

Financial Statement - 2004/06/30 Balance Sheet

Unit : NT\$ thousand

Accounting Title	2004/06/30		2003/06/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	525,570	9.44	286,414	10.10
Short-Term Investments	1,242,452	22.32	34,770	1.22
Notes Receivable	12,166	0.21	13,848	0.48
Accounts Receivable	1,487,087	26.72	1,078,807	38.06
Accounts Receivable – Related Parties	205,927	3.70	300,230	10.59
Other Receivables-Related Parties	59,028	1.06	19,585	0.69
other financial assets-current	6,300	0.11	4,616	0.16
Inventories	533,453	9.58	440,311	15.53
Other Current Assets	46,999	0.84	9,010	0.31
Current Assets	4,118,982	74.01	2,187,591	77.18
Funds and Long-Term Investments				
Long –Term Investments in Stocks	1,048,651	18.84	281,134	9.91
Long – Term Investments	1,048,651	18.84	281,134	9.91
Fixed Assets				
Cost				
Land	69,745	1.25	69,745	2.46
Buildings and Structures	218,799	3.93	218,799	7.72

Machinery and Equipment	102,938	1.84	60,405	2.13
Transportation Equipment	7,752	0.13	7,752	0.27
Other Facilities	62,189	1.11	48,710	1.71
Fixed Assets Cost	461,423	8.29	405,411	14.30
Accumulated Depreciation	-99,127	-1.78	-68,687	-2.42
construction in process and prepayment for equipments	306	0.00	3,353	0.11
Fixed Assets (Net)	362,602	6.51	340,077	11.99
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	3,697	0.06	1,397	0.04
Deferred Charges	26,958	0.48	20,667	0.72
deferred tax assets-noncurrent	4,516	0.08	3,189	0.11
Other Assets	35,171	0.63	25,253	0.89
Assets	5,565,406	100.00	2,834,055	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	74,427	1.33	102,191	3.60
Notes Payable	9,111	0.16	21,572	0.76
Accounts Payable	2,176,897	39.11	1,137,831	40.14
Accounts Payable – Related Parties	50,939	0.91	35,306	1.24
Income Tax Payable	24,349	0.43	51,436	1.81
Accrued Expenses	84,355	1.51	59,977	2.11

Other Current Liabilities	243,329	4.37	11,487	0.40
Current Liabilities	2,663,407	47.85	1,419,800	50.09
Long-Term Liabilities				
Bonds Payable	1,017,772	18.28	0	0.00
noncurrent interest-bearing liabilities	1,017,772	18.28	0	0.00
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	18,064	0.32	12,969	0.45
Other Liabilities	18,064	0.32	12,969	0.45
Liabilities	3,699,243	66.46	1,432,769	50.55
Stockholders' Equity				
Common Stock	861,140	15.47	797,230	28.13
Stock Dividend to be Distributed	144,171	2.59	0	0.00
Capital Surplus				
Additional Paid-In Capital	318,676	5.72	88,600	3.12
Capital Surplus	318,676	5.72	88,600	3.12
Retained Earnings				
Legal Reserve	132,884	2.38	88,621	3.12
Special Reserve	5,042	0.09	0	0.00
Unappropriated Retained Earnings	542,605	9.74	424,492	14.97
Retained Earnings	680,531	12.22	513,113	18.10
Cumulative Translation Adjustments	-5,772	-0.10	2,343	0.08

Treasury Stock	-132,583	-2.38	0	0.00
Stockholders' Equity	1,866,163	33.53	1,401,286	49.44

Financial Statement - 2004/Q2 Income Statement

Unit : NT\$ thousand

Accounting Title	2004/01/01 ~ 2004/06/30		2003/01/01 ~ 2003/06/30	
	Amount	%	Amount	%
Sales	3,729,756.00	100.68	2,640,426.00	100.93
Sales Returns	7,714.00	0.20	13,429.00	0.51
Sales Discounts and Allowances	17,505.00	0.47	11,096.00	0.42
Sales	3,704,537.00	100.00	2,615,901.00	100.00
Operating Income	3,704,537.00	100.00	2,615,901.00	100.00
Cost of Sales	3,241,893.00	87.51	2,205,835.00	84.32
Operating Costs	3,241,893.00	87.51	2,205,835.00	84.32
Gross Profit (Loss) from Operations	462,644.00	12.48	410,066.00	15.67
Selling Expense	145,986.00	3.94	104,415.00	3.99
General and Administrative Expenses	64,007.00	1.72	57,113.00	2.18
Research and Development Expenses	93,159.00	2.51	65,498.00	2.50
Operating Expenses	303,152.00	8.18	227,026.00	8.67
Operating Income (Loss)	159,492.00	4.30	183,040.00	6.99
Non-Operating Income				
Interest Income	10,710.00	0.28	6,375.00	0.24
Investment Income	84,384.00	2.27	19,288.00	0.73

Gains on Sale of Investments	3,717.00	0.10	0.00	0.00
Gains on Physical Inventory	0.00	0.00	1.00	0.00
Gains on Exchange	4,706.00	0.12	0.00	0.00
Gains on Inventory Value Recoveries	0.00	0.00	7,000.00	0.26
Miscellaneous Income	12,089.00	0.32	13,161.00	0.50
nonoperating revenues and gains	115,606.00	3.12	45,825.00	1.75
Non-Operating Expenses				
Interest Expense	6,131.00	0.16	1,411.00	0.05
other investments losses	149.00	0.00	0.00	0.00
Investment Losses	149.00	0.00	0.00	0.00
Losses on Exchange	0.00	0.00	8,482.00	0.32
Miscellaneous Disbursements	306.00	0.00	0.00	0.00
nonoperating expenses and losses	6,586.00	0.17	9,893.00	0.37
Income from Continuing Operations before Income Tax	268,512.00	7.24	218,972.00	8.37
income tax expense(benefit)	14,262.00	0.38	52,348.00	2.00
Income from Continuing Operations	254,250.00	6.86	166,624.00	6.36
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	254,250.00	6.86	166,624.00	6.36
Primary Earnings per Share				
Earnings per Share of Common stock	2.54	0.00	1.79	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	2.31	0.00	0.00	0.00
Simple Earnings per Share				

Statements of Changes in Stockholders' Equity
 For the Six-month Periods Ended June 30, 2004 and 2003
 (Expressed in thousands of New Taiwan dollars)

Item	Retained earnings							Foreign currency	
	Common Stock	to be distributed	Stock dividend Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	translation adjustment	Treasury stock	Total
Balance on January 1, 2003	\$ 700,000	-	88,600	53,055	-	509,726	3,604	-	1,354,985
Appropriation of 2002 net income:									
Legal Reserve	-	-	-	35,566	-	(35,566)	-	-	-
Cash dividends	-	-	-	-	-	(105,000)	-	-	(105,000)
Remuneration to directors and supervisors	-	-	-	-	-	(2,163)	-	-	(2,163)
Employee bonuses	-	-	-	-	-	(11,899)	-	-	(11,899)
Increase in capital by distributing stock to employees	9,730	-	-	-	-	(9,730)	-	-	-
Increase in capital by distributing stock dividends to stockholders	87,500	-	-	-	-	(87,500)	-	-	-
Net income for the six-month periods ended June 30, 2003	-	-	-	-	-	166,624	-	-	166,624
Foreign currency translation adjustment	-	-	-	-	-	-	(1,261)	-	(1,261)
Balance on June 30, 2003	\$ 797,230	-	88,600	88,621	-	424,492	2,343	-	1,401,286

Balance on January 1,2004	\$ 861,140	-	318,676	88,621	-	700,499	(5,042)	-	1,963,894
Appropriation of 2003 net income:									
Legal Reserve	-	-	-	44,263	-	(44,263)	-	-	-
Special reserve	-	-	-	-	5,042	(5,042)	-	-	-
Cash dividends	-	-	-	-	-	(193,756)	-	-	(193,756)
Remuneration to directors and supervisors	-	-	-	-	-	(3,628)	-	-	(3,628)
Employee bonuses	-	-	-	-	-	(21,284)	-	-	(21,284)
Increase in capital by distributing stock to employees	-	15,000	-	-	-	(15,000)	-	-	-
Increase in capital by distributing stock dividends to stockholders	-	129,171	-	-	-	(129,171)	-	-	-
Net income for the six-month periods ended									
June 30, 2004	-	-	-	-	-	254,250	-	-	254,250
Treasury stock	-	-	-	-	-	-	-	(132,583)	(132,583)
Foreign currency translation adjustment	-	-	-	-	-	-	(730)	-	(730)

Balance on June 30, 2004	\$ 861,140	144,171	318,676	132,884	5,042	542,605	(5,772)	(132,583)	1,866,163
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Statements of Cash Flows
For the Six-month Periods Ended June 30, 2004 and 2003
(Expressed in thousands of New Taiwan dollars)

Item	2004	2003

Cash flows from operating activities:		
Net income	\$ 254,250	166,624
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	17,190	12,515
Amortization	6,749	3,124
Allowance for inventory valuation and obsolescence loss	-	(7,000)
Gain on long-term equity investments under equity method	(84,384)	(19,288)
Gain on disposal of short-term investments, net	(3,717)	-
Provision for loss on short-term investments	149	-
Unrealized foreign exchange loss, net	6,280	2,748
Decrease (increase) in notes receivable and accounts receivable (including accounts receivable -related parties)	210,289	(4,796)
Decrease in inventories	247,239	15,634
Decrease in other monetary assets	414	20,494
Decrease (increase) in other current assets	(39,644)	654
Decrease in deferred income tax assets	1,061	156
Increase (decrease) in notes payable and accounts payable (including accounts payable-related parties)	(406,357)	101,523

Increase (decrease) in income tax payable	1,634	(16,678)
Decrease in accrued expenses and other current liabilities	(45,364)	(34,843)
Increase in pension liabilities	3,411	2,356
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Cash provided by operating activities	169,200	243,223
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Cash flows from investing activities:		
Acquisition of short-term investments	(1,368,761)	(34,770)
Decrease(increase) in other accounts receivable -related parties	(3,812)	7,925
Acquisition of long-term equity investments	(273,175)	(69,540)
Sale of short-term investments	921,663	-
Additions to property, plant and equipment	(34,983)	(10,057)
Increase in refundable deposits	(2,330)	-
Increase in other assets	(7,132)	(12,384)
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Cash used in investing activities	(768,530)	(118,826)
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Cash flows from financing activities:		
Increase (decrease) in short-term loans	(64,838)	89,997
Decrease in long-term loans	-	(105,000)
Cash dividends paid	-	(105,000)
Distribution of employees' bonuses and directors' remuneration	(9,750)	(12,883)
Increase in bonds payable	997,560	-
Increase in treasury stock	(132,583)	-
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Cash provided by (used in) financing activities	790,389	(132,886)
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Net increase (decrease) in cash and cash equivalents	191,059	(8,489)
Cash and cash equivalents at beginning of year	334,511	249,903

Cash and cash equivalents at end of year	\$ 525,570	286,414
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Supplemental disclosures of cash flow information:		
Cash payment of interest	\$ 1,136	1,469
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Cash payment of income tax	\$ 11,567	68,871
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Investing and financing activities not affecting cash flows:		
Cumulative foreign currency translation adjustments in long-term investments	\$ (730)	1,261
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$ 11,563	8,758
Add: Payables for property, plant and equipment at beginning of year	42,248	5,629
Less: Payables for property, plant and equipment at end of year	(18,828)	(4,330)
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Cash paid	\$ 34,983	10,057
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Reconciliation for cash dividends, employees bonus and remunerations to directors and supervisors:		
Total distribution	\$ 24,912	14,062
Add: beginning balance of employees' bonuses and directors' remuneration	-	1,123

Less: ending balance of employees' bonuses and directors' remuneration

(15,162)

(2,302)

\$ 9,750

12,883
