

## **FINANCIAL HIGHLIGHTS**

### **CONSOLIDATED BALANCE SHEETS**

(in Thousand U.S. Dollars, Except Per Share Amounts)

	<b>December 31,</b>	
	<b><u>2004</u></b>	<b><u>2005</u></b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	\$ 56,320	\$ 46,375
Restricted cash .....	1,887	5,605
Short-term investments .....	63,768	55,653
Accounts receivable, net .....	9,431	11,460
Inventories .....	11,231	15,943
Prepaid expenses and other current assets .....	4,202	6,655
Deferred tax assets .....	289	10
Total current assets .....	<u>147,128</u>	<u>141,701</u>
LONG-TERM INVESTMENTS .....	11,781	16,898
LAND, PROPERTY AND EQUIPMENT, NET .....	10,758	23,319
RESTRICTED ASSETS .....	13,873	14,492
OTHER ASSETS .....	1,656	3,245
<b>TOTAL</b> .....	<u><u>\$185,196</u></u>	<u><u>\$199,655</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Notes and accounts payable .....	\$ 3,635	\$ 5,760
Income tax payable .....	3,751	3,907
Accrued expenses and other current liabilities .....	6,641	13,394
Deferred tax liabilities .....	388	698
Total current liabilities .....	<u>14,415</u>	<u>23,759</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Preference shares at \$0.00002 per value per share; Authorized – 250,000,000 shares .....	-	-
Ordinary shares at \$0.00002 par value per share; Authorized - 4,750,000,000 shares; Issued- 1,959,403, 100 shares and 1,967,824,350 shares as of December 31, 2004 and 2005 .....	39	39
Treasury stock - 15,030,000 shares as of December 31, 2005 .....	-	(3,296)
Additional paid-in capital .....	139,581	141,532
Accumulated other comprehensive loss .....	(110)	(1,118)
Retained earnings .....	31,271	38,739
Total shareholders' equity .....	<u>170,781</u>	<u>175,896</u>
<b>TOTAL</b> .....	<u><u>\$185,196</u></u>	<u><u>\$199,655</u></u>

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(In Thousands of U.S. Dollars, Except Per Share Amounts)

	<b>Years Ended December 31,</b>	
	<b>2004</b>	<b>2005</b>
NET SALES .....	\$92,196	\$105,552
COST OF SALES .....	37,403	40,741
GROSS PROFIT .....	54,793	64,811
OPERATING EXPENSES		
Research and development .....	20,260	25,421
Selling, general and administrative .....	16,348	20,279
Patent litigation .....	5,334	10,174
Total operating expenses .....	41,942	55,874
INCOME FROM OPERATIONS .....	12,851	8,937
NON-OPERATING INCOME (EXPENSES)		
Interest income .....	1,455	2,824
Impairment loss on long-term investments .....	-	-
Gain on sale of long-term investments .....	340	-
Foreign exchange gain (loss), net .....	648	(443)
Hong Kong Stock Exchange listing expenses .....	-	(2,460)
Other, net .....	262	323
Total non-operating income .....	2,705	244
INCOME BEFORE INCOME TAX .....	15,556	9,181
INCOME TAX EXPENSE .....	1,472	1,034
NET INCOME .....	14,084	8,147
OTHER COMPREHENSIVE INCOME (LOSS)		
Translation adjustments on subsidiaries .....	714	(238)
Unrealized gain (loss) on available-for-sale securities .....	(303)	(770)
Total other comprehensive income (loss) .....	411	(1,008)
COMPREHENSIVE INCOME .....	\$14,495	\$ 7,139
EARNINGS PER SHARE:		
Basic .....	\$0.0072	\$ 0.0042
Diluted .....	\$0.0070	\$ 0.0041