

CHILISIN ELECTRONICS CORP.

Consolidated Balance Sheets

1st Q of Year 2004 and 2003

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

	Assets	1 st Q of Year 2004		1 st Q of Year 2003	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and Cash Equivalents	\$ 13,475	1	\$ 62,283	3
1110	Short-Term Investments	575,075	23	441,570	20
1120	Notes Receivable	55,274	2	89,679	4
1140	Accounts Receivable-Allowance for 2003 uncollectible accounts NTD 7,886 Thousand on year 2004, NTD 9,386 Thousand on year 2003	187,628	8	160,680	7
1150	Receivable to Related Parties	55,467	2	62,073	3
1190	Other Assets Banking	18,297	1	9,725	-
1210	Inventories-Net	228,568	9	224,661	10
1286	Deferred Income Tax Assets	26,104	1	26,285	1
1298	Other Current Assets	4,999	-	5,799	1
11XX	Total Current Assets	<u>1,164,887</u>	<u>47</u>	<u>1,082,755</u>	<u>49</u>
	Long-Term Equity Investments				
14210	Long-Term equity Investments 1 Recognized Under Equity Method	601,945	24	487,523	22
14210	Long-Term Equity Investments 2 Recognized Under Equity Method	8,250	-	8,406	-
14XX	Total Long-Term Equity Investment	<u>610,195</u>	<u>24</u>	<u>495,929</u>	<u>22</u>
	Property, Plant, and Equipment				
	Cost				
1501	Land Improvements	27,195	1	25,395	1
1521	Buildings and Equipment	116,437	5	113,756	5
1531	Machinery and Equipment	696,593	28	566,387	26
1544	Instrument and Equipment	22,035	1	17,741	1
1551	Transportation and Other Equipment	24,408	1	22,845	1
15X1		886,668	36	746,124	34
15X9	Loss: Accumulated Depreciation	346,691	14	283,860	13
		539,977	22	462,264	21
1670	Construction in Progress and Prepayment for Equipment	133,428	5	154,116	7
15XX	Property, Plant and Equipment-net	<u>673,405</u>	<u>27</u>	<u>616,380</u>	<u>28</u>
	Intangible Assets				
1720	Patents	722	-	143	-
1770	Deferred Pension Costs	12,833	1	10,198	-
17XX	Total Intangible Assets	<u>13,555</u>	<u>1</u>	<u>10,341</u>	<u>-</u>
	Other Assets				
1820	Refundable Deposit	87	-	62	-
1830	Deferred Costs	9,644	-	13,552	1
1860	Deferred Income Tax Assets	16,611	1	10,594	-
18XX	Total Other Assets	<u>26,342</u>	<u>1</u>	<u>24,208</u>	<u>1</u>
1XXX	Total Assets	<u>\$2,488,384</u>	<u>100</u>	<u>\$2,229,613</u>	<u>100</u>
	Liabilities and Stockholders' Equity				
	Current Liabilities				
2100	Short-Term Borrowings (Debt)	\$ 45,733	2	\$ 15,766	1
2110	Short-Term Notes and Bills Payable	-	-	39,879	2
2120	Notes Payable	148,597	6	105,248	5
2140	Account Payable	52,164	2	35,756	1
2150	Account Payable-Related Parties	87,362	3	45,413	2
2160	Income Tax Payable	4,414	-	16,775	1
2170	Accrued Expenses	33,046	1	34,977	1
2260	Current portion of Deferred Income	14,537	1	13,931	1
2280	Other Current Liabilities	13,853	1	11,529	-

21XX	Total Current Liabilities	<u>399,706</u>	<u>16</u>	<u>319,274</u>	<u>14</u>
	Long-Term Liabilities				
2410	Corporate Bonds Payable	633,776	26	634,593	29
2420	Long-Term Loan Payable	<u>130,000</u>	<u>5</u>	<u>-</u>	<u>-</u>
24XX	Total Long-Term Liabilities	<u>763,776</u>	<u>31</u>	<u>634,593</u>	<u>29</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	26,036	1	20,192	1
2820	Guarantee Deposit Received	42	-	42	-
	Cruuent Portion of Deferred				
2880	Income	<u>10,923</u>	<u>-</u>	<u>12,288</u>	<u>-</u>
28XX	Total Other Liabilities	<u>37,001</u>	<u>1</u>	<u>32,522</u>	<u>1</u>
2XXX	Total Liabilities	<u>1,200,483</u>	<u>48</u>	<u>986,389</u>	<u>44</u>
	Stockholders' Equity				
	Capital Stock-NT\$ 10 par Value; Authorized - 245,800 Thousand Shares for 2004, Issued-NT\$ 102,625 Shares for 2004, NT\$101,680 Thousand for 2002.				
3110		<u>1,026,248</u>	<u>41</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	-	-	-
3260	From Long-Term Stock Investments	-	-	52	-
3220	Treasury Stock	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
32XX	Retained Earning	<u>19,022</u>	<u>1</u>	<u>16,374</u>	<u>1</u>
3310	Legal Reserve	62,676	3	52,557	2
	Other Appropriated Vetained				
3320	Earnings	173	-	-	-
3350	Retained Earnings-Unappropriated	<u>227,862</u>	<u>9</u>	<u>186,688</u>	<u>9</u>
33XX	Total Retained Earning	<u>290,711</u>	<u>12</u>	<u>239,245</u>	<u>11</u>
	Unrealized Loss on Market Value Decline of Long-Term Equity				
3410	Investments	-	-	(1,340)	-
3420	Cumulative Translation Adjustment	<u>9,533</u>	<u>-</u>	<u>20,714</u>	<u>1</u>
34XX	Total Other Stockholders' Equity	<u>9,533</u>	<u>-</u>	<u>19,374</u>	<u>1</u>
	Treasury Stock NTD 2,708 Thousand for year 2004				
3510	Treasury Stock NTD 3,019 Thousand for year 2003	(<u>57,613</u>)	(<u>2</u>)	(<u>48,569</u>)	(<u>2</u>)
3XXX	Stockholders' Equity	<u>1,287,901</u>	<u>52</u>	<u>1,243,224</u>	<u>56</u>
	Total Liabilities and Stockholders' Equality	<u>\$2,488,384</u>	<u>100</u>	<u>\$2,229,613</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
1st Q of Year 2004 and 2003

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

	1 st Q of year 2004		1 st Q of year 2003	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 254,211	101	\$ 229,246	101
4170 Loss: Sales return and Allowances	<u>2,880</u>	<u>1</u>	<u>2,791</u>	<u>1</u>
4100 Sales Revenue-Net	251,331	100	226,455	100
5110 Cost of Goods Sold	<u>193,358</u>	<u>77</u>	<u>182,855</u>	<u>81</u>
Additional (Loss) Receivable of Sales Gross Profit from Related Parties	57,973	23	43,600	19
5920 Receivable of Sales Gross Profit from Related Parties	<u>1,619</u>	<u>1</u>	<u>844</u>	<u>-</u>
5900 Gross Profit	<u>59,592</u>	<u>24</u>	<u>44,444</u>	<u>19</u>
Operating Expenses				
6100 Selling Expenses	14,953	6	13,220	6
6200 General and Administrative Expenses	10,721	4	12,266	5
6300 Research and Development Expenses	<u>9,043</u>	<u>4</u>	<u>6,841</u>	<u>3</u>
6000 Total Operating Expenses	<u>34,717</u>	<u>14</u>	<u>32,327</u>	<u>14</u>
6900 Sales Profit	<u>24,875</u>	<u>10</u>	<u>12,117</u>	<u>5</u>
Non-Operating Revenue and Expenses				
7110 Interest Income	3,059	1	6,063	3
7121 Investment Profit Recognized Under Equity Method	16,951	7	7,685	3
7140 Gain on Disposal of Investments	8,377	3	15,971	7
7160 Foreign Exchange Profit	-	-	87	-
7480 Other	<u>1,846</u>	<u>1</u>	<u>2,711</u>	<u>1</u>
7100 Total	<u>30,233</u>	<u>12</u>	<u>32,517</u>	<u>14</u>
Non-Operating Expenses and Loss				
7510 Interest Expense	\$ 7,564	3	\$ 6,544	3
7560 Exchange Losses	238	-	-	-
7570 Loss for Market Price Decline of Inventories	5,000	2	-	-
7880 Other	<u>1,220</u>	<u>1</u>	<u>910</u>	<u>-</u>
7500 Total	<u>14,022</u>	<u>6</u>	<u>7,454</u>	<u>3</u>
7900 Benefit Before Income Tax	41,086	16	37,180	16
8110 Income Tax Expense	<u>784</u>	<u>-</u>	<u>3,416</u>	<u>1</u>
9600 Net Income	<u>\$ 40,302</u>	<u>16</u>	<u>\$ 33,764</u>	<u>15</u>
	Before Tax	After Tax	Before Tax	After Tax
Profit of stock				
9750 Primary EPS	<u>\$ 0.40</u>	<u>\$ 0.39</u>	<u>\$ 0.37</u>	<u>\$ 0.34</u>
9850 Fully diluted EPS	<u>\$ 0.37</u>	<u>\$ 0.36</u>	<u>\$ 0.37</u>	<u>\$ 0.34</u>