

**Financial Statement - 2005/06/30 Consolidated Balance Sheet**

Unit : NT\$ thousand

Accounting Title	2005/06/30		2004/06/30	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	1,391,326	19.96	0	0.00
Short-Term Investments	125,808	1.80	0	0.00
Notes Receivable	49,530	0.71	0	0.00
Accounts Receivable	2,708,136	38.86	0	0.00
Accounts Receivable – Related Parties	335,849	4.81	0	0.00
other financial assets-current	41,880	0.60	0	0.00
Inventories	992,965	14.25	0	0.00
Other Current Assets	45,438	0.65	0	0.00
Current Assets	5,690,932	81.67	0	0.00
<b>Funds and Long-Term Investments</b>				
Long –Term Investments in Stocks	16,046	0.23	0	0.00

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Fixed Assets				
Cost				
Land	87,372	1.25	0	0.00
Buildings and Structures	394,532	5.66	0	0.00
Machinery and Equipment	541,251	7.76	0	0.00
Transportation Equipment	20,928	0.30	0	0.00
Leasehold Improvements	42,727	0.61	0	0.00
Other Facilities	146,259	2.09	0	0.00
Fixed Assets Cost	1,233,069	17.69	0	0.00
Accumulated Depreciation	-341,778	-4.90	0	0.00
construction in process and prepayment for equipments	166,537	2.38	0	0.00
Fixed Assets (Net)	1,057,828	15.18	0	0.00
Intangible Assets				
Goodwill	113,734	1.63	0	0.00
Deferred Pension Cost	4,128	0.05	0	0.00
Other Intangible Assets	37,764	0.54	0	0.00

Intangible Assets	155,626	2.23	0	0.00
Other Assets				
Guarantee Deposits Paid	5,362	0.07	0	0.00
Deferred Charges	36,212	0.51	0	0.00
deferred tax assets-noncurrent	6,118	0.08	0	0.00
Other Assets	47,692	0.68	0	0.00
Assets	6,968,124	100.00	0	0.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	215,462	3.09	0	0.00
Short-Term Notes and Bills Payable	15,000	0.21	0	0.00
Notes Payable	18,273	0.26	0	0.00
Accounts Payable	3,090,097	44.34	0	0.00
Income Tax Payable	31,754	0.45	0	0.00
Accrued Expenses	227,710	3.26	0	0.00
Long-Term Liabilities – Current Portion	1,569	0.02	0	0.00
Other Current Liabilities	153,428	2.20	0	0.00

Current Liabilities	3,753,293	53.86	0	0.00
Long-Term Liabilities				
Bonds Payable	969,095	13.90	0	0.00
Long-Term Borrowings	25,224	0.36	0	0.00
noncurrent interest-bearing liabilities	994,319	14.26	0	0.00
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	29,478	0.42	0	0.00
Deferred Income Tax	1,490	0.02	0	0.00
Other Liabilities – Other	7,307	0.10	0	0.00
Other Liabilities	38,275	0.54	0	0.00
Liabilities	4,785,887	68.68	0	0.00
Stockholders' Equity				
Common Stock	1,005,311	14.42	0	0.00
Stock Dividend to be Distributed	267,928	3.84	0	0.00
Capital Surplus				
Additional Paid-In Capital	318,676	4.57	0	0.00

Capital Surplus	318,676	4.57	0	0.00
Retained Earnings				
Legal Reserve	181,886	2.61	0	0.00
Special Reserve	69,866	1.00	0	0.00
Unappropriated Retained Earnings	471,072	6.76	0	0.00
Retained Earnings	722,824	10.37	0	0.00
Cumulative Translation Adjustments	-81,305	-1.16	0	0.00
	-81,305	-1.16	0	0.00
Treasury Stock	-164,546	-2.36	0	0.00
Minority Interest	113,349	1.62	0	0.00
Stockholders' Equity	2,182,237	31.31	0	0.00

### Financial Statement - 2005/Q2 Consolidated Income Statement

Unit : NT\$ thousand

Accounting Title	2005/01/01 ~ 2005/06/30		2004/01/01 ~ 2004/06/30	
	Amount	%	Amount	%
Sales	4,940,781.00	100.96	0.00	0.00
Sales Returns	29,000.00	0.59	0.00	0.00

Sales Discounts and Allowances	18,250.00	0.37	0.00	0.00
Net Sales	4,893,531.00	100.00	0.00	0.00
Operating Revenue	4,893,531.00	100.00	0.00	0.00
Cost of Sales	4,245,089.00	86.74	0.00	0.00
Operating Costs	4,245,089.00	86.74	0.00	0.00
Gross Profit (Loss) from Operations	648,442.00	13.25	0.00	0.00
Selling Expense	152,267.00	3.11	0.00	0.00
General and Administrative Expenses	174,344.00	3.56	0.00	0.00
Research and Development Expenses	111,348.00	2.27	0.00	0.00
Operating Expenses	437,959.00	8.94	0.00	0.00
Operating Income (Loss)	210,483.00	4.30	0.00	0.00
Non-Operating Income				
Interest Income	17,648.00	0.36	0.00	0.00
Investment Income	236.00	0.00	0.00	0.00
Gains on Sale of Fixed Assets	14.00	0.00	0.00	0.00
Gains on Sale of Investments	12,762.00	0.26	0.00	0.00
Gains on Bad Debt Recoveries	599.00	0.01	0.00	0.00
Miscellaneous Income	26,723.00	0.54	0.00	0.00

nonoperating revenues and gains	57,982.00	1.18	0.00	0.00
<b>Non-Operating Expenses</b>				
Interest Expense	10,917.00	0.22	0.00	0.00
Losses on Physical Inventory	9.00	0.00	0.00	0.00
Losses on Exchange	5,743.00	0.11	0.00	0.00
Losses on Inventory Valuation Loss and Obsolescence	6,284.00	0.12	0.00	0.00
Miscellaneous Disbursements	1,458.00	0.02	0.00	0.00
nonoperating expenses and losses	24,411.00	0.49	0.00	0.00
Income from Continuing Operations before Income Tax	244,054.00	4.98	0.00	0.00
income tax expense(benefit)	36,972.00	0.75	0.00	0.00
Income from Continuing Operations	207,082.00	4.23	0.00	0.00
Income (Loss) from Discontinued Operatio				
Primary Earnings per Share				
Earnings per Share of Common stock	1.62	0.00	0.00	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	1.40	0.00	0.00	0.00
Simple Earnings per Share				

Consolidated Statement of Changes in Stockholders' Equity  
 For the six-month period ended June 30, 2005  
 (expressed in thousands of New Taiwan dollars)

Item	Retained earnings						Cumulative foreign currency translation adjustments	Treasury stock	Minority interest	Total
	Common stock	Stock dividends to be distributed	Capital surplus	Legal reserves	Special reserves	Unappropriated earnings				
Balance on January 1, 2005	\$ 1,005,311	-	318,676	132,884	5,042	778,372	(69,866)	(164,546)	641	2,006,514
Appropriation of retained earnings :										
Legal reserve	-	-	-	49,002	-	(49,002)	-	-	-	-
Special reserve	-	-	-	-	64,824	(64,824)	-	-	-	-
Cash dividends	-	-	-	-	-	(107,284)	-	-	-	-
(107,284)										
Remuneration to directors and supervisors	-	-	-	-	-	(3,945)	-	-	-	(3,945)
Employee bonus	-	-	-	-	-	(15,351)	-	-	-	(15,351)
Increase in capital by distributing stock to employees	-	24,100	-	-	-	(24,100)	-	-	-	-
Increase in capital by distributing stock dividends to stockholders	-	243,828	-	-	-	(243,828)	-	-	-	-

Net income for the six-month period ended June 30, 2005	-	-	-	-	-	201,034	-	-	6,048	207,082
Net changes in minority interest	-	-	-	-	-	-	-	-	106,087	106,087
Foreign currency translation adjustment	-	-	-	-	-	-	(11,439)	-	573	(10,866)
Balance on June 30, 2005	\$ 1,005,311	267,928	318,676	181,886	69,866	471,072	(81,305)	(164,546)	113,349	2,182,237

**Financial Statement - 2005/Q2 Consolidated Statements of Cash Flows**

Consolidated Statement of Cash Flows	
For the six-month period ended June 30, 2005	
(expressed in thousands of New Taiwan dollars)	
Item	2005
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Cash flows from operating activities:	
Consolidated Net Income	\$ 207,082
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	57,080

Amortization	16,723
Gain on disposal of short-term investments	(12,762)
Allowance for inventory valuation and obsolescence loss	6,284
Gain on long-term equity investments under equity method	(236)
Property, plant and equipments transferred to other expenses	530
Other assets transferred to other expenses	1,421
Gain on disposal of property, plant and equipments	(14)
Increase in notes and accounts receivable (including accounts receivable—affiliate)	(454,504)
Increase in other monetary assets—current	(3,723)
Increase in inventories	(222,463)
Increase in other current assets	(9,528)
Increase in deferred income tax assets, net	(9,994)
Increase in notes and accounts payable	147,571
Increase in income tax payable	31,754
Increase in accrued expenses and other current liabilities	22,820
Increase in accrued bond interest premium	8,211
Increase in accrued pension liability	4,675
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Net cash used in operating activities	(209,073)
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Cash flows from investing activities:

Decrease in short-term investments	642,665
Purchase of property, plant and equipment	(199,909)
Proceed from sale of property, plant and equipment	797
Increase in goodwill	(121,858)
Increase in other assets	(17,548)
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Net cash provided by investing activities	304,147
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Cash flows from financing activities:	
Increase in short-term debt	147,770
Increase in commercial paper payable	15,000
Repayments in long-term debt	(880)
Increase in long-term debt	18,683
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	(15,308)
Increase in minority interest	106,087
Decrease in deferred credits	(1,011)
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Net cash provided by financing activities	270,341
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Effects of first-time inclusion of certain subsidiaries to the consolidated financial statements	46,788

Effects of foreign currency translation	(3,566)
Net increase in cash and cash equivalents	408,637
Cash and cash equivalents at beginning of period	982,689
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Cash and cash equivalents at end of period	\$ 1,391,326
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Supplemental disclosures of cash flow information:	
Interest	\$ 2,553
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Income tax	\$ 25,053
	=====
Investing and financing activities not affecting cash flows:	
Current portion of long-term debts	\$ 1,569
	=====
Deferred pension costs	\$ (4,128)
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Cash paid for purchase of property, plant and equipment:	
Purchase of property, plant and equipment	\$ 196,601
Add: Beginning balance of payables for property, plant and equipment	15,564
Less: Ending balance of Payables for property, plant and equipment (recorded under other current liabilities)	12,256)
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Cash paid	\$	199,909
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Reconciliation for cash dividends, bonus to employees and remunerations to directors and supervisors:		
Total distribution	\$	126,580
Less: Ending balance of bonus to employees payable and remuneration to directors and supervisors payable (recorded under other current liabilities)		(3,988)
Ending balance of cash dividends payable (recorded under other current liabilities)		(107,284)
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Cash paid	\$	15,308
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