

Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2004 and 2003
 (expressed in thousands of New Taiwan dollars)

| | Common stock | Capital surplus | Legal reserve | Retained earnings | | Total |
|---|-------------------|-----------------|---------------|-------------------------|------------------------------------|------------------|
| | | | | Unappropriated earnings | Accumulated translation adjustment | |
| Balance at January 1, 2003 | \$ 600,000 | 221,593 | 37,088 | 166,860 | 19,795 | 1,045,336 |
| Appropriation and distribution of retained earnings: | | | | | | - |
| Provision of Legal reserve | | | 13,530 | (13,530) | | - |
| Employee bonuses transferred to common stock | 8,000 | | | (8,000) | | - |
| Unappropriated earnings transferred to common stock | 72,000 | | | (72,000) | | - |
| Remuneration of directors and supervisors | | | | (1,218) | | (1,218) |
| Cash dividends | | | | (48,000) | | (48,000) |
| Adjustment for changes in investee company's stockholders' equity | | 244 | | | | 244 |
| Gain on disposal of property and equipment transferred to capital surplus | | | 1,010 | (1,010) | | - |
| Net income for 2003 | | | | 71,500 | | 71,500 |
| Accumulated translation adjustment | | | | | (12,171) | (12,171) |
| Balance at December 31, 2003 | <u>680,000</u> | <u>221,837</u> | <u>51,628</u> | <u>94,602</u> | <u>7,624</u> | <u>1,055,691</u> |
| Appropriation: | | | | | | - |
| Legal reserve | | | 7,150 | (7,150) | | - |
| Employee bonuses | 4,000 | | | (4,000) | | - |
| Remuneration of directors and supervisors | | | | (643) | | (643) |
| Cash dividends | | | | (68,000) | | (68,000) |
| Stock dividends | 34,000 | (20,400) | | (13,600) | | - |
| Adjustment for changes in investee company's stockholders' equity | | (244) | | (1,322) | | (1,566) |
| Convertible bonds converted into common stock | 5,982 | 7,468 | | | | 13,450 |
| Net income for 2004 | | | | 113,061 | | 113,061 |
| Accumulated translation adjustment | | | | | (38,776) | (38,776) |
| Balance at December 31, 2004 | <u>\$ 723,982</u> | <u>208,661</u> | <u>58,778</u> | <u>112,948</u> | <u>(31,152)</u> | <u>1,073,217</u> |