

Global Unichip Corporation
Balance Sheets
June 30, 2006 and 2005
(In Thousands of New Taiwan Dollars)

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and cash equivalents	244,801	329,043
Financial assets at fair value through profit or loss	0	10,000
Notes and accounts receivable	410,132	219,417
Inventories	286,555	56,847
Other current assets	52,042	50,955
Total current assets	<u>993,530</u>	<u>666,262</u>
Long term investments	<u>7,950</u>	<u>6,728</u>
Property, plant and equipment	440,441	414,707
Accumulated depreciation	(121,436)	(88,564)
Property, plant and equipment, net	<u>319,005</u>	<u>326,143</u>
Deferred charges	214,297	124,631
Other assets	44,969	45,044
Total Assets	<u>1,579,751</u>	<u>1,168,808</u>
LIABILITIES		
Accounts payables	278,759	55,233
Accrued expenses and other current liabilities	225,008	158,618
Payables to contractors and equipment suppliers	7,567	1,155
Current portion of long term loans	5,489	5,489
Total current liabilities	<u>516,823</u>	<u>220,495</u>
Long term liabilities	31,847	8,970
Other liabilities	11,192	13,640
Total Liabilities	<u>559,862</u>	<u>243,105</u>
SHAREHOLDERS' EQUITY		
Capital stock	885,081	844,590
Stock dividends to be distributed	58,885	27,381
Capital surplus	30,296	29,640
Retained earnings	45,810	24,393
- Legal reserve	13,717	3,043
- Previous years	773	0
- Current year	31,320	21,350
Cumulative translation adjustments	(183)	(301)
Total Equity	<u>1,019,889</u>	<u>925,703</u>
Total Liabilities & Shareholders' Equity	<u>1,579,751</u>	<u>1,168,808</u>

Global Unichip Corporation
Statements of Income
For The Six Months Ended June 30, 2006 and 2005

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

	2006	2005
Net sales	1,186,432	682,341
Cost of sales	(899,223)	(484,688)
Gross profit	<u>287,209</u>	<u>197,653</u>
Operating expenses		
Selling and marketing expenses	(54,471)	(28,027)
General and administrative expenses	(35,652)	(23,925)
Research and development expenses	(176,361)	(134,602)
Total operating expenses	<u>(266,484)</u>	<u>(186,554)</u>
Income from operations	20,725	11,099
Non-operating income and gains	17,546	13,340
Non-operating expense and losses	<u>(6,951)</u>	<u>(3,089)</u>
Income before income tax	31,320	21,350
Income tax expenses	<u>0</u>	<u>0</u>
Net income	<u><u>31,320</u></u>	<u><u>21,350</u></u>
Earnings per share(NT\$)		
Basic earnings per share	<u>0.35</u>	<u>0.25</u>
Diluted earnings per share	<u><u>0.35</u></u>	<u><u>0.25</u></u>

Global Unichip Corporation
Statements of Changes in Shareholders' Equity
For The Six Months Ended June 30, 2006 and 2005
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	<u>Capital Stock</u>		<u>Stock dividends to be distributed</u>	<u>Capital Surplus</u>	<u>Retained Earnings</u>			<u>Cumulative Translation Adjustments</u>	<u>Total</u>
	<u>Shares (in Thousands)</u>	<u>Amount</u>			<u>Legal Reserve</u>	<u>Unappropriated Earnings</u>	<u>Total</u>		
Balance, January 1, 2006	87,879	878,791	0	29,981	3,043	106,748	109,791	(143)	1,018,420
Appropriations of prior year's earnings									
Legal reserve					10,674	(10,674)	0		0
Employees' profit sharing - in stock			11,430			(11,430)	(11,430)		0
Employees' profit sharing - in cash						(2,858)	(2,858)		(2,858)
Stock dividends to shareholders - NT\$0.54 per share			47,455			(47,455)	(47,455)		0
Cash dividends to shareholders - NT\$0.36 per share						(31,637)	(31,637)		(31,637)
Bonus to directors and supervisors						(1,921)	(1,921)		(1,921)
Net income for the six months ended June 30, 2006						31,320	31,320		31,320
Issuance of stock from exercising stock options	629	6,290		315					6,605
Translation adjustments								(40)	(40)
Balance, June 30, 2006	<u>88,508</u>	<u>885,081</u>	<u>58,885</u>	<u>30,296</u>	<u>13,717</u>	<u>32,093</u>	<u>45,810</u>	<u>(183)</u>	<u>1,019,889</u>
Balance, January 1, 2005	82,500	825,000	0	28,660	0	30,424	30,424	(184)	883,900
Appropriations of prior year's earnings									
Legal reserve					3,043	(3,043)	0		0
Employees' profit sharing - in stock			3,286			(3,286)	(3,286)		0
Stock dividends to shareholders - NT\$0.29 per share			24,095			(24,095)	(24,095)		0
Net income for the six months ended June 30, 2005						21,350	21,350		21,350
Issuance of stock from exercising stock options	1,959	19,590		980					20,570
Translation adjustments								(117)	(117)
Balance, June 30, 2005	<u>84,459</u>	<u>844,590</u>	<u>27,381</u>	<u>29,640</u>	<u>3,043</u>	<u>21,350</u>	<u>24,393</u>	<u>(301)</u>	<u>925,703</u>

Global Unichip Corporation
Statements of Cash Flows
For The Six Months Ended June 30, 2006 and 2005
(In Thousands of New Taiwan Dollars)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Net income	31,320	21,350
Depreciation	20,190	19,846
Amortization	42,749	43,304
Investment loss (gain) recognized by equity method	(1,122)	(539)
Fixed asset reclassified to other expense	0	104
Changes in working capital & others	(108,843)	124,706
Accrued pension cost	(1,357)	1,795
Net cash provided by (used in) operating activities	<u>(17,063)</u>	<u>210,566</u>
Cash flows from investing activities:		
Increase in long-term investments	0	(2,931)
Acquisition of fixed assets	(12,121)	(14,379)
Acquisition of assets leased to others	0	(585)
Increase in deferred assets	(39,958)	(9,786)
Decrease/(Increase) in other assets-restricted deposit	(3,264)	5,750
Decrease/(Increase) in refundable deposits	(208)	(127)
Net cash used in investing activities	<u>(55,551)</u>	<u>(22,058)</u>
Cash flows from financing activities:		
Increase/(Decrease) in long-term loans	(2,745)	(2,745)
Increase/(Decrease) in other long-term payables	(17,135)	0
Proceeds from exercise of employee stock options	6,605	20,570
Net cash provided by (used in) financing activities	<u>(13,275)</u>	<u>17,825</u>
Net increase (decrease) in cash and cash equivalents	(85,889)	206,333
Cash and cash equivalents at beginning of period	330,690	122,710
Cash and cash equivalents at end of period	<u><u>244,801</u></u>	<u><u>329,043</u></u>
Supplemental disclosures of cash flow information		
Cash paid for		
Interest	<u>0</u>	<u>0</u>
Income tax	<u>0</u>	<u>0</u>