

Financial Statement - Balance Sheet

Provided by: SPI Electronic Co., Ltd.

Unit-NT\$ thousand

Accounting Title	2006/03/31		2005/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Eq	651,645.00	10.57	855,926.00	13.99
	5,000.00	0.08	282,555.00	4.62
Notes Receivable	14,974.00	0.24	10,726.00	0.17
Accounts Receivable	2,353,417.00	38.17	2,124,107.00	34.73
Accounts Receivable – Related Parties	421,763.00	6.84	275,459.00	4.50
Other Receivables -Related Parties	30,829.00	0.50	18,560.00	0.30
other financial assets -current	26,641.00	0.43	34,782.00	0.56
Inventories	832,994.00	13.51	655,755.00	10.72
Other Current Assets	49,482.00	0.80	34,672.00	0.56
Current Assets	4,386,745.00	71.15	4,292,542.00	70.19
Funds and Investments				
equity method investments	1,401,519.00	22.73	1,447,748.00	23.67
Long – Term Investments	1,401,519.00	22.73	1,447,748.00	23.67
Funds and Long-Term Investments	1,401,519.00	22.73	1,447,748.00	23.67
Fixed Assets				
Cost				
Land	77,274.00	1.25	69,745.00	1.14
Buildings and Structures	227,215.00	3.68	219,113.00	3.58
Machinery and Equipment	121,313.00	1.96	108,232.00	1.76
Transportation Equipment	7,631.00	0.12	7,752.00	0.12
Other Facilities	67,972.00	1.10	64,603.00	1.05
Fixed Assets Cost	501,405.00	8.13	469,445.00	7.67
Accumulated Depreciation	-154,224.00	-2.50	-124,521.00	-2.03
construction in process and prepayment for equipments	7,514.00	0.12	165.00	0.00
Fixed Assets (Net)	354,695.00	5.75	345,089.00	5.64
Intangible Assets				
Other Assets				

Guarantee Deposits Paid	2,815.00	0.04	3,075.00	0.05
Deferred Charges	12,962.00	0.21	21,422.00	0.35
deferred tax assets -noncurrent	6,018.00	0.09	5,651.00	0.09
Other Assets	21,795.00	0.35	30,148.00	0.49
Assets	6,164,754.00	100.00	6,115,527.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-Term Borrowings	511,129.00	8.29	93,737.00	1.53
Notes Payable	11,080.00	0.17	4,328.00	0.07
Accounts Payable	2,589,711.00	42.00	2,725,136.00	44.56
Accounts Payable – Related Parties	27,978.00	0.45	75,067.00	1.22
Income Tax Payable	65,890.00	1.06	3,546.00	0.05
Accrued Expenses	92,462.00	1.49	109,150.00	1.78
Other Current Liabilities	28,808.00	0.46	29,234.00	0.47
Current Liabilities	3,327,058.00	53.96	3,040,198.00	49.71
Long term Liabilities				
Bonds Payable	168,792.00	2.73	964,390.00	15.76
	168,792.00	2.73	964,390.00	15.76
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	23,705.00	0.38	22,604.00	0.36
Other Liabilities	23,705.00	0.38	22,604.00	0.36
Liabilities	3,519,555.00	57.09	4,027,192.00	65.85
Stockholders' Equity				
Capital				
Common Stock	1,282,475.00	20.80	1,005,311.00	16.43
Capital Surplus				
Additional Paid-In Capital	346,016.00	5.61	318,676.00	5.21
Capital Surplus	346,016.00	5.61	318,676.00	5.21
Retained Earnings				
Legal Reserve	181,886.00	2.95	132,884.00	2.17
Special Reserve	69,866.00	1.13	5,042.00	0.08
Unappropriated Retained Earnings	776,240.00	12.59	874,385.00	14.29

Retained Earnings	1,027,992.00	16.67	1,012,311.00	16.55
Stockholders' Equity and Other adjustment				
Cumulative Translation Adjustments	-11,284.00	-0.18	-83,417.00	-1.36
	-11,284.00	-0.18	-83,417.00	-1.36
Treasury Stock	0.00	0.00	-164,546.00	-2.69
Stockholders' Equity	2,645,199.00	42.90	2,088,335.00	34.14
	0.00	0.00	3,000,000.00	49.05

Financial Statement - Income Statement

Provided by: SPI Electronic Co., Ltd.

Unit-NT\$ thousand

Accounting Title	2006/03/31		2005/03/31	
	Amount	%	Amount	%
Sales	2,482,707.00	100.92	2,098,504.00	100.85
Sales Returns	7,501.00	0.30	8,848.00	0.42
Sales Discounts and Allowances	15,183.00	0.61	8,940.00	0.42
Net Sales	2,460,023.00	100.00	2,080,716.00	100.00
Operating Revenue	2,460,023.00	100.00	2,080,716.00	100.00
Cost of Sales	2,169,501.00	88.19	1,852,820.00	89.04
Operating Costs	2,169,501.00	88.19	1,852,820.00	89.04
Gross Profit (Loss) from Operations	290,522.00	11.80	227,896.00	10.95
Unrealized Gain on Inter – Affiliate Accounts	4,064.00	0.16	0.00	0.00
Selling Expense	84,493.00	3.43	74,049.00	3.55
General and Administrative Expenses	54,943.00	2.23	36,183.00	1.73
Research and Development Expenses	51,734.00	2.10	47,132.00	2.26
Operating Expenses	191,170.00	7.77	157,364.00	7.56
Operating Income (Loss)	95,288.00	3.87	70,532.00	3.38
Non-Operating Income				
Interest Income	17,703.00	0.71	5,183.00	0.24
revenues from equity method investments	19,029.00	0.77	36,633.00	1.76
Investment Income	19,029.00	0.77	36,633.00	1.76
Gains on Sale of Fixed Assets	190.00	0.00	0.00	0.00
Gains on Sale of Investments	0.00	0.00	4,624.00	0.22

Gains on Exchange	1,695.00	0.06	0.00	0.00
Miscellaneous Income	7,684.00	0.31	5,527.00	0.26
nonoperating revenues and gains	46,301.00	1.88	51,967.00	2.49
Non-Operating Expenses				
Interest Expense	3,766.00	0.15	4,793.00	0.23
Losses on Exchange	0.00	0.00	9,928.00	0.47
Losses on Inventory Valuation Loss and Obsolescence	4,386.00	0.17	4,000.00	0.19
Miscellaneous Disbursements	2,800.00	0.11	261.00	0.01
nonoperating expenses and losses	10,952.00	0.44	18,982.00	0.91
Income from Continuing Operations before Income Tax	130,637.00	5.31	103,517.00	4.97
income tax expense(benefit)	10,781.00	0.43	7,504.00	0.36
Income from Continuing Operations	119,856.00	4.87	96,013.00	4.61
Net Income (Loss)	119,856.00	4.87	96,013.00	4.61
Primary Earnings per Share				
Earnings per Share of Common stock	0.95	0.00	0.77	0.00
Diluted earnings per share				
Full-diluted Earnings per Share	0.95	0.00	0.67	0.00

Statements of Cash Flows

Provided by: SPI Electronic Co., Ltd.

Unit-NT\$ thousand

SPI ELECTRONIC CO., LTD.		
Statements of Cash Flows		
For the third-month periods ended March 31, 2006 and 2005		
(expressed in thousands of New Taiwan dollars)		
	2006	2005
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Cash flows from operating activities:		
Net Income	\$ 119,856	96,013
Adjustments items:		
Depreciation	7,943	7,828
Amortization	4,034	3,235
Loss on obsolescence and decline in value of inventory	4,386	4,000
Increase in unrealized sales revenue- affiliate	4,064	-
Gain on long-term equity investments under equity method	(19,029)	(36,633)

Gain on disposal of investments	-	(4,624)
Gain on disposal of property, plant and equipment	(190)	-
Losses from redemption of bonds payable prior to maturity	2,495	-
Net change in foreign exchanges on bonds payable redeemed	(9,712)	-
Unrealized foreign exchange gain, net	(18,074)	(25,387)
Decrease(increase) in notes and accounts receivable		
(including accounts receivable- affiliate)	353,921	(28,790)
Decrease (increase) in other monetary assets- current	(90,549)	6,634
Decrease in inventories	368,555	14,431
Increase in other current assets	(25,439)	(17,119)
Decrease in deferred income tax assets, net	4,679	3,901
Increase (decrease) in notes and accounts payable		
(including accounts payable- affiliate)	(1,078,735)	92,553
Increase in income tax payable	5,891	3,546
Decreases in accrued expenses and other current liabilities	(42,512)	(39,560)
Increase(decrease) in accrued bond interest premium	(6,217)	4,106
Increases(decrease) in accrued pension liability	(84)	1,929
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Net cash provided by(used in) operating activities	(414,717)	86,063
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Cash flows from investing activities:

Decrease (increase) in financial asset held for trading	(5,000)	470,872
Decrease(increase) in other receivables from affiliates	92,673	(4,991)
Increase in long-term equity investments	(9,600)	(246,956)
Distribution of cash dividends from investees	75,044	-
Sales of property, plant and equipment	190	-
Purchases of property, plant and equipment	(20,126)	(1,725)
Decrease(increase) in other assets	(1,779)	261
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Net cash provided by(used in) investing activities	131,402	217,461
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Cash flows from financing activities:

Increase in short-term debt	474,023	26,508
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	(3,945)	-
Redemption on convertible bonds payable(including accrued bond interest premium)	(794,521)	-
Treasury stock sold to employees	96,001	-
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Net cash provided by(used in) financing activities	(228,442)	26,508
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Net increase (decrease) in cash and cash equivalents	(511,757)	330,032
Cash and cash equivalents at beginning of period	1,163,402	525,894
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Cash and cash equivalents at end of period	\$651,645	855,926
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Supplemental disclosures of cash flow information:		
Cash payment for interest	\$33,213	664
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Cash payment for income tax	\$211	57
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Investing and financing activities not affecting cash flows:		
Cumulative foreign currency translation adjustments in long-term equity investment	\$6,790	13,551
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$7,923	2,954
Add: Beginning balance of payables for property, plant and equipment	15,003	4,312
Less: Ending balance of payables for property, plant and equipment	(2,800)	(5,541)
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Cash paid	\$20,126	1,725
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Reconciliation for cash dividends, bonus to employees and remunerations to directors and supervisors:		
Total distribution	\$ -	-
add: Beginning balance of cash dividends payable	3,945	-
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Cash paid	\$3,945	-
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Reconciliation for cash dividends :		
Total cash dividends distribution	\$ -	-
add: Beginning balance of cash dividends receivable	75,044	-
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Cash Reconciliation	\$ 75,044	0
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