>134,429</u>	<u>5</u>	<u>19,022</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	110,041	4	91,911	4
3320	Special Reserve	26,488	1	26488	1
3350	Retained Earnings-Unappropriated	<u>122675</u>	<u>4</u>	<u>123420</u>	<u>6</u>
33XX	Total Retained Earning	<u>259204</u>	<u>9</u>	<u>241819</u>	<u>11</u>
3420	Cumulative Translation Adjustment	<u>1,430</u>	<u>-</u>	<u>(27828)</u>	<u>(1)</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	<u>(100,052)</u>	<u>(3)</u>	<u>(100,052)</u>	<u>(4)</u>
3XXX	Total Stockholders' Equity	<u>1,687,965</u>	<u>60</u>	<u>1,227,127</u>	<u>54</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 2,832,110</u>	<u>100</u>	<u>\$ 2,277,546</u>	<u>100</u>

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

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

	2 nd Q of Year 2006		2 nd Q of Year 2005	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 727,626	101	\$ 588,410	101
4170 Loss: Sales Return and Allowances	(7,294)	(1)	(3,759)	(1)
4100 Sales Revenue-Net	720,332	100	584,651	100
5110 Cost of Goods Sold	<u>514,568</u>	<u>72</u>	<u>436,850</u>	<u>75</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	205,764	29	147,801	25
5930 Realized (Unrealized) Gain On Transactions With Related Parties	<u>809</u>	<u>-</u>	(583)	<u>-</u>
5910 Gross Profit	<u>204,955</u>	<u>29</u>	<u>148,384</u>	<u>25</u>
Operating Expenses				
6100 Selling Expenses	40,456	6	36,333	6
6200 General and Administrative Expenses	30,785	4	24,967	4
6300 Research and Development Expenses	<u>33,583</u>	<u>5</u>	<u>32,194</u>	<u>6</u>
6000 Total Operating Expenses	<u>104,824</u>	<u>15</u>	<u>39,494</u>	<u>16</u>
6900 Income From Operation	<u>100,131</u>	<u>14</u>	<u>59,890</u>	<u>9</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	31,293	4	26,122	5
7140 Gain on Disposal of Investment	4,032	1	2,504	-
7160 Price Recovery of Inventory	3,329	1	4,022	1
7110 Interest Income	3,194	-	2,492	-
7260 Stock price rising	-	-	5,255	-
7480 Other	3,324	-	4,458	1
7100 Total	45,172	6	44,853	8
Non-Operation Expense and loss				
7570 Loss for Market Price Decline of Inventories	13,000	2	11,756	2
7510 Interest Expense	8,340	1	6,774	1
7650 Loss from valuation of financial liabilities	6,472	1	1,732	-
7640 Loss from valuation of financial Assets	2,433	-	-	-
7880 Other	<u>1,467</u>	<u>-</u>	<u>4,995</u>	<u>1</u>
7500 Total	<u>31,712</u>	<u>4</u>	<u>25,257</u>	<u>4</u>
7900 Benefit Before Income Tax	113,591	16	74,486	13
8110 Income Tax Expense (benefit)	(3,025)	(-)	9,060	1
8900 The net income before cumulative effect of changes in accounting principles	<u>116,616</u>	<u>16</u>	<u>83,546</u>	<u>14</u>

9300	Cumulative effect of changes in accounting principles				
		5,137	<u>(1)</u>	<u>=</u>	-
9600	Net Income				
		<u>\$ 111,479</u>	<u>15</u>	<u>\$ 83,546</u>	<u>14</u>
	Profit of Stock				
		<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>\$0.87</u>	<u>\$ 0.90</u>	<u>\$ 0.71</u>	<u>\$ 0.80</u>
	Cumulative effect of changes in accounting principles				
		0.05	0.04	-	-
9750	Net income	<u>\$ 0.82</u>	<u>\$ 0.86</u>	<u>\$ 0.71</u>	<u>\$ 0.80</u>
9850	Fully diluted EPS	<u>\$ 0.32</u>	<u>\$ 0.34</u>	<u>\$ 0.29</u>	<u>\$ 0.29</u>
	The net income before cumulative effect of changes in accounting principles				
		<u>\$ 0.84</u>	<u>\$ 0.86</u>	<u>\$ 0.71</u>	<u>\$ 0.79</u>
	Cumulative effect of changes in accounting principles				
		0.05	0.04	-	-
9850	Net income	<u>\$ 0.79</u>	<u>\$ 0.82</u>	<u>\$ 0.71</u>	<u>\$ 0.79</u>