

**Global Unichip Corporation**  
**Balance Sheets**  
**December 31, 2004 and 2003**  
(In Thousands of New Taiwan Dollars)

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash and cash equivalents	122,710	326,380
Short term investments	195,691	311,085
Notes and accounts receivable	190,114	126,056
Inventories	91,967	59,742
Other current assets	47,353	33,212
<b>Total current assets</b>	<u>647,835</u>	<u>856,475</u>
Long term investments	<u>3,375</u>	<u>0</u>
Property, plant and equipment	408,883	302,535
Accumulated depreciation	(69,065)	(62,037)
<b>Property, plant and equipment, net</b>	<u>339,818</u>	<u>240,498</u>
Deferred charges	146,461	71,098
Other assets	48,679	14,368
<b>Total Assets</b>	<u><b>1,186,168</b></u>	<u><b>1,182,439</b></u>
<b>LIABILITIES</b>		
Accounts payables	118,221	60,775
Accrued expenses and other current liabilities	145,392	108,552
Payables to contractors and equipment suppliers	9,606	124,207
Current portion of long term loans	5,489	5,489
<b>Total current liabilities</b>	<u>278,708</u>	<u>299,023</u>
Long term liabilities	11,715	22,763
Other liabilities	11,845	6,993
<b>Total Liabilities</b>	<u>302,268</u>	<u>328,779</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	825,000	825,000
Capital surplus	28,660	116,170
Retained earnings	30,424	(87,510)
- Legal reserve	0	101
- Previous years	0	906
- Current year	30,424	(88,517)
Cumulative translation adjustments	(184)	0
<b>Total Equity</b>	<u>883,900</u>	<u>853,660</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<u><b>1,186,168</b></u>	<u><b>1,182,439</b></u>

**Global Unichip Corporation**  
**Statements of Income**  
**For The Year Ended December 31, 2004 and 2003**

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2004</b>	<b>2003</b>
Net sales	<u>1,006,211</u>	<u>918,875</u>
Cost of sales	<u>(712,381)</u>	<u>(775,730)</u>
Gross profit	<u>293,830</u>	<u>143,145</u>
Operating expenses		
Selling and marketing expenses	(37,525)	(29,642)
General and administrative expenses	(51,056)	(47,141)
Research and development expenses	(198,343)	(152,204)
Total operating expenses	<u>(286,924)</u>	<u>(228,987)</u>
Income from operations	6,906	(85,842)
Non-operating income and gains	26,163	9,580
Non-operating expense and losses	<u>(2,699)</u>	<u>(12,255)</u>
Income before income tax	30,370	(88,517)
Income tax benefits	<u>54</u>	<u>0</u>
Net income (loss)	<u>30,424</u>	<u>(88,517)</u>
Earnings per share(NT\$)		
Basic earnings per share	<u>0.37</u>	<u>(1.20)</u>
Diluted earnings per share	<u>0.37</u>	<u>(1.20)</u>

**Global Unichip Corporation**  
**Statements of Changes in Shareholders' Equity**  
**For The Year Ended December 31, 2004 and 2003**

(In Thousands of New Taiwan Dollars)

	<b>Capital Stock</b>		<b>Capital Surplus</b>	<b>Retained Earnings</b>			<b>Cumulative Translation Adjustments</b>	<b>Total</b>
	<b>Shares (in Thousands)</b>	<b>Amount</b>		<b>Legal Reserve</b>	<b>Unappropriated Earnings</b>	<b>Total</b>		
Balance, January 1, 2003	30,000	300,000	89,549	0	1,007	1,007	0	390,556
Issuance of common stock- business combination	32,500	325,000	16,621					341,621
Issuance of common stock	20,000	200,000	10,000					210,000
Legal reserve				101	(101)	0		0
Net loss in 2003					(88,517)	(88,517)		(88,517)
Balance, December 31, 2003	<u>82,500</u>	<u>825,000</u>	<u>116,170</u>	<u>101</u>	<u>(87,611)</u>	<u>(87,510)</u>	<u>0</u>	<u>853,660</u>
Balance, January 1, 2004	82,500	825,000	116,170	101	(87,611)	(87,510)	0	853,660
Capital surplus & legal reserve offset accumulated deficit			(87,510)	(101)	87,611	87,510		0
Net income in 2004					30,424	30,424		30,424
Translation adjustments							(184)	(184)
Balance, December 31, 2004	<u>82,500</u>	<u>825,000</u>	<u>28,660</u>	<u>0</u>	<u>30,424</u>	<u>30,424</u>	<u>(184)</u>	<u>883,900</u>

**Global Unichip Corporation**  
**Statements of Cash Flows**  
**For Year Ended December 31, 2004 and 2003**  
(In Thousands of New Taiwan Dollars)

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities:</b>		
Net income (loss)	30,424	(88,517)
Depreciation	35,931	26,631
Amortization	49,374	51,300
Loss/(Gain) on property, plant, equipment	(3,606)	6
Investment loss (gain) recognized by equity method	(215)	0
Changes in working capital & others	(24,925)	38,551
Accrued pension cost	4,852	2,096
Net cash provided by operating activities	<u>91,835</u>	<u>30,067</u>
<b>Cash flows from investing activities:</b>		
Decrease/(Increase) in short-term investments	115,394	(299,050)
Increase in long-term investments	(3,344)	0
Acquisition of fixed assets	(288,690)	(57,373)
Proceeds from disposal of properties	7,769	132
Increase in deferred assets	(123,609)	(40,782)
Proceeds from disposal of deferred assets	100	0
Decrease/(Increase) in refundable deposits	364	913
Decrease/(Increase) in other assets-restricted deposit	2,000	(1,000)
Cash from business combination	0	341,621
Net cash used in investing activities	<u>(290,016)</u>	<u>(55,539)</u>
<b>Cash flows from financing activities:</b>		
Increase/(Decrease) in short-term loans	0	(80,000)
Increase/(Decrease) in long-term loans	(5,489)	(5,417)
Issuance of common stock for cash	0	210,000
Net cash provided by (used in) financing activities	<u>(5,489)</u>	<u>124,583</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(203,670)</b>	<b>99,111</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>326,380</b>	<b>227,269</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>122,710</u></b>	<b><u>326,380</u></b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for		
Interest	<u>0</u>	<u>576</u>