

Financial Statement - 2005/06/30 Balance Sheet

Unit : NT\$ thousand

Accounting Title	2005/06/30		2004/06/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	782,847	12.38	525,570	9.44
Short-Term Investments	125,808	1.99	1,242,452	22.32
Notes Receivable	18,326	0.29	12,166	0.21
Accounts Receivable	2,253,552	35.66	1,487,087	26.72
Accounts Receivable – Related Parties	363,053	5.74	205,927	3.70
Other Receivables-Related Parties	98,621	1.56	59,028	1.06
other financial assets-current	33,970	0.53	6,300	0.11
Inventories	805,416	12.74	533,453	9.58
Other Current Assets	16,227	0.25	46,999	0.84
Current Assets	4,497,820	71.17	4,118,982	74.01
Funds and Long-Term Investments				

Long –Term Investments in Stocks	1,454,147	23.01	1,048,651	18.84
Long – Term Investments	1,454,147	23.01	1,048,651	18.84
Funds and Long-Term Investments	1,454,147	23.01	1,048,651	18.84
Fixed Assets				
Cost				
Land	69,745	1.10	69,745	1.25
Buildings and Structures	219,113	3.46	218,799	3.93
Machinery and Equipment	109,306	1.72	102,938	1.84
Transportation Equipment	7,752	0.12	7,752	0.13
Other Facilities	65,674	1.03	62,189	1.11
Fixed Assets Cost	471,590	7.46	461,423	8.29
Accumulated Depreciation	-132,126	-2.09	-99,127	-1.78
construction in process and prepayment for equipments	410	0.00	306	0.00
Fixed Assets (Net)	339,874	5.37	362,602	6.51
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	3,081	0.04	3,697	0.06
Deferred Charges	18,048	0.28	26,958	0.48

deferred tax assets-noncurrent	6,118	0.09	4,516	0.08
Other Assets	27,247	0.43	35,171	0.63
Assets	6,319,088	100.00	5,565,406	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	215,462	3.40	74,427	1.33
Notes Payable	6,385	0.10	9,111	0.16
Accounts Payable	2,652,390	41.97	2,176,897	39.11
Accounts Payable – Related Parties	72,256	1.14	50,939	0.91
Income Tax Payable	23,560	0.37	24,349	0.43
Accrued Expenses	154,187	2.44	84,355	1.51
Other Current Liabilities	132,391	2.09	243,329	4.37
Current Liabilities	3,256,631	51.53	2,663,407	47.85
Long-Term Liabilities				
Bonds Payable	969,095	15.33	1,017,772	18.28
noncurrent interest-bearing liabilities	969,095	15.33	1,017,772	18.28
Reserves				

Other Liabilities				
Pension Reserve / Accrued Pension Liability	24,474	0.38	18,064	0.32
Other Liabilities	24,474	0.38	18,064	0.32
Liabilities	4,250,200	67.25	3,699,243	66.46
Stockholders' Equity				
Common Stock	1,005,311	15.90	861,140	15.47
Stock Dividend to be Distributed	267,928	4.23	144,171	2.59
Capital Surplus				
Additional Paid-In Capital	318,676	5.04	318,676	5.72
Capital Surplus	318,676	5.04	318,676	5.72
Retained Earnings				
Legal Reserve	181,886	2.87	132,884	2.38
Special Reserve	69,866	1.10	5,042	0.09
Unappropriated Retained Earnings	471,072	7.45	542,605	9.74
Retained Earnings	722,824	11.43	680,531	12.22
Cumulative Translation Adjustments	-81,305	-1.28	-5,772	-0.10
	-81,305	-1.28	-5,772	-0.10

Treasury Stock	-164,546	-2.60	-132,583	-2.38
Stockholders' Equity	2,068,888	32.74	1,866,163	33.53

Financial Statement - 2005/Q2 Income Statement

Unit : NT\$ thousand

Accounting Title	2005/01/01~2005/06/30		2004/01/01~2004/06/30	
	Amount	%	Amount	%
Sales	4,263,221.00	100.90	3,729,756.00	100.68
Sales Returns	19,840.00	0.46	7,714.00	0.20
Sales Discounts and Allowances	18,250.00	0.43	17,505.00	0.47
Net Sales	4,225,131.00	100.00	3,704,537.00	100.00
Operating Revenue	4,225,131.00	100.00	3,704,537.00	100.00
Cost of Sales	3,733,941.00	88.37	3,241,893.00	87.51
Operating Costs	3,733,941.00	88.37	3,241,893.00	87.51
Gross Profit (Loss) from Operations	491,190.00	11.62	462,644.00	12.48
Selling Expense	151,161.00	3.57	145,986.00	3.94
General and Administrative Expenses	76,787.00	1.81	64,007.00	1.72
Research and Development Expenses	96,544.00	2.28	93,159.00	2.51

Operating Expenses	324,492.00	7.68	303,152.00	8.18
Operating Income (Loss)	166,698.00	3.94	159,492.00	4.30
Non-Operating Income				
Interest Income	14,768.00	0.34	10,710.00	0.28
revenues from equity method investments	40,920.00	0.96	84,384.00	2.27
Investment Income	40,920.00	0.96	84,384.00	2.27
Gains on Sale of Investments	12,762.00	0.30	3,717.00	0.10
Gains on Exchange	0.00	0.00	4,706.00	0.12
Miscellaneous Income	13,535.00	0.32	12,089.00	0.32
nonoperating revenues and gains	81,985.00	1.94	115,606.00	3.12
Non-Operating Expenses				
Interest Expense	10,426.00	0.24	6,131.00	0.16
other investments losses	0.00	0.00	149.00	0.00
Investment Losses	0.00	0.00	149.00	0.00
Losses on Physical Inventory	9.00	0.00	0.00	0.00
Losses on Exchange	5,193.00	0.12	0.00	0.00
Losses on Inventory Valuation Loss and Obsolescence	4,000.00	0.09	0.00	0.00
Miscellaneous Disbursements	522.00	0.01	306.00	0.00

nonoperating expenses and losses	20,150.00	0.47	6,586.00	0.17
Income from Continuing Operations before Income Tax	228,533.00	5.40	268,512.00	7.24
income tax expense(benefit)	27,499.00	0.65	14,262.00	0.38
Income from Continuing Operations	201,034.00	4.75	254,250.00	6.86
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	201,034.00	4.75	254,250.00	6.86
Primary Earnings per Share				
Earnings per Share of Common stock	1.62	0.00	1.99	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	1.40	0.00	1.78	0.00
Simple Earnings per Share				

Financial Statement - 2005/Q2 Statements of Changes in Stockholders' Equity

Statements of Changes in Stockholders' Equity
For the six-month periods ended June 30, 2005 and 2004
(Expressed in thousands of New Taiwan dollars)

Item	Retained earnings								Total
	Stock dividend		Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Foreign currency translation adjustment	Treasury stock	
	Common Stock	to be distributed							
Balance on January 1, 2004	\$ 861,140	-	318,676	88,621	-	700,499	(5,042)	-	1,963,894
Appropriation of retained earnings:									
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 period ended									
June 30, 2004	-	-	-	-	-	254,250	-	-	254,250
Treasury stock	-	-	-	-	-	-	-	(132,583)	(132,583)
Foreign currency translation adjustment	-	-	-	-	-	-	(730)	-	(730)

Statements of Cash Flows

For the six-month periods ended June 30, 2005 and 2004

(Expressed in thousands of New Taiwan dollars)

Item	2005	2004
Cash flows from operating activities:		
Net Income	\$ 201,034	254,250
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,448	17,190
Amortization	6,998	7,055
Gain on disposal of short-term investments	(12,762)	(3,717)
Unrealized devaluations loss on short-term investments	-	149
Allowance for inventory valuation and obsolescence loss	4,000	-
Gain on long-term equity investments under equity method	(40,920)	(84,384)
Unrealized foreign exchange losses, net	878	6,280

Decrease (increase) in notes and accounts receivable (including accounts receivable—affiliate)	(223,536)	210,289
Decreases in other monetary assets—current	7,484	414
Decrease (increase) in inventories	(135,230)	247,239
Decrease (increase) in other current assets	954	(39,644)
Decreases in deferred income tax assets, net	3,806	1,061
Decreases in notes and accounts payable (including accounts payable—affiliate)	(41,425)	(406,357)
Increases in income tax payable	23,560	1,634
Decreases in accrued expenses and other current liabilities	(3,214)	(45,364)
Increases in accrued pension liability	3,799	3,411
Increase in accrued bond interest premium	8,211	-
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Net cash provided by (used in) operating activities	(180,915)	169,506
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Cash flows from investing activities:		
Decrease (increase) in short-term investments	642,665	(447,098)
Increases in other receivables from affiliates	(85,052)	(3,812)
Increases in long-term equity investments	(246,956)	(273,175)
Purchases of property, plant and equipment	(5,117)	(34,983)
Increases in refundable deposits	(6)	(2,330)
Increases in other assets	(128)	(7,438)

Net cash provided by (used in) investing activities	305,406	(768,836)
Cash flows from financing activities:		
Increase (decrease) in short-term debt	147,770	(64,838)
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	(15,308)	(9,750)
Increase in convertible bonds payable	-	997,560
Treasury stock	-	(132,583)
Net cash provided by financing activities	132,462	790,389
Net increases in cash and cash equivalents	256,953	191,059
Cash and cash equivalents at beginning of period	525,894	334,511
Cash and cash equivalents at end of period	\$ 782,847	525,570
Supplemental disclosures of cash flow information:		
Interest	\$ 2,062	1,136
Income tax	\$ 133	11,567

Investing and financing activities not affecting cash flows:

Cumulative foreign currency translation adjustments in
long-term equity investment

\$	(11,439)	(730)
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Cash paid for purchase of property, plant and equipment:

Purchase of property, plant and equipment
Add: Beginning balance of payables for property, plant and equipment
Less: Ending balance of payables for property, plant and equipment

\$	5,359	11,563
	4,312	42,248
	(4,554)	(18,828)
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Cash paid

\$	5,117	34,983
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Reconciliation for cash dividends, bonus to employees and
remunerations to directors and supervisors:

Total distribution
Less: Ending balance of bonus to employees payable and
remuneration to directors and supervisors payable
Ending balance of cash dividends payable

\$	126,580	218,668
	(3,988)	(15,162)
	(107,284)	(193,756)
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Cash paid

\$	15,308	9,750
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