

English Translation of Financial Statements, Originally Issued in Chinese

**SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**December 31, 2007 and 2006**

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	YR2007 / 12 / 31		YR2006 / 12 / 31		LIABILITIES AND SHAREHOLDERS' EQUITY	YR2007 / 12 / 31		YR2006 / 12 / 31	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents	\$ 3,019,717	35	\$ 2,017,436	30	Short-term loans	\$ -	-	\$ 189,316	3
Notes receivable, net	-	-	7,738	-	Notes payable	111,146	1	-	-
Accounts receivable, net	1,699,748	20	1,737,225	26	Accounts payable	1,473,865	17	946,562	14
Account receivable - related parties, net	278,189	3	213,937	3	Accounts payable - related parties	61,538	1	244,905	4
Refund receivable	-	-	1,331	-	Income tax payable	94,177	1	63,317	1
Other receivable	132,056	2	52,045	1	Accrued expenses	364,128	4	260,235	4
Other receivable - related parties	20,419	-	11,390	-	Financial liabilities at fair value through profit or loss - current	-	-	224	-
Inventories	381,063	4	565,243	9	Other payables - related parties	30,316	-	82,565	1
Prepaid expenses	94,002	1	85,546	1	Other payables	446,115	5	618,224	9
Deferred income tax assets - current	28,138	-	14,082	-	Receipts in advance	1,492	-	3,447	-
<b>Total Current Assets</b>	<b>5,653,332</b>	<b>65</b>	<b>4,705,973</b>	<b>70</b>	Long - term bank loans - expected to be paid within a year or the operating cycle	399,453	5	214,091	3
					Other current liabilities	60,682	1	68,177	1
					<b>Total Current Liabilities</b>	<b>3,042,912</b>	<b>35</b>	<b>2,691,063</b>	<b>40</b>
<b>LONG-TERM INVESTMENTS</b>					<b>LONG-TERM LIABILITIES</b>				
Long-term investment recognized under the equity method	15,526	-	14,604	-	Long-term bank loans	1,233,304	14	474,859	9
Financial assets carried at cost - noncurrent	13,629	-	20,967	1					
<b>Total Long-Term Investments</b>	<b>29,155</b>	<b>-</b>	<b>35,571</b>	<b>1</b>	<b>PROVISION</b>				
					Provision for land increment tax	9,477	-	9,477	-
<b>PROPERTY, PLANT AND EQUIPMENT</b>					<b>OTHER LIABILITIES</b>				
Land	55,094	-	52,594	1	Accrued pension costs	21,110	-	18,205	-
Buildings	1,206,232	14	317,590	5	Guarantee deposits received	1,191	-	1,557	-
Machinery and equipment	1,905,172	22	1,022,252	15	Deferred income tax liabilities - noncurrent	237,723	3	155,878	3
Testing equipment	51,302	-	29,517	-	Deferred Credits - gain on inter-company transactions	2,998	-	2,336	-
Transportation equipment	18,012	-	15,457	-	<b>Total Other Liabilities</b>	<b>263,022</b>	<b>3</b>	<b>177,976</b>	<b>3</b>
Office equipment	101,625	1	70,236	1	<b>TOTAL LIABILITIES</b>	<b>4,548,715</b>	<b>52</b>	<b>3,353,375</b>	<b>50</b>
Leasehold improvements	330,434	4	249,830	4	<b>SHAREHOLDERS' EQUITY</b>				
Miscellaneous equipment	62,849	1	38,993	1	Common stock at par value of \$10 each				
Subttl for cost	3,730,720	42	1,796,469	27	Authorized - 300,000 thousand shares				
Less : Accumulated depreciation	(901,535)	(10)	(675,743)	(10)	Issued - 150,730 thousand shares in 2007 and 134,830 thousand shares in 2006	1,507,302	17	1,348,300	20
Construction in progress and prepayments for equipment	161,145	2	747,750	11	<b>Capital surplus</b>				
<b>Total Property, Plant and Equipment, net</b>	<b>2,990,330</b>	<b>34</b>	<b>1,868,476</b>	<b>28</b>	Paid-in capital in excess of par value	273,696	3	273,696	4
					<b>Retained earnings</b>				
<b>INTANGIBLE ASSETS</b>					Legal reserve	335,352	4	230,402	3
Land access	36,236	-	-	-	Special reserve	-	-	31,193	1
					Unappropriated earnings	1,921,526	22	1,446,255	22
<b>OTHER ASSETS</b>					<b>Total Retained Earnings</b>	<b>2,256,878</b>	<b>26</b>	<b>1,707,850</b>	<b>26</b>
Refundable deposits	5,797	-	7,575	-	<b>Other shareholders' equity</b>				
Deferred charges	59,628	1	92,672	1	Cumulative translation adjustments	111,665	1	9,244	-
<b>Total Other Assets</b>	<b>65,425</b>	<b>1</b>	<b>100,247</b>	<b>1</b>	<b>Total Parent Company Shareholders' Equity</b>	<b>4,149,541</b>	<b>47</b>	<b>3,339,090</b>	<b>50</b>
					<b>Minority Interest</b>	<b>76,222</b>	<b>1</b>	<b>17,802</b>	<b>-</b>
					<b>Total Shareholders' Equity</b>	<b>4,225,763</b>	<b>48</b>	<b>3,356,892</b>	<b>50</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,774,478</b>	<b>100</b>	<b>\$ 6,710,267</b>	<b>100</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 8,774,478</b>	<b>100</b>	<b>\$ 6,710,267</b>	<b>100</b>

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**SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the Year Ended December 31, 2007 and 2006**

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

	Ended on 2007 / 12 / 31		Ended on 2006 / 12 / 31	
	Amount	%	Amount	%
<b>GROSS SALES</b>	\$ 9,050,317	102	\$ 7,354,414	102
LESS : SALES RETURNS	(76,681)	(1)	(96,921)	(1)
SALES ALLOWANCES	(67,788)	(1)	(35,087)	(1)
<b>NET SALES</b>	8,905,848	100	7,222,406	100
<b>COST OF SALES</b>	(6,500,873)	(73)	(5,292,123)	(72)
<b>GROSS PROFIT</b>	2,404,975	27	1,930,283	27
Unrealized inter-company gain	(2,998)	-	(2,336)	-
Realized inter-company gain	2,336	-	4,799	-
<b>REALIZED GROSS PROFIT</b>	2,404,313	27	1,932,746	27
<b>OPERATING EXPENSES</b>				
Selling expenses	(214,639)	(2)	(262,587)	(4)
General and administrative	(353,460)	(4)	(265,040)	(4)
Research and development	(216,881)	(3)	(173,327)	(2)
Total Operating Expenses	(784,980)	(9)	(700,954)	(10)
<b>OPERATING INCOME</b>	1,619,333	18	1,231,792	17
<b>NONOPERATING INCOME</b>				
Interest income	13,892	-	11,860	-
Investment income recognized under the equity method	1,001	-	908	-
Dividend income	2,421	-	1,202	-
Gain on disposal of investments, net	13,913	-	11,098	-
Foreign exchange gain, net	27,803	-	-	-
Rental income	914	-	914	-
Miscellaneous income	51,333	1	75,180	1
Total Nonoperating Income	111,277	1	101,162	1
<b>NONOPERATING EXPENSES</b>				
Interest expense	(70,260)	(1)	(34,015)	(1)
Foreign exchange loss - net	-	-	(28,001)	-
Valuation loss on financial liabilities, net	(1,859)	-	(633)	-
Provision for loss on inventories	(45,550)	-	(27,612)	-
Miscellaneous expenses	(1,259)	-	(22,402)	-
Total Nonoperating Expenses	(118,928)	(1)	(112,663)	(1)
<b>INCOME BEFORE INCOME TAX</b>	1,611,682	18	1,220,291	17
<b>INCOME TAX EXPENSE</b>	(322,924)	(4)	(175,640)	(3)
<b>NET INCOME AFTER TAX FOR THE YEAR / PERIOD</b>	<b>\$ 1,288,758</b>	<b>14</b>	<b>\$ 1,044,651</b>	<b>14</b>
<b>ATTRIBUTABLE TO :</b>				
Shareholders of the parent	\$ 1,289,853	14	\$ 1,049,502	14
Minority Interest Income	(1,095)	-	(4,851)	-
	<b>\$ 1,288,758</b>	<b>14</b>	<b>\$ 1,044,651</b>	<b>14</b>
	Before income tax	After income tax	Before income tax	After income tax
<b>BASIC EARNINGS PER SHARE</b>	<b>\$ 9.99</b>	<b>\$ 8.56</b>	<b>\$ 7.87</b>	<b>\$ 6.96</b>