



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION

BALANCE SHEETS

As of December 31, 2004 and 2003

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

ASSETS	December 31, 2004			December 31, 2003		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	237	7,574	30.6	1,493	6.6	6,080	407.2
Short Term Investment	27	866	3.5	4,308	18.9	(3,442)	(79.9)
Accounts Receivable	64	2,034	8.2	1,848	8.1	186	10.0
Inventories	33	1,045	4.2	1,861	8.2	(816)	(43.9)
Other Current Assets	23	743	3.0	827	3.6	(84)	(10.1)
Total Current Assets	383	12,261	49.5	10,337	45.4	1,924	18.6
Long Term Investment	47	1,490	6.0	2,074	9.1	(584)	(28.1)
Properties	1,384	44,258	178.9	42,696	187.4	1,562	3.7
Less Accumulated Depreciation	(1,098)	(35,108)	(141.9)	(35,107)	(154.1)	(2)	0.0
Net Properties	286	9,149	37.0	7,589	33.3	1,560	20.6
Other Assets	58	1,844	7.5	2,787	12.2	(943)	(33.8)
Total Assets	774	24,745	100.0	22,788	100.0	1,957	8.6
LIABILITIES							
Accounts Payable & Other Current Liabilities	63	2,021	8.2	2,138	9.4	(118)	(5.5)
Current Portion of Long Term Debts	25	810	3.3	1,919	8.4	(1,109)	(57.8)
Total Current Liabilities	89	2,831	11.4	4,057	17.8	(1,227)	(30.2)
Long Term Debts	64	2,054	8.3	3,681	16.2	(1,627)	(44.2)
Other Long Term Liabilities	14	445	1.8	527	2.3	(82)	(15.6)
Total Liabilities	167	5,330	21.5	8,266	36.3	(2,936)	(35.5)
SHAREHOLDERS' EQUITY							
Capital Stock	459	14,684	59.3	28,035	123.0	(13,351)	(47.6)
Advance Receipts for Common Stock	0	2	0.0	1	0.0	1	133.0
Capital Surplus - Employee Stock Option	1	17	0.1	2	0.0	15	925.5
Capital Surplus - L/T Investment	1	17	0.1	0	0.0	17	100.0
Retained Earnings							
- Legal Reserve	0	0	0.0	1	0.0	(1)	(100.0)
- Previous Year	0	0	0.0	(13,714)	(60.2)	13,714	(100.0)
- Current Year	149	4,755	19.2	178	0.8	4,577	2571.3
Unrealized Loss on Long Term Investments	0	0	0.0	(1)	(0.0)	1	(100.0)
Cumulative Translation Adjustment	(2)	(60)	(0.2)	22	0.1	(82)	(371.7)
Total Shareholders' Equity	607	19,415	78.5	14,522	63.7	4,893	33.7
Total Liabilities & Shareholders' Equity	774	24,745	100.0	22,788	100.0	1,957	8.6

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$31.978 per U.S. Dollar as of December 31, 2004.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION

BALANCE SHEETS

As of December 31 and September 30, 2004

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

ASSETS	December 31, 2004			September 30, 2004		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	237	7,574	30.6	4,999	20.8	2,575	51.5
Short Term Investment	27	866	3.5	1,601	6.7	(735)	(45.9)
Accounts Receivable	64	2,034	8.2	2,449	10.2	(415)	(16.9)
Inventories	33	1,045	4.2	1,189	5.0	(144)	(12.1)
Other Current Assets	23	743	3.0	1,356	5.6	(613)	(45.2)
Total Current Assets	383	12,261	49.5	11,594	48.3	667	5.8
Long Term Investment	47	1,490	6.0	2,155	9.0	(665)	(30.8)
Properties	1,384	44,258	178.9	43,346	180.6	912	2.1
Less Accumulated Depreciation	(1,098)	(35,108)	(141.9)	(34,474)	(143.6)	(635)	1.8
Net Properties	286	9,149	37.0	8,872	37.0	278	3.1
Other Assets	58	1,844	7.5	1,386	5.8	459	33.1
Total Assets	774	24,745	100.0	24,006	100.0	739	3.1
LIABILITIES							
Accounts Payable & Other Current Liabilities	63	2,021	8.2	2,607	10.9	(586)	(22.5)
Current Portion of Long Term Debts	25	810	3.3	309	1.3	500	161.7
Total Current Liabilities	89	2,831	11.4	2,916	12.1	(86)	(2.9)
Long Term Debts	64	2,054	8.3	2,750	11.5	(695)	(25.3)
Other Long Term Liabilities	14	445	1.8	437	1.8	8	1.8
Total Liabilities	167	5,330	21.5	6,103	25.4	(773)	(12.7)
SHAREHOLDERS' EQUITY							
Capital Stock	459	14,684	59.3	14,683	61.2	1	0.0
Advance Receipts for Common Stock	0	2	0.0	0	0.0	2	100.0
Capital Surplus - Employee Stock Option	1	17	0.1	16	0.1	1	3.5
Capital Surplus - L/T Investment	1	17	0.1	1	0.0	16	1,400.4
Retained Earnings							
- Current Year	149	4,755	19.2	3,191	13.3	1,564	49.0
Unrealized Loss on Long Term Investments	0	0	0.0	(14)	(0.1)	14	(100.0)
Cumulative Translation Adjustment	(2)	(60)	(0.2)	26	0.1	(86)	(328.8)
Total Shareholders' Equity	607	19,415	78.5	17,903	74.6	1,512	8.4
Total Liabilities & Shareholders' Equity	774	24,745	100.0	24,006	100.0	739	3.1

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$31.978 per U.S.Dollar as of December 31, 2004.



Vanguard International Semiconductor Corporation

Income Statement

For the Twelve Months Ended December 31, 2004 and 2003
(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	12 months ended Dec. 31				
	2004 USD	2004 NTD	% of Sales	2003 NTD	YoY Inc(Dec) %
Net Sales	474	15,879	100.0%	10,905	45.6
Cost of Sales	(325)	(10,867)	-68.4%	(11,550)	(5.9)
Gross Profit	150	5,012	31.6%	(645)	-
Operating Expenses					
General and Administrative Expenses	(16)	(533)	-3.4%	(436)	22.1
Selling and Marketing Expenses	(4)	(120)	-0.8%	(161)	(25.6)
Research and Development Expenses	(11)	(354)	-2.2%	(415)	(14.5)
Total Operating Expenses	(30)	(1,007)	-6.3%	(1,012)	(0.5)
Income From Operations	120	4,005	25.2%	(1,657)	-
Investment Gain (Loss)	35	1,169	7.4%	348	236.1
Inventory Valuation (Loss)	9	287	1.8%	1,701	(83.1)
Net Other Non-operating Income (Expenses)	11	358	2.3%	(213)	-
Income before Income Tax	174	5,820	36.7%	178	3169.6
Income Tax Credit (Expenses)	(32)	(1,065)	-6.7%	0	-
Net Income	142	4,755	29.9%	178	2571.3
Earnings Per Share ⁽²⁾	0.097	3.24		0.12	-
Weighted Average Outstanding Shares('M) ⁽²⁾		1,466		1,450	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.476 per U.S. dollar for the twelve months of 2004.

(2) Total weighted average outstanding shares were 1,465,736K / 1,450,363K shares for 2004 / 2003 after the retroactive adjustments for capital reduction.



Vanguard International Semiconductor Corporation Income Statement

For the Twelve Months Ended December 31, 2004 and 2003
(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	<u>Year over Year Comparison</u>					<u>Sequential Comparison</u>					
	<u>4Q 2004</u>		<u>% of</u>	<u>4Q 2003</u>		<u>4Q 2004</u>		<u>% of</u>	<u>3Q 2004</u>		
	<u>USD</u>	<u>NTD</u>	<u>Sales</u>	<u>NTD</u>	<u>YoY</u>	<u>USD</u>	<u>NTD</u>	<u>Sales</u>	<u>NTD</u>	<u>QoQ</u>	
				<u>Inc(Dec)</u>	<u>%</u>					<u>Inc(Dec)</u>	<u>%</u>
Net Sales	109	3,624	100.0	3,293	10.1	109	3,624	100.0	4,362	(16.9)	
Cost of Sales	(72)	(2,382)	(65.7)	(2,831)	(15.9)	(72)	(2,382)	(65.7)	(2,721)	(12.4)	
Gross Profit	37	1,242	34.3	462	168.9	37	1,242	34.3	1,641	(24.3)	
Operating Expenses											
General and Administrative Expenses	(4)	(144)	(4.0)	(127)	13.3	(4)	(144)	(4.0)	(133)	8.2	
Selling and Marketing Expenses	0	5	0.1	(57)	(109.3)	0	5	0.1	(38)	(114.0)	
Research and Development Expenses	(3)	(106)	(2.9)	(82)	28.5	(3)	(106)	(2.9)	(87)	22.0	
Total Operating Expenses	(7)	(244)	(6.7)	(267)	(8.4)	(7)	(244)	(6.7)	(258)	(5.2)	
Income From Operations	30	998	27.5	195	411.4	30	998	27.5	1,383	(27.8)	
Investment Gain (Loss)	21	711	19.6	(28)	-	21	711	19.6	88	711.4	
Inventory Valuation (Loss)	(0)	(11)	(0.3)	306	-	(0)	(11)	(0.3)	24	-	
Net Other Non-operating Income (Expenses)	2	80	2.2	(123)	-	2	80	2.2	37	113.2	
Income before Income Tax	54	1,779	49.1	350	407.6	54	1,779	49.1	1,532	16.1	
Income Tax Credit (Expenses)	(6)	(215)	(5.9)	0	-	(6)	(215)	(5.9)	(362)	(40.6)	
Net Income	47	1,564	43.2	350	346.3	47	1,564	43.2	1,171	33.6	
Earnings Per Share ⁽²⁾	0.032	1.07		0.24	341.4	0.032	1.07		0.80	33.5	
Weighted Average Outstanding Shares('M) ⁽²⁾		1,466		1,450		1,466			1,465		

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.162 per U.S. dollar for the fourth quarter of 2004.

(2) Total weighted average outstanding shares were 1,465,736K shares for 4Q04, 1,450,363K shares for 4Q03 and 1,464,865K shares for 3Q04 after the retroactive adjustments for capital reduction.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
STATEMENTS OF CASH FLOWS

For the Twelve Months Ended December 31, 2004
(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

	12 MTHS 2004		12 MTHS 2003
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income (Loss)	142	4,755	178
Depreciation & Amortization	98	3,277	3,691
Investment gain recognized by equity method	(13)	(442)	(50)
Impairment loss on long-term stock investment	2	56	0
Gain on sales of long-term stock investments	(0)	(0)	(291)
Gain on disposal of properties - net	(8)	(269)	82
Deferred income tax assets	32	1,065	0
Changes in working capital & others	19	651	(535)
Net Cash Provided by Operating Activities	272	9,092	3,075
Cash Flows from Investing Activities:			
Decrease (increase) in short-term investments	111	3,723	(2,721)
Acquisitions of properties	(147)	(4,926)	(1,043)
Acquisitions of long-term stock investments	(1)	(43)	(38)
Proceeds from disposal of properties	10	340	21
Proceeds from capital reduction of long-term stock investments	20	668	0
Proceeds from disposal of long-term stock investments	0	1	1,217
Increase in deferred charges	(2)	(66)	(13)
Net Cash Provided by (Used in) Investing Activities	(9)	(302)	(2,577)
Cash Flows from Financing Activities:			
Proceeds from (payments on):			
Short-term bank loans	(6)	(206)	(347)
Commercial paper issued	0	0	(1,080)
Bonds payable	0	0	(750)
Long-term bank loans	(77)	(2,569)	(3,675)
Decrease in guarantee deposits	(4)	(135)	(368)
Increase in advance receipts for common stock	0	1	1
Proceeds from exercise of employee stock options	6	200	37
Issuance of common shares	0	0	1,802
Net Cash Provided by Financing Activities	(81)	(2,709)	(4,380)
Net Increase (Decrease) in Cash and Cash Equivalents	182	6,080	(3,882)
Cash and Cash Equivalents, Beginning of Period	45	1,493	5,376
Cash and Cash Equivalents, End of Period	226	7,574	1,493

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$33.476 per U.S. Dollar, the weighted average exchange rate for the twelve months of 2004.