

Financial Statement- Balance Sheet

Provided by: SPI Electronic Co., Ltd.

Financial year: 2007/03/31

Units NT\$ thousand

Accounting Title	2007/03/31		2006/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	1,015,136.00	12.52	651,645.00	10.57
Financial assets measured at fair value through profit or loss - current	0.00	0.00	5,000.00	0.08
Notes receivable - net	15,411.00	0.19	14,974.00	0.24
Accounts receivable - net	2,768,497.00	34.16	2,353,417.00	38.17
Accounts receivable - related parties - net	617,234.00	7.61	421,763.00	6.84
Other receivables - related parties	47,241.00	0.58	30,829.00	0.50
Other financial assets - current	40,062.00	0.49	26,641.00	0.43
Inventories	1,382,946.00	17.06	832,994.00	13.51
Other current assets	28,140.00	0.34	49,482.00	0.80
Current assets	5,914,667.00	72.98	4,386,745.00	71.15
Funds and Investments				
Equity investments under equity method	1,807,203.00	22.30	1,401,519.00	22.73
Investments	1,807,203.00	22.30	1,401,519.00	22.73
Funds and long-term investments	1,807,203.00	22.30	1,401,519.00	22.73
Fixed Assets				

Cost				
Land	77,274.00	0.95	77,274.00	1.25
Buildings and structures	230,060.00	2.83	227,215.00	3.68
Machinery and equipment	130,007.00	1.60	121,313.00	1.96
Transportation equipment	5,120.00	0.06	7,631.00	0.12
Other facilities	85,318.00	1.05	67,972.00	1.10
Fixed assets cost	527,779.00	6.51	501,405.00	8.13
Accumulated depreciation	-183,901.00	-2.26	-154,224.00	-2.50
Construction in process and prepayment for equipments	662.00	0.00	7,514.00	0.12
Fixed assets	344,540.00	4.25	354,695.00	5.75
Intangible Assets				
Other intangible assets	13,681.00	0.16	0.00	0.00
Intangible assets	13,681.00	0.16	0.00	0.00
Other Assets				
Guarantee deposits paid	4,568.00	0.05	2,815.00	0.04
Deferred charges	13,404.00	0.16	12,962.00	0.21
Deferred income tax assets - non current	5,339.00	0.06	6,018.00	0.09
Other assets	23,311.00	0.28	21,795.00	0.35
Assets	8,103,402.00	100.00	6,164,754.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	460,885.00	5.68	511,129.00	8.29

Notes payable	16,502.00	0.20	11,080.00	0.17
Accounts payable	4,049,797.00	49.97	2,589,711.00	42.00
Accounts payable - related parties	122,895.00	1.51	27,978.00	0.45
Income tax payable	45,398.00	0.56	65,890.00	1.06
Accrued expenses	127,550.00	1.57	92,462.00	1.49
Other current liabilities	31,805.00	0.39	28,808.00	0.46
Current liabilities	4,854,832.00	59.91	3,327,058.00	53.96
Long term Liabilities				
Bonds payable	0.00	0.00	168,792.00	2.73
Long-term liabilities	0.00	0.00	168,792.00	2.73
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	20,946.00	0.25	23,705.00	0.38
Other liabilities	20,946.00	0.25	23,705.00	0.38
Liabilities	4,875,778.00	60.16	3,519,555.00	57.09
Stockholders' Equity				
Capital				
Common stock	1,510,480.00	18.64	1,282,475.00	20.80
Capital Surplus				
Capital surplus - additional paid-in capital	469,471.00	5.79	346,016.00	5.61
Capital surplus	469,471.00	5.79	346,016.00	5.61
Retained Earnings				
Legal reserve	227,375.00	2.80	181,886.00	2.95

Special reserve	4,494.00	0.05	69,866.00	1.13
Unappropriated retained earnings	955,998.00	11.79	776,240.00	12.59
Retained earnings	1,187,867.00	14.65	1,027,992.00	16.67
Stockholders' Equity and Other adjustment				
Cumulative translation adjustments	59,806.00	0.73	-11,284.00	-0.18
Equity adjustments	59,806.00	0.73	-11,284.00	-0.18
Stockholders' equity	3,227,624.00	39.83	2,645,199.00	42.90
Number of treasury stock acquired by the company and subsidiaries (unit: share)	0.00	0.00	0.00	0.00

Financial Statement- Income Statement

Provided by: SPI Electronic Co., Ltd.

Financial year: 2007/03/31

Units NT\$ thousand

Accounting Title	2007/03/31		2006/03/31	
	Amount	%	Amount	%
Sales	3,071,282.00	100.54	2,482,707.00	100.92
Sales returns	5,051.00	0.16	7,501.00	0.30
Sales discounts and allowances	11,467.00	0.37	15,183.00	0.61
Sales	3,054,764.00	100.00	2,460,023.00	100.00
Operating income	3,054,764.00	100.00	2,460,023.00	100.00
Cost of sales	2,648,766.00	86.70	2,169,501.00	88.19
Operating costs	2,648,766.00	86.70	2,169,501.00	88.19
Gross profit (loss) from operations	405,998.00	13.29	290,522.00	11.80

Unrealized gains on intercompany transactions	820.00	0.02	4,064.00	0.16
Selling expense	118,715.00	3.88	84,493.00	3.43
General and administrative expenses	52,493.00	1.71	54,943.00	2.23
Research and development expenses	55,415.00	1.81	51,734.00	2.10
Operating expenses	226,623.00	7.41	191,170.00	7.77
Operating income (loss)	178,555.00	5.84	95,288.00	3.87
Non-Operating Income				
Interest income	4,912.00	0.16	17,703.00	0.71
Inome from long-term equity investments under the equity method	71,200.00	2.33	19,029.00	0.77
Investment income	71,200.00	2.33	19,029.00	0.77
Gains on disposal of fixed assets	2.00	0.00	190.00	0.00
Foreign exchange gains	5,197.00	0.17	1,695.00	0.06
Miscellaneous income	14,711.00	0.48	7,684.00	0.31
Non-operating revenues and gains	96,022.00	3.14	46,301.00	1.88
Non-Operating Expenses				
Interest expense	2,845.00	0.09	3,766.00	0.15
Loss on inventory valuation and obsolescence	10,000.00	0.32	4,386.00	0.17
Miscellaneous disbursements	23.00	0.00	2,800.00	0.11
Non-operating expenses and losses	12,868.00	0.42	10,952.00	0.44
Income from continuing operations before income tax	261,709.00	8.56	130,637.00	5.31
Income tax expense (benefit)	49,490.00	1.62	10,781.00	0.43
Income from continuing operations	212,219.00	6.94	119,856.00	4.87
Net income (loss)	212,219.00	6.94	119,856.00	4.87

Primary Earnings per Share				
Primary earnings per share	1.41	0.00	0.83	0.00
Diluted earnings per share				
Diluted earnings per share	1.41	0.00	0.82	0.00

Statements of Cash Flows

Provided by: SPI Electronic Co., Ltd.

Financial year: 2007/03/31

Unit : NT\$ thousand

SPI Electronic Co., Ltd.		
Statements of Cash Flows		
For the third-month periods ended March 31, 2007 and 2006		
(expressed in thousands of New Taiwan dollars)		
	2007	2006
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Cash flows from operating activities:		
Net Income	\$ 212,219	119,856
Adjustments items:		
Depreciation	8,715	7,943
Amortization	2,080	4,034
Loss on obsolescence and decline in value of inventory	10,000	4,386
Increase in unrealized sales revenue - affiliate	820	4,064
Gains on long-term equity investments under equity method	(71,200)	(19,029)
Gain on disposal of property, plant and equipment	(2)	(190)

Losses from redemption of bonds payable prior to maturity	-	2,495
Net change in foreign exchanges on bonds payable redeemed	-	(9,712)
Unrealized foreign exchange gain, net	(4,065)	(18,074)
Increase in financial assets at fair value through profit or loss – current	-	(5,000)
Decrease in notes and accounts receivable (including accounts receivable—affiliate)	313,400	353,921
Decrease in other Receivables	4,754	-
Increase in other monetary assets—current	(1,895)	(90,549)
Decrease(increase) in inventories	(69,806)	368,555
Increase in other current assets	(6,774)	(25,439)
Decrease in deferred income tax assets, net	260	4,679
Decrease in notes and accounts payable (including accounts payable—affiliate)	(57,070)	(1,078,735)
Increase in income tax payable	44,120	5,891
Decreases in accrued expenses and other current liabilities	(23,845)	(42,512)
Decrease in accrued bond interest premium	-	(6,217)
Decrease in accrued pension liability	(732)	(84)
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Net cash provided by(used in) operating activities	\$ 360,979	(419,717)
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Cash flows from investing activities:		
Decrease(increase) in other receivables from affiliates	(23,326)	92,673
Increase in long-term equity investments	(115,921)	(9,600)
Distribution of cash dividends from investees	-	75,044
Sales of property, plant and equipment	-	190
Purchases of property, plant and equipment	(19,902)	(20,126)
Increase in refundable deposits	(1,200)	-
Increase in other assets	(4,761)	(1,779)
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Net cash provided by(used in) investing activities	\$ (165,110)	136,402
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Cash flows from financing activities:		
Increase(decrease) in short-term debt	(14,681)	474,023
Redemption on convertible bonds payable(including accrued bond interest premium)	-	(794,521)
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	-	(3,945)
Treasury stock sold to employees	-	96,001
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Net cash used in financing activities	\$ (14,681)	(228,442)
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Net increase (decrease) in cash and cash equivalents	181,188	(511,757)
Cash and cash equivalents at beginning of period	833,948	1,163,402
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Cash and cash equivalents at end of period	\$ 1,015,136	651,645
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Supplemental disclosures of cash flow information:		
Cash payment for interest	\$ 2,945	33,213
Cash payment for income tax	\$ 355	211
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Investing and financing activities not affecting cash flows:		
Cumulative foreign currency translation adjustments in long-term equity investment	\$ 34,172	6,790
Convertible bonds payable transfer to common stock	\$ 9,976	36,577
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$ 13,721	7,923
Add: Beginning balance of payables for property, plant and equipment	16,297	15,003
Less: Ending balance of payables for property, plant and equipment	(10,116)	(2,800)
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Cash paid	\$ 19,902	20,126
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Reconciliation for cash dividends, bonus to employees and remunerations

to directors and supervisors:

Total distribution	\$	-	-
add: Beginning balance of cash dividends payable		-	3,945
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Cash paid	\$	-	3,945
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Reconciliation for cash dividends :

Total cash dividends distribution	\$	-	-
add: Beginning balance of cash dividends receivable		-	75,044
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Cash Reconciliation	\$	-	75,044
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