

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
3rdQ of Year 2006 and 2005

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

	Assets	3 rd Q of Year 2006		3 rd Q of Year 2005	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 30,504	1	\$ 49,060	2
1310	Financial Assets at fair value through profile and loss	158,653	5	212,504	8
1120	Notes Receivable	48,413	2	34,387	1
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	398,399	13	316,419	12
1150	Receivable to Related Parties	92,132	3	63,469	2
1190	Other Banking Assets	22,975	1	23,413	1
1210	Inventories-Net	252,981	8	202,723	8
1286	Deferred Income Tax Assets	17,879	1	21,310	1
1298	Other Current Assets	<u>11,140</u>	<u>-</u>	<u>12,158</u>	<u>1</u>
11XX	Total Current Assets	<u>1,033,076</u>	<u>34</u>	<u>935,443</u>	<u>36</u>
	Long-Term Equity Investments				
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>744,472</u>	<u>25</u>	<u>672,078</u>	<u>26</u>
	Property, Plant, and Equipment Cost				
1501	Land Improvements	27,380	1	27,195	1
1521	Buildings	340,042	11	324,464	13
1531	Machinery and Equipment	1,052,769	35	873,394	33
1544	Instrument and Equipment	55,668	2	48,245	2
1551	Transportation and Other Equipment	<u>42,868</u>	<u>2</u>	<u>36,334</u>	<u>1</u>
15X1		1,518,727	51	1,309,632	50
15X9	Loss: Accumulated Depreciation	<u>481,363</u>	<u>16</u>	<u>421,937</u>	<u>16</u>
		1,037,364	35	887,695	34
1670	Construction in Progress and Prepayment for Equipment	<u>103,029</u>	<u>3</u>	<u>41,467</u>	<u>1</u>
15XX	Net Property, Plant and Equipment	<u>1,140,393</u>	<u>38</u>	<u>929,162</u>	<u>35</u>
	Intangible Assets				
1720	Patents	687	-	674	-
1770	Deferred Pension Costs	13,597	1	14,456	1
1780	Other Intangible Assets	<u>5,217</u>	<u>-</u>	<u>5,589</u>	<u>-</u>
17XX	Total Intangible Assets	<u>19,501</u>	<u>1</u>	<u>20,719</u>	<u>1</u>
	Other Assets				
1820	Refundable Deposit	84	-	58	-
1830	Deferred Expense	15,365	-	18,048	1
1860	Deferred Income Tax Assets	<u>51,688</u>	<u>2</u>	<u>38,814</u>	<u>1</u>
18XX	Total Other Assets	<u>67,137</u>	<u>2</u>	<u>56,920</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 3,004,579</u>	<u>100</u>	<u>\$ 2,614,322</u>	<u>100</u>
	Liabilities and Stockholders' Equity	Amount	%	Amount	%
	Current Liabilities				

2100	Short-Term Borrowings (Debt)	\$ 50,000	2	\$ 30,000	1
2110	Short-Term Notes and Bills Payable	19,975	1	-	-
2120	Notes Payable	4,981	-	7,860	-
2140	Accounts Payable	207,863	7	150,383	6
2150	Accounts Payable-Related Parties	47,326	2	40,058	2
2160	Income Tax Payable	16,476	1	9,111	-
2170	Accrued Expenses	64,093	2	47,346	2
2180	Financial Liabilities at fair value through profile and loss	9,570	-	8,512	-
2224	Accounts Payable-Equipment	24,834	1	17,004	1
2216	Cash dividend payable	157,340	5	101,286	4
2260	Deferred credit	15,237	-	12,149	-
2271	Current Portion of Bound payable	-	-	17,561	1
2272	Current Portion of Long-term Debt	177,907	6	60,000	2
2280	Other Current Liabilities	<u>14,062</u>	<u>-</u>	<u>8,915</u>	<u>-</u>
21XX	Total Current Liabilities	<u>809,664</u>	<u>27</u>	<u>510,185</u>	<u>19</u>
	Long-Term Accrued Interest Liabilities				
2410	Bonds Payable	33,500	1	400,000	15
2420	Long-Term Loans Payable	<u>309,940</u>	<u>11</u>	<u>347,847</u>	<u>14</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>343,440</u>	<u>12</u>	<u>747,847</u>	<u>29</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	35,721	1	34,459	2
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>5,917</u>	<u>-</u>	<u>7,737</u>	<u>-</u>
28XX	Total Other Liabilities	<u>41,680</u>	<u>1</u>	<u>42,238</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,194,784</u>	<u>40</u>	<u>1,300,270</u>	<u>50</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>45</u>	<u>1,094,166</u>	<u>42</u>
3140	Additional Paid-in Capital	15,600	-	-	-
3150	Stock dividends to be distributed	31,241	1	-	-
3211	Paid-in Capital in Excess of Par Value	25,393	1	16,322	1
3213	Additional Paid-in Capital-Bond Conversion	109,829	4	702	-
3220	Treasury Stock Transactions	1,998	-	1,998	-
3290	Compensatory Stock Option Plan	<u>1,584</u>	<u>-</u>	<u>1,320</u>	<u>-</u>
32XX	Total capital surplus	<u>138,804</u>	<u>5</u>	<u>20,342</u>	<u>1</u>
	Retained Earning				
3310	Legal Reserve	110,041	3	91,911	4
3320	Special Reserve	26,488	1	26,488	1
3350	Retained Earnings-Unappropriated	<u>209,649</u>	<u>7</u>	<u>169,373</u>	<u>6</u>
33XX	Total Retained Earning	<u>346,178</u>	<u>11</u>	<u>287,772</u>	<u>11</u>
3420	Cumulative Translation Adjustment	<u>21,656</u>	<u>1</u>	<u>(11,824)</u>	<u>(-)</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>1,809,795</u>	<u>60</u>	<u>1,314,052</u>	<u>50</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 3,004,579</u>	<u>100</u>	<u>\$ 2,614,322</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
3rdQ of Year 2006 and 2005

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

	3 rd Q of Year 2006		3 rd Q of Year 2005	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 1,174,868	101	\$ 963,769	101
4170 Loss: Sales Return and Allowances	(11,831)	(1)	(9,154)	(1)
4100 Sales Revenue-Net	1,163,037	100	954,651	100
5110 Cost of Goods Sold	<u>825,457</u>	<u>71</u>	<u>711,645</u>	<u>74</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	337,580	29	242,970	26
5930 Realized (Unrealized) Gain On Transactions With Related Parties	<u>1,018</u>	<u>-</u>	<u>2,046</u>	<u>-</u>
5910 Gross Profit	<u>338,598</u>	<u>29</u>	<u>245,016</u>	<u>26</u>
Operating Expenses				
6100 Selling Expenses	63,159	5	64,066	7
6200 General and Administrative Expenses	46,879	4	40,100	4
6300 Research and Development Expenses	<u>53,505</u>	<u>5</u>	<u>47,569</u>	<u>5</u>
6000 Total Operating Expenses	<u>163,579</u>	<u>14</u>	<u>151,735</u>	<u>16</u>
6900 Income From Operation	<u>175,019</u>	<u>15</u>	<u>93,281</u>	<u>10</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	54,934	5	33,322	4
7140 Gain on Disposal of Investment	5,875	1	4,747	1
7110 Interest Income	4,583	-	3,373	1
7160 Price Recovery of Inventory	4,406	-	11,817	1
7260 Stock price rising	-	-	-	-
	-	-	3,065	-
7130 Gain on Current Assets	-	-	977	-
7480 Other	<u>5,637</u>	<u>1</u>	<u>4,971</u>	<u>1</u>
7100 Total	<u>75,435</u>	<u>7</u>	<u>62,272</u>	<u>7</u>
Non-Operation Expense and loss				
7570 Loss for Market Price Decline of Inventories	16,000	2	12,065	1
7510 Interest Expense	12,942	1	10,214	1
7650 Loss from valuation of financial liabilities	6,884	1	7,684	1
7640 Loss from valuation of financial Assets	3,556	-	115	-
7880 Other	<u>2,302</u>	<u>-</u>	<u>7,327</u>	<u>1</u>
7500 Total	<u>41,684</u>	<u>4</u>	<u>37,405</u>	<u>4</u>
7900 Benefit Before Income Tax	208,770	18	118,148	13
8110 Income Tax Expense (benefit)	<u>5,180</u>	<u>1</u>	<u>(11,351)</u>	<u>(1)</u>
8900 The net income before cumulative effect of changes in accounting principles	<u>203,590</u>	<u>17</u>	<u>129,499</u>	<u>14</u>

9300	Cumulative effect of changes in accounting principles	(<u>5,137</u>)	<u>-</u>	<u>-</u>	-
9600	Net Income	<u>\$ 198,453</u>	<u>17</u>	<u>\$ 129,499</u>	<u>14</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>\$1.56</u>	<u>\$ 1.52</u>	<u>\$ 1.09</u>	<u>\$ 1.20</u>
	Cumulative effect of changes in accounting principles	0.05	0.04	-	-
	Net income	<u>\$ 1.51</u>	<u>\$ 1.48</u>	<u>\$ 1.09</u>	<u>\$ 1.20</u>
9850	Fully diluted EPS				
	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	-	-
	Net income	<u>\$ 0.79</u>	<u>\$ 0.82</u>	<u>\$ 0.71</u>	<u>\$ 0.79</u>