

Financial Statement - Balance Sheet

Accounting Title	2005/12/31		2004/12/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	1,163,402	15.61	525,894	8.76
Short-Term Investments	0	0.00	761,446	12.69
Notes Receivable	11,928	0.16	12,188	0.20
Accounts Receivable	2,772,286	37.21	2,061,792	34.36
Accounts Receivable – Related Parties	371,980	4.99	325,825	5.43
Other Receivables -Related Parties	123,502	1.65	13,569	0.22
other financial assets -current	11,136	0.14	41,454	0.69
Inventories	1,205,935	16.18	674,186	11.23
Other Current Assets	28,793	0.38	21,936	0.36
Current Assets	5,688,962	76.36	4,438,290	73.98
Funds and Long-Term Investments				
Long –Term Investments in Stocks	1,379,680	18.51	1,177,710	19.63
Long – Term Investments	1,379,680	18.51	1,177,710	19.63
Funds and Long-Term Investments	1,379,680	18.51	1,177,710	19.63
Fixed Assets				
Cost				
Land	77,274	1.03	69,745	1.16
Buildings and Structures	227,018	3.04	218,799	3.64

Machinery and Equipment	119,409	1.60	106,762	1.77
Transportation Equipment	8,652	0.11	7,752	0.12
Other Facilities	67,022	0.89	63,433	1.05
Fixed Assets Cost	499,375	6.70	466,491	7.77
Accumulated Depreciation	-147,305	-1.97	-116,693	-1.94
construction in process and prepayment for equipments	2,645	0.03	165	0.00
Fixed Assets (Net)	354,715	4.76	349,963	5.83
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	2,815	0.03	3,075	0.05
Deferred Charges	17,712	0.23	24,918	0.41
deferred tax assets -noncurrent	5,947	0.07	5,169	0.08
Other Assets	26,474	0.35	33,162	0.55
Assets	7,449,831	100.00	5,999,125	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	37,927	0.50	67,589	1.12
Notes Payable	7,909	0.10	6,998	0.11
Accounts Payable	3,644,854	48.92	2,681,278	44.69
Accounts Payable – Related Parties	85,967	1.15	74,281	1.23
Income Tax Payable	59,999	0.80	0	0.00
Accrued Expenses	134,425	1.80	129,382	2.15

Long-Term Liabilities – Current Portion	801,461	10.75	0	0.00
Other Current Liabilities	40,868	0.54	49,135	0.81
Current Liabilities	4,813,410	64.61	3,008,663	50.15
Long-Term Liabilities				
Bonds Payable	213,046	2.85	963,884	16.06
noncurrent interest-bearing liabilities	213,046	2.85	963,884	16.06
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	23,789	0.31	20,675	0.34
Guarantee Deposits Received	30	0.00	30	0.00
Other Liabilities	23,819	0.31	20,705	0.34
Liabilities	5,050,275	67.79	3,993,252	66.56
Stockholders' Equity				
Common Stock	1,273,239	17.09	1,005,311	16.75
Capital Surplus				
Additional Paid-In Capital	318,676	4.27	318,676	5.31
Capital Surplus	318,676	4.27	318,676	5.31
Retained Earnings				
Legal Reserve	181,886	2.44	132,884	2.21
Special Reserve	69,866	0.93	5,042	0.08
Unappropriated Retained Earnings	724,929	9.73	778,372	12.97
Retained Earnings	976,681	13.11	916,298	15.27

Cumulative Translation Adjustments	-4,494	-0.06	-69,866	-1.16
	-4,494	-0.06	-69,866	-1.16
Treasury Stock	-164,546	-2.20	-164,546	-2.74
Stockholders' Equity	2,399,556	32.20	2,005,873	33.43

Financial Statement - Income Statement

Accounting Title	2005/12/31		2004/12/31	
	Amount	%	Amount	%
Sales	9,633,453.00	100.91	8,037,779.00	100.82
Sales Returns	34,589.00	0.36	24,482.00	0.30
Sales Discounts and Allowances	53,221.00	0.55	41,376.00	0.51
Net Sales	9,545,643.00	100.00	7,971,921.00	100.00
Operating Revenue	9,545,643.00	100.00	7,971,921.00	100.00
Cost of Sales	8,378,206.00	87.76	7,039,107.00	88.29
Operating Costs	8,378,206.00	87.76	7,039,107.00	88.29
Gross Profit (Loss) from Operations	1,167,437.00	12.23	932,814.00	11.70
Selling Expense	333,159.00	3.49	334,324.00	4.19
General and Administrative Expenses	186,856.00	1.95	147,155.00	1.84
Research and Development Expenses	203,779.00	2.13	190,731.00	2.39
Operating Expenses	723,794.00	7.58	672,210.00	8.43
Operating Income (Loss)	443,643.00	4.64	260,604.00	3.26
Non-Operating Income				

Interest Income	41,032.00	0.42	31,722.00	0.39
revenues from equity method investments	105,664.00	1.10	203,144.00	2.54
Investment Income	105,664.00	1.10	203,144.00	2.54
Gains on Sale of Investments	12,106.00	0.12	6,919.00	0.08
Gains on Exchange	0.00	0.00	8,471.00	0.10
Miscellaneous Income	28,234.00	0.29	34,987.00	0.43
nonoperating revenues and gains	187,036.00	1.95	285,243.00	3.57
Non-Operating Expenses				
Interest Expense	21,867.00	0.22	15,170.00	0.19
Losses on Physical Inventory	29.00	0.00	58.00	0.00
Losses on Exchange	39,345.00	0.41	0.00	0.00
Losses on Inventory Valuation Loss and Obsolescence	25,039.00	0.26	15,593.00	0.19
Miscellaneous Disbursements	1,043.00	0.01	2,279.00	0.02
nonoperating expenses and losses	87,323.00	0.91	33,100.00	0.41
Income from Continuing Operations before Income Tax	543,356.00	5.69	512,747.00	6.43
income tax expense(benefit)	88,465.00	0.92	22,730.00	0.28
Income from Continuing Operations	454,891.00	4.76	490,017.00	6.14
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	454,891.00	4.76	490,017.00	6.14
Primary Earnings per Share				
Earnings per Share of Common stock	3.66	0.00	3.91	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	3.16	0.00	3.43	0.00

Statements of Changes in Stockholders' Equity

Statement of Changes in Stockholders' Equity
 For the year ended December 31, 2005 and 2004
 (expressed in thousands of New Taiwan dollars)

	Retained earnings							
	Common Stock	Capital surplus	Legal reserves	Special reserves	Unappropriated earnings	Cumulative foreign currency translation adjustments	Treasury stock	Total
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Balance as of 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)
Bonus to employees					(21,284)			(21,284)
Increase in capital by distributing stock to employees	15,000				(15,000)			

Statements of Cash Flows

For the year periods ended December 31, 2005 and 2004

(expressed in thousands of New Taiwan dollars)

	2005	2004
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Cash flows from operating activities:		
Net Income	\$ 454,891	490,017
Adjustments items:		
Depreciation	30,627	34,801
Amortization	14,596	12,370
Loss on obsolescence and decline in value of inventory	25,039	15,593
Gain on long-term equity investments under equity method	(105,664)	(203,144)
Gain on disposal of short-term investments	(12,106)	(6,919)
Transferal of property, plant and equipments to other expenses	-	347
Unrealized foreign exchange losses(gains), net	53,184	(31,873)
Increases in notes and accounts receivable (including accounts receivable affiliate)	(786,752)	(621,443)
Decreases(increase) in other monetary assets current	30,318	(34,786)
Decrease (increase) in inventories	(556,788)	(90,913)
Decrease (increase) in other current assets	11,397	(11,701)
Increase in deferred income tax assets, net	(19,032)	(2,473)
Increases in notes and accounts payable (including accounts payable affiliate)	989,888	282,575

Increase(decrease) in income tax payable	59,999	(22,715)
Increase(decreases) in accrued expenses and other current liabilities	(17,350)	12,480
Increase in accrued bond interest premium	16,423	13,184
Increases in accrued pension liability	3,114	6,022
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Net cash provided by operating activities	191,784	23,248
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Cash flows from investing activities:		
Decrease (increase) in short-term investments	770,285	(5,480)
Decrease (increase) in other receivables from affiliates	(34,889)	41,647
Increase in long-term equity investments	(303,277)	(347,568)
Distribution of cash dividends from investees	197,299	-
Purchases of property, plant and equipment	(24,688)	(54,470)
Decrease(increase) in refundable deposits	260	(1,708)
Increases in other assets	(7,390)	(10,713)
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Net cash provided by (used in) investing activities	597,600	(378,292)
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Cash flows from financing activities:		
Decrease in short-term debt	(29,241)	(67,949)
Increase in refundable deposits	-	30
Distribution of cash dividends, bonus to employees and		
Remuneration to directors and supervisors	(122,635)	(218,668)
Increase in convertible bonds payable	-	997,560
Purchase of treasury stock	-	(164,546)
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Net cash provided by (used in) financing activities	(151,876)	546,427
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Net increase in cash and cash equivalents	637,508	191,383
Cash and cash equivalents at beginning of period	525,894	334,511

Cash and cash equivalents at end of period	\$ 1,163,402	525,894
Supplemental disclosures of cash flow information:		
Cash payment for interest	\$ 5,451	1,936
Cash payment for income tax	\$ 39,784	60,388
Investing and financing activities not affecting cash flows:		
Current portion of long-term debts	\$ 801,461	-
Cumulative foreign currency translation adjustments in long-term equity investment	\$ 65,372	64,824
Cash paid for purchase of property, plant and equipment:		
Increase of property, plant and equipment	\$ 35,379	16,534
Add: Beginning balance of payables for property, plant and equipment	4,312	42,248
Less: Ending balance of Payables for property, plant and equipment	(15,003)	(4,312)
Cash paid	\$ 24,688	54,470
Reconciliation for cash dividends, bonus to employees and remunerations to directors and supervisors:		
Total distribution	\$ 126,580	218,668
Less: Ending balance of cash dividends payable	(3,945)	-
Cash paid	\$ 122,635	218,668
Reconciliation for cash dividends :		
Total cash dividends distribution	\$ 272,343	-

Less: Ending balance of cash dividends receivable

(75,044)

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Cash paid

\$ 197,299

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