

CHILISIN ELECTRONICS CORP.
Consolidated Balance Sheets
1rdQ of Year 2007 and 2006

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

	Assets	1 rd Q of Year 2007		1 rd Q of Year 2006	
		Amount	%	Amount	%
	Current Assets				
1100	Cash	\$ 72,347	2	\$ 39,823	1
1310	Financial Assets at fair value through profile and loss	183,477	6	202,695	7
1120	Notes Receivable	50,255	1	40,568	2
1140	Accounts Receivable—allowance for uncollectible accounts NTD 4,511 Thousand on year 2005, NTD7, 883 Thousand on year 2004	389,755	12	333,246	12
1150	Receivable to Related Parties	121,248	4	81,732	3
1190	Other Banking Assets	21,306	1	7,134	-
1210	Inventories-Net	251,800	8	240,606	9
1286	Deferred Income Tax Assets	32,706	1	32,034	1
1298	Other Current Assets	<u>6,212</u>	-	<u>5,418</u>	-
11XX	Total Current Assets	<u>1,129,106</u>	<u>35</u>	<u>983,256</u>	<u>35</u>
	Long-Term Equity Investments				
1421	Long-Term Equity Investments Recognized Under Equity Method	<u>849,065</u>	<u>27</u>	<u>682,881</u>	<u>24</u>
	Property, Plant, and Equipment				
	Cost				
1501	Land Improvements	27,380	1	27,380	1
1521	Buildings	343,998	11	330,172	12
1531	Machinery and Equipment	1,148,651	36	922,138	33
1544	Instrument and Equipment	55,369	1	58,969	2
1551	Transportation and Other Equipment	<u>44,739</u>	<u>1</u>	<u>40,496</u>	<u>1</u>
15X1		1,620,137	50	1,379,155	49
15X9	Loss: Accumulated Depreciation	<u>515,952</u>	<u>16</u>	<u>457,456</u>	<u>16</u>
		1,104,185	34	921,699	33
1670	Construction in Progress and Prepayment for Equipment	<u>50,157</u>	<u>2</u>	<u>146,560</u>	<u>5</u>
15XX	Net Property, Plant and Equipment	<u>1,154,342</u>	<u>36</u>	<u>1,068,259</u>	<u>38</u>
	Intangible Assets				
1720	Patents	637	-	668	-
1770	Deferred Pension Costs	12,643	-	13,597	1
1780	Other Intangible Assets	<u>3,348</u>	-	<u>5,589</u>	-
17XX	Total Intangible Assets	<u>16,628</u>	<u>1</u>	<u>19,854</u>	<u>1</u>
	Other Assets				
1820	Refundable Deposit	83	-	57	-
1830	Deferred Expense	11,483	1	15,389	1
1860	Deferred Income Tax Assets	<u>40,448</u>	<u>1</u>	<u>32,171</u>	<u>1</u>
18XX	Total Other Assets	<u>52,014</u>	<u>2</u>	<u>47,617</u>	<u>2</u>
1XXX	Total Assets	<u>\$ 3,201,155</u>	<u>100</u>	<u>\$ 2,801,867</u>	<u>100</u>
	Liabilities and Stockholders' Equity	Amount	%	Amount	%
	Current Liabilities				

2100	Short-Term Borrowings (Debt)	\$ 140,000	3	\$ 90,000	3
2110	Short-Term Notes and Bills Payable	149,475	5	59,743	2
2120	Notes Payable	2,800	-	989	-
2140	Accounts Payable	182,226	6	198,100	7
2150	Accounts Payable-Related Parties	53,429	2	25,304	1
2160	Income Tax Payable	27,860	1	21,202	-
2170	Accrued Expenses	51,713	2	47,799	2
2180	Financial Liabilities at fair value through profile and loss	9,300	-	11,720	-
2224	Accounts Payable-Equipment	8,190	-	36,756	1
2260	Deferred credit	21,176	1	16,079	1
2271	Current Portion of Bound payable	-	-	9,290	-
2272	Current Portion of Long-term Debt	58,458	2	175,844	6
2280	Other Current Liabilities	<u>10,400</u>	<u>-</u>	<u>8,615</u>	<u>-</u>
21XX	Total Current Liabilities	<u>715,027</u>	<u>23</u>	<u>701,441</u>	<u>25</u>
	Long-Term Accrued Interest Liabilities				
2410	Bonds Payable	-	-	62,200	2
2420	Long-Term Loans Payable	<u>421,542</u>	<u>13</u>	<u>232,003</u>	<u>8</u>
24XX	Total Long-Term Accrued Interest Liabilities	<u>421,542</u>	<u>13</u>	<u>293,203</u>	<u>10</u>
	Other Liabilities				
2810	Accrued Pension Liabilities	65,157	2	34,793	1
2820	Guarantee Deposit Received	42	-	42	-
2880	Deferred credit	<u>5,006</u>	<u>-</u>	<u>6,827</u>	<u>1</u>
28XX	Total Other Liabilities	<u>70,205</u>	<u>2</u>	<u>41,662</u>	<u>2</u>
2XXX	Total Liabilities	<u>1,206,774</u>	<u>38</u>	<u>1,036,306</u>	<u>37</u>
	Stockholders' Equity				
3110	Capital Stock-NT\$ 10 par Value Authorized-245,800 Thousand Shares, Issued-NT\$ 109,817 Thousand Shares for 2005, NT\$ 105,806 Thousand Shares for 2004	<u>1,436,038</u>	<u>45</u>	<u>1,331,872</u>	<u>47</u>
3140	Additional Paid-in Capital	190	-	17,224	1
3211	Paid-in Capital in Excess of Par Value	31,254	1	23,875	1
3213	Additional Paid-in Capital-Bond Conversion	119,246	4	101,582	4
3220	Treasury Stock Transactions	1,538	-	1,998	-
3280	Compensatory Stock Option Plan	<u>4,583</u>	<u>-</u>	<u>1,511</u>	<u>-</u>
32XX	Total capital surplus	<u>156,621</u>	<u>5</u>	<u>128,966</u>	<u>5</u>
	Retained Earning				
3310	Legal Reserve	110,041	4	91,911	3
3320	Special Reserve	26,488	1	26,488	1
3350	Retained Earnings-Unappropriated	<u>333,479</u>	<u>10</u>	<u>267,792</u>	<u>10</u>
33XX	Total Retained Earning	<u>470,008</u>	<u>15</u>	<u>386,191</u>	<u>14</u>
3420	Cumulative Translation Adjustment	<u>36,598</u>	<u>1</u>	<u>1,360</u>	<u>-</u>
3430	Net loss not recognized as pension cost	<u>(28,419)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
3510	Treasury Stock (Ordinary Stock)-4,520 Thousands Shares in 2004	<u>(76,655)</u>	<u>(3)</u>	<u>(100,052)</u>	<u>(4)</u>
3XXX	Total Stockholders' Equity	<u>1,994,381</u>	<u>62</u>	<u>1,765,561</u>	<u>63</u>
	Total Liabilities and Stockholder's Equality	<u>\$ 3,201,155</u>	<u>100</u>	<u>\$ 2,801,867</u>	<u>100</u>

CHILISIN ELECTRONICS CORP.
Consolidated Statements of Income
4rdQ of Year 2006 and 2005

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

	1 rd Q of Year 2007		1 rd Q of Year 2006	
	Amount	%	Amount	%
4110 Sales Revenue	\$ 396,628	101	\$ 365,253	101
4170 Loss: Sales Return and Allowances	<u>5,472</u>	<u>1</u>	<u>3,903</u>	<u>1</u>
4100 Sales Revenue-Net	391,156	100	361,350	100
5110 Cost of Goods Sold	<u>277,191</u>	<u>71</u>	<u>259,697</u>	<u>72</u>
Additional (Loss) Realized (Unrealized) of Sales Gross Profit	474,643	30	371,585	27
5920 Unrealized Gain On Transactions With Related Parties	<u>(1,264)</u>	<u>-</u>	<u>(629)</u>	<u>-</u>
5910 Gross Profit	<u>112,701</u>	<u>29</u>	<u>101,024</u>	<u>28</u>
Operating Expenses				
6100 Selling Expenses	23,474	6	23,762	6
6200 General and Administrative Expenses	14,858	4	14,651	4
6300 Research and Development Expenses	<u>21,262</u>	<u>6</u>	<u>17,000</u>	<u>5</u>
6000 Total Operating Expenses	<u>29,594</u>	<u>16</u>	<u>55,413</u>	<u>15</u>
6900 Income From Operation	<u>53,107</u>	<u>13</u>	<u>45,611</u>	<u>13</u>
Non-Operating Income				
7121 Investment Profit Recognized Under Equity Method	16,208	4	13,988	4
7160 Exchange Disposal	3,108	1	4,086	1
7110 Interest Income	986	1	1,278	-
7310 Gain on valuation of financial asset	588	-	95	-
7140 Gain on Disposal of Investment	152	-	1,619	-
7480 Other	<u>980</u>	<u>1</u>	<u>2,185</u>	<u>1</u>
7100 Total	<u>22,022</u>	<u>6</u>	<u>23,251</u>	<u>6</u>
Non-Operation Expense and loss				
7510 Interest Expense	5,918	1	3,903	1
7650 Loss from valuation of financial liabilities	4,920	1	8,017	2
7570 loss for market price decline	3,000	1	6,000	2
7880 Other	<u>3,145</u>	<u>1</u>	<u>589</u>	<u>-</u>
7500 Total	<u>16,983</u>	<u>4</u>	<u>18,509</u>	<u>5</u>
7900 Benefit Before Income Tax	58,146	15	50,353	14
8110 Income Tax Expense (benefit)	<u>161</u>	<u>-</u>	<u>(1,406)</u>	<u>(-)</u>
8900 The net income before cumulative effect of changes in accounting principles	<u>269,435</u>	<u>17</u>	<u>181,296</u>	<u>13</u>
9300 Cumulative effect of changes in accounting principles	<u>-</u>	<u>-</u>	<u>(5,137)</u>	<u>(1)</u>
9600 Net Income	<u>\$ 57,985</u>	<u>15</u>	<u>\$ 46,622</u>	<u>13</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>\$0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.38</u>	<u>\$ 0.39</u>
	Cumulative effect of changes in accounting principles				
	Net income	-	-	(0.05)	(0.04)
		<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.33</u>	<u>\$ 0.35</u>
<u>9850</u>	Fully diluted EPS				
	The net income before cumulative effect of changes in accounting principles	<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.37</u>	<u>\$ 0.38</u>
	Cumulative effect of changes in accounting principles				
	Net income	-	-	(0.05)	(0.04)
		<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.32</u>	<u>\$0.34</u>