

Financial Statement - 2004/3/31 Balance Sheet

Unit : NT\$ thousand

Accounting Title	2004/03/31		2003/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	1,063,997	18.07	277,105	9.39
Short-Term Investments	824,065	13.99	0	0.00
Notes Receivable	2,239	0.03	19,223	0.65
Accounts Receivable	1,648,585	27.99	1,239,200	42.02
Accounts Receivable – Related Parties	263,475	4.47	205,521	6.96
Other Receivables-Related Parties	52,346	0.88	11,546	0.39
other financial assets-current	8,402	0.14	30,095	1.02
Inventories	694,392	11.79	517,049	17.53
Other Current Assets	30,091	0.51	11,887	0.40
Current Assets	4,587,592	77.91	2,311,626	78.38
Funds and Long-Term Investments				
Long –Term Investments in Stocks	895,917	15.21	277,650	9.41
Long – Term Investments	895,917	15.21	277,650	9.41
Fixed Assets				
Cost				
Land	69,745	1.18	69,745	2.36
Buildings and Structures	218,799	3.71	218,799	7.41

Machinery and Equipment	101,199	1.71	52,944	1.79
Transportation Equipment	7,752	0.13	7,752	0.26
Other Facilities	61,662	1.04	48,589	1.64
Fixed Assets Cost	459,157	7.79	397,829	13.49
Accumulated Depreciation	-90,433	-1.53	-62,294	-2.11
construction in process and prepayment for equipments	0	0.00	9,326	0.31
Fixed Assets (Net)	368,724	6.26	344,861	11.69
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	2,030	0.03	997	0.03
Deferred Charges	29,523	0.50	10,941	0.37
deferred tax assets-noncurrent	4,130	0.07	2,932	0.09
Other Assets	35,683	0.60	14,870	0.50
Assets	5,887,916	100.00	2,949,007	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	60,105	1.02	72,678	2.46
Notes Payable	11,106	0.18	85,204	2.88
Accounts Payable	2,473,273	42.00	1,008,274	34.19
Accounts Payable – Related Parties	72,859	1.23	39,855	1.35
Income Tax Payable	38,587	0.65	104,849	3.55
Accrued Expenses	94,410	1.60	77,277	2.62

Long-Term Liabilities – Current Portion	0	0.00	90,000	3.05
Other Current Liabilities	27,734	0.47	15,162	0.51
Current Liabilities	2,778,074	47.18	1,493,299	50.63
Long-Term Liabilities				
Bonds Payable	991,767	16.84	0	0.00
noncurrent interest-bearing liabilities	991,767	16.84	0	0.00
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	16,520	0.28	11,904	0.40
Other Liabilities	16,520	0.28	11,904	0.40
Liabilities	3,786,361	64.30	1,505,203	51.04
Stockholders' Equity				
Common Stock	861,140	14.62	700,000	23.73
Capital Surplus				
Additional Paid-In Capital	318,676	5.41	88,600	3.00
Capital Surplus	318,676	5.41	88,600	3.00
Retained Earnings				
Legal Reserve	88,621	1.50	53,055	1.79
Unappropriated Retained Earnings	848,032	14.40	598,656	20.30
Retained Earnings	936,653	15.90	651,711	22.09
Cumulative Translation Adjustments	-14,914	-0.25	3,493	0.11
Stockholders' Equity	2,101,555	35.69	1,443,804	48.95

Financial Statement t - 2004/Q1 Income Statement

Unit : NT\$ thousand

Accounting Title	2004/01/01~2004/3/31		2003/01/01~2003/3/31	
	Amount	%	Amount	%
Sales	1,964,411.00	100.46	1,367,636.00	101.03
Sales Returns	5,069.00	0.25	8,706.00	0.64
Sales Discounts and Allowances	4,050.00	0.20	5,300.00	0.39
Sales	1,955,292.00	100.00	1,353,630.00	100.00
Operating Income	1,955,292.00	100.00	1,353,630.00	100.00
Cost of Sales	1,711,847.00	87.54	1,141,005.00	84.29
Operating Costs	1,711,847.00	87.54	1,141,005.00	84.29
Gross Profit (Loss) from Operations	243,445.00	12.45	212,625.00	15.70
Selling Expense	79,321.00	4.05	54,559.00	4.03
General and Administrative Expenses	33,315.00	1.70	30,304.00	2.23
Research and Development Expenses	46,799.00	2.39	25,949.00	1.91
Operating Expenses	159,435.00	8.15	110,812.00	8.18
Operating Income (Loss)	84,010.00	4.29	101,813.00	7.52
Non-Operating Income				
Interest Income	6,093.00	0.31	1,787.00	0.13
Investment Income	60,003.00	3.06	14,654.00	1.08
Gains on Sale of Investments	1,094.00	0.05	0.00	0.00
Gains on Exchange	6,369.00	0.32	0.00	0.00
Gains on Inventory Value Recoveries	0.00	0.00	6,000.00	0.44

Miscellaneous Income	6,540.00	0.33	6,977.00	0.51
nonoperating revenues and gains	80,099.00	4.09	29,418.00	2.17
Non-Operating Expenses				
Interest Expense	1,653.00	0.08	651.00	0.04
Losses on Exchange	0.00	0.00	4,190.00	0.30
Miscellaneous Disbursements	53.00	0.00	0.00	0.00
nonoperating expenses and losses	1,706.00	0.08	4,841.00	0.35
Income from Continuing Operations before Income Tax	162,403.00	8.30	126,390.00	9.33
income tax expense(benefit)	14,870.00	0.76	37,460.00	2.76
Income from Continuing Operations	147,533.00	7.54	88,930.00	6.56
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	147,533.00	7.54	88,930.00	6.56
Primary Earnings per Share				
Earnings per Share of Common stock	1.71	0.00	1.12	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	1.67	0.00	0.00	0.00
Simple Earnings per Share				

SPI ELECTRONIC CO., LTD.

Statements of Cash Flows

For the three-month periods ended March 31, 2004 and 2003

(Expressed in thousands of New Taiwan dollars)

Item	2004	2003

Cash flows from operating activities:		
Net income	\$ 147,533	88,930
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,497	6,122
Amortization	3,282	1,470
Allowance for doubtful accounts	-	2,131
Recovery of inventory devaluation	-	(6,000)
Equity in gain of affiliates, net	(60,003)	(14,654)
Gain on disposal of short-term investments, net	(1,094)	-
Unrealized foreign exchange gain (loss) , net	(16,762)	1,393
Increase in notes receivable and accounts receivable (including accounts receivable -related parties)	(54,342)	(70,757)
Decrease in other accounts receivable -related parties	2,870	15,964
Decrease (increase) in inventories	86,300	(62,104)
Increase in other monetary assets	(1,697)	(5,620)
Increase in other current assets	(20,287)	(2,632)

Decrease (increase) in deferred income tax assets	(1,003)	675
Increase (Decrease) in notes payable and accounts payable (including accounts payable-related parties)	(18,278)	35,641
Increase in income tax payable	15,872	36,735
Decrease in accrued expenses and other current liabilities	(41,087)	(14,025)
Increase in pension liabilities	1,867	1,291
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Cash provided by operating activities	51,668	14,560
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Cash flows from investing activities:		
Acquisition of short-term investments	(44,530)	-
Acquisition of long-term equity investments	(153,964)	(69,540)
Additions to property, plant and equipment	(35,235)	(7,197)
Increase in refundable deposits	(663)	-
Increase in other assets	(6,230)	(604)
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Cash used in investing activities	(240,622)	(77,341)
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Cash flows from financing activities:		
Increase (decrease) in short-term loans	(79,120)	59,983
Decrease in long-term loans	-	(15,000)
Issue Zero Coupon Convertible Bonds	997,560	-
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Cash provided by financing activities	918,440	44,983
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Net increase (decrease) in cash and cash equivalents	729,486	(17,798)
Cash and cash equivalents at beginning of year	334,511	294,903
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Cash and cash equivalents at end of year	\$ 1,063,997	277,105

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Supplemental disclosures of cash flow information:		
Cash payment of interest	\$ 1,590	671
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Cash payment of income tax	\$ 1	50
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Investing and financing activities not affecting cash flows:		
Current portion of long-term debt	\$ -	90,000
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Cumulative foreign currency translation adjustments in long-term investments	\$ (9,872)	(111)
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$ 8,991	7,149
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	(16,004)	(5,581)
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Cash paid	\$ 35,235	7,197
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