

Financial Statement - 2005/9/30 Balance Sheet

Accounting Title	2005/09/30		2004/09/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	798,085	11.16	292,423	5.05
Short-Term Investments	132,060	1.84	853,763	14.75
Notes Receivable	21,137	0.29	16,381	0.28
Accounts Receivable	2,639,601	36.91	1,898,831	32.80
Accounts Receivable – Related Parties	370,351	5.17	270,975	4.68
Other Receivables-Related Parties	50,986	0.71	83,871	1.44
other financial assets -current	34,178	0.47	23,360	0.40
Inventories	1,106,428	15.47	757,011	13.07
Other Current Assets	33,603	0.46	39,566	0.68
Current Assets	5,186,429	72.53	4,236,181	73.19
Funds and Long-Term Investments				
Long –Term Investments in Stocks	1,598,779	22.36	1,158,850	20.02
Long – Term Investments	1,598,779	22.36	1,158,850	20.02
Funds and Long-Term Investments	1,598,779	22.36	1,158,850	20.02
Fixed Assets				

Cost				
Land	69,745	0.97	69,745	1.20
Buildings and Structures	219,113	3.06	218,799	3.78
Machinery and Equipment	109,636	1.53	106,615	1.84
Transportation Equipment	7,752	0.10	7,752	0.13
Other Facilities	65,968	0.92	63,478	1.09
Fixed Assets Cost	472,214	6.60	466,389	8.05
Accumulated Depreciation	-139,615	-1.95	-107,971	-1.86
construction in process and prepayment for equipments	1,612	0.02	0	0.00
Fixed Assets (Net)	334,211	4.67	358,418	6.19
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	3,707	0.05	3,075	0.05
Deferred Charges	20,805	0.29	26,278	0.45
deferred tax assets -noncurrent	6,107	0.08	4,889	0.08
Other Assets	30,619	0.42	34,242	0.59
Assets	7,150,038	100.00	5,787,691	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	156,904	2.19	74,722	1.29

Notes Payable	6,111	0.08	9,969	0.17
Accounts Payable	3,371,372	47.15	2,425,587	41.90
Accounts Payable – Related Parties	105,214	1.47	96,245	1.66
Income Tax Payable	18,275	0.25	0	0.00
Accrued Expenses	132,338	1.85	106,407	1.83
Other Current Liabilities	30,135	0.42	77,502	1.33
Current Liabilities	3,820,349	53.43	2,790,432	48.21
Long-Term Liabilities				
Bonds Payable	1,020,302	14.26	1,027,878	17.75
noncurrent interest-bearing liabilities	1,020,302	14.26	1,027,878	17.75
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	24,430	0.34	19,554	0.33
Other Liabilities	24,430	0.34	19,554	0.33
Liabilities	4,865,081	68.04	3,837,864	66.31
Stockholders' Equity				
Common Stock	1,273,239	17.80	1,005,311	17.36
Capital Surplus				
Additional Paid-In Capital	318,676	4.45	318,676	5.50
Capital Surplus	318,676	4.45	318,676	5.50

Retained Earnings				
Legal Reserve	181,886	2.54	132,884	2.29
Special Reserve	69,866	0.97	5,042	0.08
Unappropriated Retained Earnings	594,741	8.31	651,207	11.25
Retained Earnings	846,493	11.83	789,133	13.63
Cumulative Translation Adjustments	11,095	0.15	1,259	0.02
	11,095	0.15	1,259	0.02
Treasury Stock	-164,546	-2.30	-164,552	-2.84
Stockholders' Equity	2,284,957	31.95	1,949,827	33.68

Financial Statement - 2005/Q3 Income Statement

Accounting Title	2005/01/01 -09/30		2004/01/01 -09/30	
	Amount	%	Amount	%
Sales	6,765,599.00	100.93	5,725,609.00	100.83
Sales Returns	26,315.00	0.39	21,595.00	0.38
Sales Discounts and Allowances	36,078.00	0.53	26,039.00	0.45
Net Sales	6,703,206.00	100.00	5,677,975.00	100.00

Operating Revenue	6,703,206.00	100.00	5,677,975.00	100.00
Cost of Sales	5,901,236.00	88.03	4,995,215.00	87.97
Operating Costs	5,901,236.00	88.03	4,995,215.00	87.97
Gross Profit (Loss) from Operations	801,970.00	11.96	682,760.00	12.02
Selling Expense	235,159.00	3.50	228,721.00	4.02
General and Administrative Expenses	119,457.00	1.78	98,213.00	1.72
Research and Development Expenses	146,867.00	2.19	141,092.00	2.48
Operating Expenses	501,483.00	7.48	468,026.00	8.24
Operating Income (Loss)	300,487.00	4.48	214,734.00	3.78
Non-Operating Income				
Interest Income	24,584.00	0.36	19,141.00	0.33
revenues from equity method investments	77,162.00	1.15	136,672.00	2.40
Investment Income	77,162.00	1.15	136,672.00	2.40
Gains on Sale of Investments	13,633.00	0.20	6,692.00	0.11
Gains on Exchange	0.00	0.00	3,174.00	0.05
Miscellaneous Income	20,099.00	0.29	17,502.00	0.30
nonoperating revenues and gains	135,478.00	2.02	183,181.00	3.22
Non-Operating Expenses				
Interest Expense	16,652.00	0.24	10,566.00	0.18
Losses on Physical Inventory	9.00	0.00	0.00	0.00
Losses on Exchange	43,863.00	0.65	0.00	0.00

Losses on Inventory Valuation Loss and Obsolescence	4,000.00	0.05	7,000.00	0.12
Miscellaneous Disbursements	782.00	0.01	567.00	0.00
nonoperating expenses and losses	65,306.00	0.97	18,133.00	0.31
Income from Continuing Operations before Income Tax	370,659.00	5.52	379,782.00	6.68
income tax expense(benefit)	45,956.00	0.68	16,929.00	0.29
Income from Continuing Operations	324,703.00	4.84	362,853.00	6.39
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	324,703.00	4.84	362,853.00	6.39
Primary Earnings per Share				
Earnings per Share of Common stock	2.61	0.00	2.87	0.00
Full-diluted Earnings per Share				
Full-diluted Earnings per Share	2.26	0.00	2.52	0.00
Simple Earnings per Share				

Statements of Cash Flows		
For the nine-month periods ended September,30 2005 and 2004		
(Expressed in thousands of New Taiwan dollars)		
	2005	2004

Cash flows from operating activities:		
Net Income	\$ 324,703	362,853
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	22,937	26,034
Amortization	10,496	10,008
Property, plant and equipment transferred to other expenses	-	347
Gains on disposal of short-term investments	(13,633)	(6,692)
Gains on long-term equity investments under equity method	(77,162)	(136,672)
Unrealized foreign exchange losses, net	65,587	23,024
Allowance for inventory valuation and obsolescence losses	4,000	7,000
Increases in notes and accounts receivable (including accounts receivable affiliate)	(528,825)	(291,092)
Decrease (increase) in other monetary assets current	7,276	(16,652)
Decrease (increase) in inventories	(436,242)	16,681
Increases in other current assets	(764)	(23,492)
Increases in deferred income tax assets, net	(11,841)	(8,030)
Increase (decrease) in notes and accounts payable (including accounts payable affiliate)	597,926	(99,854)
Increase (decrease) in income tax payable	18,275	(22,715)
Decreases in accrued expenses and other current liabilities	(28,162)	(22,542)
Increases in accrued bond interest premium	12,318	9,078

Increases in accrued pension liability	3,755	4,901
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Net cash used in operating activities	(29,356)	(167,815)
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Cash flows from investing activities:		
Decrease (increase) in short-term investments	643,537	(57,647)
Increases in other receivables from affiliates	(37,417)	(28,655)
Increases in long-term equity investments	(262,946)	(324,055)
Purchases of property, plant and equipment	(1,345)	(15,217)
Increases in refundable deposits	(632)	(1,708)
Increases in other assets	(6,383)	(9,712)
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Net cash provided by(used in) investing activities	334,814	(436,994)
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Cash flows from financing activities:		
Increase (decrease) in short-term debt	89,325	(64,601)
Distribution of cash dividends, bonus to employees and remuneration to directors and supervisors	(122,592)	(205,686)
Increases in convertible bonds payable	-	997,560
Treasury stock	-	(164,552)
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Net cash provided by(used in) financing activities	(33,267)	562,721
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Net increase (decrease) in cash and cash equivalents	272,191	(42,088)
Cash and cash equivalents at beginning of period	525,894	334,511
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Cash and cash equivalents at end of period	\$ 798,085	292,423
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Supplemental disclosures of cash flow information:		
Cash payment for interest	\$ 29,721	1,457
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Cash payment for income tax	\$ 39,522	60,356
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Investing and financing activities not affecting cash flows:		
Cumulative foreign currency translation adjustments in long-term equity investment	\$ 80,961	6,301
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$ 7,185	16,222
Add: Beginning balance of payables for property, plant and equipment	4,312	42,248
Less: Ending balance of Payables for property, plant and equipment	(10,152)	(43,253)
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Cash paid	\$ 1,345	15,217
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Reconciliation for cash dividends, bonus to employees and remunerations to directors and supervisors:		
Total distribution	\$ 126,580	218,668
Less: Ending balance of bonus to employees payable and remuneration to directors and supervisors payable	(3,988)	(12,982)
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Cash paid	\$ 122,592	205,686
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