

Financial Statement - 2003/12/31 Balance Sheet

Unit : NT\$ thousand

Accounting Title	2003/12/31		2002/12/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and Cash Equivalents	334,511	6.75	294,903	10.70
Short-Term Investments	780,000	15.75	0	0.00
Notes Receivable	10,532	0.21	79,619	2.89
Accounts Receivable	1,645,029	33.23	1,160,605	42.13
Accounts Receivable – Related Parties	236,331	4.77	155,356	5.63
Other Receivables-Related Parties	55,216	1.11	27,510	0.99
other financial assets-current	6,705	0.13	25,430	0.92
Inventories	780,692	15.77	448,945	16.29
Other Current Assets	9,269	0.18	9,401	0.34
Current Assets	3,858,285	77.94	2,201,769	79.92
Funds and Long-Term Investments				
Long –Term Investments in Stocks	691,822	13.97	193,567	7.02
Long – Term Investments	691,822	13.97	193,567	7.02
Fixed Assets				
Cost				
Land	69,745	1.40	69,745	2.53
Buildings and Structures	218,799	4.41	218,799	7.94

Machinery and Equipment	92,924	1.87	48,872	1.77
Transportation Equipment	7,752	0.15	7,752	0.28
Other Facilities	60,972	1.23	47,968	1.74
Fixed Assets Cost	450,192	9.09	393,136	14.27
Accumulated Depreciation	-81,962	-1.65	-56,172	-2.03
construction in process and prepayment for equipments	347	0.00	6,870	0.24
Fixed Assets (Net)	368,577	7.44	343,834	12.48
Intangible Assets				
Other Assets				
Guarantee Deposits Paid	1,367	0.02	997	0.03
Deferred Charges	26,575	0.53	11,807	0.42
deferred tax assets-noncurrent	3,663	0.07	2,653	0.09
Other Assets	31,605	0.63	15,457	0.56
Assets	4,950,289	100.00	2,754,627	100.00
Liabilities and Stockholders' Equity				
Current Liabilities				
Short-Term Borrowings	138,796	2.80	12,597	0.45
Notes Payable	5,514	0.11	229,570	8.33
Accounts Payable	2,543,187	51.37	837,263	30.39
Accounts Payable – Related Parties	69,754	1.40	29,973	1.08
Income Tax Payable	22,715	0.45	68,114	2.47
Accrued Expenses	136,737	2.76	90,797	3.29

Long-Term Liabilities – Current Portion	0	0.00	60,000	2.17
Other Current Liabilities	55,039	1.11	15,715	0.57
Current Liabilities	2,971,742	60.03	1,344,029	48.79
Long-Term Liabilities				
Long-Term Borrowings	0	0.00	45,000	1.63
noncurrent interest-bearing liabilities	0	0.00	45,000	1.63
Reserves				
Other Liabilities				
Pension Reserve / Accrued Pension Liability	14,653	0.29	10,613	0.38
Other Liabilities	14,653	0.29	10,613	0.38
Liabilities	2,986,395	60.32	1,399,642	50.81
Stockholders' Equity				
Common Stock	861,140	17.39	700,000	25.41
Capital Surplus				
Additional Paid-In Capital	318,676	6.43	88,600	3.21
Capital Surplus	318,676	6.43	88,600	3.21
Retained Earnings				
Legal Reserve	88,621	1.79	53,055	1.92
Unappropriated Retained Earnings	700,499	14.15	509,726	18.50
Retained Earnings	789,120	15.94	562,781	20.43
Cumulative Translation Adjustments	-5,042	-0.10	3,604	0.13
Stockholders' Equity	1,963,894	39.67	1,354,985	49.18

Financial Statement - 2003/Q4 Income Statement

Unit : NT\$ thousand

Accounting Title	2003/01/01 ~ 2003/12/31		2002/01/01 ~ 2002/12/31	
	Amount	%	Amount	%
Sales	6,456,771.00	101.38	4,904,534.00	100.85
Sales Returns	23,701.00	0.37	17,918.00	0.36
Sales Discounts and Allowances	64,548.00	1.01	23,593.00	0.48
Sales	6,368,522.00	100.00	4,863,023.00	100.00
Operating Income	6,368,522.00	100.00	4,863,023.00	100.00
Cost of Sales	5,438,222.00	85.39	4,034,065.00	82.95
Operating Costs	5,438,222.00	85.39	4,034,065.00	82.95
Gross Profit (Loss) from Operations	930,300.00	14.60	828,958.00	17.04
Selling Expense	267,508.00	4.20	164,587.00	3.38
General and Administrative Expenses	120,755.00	1.89	109,957.00	2.26
Research and Development Expenses	156,705.00	2.46	83,773.00	1.72
Operating Expenses	544,968.00	8.55	358,317.00	7.36
Operating Income (Loss)	385,332.00	6.05	470,641.00	9.67
Non-Operating Income				
Interest Income	16,436.00	0.25	4,661.00	0.09
Investment Income	127,147.00	1.99	9,277.00	0.19
Gains on Sale of Fixed Assets	0.00	0.00	1.00	0.00
Gains on Sale of Investments	374.00	0.00	0.00	0.00
Miscellaneous Income	28,035.00	0.44	9,415.00	0.19

nonoperating revenues and gains	171,992.00	2.70	23,354.00	0.48
Non-Operating Expenses				
Interest Expense	2,390.00	0.03	9,321.00	0.19
Losses on Sale of Fixed Assets	45.00	0.00	0.00	0.00
Losses on Exchange	25,639.00	0.40	6,533.00	0.13
Losses on Inventory Valuation Loss and Obsolescence	0.00	0.00	25,255.00	0.51
Miscellaneous Disbursements	1,012.00	0.01	34.00	0.00
nonoperating expenses and losses	29,086.00	0.45	41,143.00	0.84
Income from Continuing Operations before Income Tax	528,238.00	8.29	452,852.00	9.31
income tax expense(benefit)	85,607.00	1.34	97,199.00	1.99
Income from Continuing Operations	442,631.00	6.95	355,653.00	7.31
Income (Loss) from Discontinued Operatio				
Net Income (Loss)	442,631.00	6.95	355,653.00	7.31
Primary Earnings per Share				
Earnings per Share of Common stock	5.44	0.00	4.46	0.00
Full-diluted Earnings per Share				
Simple Earnings per Share				

Financial Statement - 2003/Q4 Statements of Changes in Stockholders' Equity

Statements of Changes in Stockholders' Equity

Years ended December 31, 2003 and 2002

(Expressed in thousands of New Taiwan dollars)

Item	Retained earnings					Total
	Common Stock	Capital surplus	Legal Reserve	Inappropriate earning	Foreign currency translation adjustment	
Balance on January 1, 2002	\$ 600,000	148,612	25,477	282,762	4,072	1,060,923
Appropriation of 2001 net income:						
Legal Reserve	-	-	27,578	(27,578)	-	-
Cash dividends	-	-	-	(60,000)	-	(60,000)
Remuneration to directors and supervisors	-	-	-	(1,011)	-	(1,011)
Employee bonuses	-	-	-	(112)	-	(112)
Increase in capital by distributing stock to employees	10,000	-	-	(10,000)	-	-
Increase in capital by distributing stock dividends to stockholders	30,000	-	-	(30,000)	-	-
Capital surplus transferred to common stock	60,000	(60,000)	-	-	-	-
Capital surplus-gain on disposal of property, plant and equipment prior to 2000 transferred to retained earnings	-	(12)	-	12	-	-
Net income for the year ended December 31, 2002	-	-	-	355,653	-	355,653
Foreign currency translation adjustment	-	-	-	-	(468)	(468)
Balance on December 31, 2002	700,000	88,600	53,055	509,726	3,604	1,354,985

Statements of Cash Flows
 Years ended December 31, 2003 and 2002
 (Expressed in thousands of New Taiwan dollars)

Item	2003	2002

Cash flows from operating activities:		
Net income	\$ 442,631	355,653
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	26,160	23,280
Amortization	8,054	5,388
Allowance for doubtful accounts	2,923	4,383
Allowance for inventory valuation and obsolescence loss	-	25,000
Loss on abandonment of inventory	-	255
Loss (gain) on disposal of property, plant and equipment, net	45	(1)
Equity in gain of affiliates, net	(127,147)	(9,277)
Gain on disposal of short-term investments, net	(374)	-
Property, plant and equipment transferred to expense	456	-
Unrealized foreign exchange gain, net	(4,697)	(2,260)
Decrease (increase) in notes receivable and accounts receivable (including accounts receivable -related parties)	(498,628)	209,451
Decrease(increase) in other accounts receivable -related parties	(27,706)	18,111
Decrease (increase) in inventories	(331,747)	129,746
Decrease (increase) in other monetary assets	18,725	(10,265)

Increase in other current assets	(3,562)	(303)
Decrease (increase) in deferred income tax assets	2,684	(6,478)
Increase (decrease) in notes payable and accounts payable (including accounts payable-related parties)	1,525,988	(530,576)
Increase (decrease) in income tax payable	(45,399)	30,798
Increase in accrued expenses and other current liabilities	49,857	16,625
Increase in pension liabilities	4,040	2,941
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Cash provided by operating activities	1,042,303	262,471
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Cash flows from investing activities:		
Acquisition of short-term investments	(779,626)	-
Acquisition of long-term equity investments	(379,754)	(70,944)
Proceeds from sale of property, plant and equipment	-	393
Additions to property, plant and equipment	(19,529)	(17,571)
Increase in refundable deposits	(370)	(900)
Increase in deferred expenses	(18,078)	(4,915)
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Cash used in investing activities	(1,197,357)	(93,937)
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Cash flows from financing activities:		
Increase (decrease) in short-term loans	125,861	(219,094)
Decrease in long-term loans	(105,000)	(60,000)
Cash dividends paid, employees' bonuses and Directors' remuneration	(120,185)	(60,000)
Issuance of common stock for cash	293,986	-
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Cash provided by (used in) financing activities	194,662	(339,094)
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Net increase (decrease) in cash and cash equivalents	39,608	(170,560)
Cash and cash equivalents at beginning of year	294,903	465,463
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Cash and cash equivalents at end of year	\$ 334,511	294,903
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Supplemental disclosures of cash flow information:		
Cash payment of interest	\$ 2,452	9,843
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Cash payment of income tax	\$ 128,322	72,879
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Investing and financing activities not affecting cash flows:		
Current portion of long-term debt	\$ -	60,000
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Cumulative foreign currency translation adjustments in long-term investments	\$ 8,646	468
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Prepayment for equipment transferred to deferred expenses	\$ 4,744	-
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Cash paid for purchase of property, plant and equipment:		
Purchase of property, plant and equipment	\$ 56,148	17,067
Add: Payables for property, plant and equipment at beginning of year	5,629	6,133
Less: Payables for property, plant and equipment at end of year	(42,248)	(5,629)
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Cash paid	\$ 19,529	17,571
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Reconciliation for cash dividends, employees bonus and		

remunerations to directors and supervisors:

Total distribution	\$ 119,062	61,123
Add: beginning balance of employees' bonuses and directors' remuneration	1,123	-
Less: ending balance of employees' bonuses and directors' remuneration	-	(1,123)
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Cash paid	\$ 120,185	60,000
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