

CHILISIN ELECTRONICS CORP.  
Consolidated Balance Sheets  
2<sup>rd</sup>Q of Year 2007 and 2006

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

|      | Assets   | 2 <sup>rd</sup> Q of Year 2007 |            | 2 <sup>rd</sup> Q of Year 2006 |            |
|------|--|--------------------------------|------------|--------------------------------|------------|
|      |  | Amount                         | %          | Amount                         | %          |
|      | <b>Current Assets</b>  |                                |            |                                |            |
| 1100 | Cash   | \$ 137,301                     | 4          | \$ 60,279                      | 2          |
| 1310 | Financial Assets at fair value through profile and loss  | 222,137                        | 7          | 165,190                        | 6          |
| 1120 | Notes Receivable   | 41,237                         | 1          | 46,652                         | 2          |
| 1140 | Accounts Receivable—allowance for uncollectible accounts NTD 3,781 Thousand on year 2005, NTD4,172 Thousand on year 2004 | 389,275                        | 12         | 314,431                        | 11         |
| 1150 | Receivable to Related Parties  | 160,519                        | 5          | 75,700                         | 3          |
| 1190 | Other Banking Assets   | 9,242                          | -          | 13,030                         | -          |
| 1210 | Inventories-Net  | 251,715                        | 7          | 249,415                        | 9          |
| 1286 | Deferred Income Tax Assets   | 24,719                         | 1          | 25,885                         | 1          |
| 1298 | Other Current Assets   | <u>6,040</u>                   | -          | <u>11,375</u>                  | -          |
| 11XX | Total Current Assets   | <u>1,251,185</u>               | <u>37</u>  | <u>961,957</u>                 | <u>34</u>  |
|      | <b>Long-Term Equity Investments</b>  |                                |            |                                |            |
| 1421 | Long-Term Equity Investments Recognized Under Equity Method  | <u>870,345</u>                 | <u>26</u>  | <u>700,605</u>                 | <u>25</u>  |
|      | <b>Property, Plant, and Equipment Cost</b>   |                                |            |                                |            |
| 1501 | Land Improvements  | 27,720                         | 1          | 27,380                         | 1          |
| 1521 | Buildings  | 346,212                        | 10         | 330,210                        | 12         |
| 1531 | Machinery and Equipment  | 1,151,409                      | 34         | 1,042,335                      | 37         |
| 1544 | Instrument and Equipment   | 58,602                         | 2          | 54,344                         | 2          |
| 1551 | Transportation and Other Equipment   | <u>45,246</u>                  | <u>1</u>   | <u>41,659</u>                  | <u>1</u>   |
| 15X1 |  | 1,629,189                      | 48         | 1,495,928                      | 53         |
| 15X9 | Loss: Accumulated Depreciation   | <u>538,653</u>                 | <u>16</u>  | <u>475,575</u>                 | <u>17</u>  |
|      |  | 1,090,536                      | 32         | 1,020,171                      | 36         |
| 1670 | Construction in Progress and Prepayment for Equipment  | <u>69,474</u>                  | <u>2</u>   | <u>67,138</u>                  | <u>2</u>   |
| 15XX | Net Property, Plant and Equipment  | <u>1,160,010</u>               | <u>34</u>  | <u>1,087,309</u>               | <u>38</u>  |
|      | <b>Intangible Assets</b>   |                                |            |                                |            |
| 1720 | Patents  | 614                            | -          | 643                            | -          |
| 1770 | Deferred Pension Costs   | 12,643                         | -          | 13,597                         | 1          |
| 1780 | Other Intangible Assets  | <u>5,696</u>                   | -          | <u>5,589</u>                   | -          |
| 17XX | Total Intangible Assets  | <u>18,953</u>                  | <u>1</u>   | <u>19,829</u>                  | <u>1</u>   |
|      | <b>Other Assets</b>  |                                |            |                                |            |
| 1820 | Refundable Deposit   | 83                             | -          | 57                             | -          |
| 1830 | Deferred Expense   | 12,983                         | 1          | 17,615                         | 1          |
| 1860 | Deferred Income Tax Assets   | 42,604                         | 1          | 44,738                         | 1          |
| 1880 | Other  | <u>1,375</u>                   | -          | -                              | -          |
| 18XX | Total Other Assets   | <u>57,045</u>                  | <u>2</u>   | <u>62,410</u>                  | <u>2</u>   |
| 1XXX | Total Assets   | <u>\$ 3,357,583</u>            | <u>100</u> | <u>\$ 2,832,110</u>            | <u>100</u> |
|      | Liabilities and Stockholders' Equity   | Amount                         | %          | Amount                         | %          |

|      |   |                     |             |                     |             |
|------|---|---------------------|-------------|---------------------|-------------|
|      | <b>Current Liabilities</b>  |                     |             |                     |             |
| 2100 | Short-Term Borrowings (Debt)  | \$ 160,000          | 5           | \$ 140,000          | 5           |
| 2110 | Short-Term Notes and Bills Payable  | 79,671              | 2           | -                   | -           |
| 2120 | Notes Payable   | 2,372               | -           | 333                 | -           |
| 2140 | Accounts Payable  | 242,709             | 7           | 189,481             | 7           |
| 2150 | Accounts Payable-Related Parties  | 62,194              | 2           | 46,398              | 2           |
| 2160 | Income Tax Payable  | 10,640              | -           | 9,328               | -           |
| 2170 | Accrued Expenses  | 62,877              | 2           | 56,675              | 2           |
| 2180 | Financial Liabilities at fair value through profile and loss  | 157                 | -           | 9,158               | -           |
| 2224 | Accounts Payable-Equipment  | 12,765              | -           | 11,854              | -           |
| 2216 | Accounts Payable-Stock dividends  | 186,736             | 6           | 157,340             | -           |
| 2260 | Deferred credit   | 18,456              | -           | 16,471              | 1           |
| 2272 | Current Portion of Long-term Debt   | 87,833              | 3           | 186,329             | 7           |
| 2280 | Other Current Liabilities   | <u>20,925</u>       | <u>1</u>    | <u>12,888</u>       | <u>-</u>    |
| 21XX | Total Current Liabilities   | <u>947,335</u>      | <u>28</u>   | <u>836,255</u>      | <u>30</u>   |
|      | <b>Long-Term Accrued Interest Liabilities</b>   |                     |             |                     |             |
| 2410 | Bonds Payable   | -                   | -           | 44,700              | 1           |
| 2420 | Long-Term Loans Payable   | <u>392,167</u>      | <u>12</u>   | <u>221,518</u>      | <u>8</u>    |
| 24XX | Total Long-Term Accrued Interest Liabilities  | <u>392,167</u>      | <u>12</u>   | <u>266,218</u>      | <u>9</u>    |
|      | <b>Other Liabilities</b>  |                     |             |                     |             |
| 2810 | Accrued Pension Liabilities   | 66,618              | 2           | 35,258              | 1           |
| 2820 | Guarantee Deposit Received  | 42                  | -           | 42                  | -           |
| 2880 | Deferred credit   | <u>4,552</u>        | <u>-</u>    | <u>6,372</u>        | <u>-</u>    |
| 28XX | Total Other Liabilities   | <u>71,212</u>       | <u>2</u>    | <u>41,672</u>       | <u>1</u>    |
| 2XXX | Total Liabilities   | <u>1,410,714</u>    | <u>42</u>   | <u>1,144,145</u>    | <u>40</u>   |
|      | <b>Stockholders' Equity</b>   |                     |             |                     |             |
| 3110 | Capital Stock- NT\$10 par value authorized, 300,000 Thousand shares for 2007,245,800 Thousand shares for 2006, Issued 143,643 Thousand shares for 2007,135,637 Thousand shares for 2006 | <u>1,436,428</u>    | <u>43</u>   | <u>1,356,368</u>    | <u>48</u>   |
| 3140 | Additional Paid-in Capital  | <u>670</u>          | <u>-</u>    | <u>5,345</u>        | <u>-</u>    |
| 3150 | Stock dividends to be distributed   | <u>32,864</u>       | <u>1</u>    | <u>31,241</u>       | <u>1</u>    |
| 3211 | Paid-in Capital in Excess of Par Value  | 31,825              | 1           | 24,332              | 1           |
| 3213 | Additional Paid-in Capital-Bond Conversion  | 119,246             | 4           | 106,495             | 4           |
| 3220 | Treasury Stock Transactions   | 30                  | -           | 1,998               | -           |
| 3280 | Compensatory Stock Option Plan  | <u>4,195</u>        | <u>-</u>    | <u>1,604</u>        | <u>-</u>    |
| 32XX | Total capital surplus   | <u>155,296</u>      | <u>5</u>    | <u>134,429</u>      | <u>5</u>    |
|      | <b>Retained Earning</b>   |                     |             |                     |             |
| 3310 | Legal Reserve   | 136,470             | 4           | 110,041             | 4           |
| 3320 | Special Reserve   | 9,371               | -           | 26,488              | 1           |
| 3350 | Retained Earnings-Unappropriated  | <u>161,464</u>      | <u>5</u>    | <u>122,675</u>      | <u>4</u>    |
| 33XX | Total Retained Earning  | <u>307,305</u>      | <u>9</u>    | <u>259,204</u>      | <u>9</u>    |
| 3420 | Cumulative Translation Adjustment   | <u>42,680</u>       | <u>1</u>    | <u>1,430</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>( -)</u>         | <u>( -)</u> | <u>( 100,052)</u>   | <u>( 3)</u> |
| 3XXX | Total Stockholders' Equity  | <u>1,946,824</u>    | <u>58</u>   | <u>1,687,965</u>    | <u>60</u>   |
|      | Total Liabilities and Stockholder's Equality  | <u>\$ 3,357,538</u> | <u>100</u>  | <u>\$ 2,832,110</u> | <u>100</u>  |

CHILISIN ELECTRONICS CORP.  
Consolidated Statements of Income  
2<sup>d</sup>Q of Year 2007 and 2006

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

|   | 2 <sup>d</sup> Q of Year 2007 |           | 2 <sup>d</sup> Q of Year 2006 |           |
|---|-------------------------------|-----------|-------------------------------|-----------|
|   | Amount                        | %         | Amount                        | %         |
| 4110 Sales Revenue  | \$ 813,825                    | 101       | \$ 727,626                    | 101       |
| 4170 Loss: Sales Return and Allowances  | <u>11,512</u>                 | <u>1</u>  | <u>7,294</u>                  | <u>1</u>  |
| 4100 Sales Revenue-Net  | 802,313                       | 100       | 720,332                       | 100       |
| 5110 Cost of Goods Sold   | <u>571,228</u>                | <u>71</u> | <u>514,868</u>                | <u>71</u> |
| Additional (Loss) Realized<br>(Unrealized) of Sales Gross Profit                    | 231,085                       | 29        | 205,764                       | 29        |
| 5930 realized Gain On Transactions With<br>Related Parties                          | <u>1,256</u>                  | <u>-</u>  | <u>(809)</u>                  | <u>-</u>  |
| 5910 Gross Profit   | <u>232,341</u>                | <u>29</u> | <u>204,955</u>                | <u>29</u> |
| Operating Expenses  |                               |           |                               |           |
| 6100 Selling Expenses   | 43,905                        | 6         | 40,456                        | 6         |
| 6200 General and Administrative<br>Expenses   | 30,591                        | 4         | 30,785                        | 4         |
| 6300 Research and Development<br>Expenses   | <u>43,403</u>                 | <u>5</u>  | <u>33,583</u>                 | <u>5</u>  |
| 6000 Total Operating Expenses   | <u>117,899</u>                | <u>15</u> | <u>104,824</u>                | <u>15</u> |
| 6900 Income From Operation  | <u>114,442</u>                | <u>14</u> | <u>100,131</u>                | <u>14</u> |
| Non-Operating Income  |                               |           |                               |           |
| 7121 Investment Profit Recognized<br>Under Equity Method                            | 31,406                        | 4         | 31,293                        | 4         |
| 7160 Exchange Disposal  | -                             | 1         | 3,329                         | 1         |
| 7110 Interest Income  | 2,828                         | 1         | 3,194                         | -         |
| 7310 Gain on valuation of financial asset   | 8,281                         | -         | -                             | -         |
| 7320 Gain on payable of financial asset   | 4,223                         | -         | -                             | -         |
| 7140 Gain on Disposal of Investment   | 963                           | -         | 4,032                         | 1         |
| 7480 Other  | <u>7100</u>                   | <u>1</u>  | <u>3,324</u>                  | <u>-</u>  |
| 7100 Total  | <u>54,801</u>                 | <u>7</u>  | <u>45,172</u>                 | <u>6</u>  |
| Non-Operation Expense and loss  |                               |           |                               |           |
| 7510 Interest Expense   | 11,444                        | 1         | 8,340                         | 1         |
| 7650 Loss from valuation of financial liabilities                                   | 5,195                         | 1         | -                             | -         |
| 7570 loss for market price decline  | 8,500                         | 1         | 13,000                        | 2         |
| 7650 Gain on valuation of financial asset   | -                             | -         | 6,472                         | 1         |
| 7640 Gain on payable of financial asset   | -                             | -         | 2,433                         | -         |
| 7880 Other  | <u>3,830</u>                  | <u>1</u>  | <u>1,467</u>                  | <u>-</u>  |
| 7500 Total  | <u>32,925</u>                 | <u>4</u>  | <u>31,712</u>                 | <u>4</u>  |
| 7900 Benefit Before Income Tax  | 136,318                       | 17        | 113,591                       | 16        |
| 8110 Income Tax Expense (benefit)   | <u>11,237</u>                 | <u>-</u>  | <u>(3,025)</u>                | <u>-</u>  |
| 8900 The net income before cumulative effect of<br>changes in accounting principles | <u>125,081</u>                | <u>16</u> | <u>116,616</u>                | <u>16</u> |

|             |   |                   |                  |                   |                  |
|-------------|---|-------------------|------------------|-------------------|------------------|
| 9300        | Cumulative effect of changes in accounting principles                       |                   |                  |                   |                  |
|             |   | -                 | -                | ( 5,137)          | (1)              |
| 9600        | Net Income  |                   |                  |                   |                  |
|             |   | <u>\$ 125,081</u> | <u>16</u>        | <u>\$ 111,479</u> | <u>15</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>\$0.94</u>     | <u>\$ 0.87</u>   | <u>\$ 0.84</u>    | <u>\$ 0.86</u>   |
|             | Cumulative effect of changes in accounting principles                       |                   |                  |                   |                  |
|             | Net income  | -                 | -                | (0.05)            | (0.04)           |
|             |   | <u>\$ 0.94</u>    | <u>\$ 0.87</u>   | <u>\$ 0.79</u>    | <u>\$ 0.82</u>   |
| 9850        | Fully diluted EPS   |                   |                  |                   |                  |
|             | The net income before cumulative effect of changes in accounting principles | <u>\$ 0.94</u>    | <u>\$ 0.86</u>   | <u>\$ 0.80</u>    | <u>\$ 0.83</u>   |
|             | Cumulative effect of changes in accounting principles                       |                   |                  |                   |                  |
|             | Net income  | -                 | -                | (0.05)            | (0.04)           |
|             |   | <u>\$ 0.94</u>    | <u>\$ 0.86</u>   | <u>\$ 0.75</u>    | <u>\$0.79</u>    |