

D-LINK CORPORATION
Non-consolidated Balance Sheets
September 30, 2002 and 2003

(In thousands of New Taiwan Dollars)

Assets	9/30/2003		9/30/2002		Liabilities and Shareholders' Equity	9/30/2003		9/30/2002	
	Amounts	%	Amounts	%		Amounts	%	Amounts	%
Current Assets :					Current Liabilities :				
Cash and Cash Equivalents	\$ 1,375,957	7	1,411,613	8	Short-term borrowings	\$ 1,813,429	9	272,218	2
Short-term Investment	3,006,910	15	4,678,613	26	Accounts and Notes Payables	2,881,379	15	2,288,256	13
Accounts Receivables	737,456	4	772,492	4	Payables from related parties	931,069	5	817,529	5
Receivables from related parties	4,185,098	21	3,475,577	19	Current maturities	2,220,269	11	-	-
Other current financial assets	61,731	-	88,627	-	Other current liabilities	888,301	5	785,735	4
Inventories	1,471,151	7	816,441	5	Deferred credit – intercompany profit	447,900	2	493,631	3
Other current assets	121,915	1	185,409	2		<u>9,182,347</u>	<u>47</u>	<u>4,657,369</u>	<u>27</u>
Restricted assets	1,051,269	5	-	-					
	<u>12,011,487</u>	<u>60</u>	<u>11,428,772</u>	<u>64</u>	Long-term Liabilities :				
Long-term Investments :					Bonds payables	600,000	3	2,392,273	13
Investment – Equity method	7,034,604	36	3,843,800	21	Long-term borrowings	200,000	1	600,000	3
Investment – Cost Method	15,768	-	330,103	2		<u>800,000</u>	<u>4</u>	<u>2,992,273</u>	<u>16</u>
Prepayment – L-T Investment	-	-	18,494	-	Other liabilities :				
	<u>7,050,372</u>	<u>36</u>	<u>4,192,397</u>	<u>23</u>	Pension Liabilities and others	61,885	-	364,150	2
Other Financial Assets – Non Current	<u>13,925</u>	<u>-</u>	<u>14,225</u>	<u>-</u>	Total Liabilities	<u>10,044,232</u>	<u>51</u>	<u>8,013,792</u>	<u>45</u>
Fixed Assets					Shareholders' equity :				
Cost :					Capital				
Land	95,949	1	95,949	1	Common Stock	4,999,172	25	5,163,307	29
Buildings	330,266	2	1,393,879	8					
Machinery and Equipments	23,921	-	775,374	4	Paid-in Capital	2,649,876	13	2,799,560	15
Others	84,760	-	211,267	1	Retained earnings :				
	<u>534,896</u>	<u>3</u>	<u>2,476,469</u>	<u>14</u>	Legal reserve	610,282	3	523,254	3
Less : Accumulated Depreciation	(146,921)	(1)	(617,674)	(3)	Special reserve	-	-	275,530	2
Prepayment & construction in Progress	8,859	-	19,762	-	Unappropriated earnings	1,363,261	7	1,120,743	6
	<u>396,834</u>	<u>2</u>	<u>1,878,557</u>	<u>11</u>		<u>1,973,543</u>	<u>10</u>	<u>1,919,527</u>	<u>11</u>
Other Assets :					Foreign currency translation adjustment	129,665	1	18,161	-
Assets for rent	129,822	1	148,580	1	Total Shareholders' Equity	<u>9,752,256</u>	<u>49</u>	<u>9,900,555</u>	<u>55</u>
Other Assets	194,048	1	251,816	1					
	<u>323,870</u>	<u>2</u>	<u>400,396</u>	<u>2</u>					
Total Assets	<u>\$ 19,796,488</u>	<u>100</u>	<u>17,914,347</u>	<u>100</u>	Liabilities and Shareholders' Equity	<u>\$ 19,796,488</u>	<u>100</u>	<u>17,914,347</u>	<u>100</u>

D-LINK CORPORATION
Non-consolidated Statements of Income
For The Nine Months Ended September 30, 2002 and 2003

(In thousands of New Taiwan Dollars)

	3Q 2003		3Q 2002	
	Amounts	%	Amounts	%
Net sales	13,689,332	100	11,739,037	100
Cost of goods sold	10,983,891	80	9,597,590	82
Gross profit	2,705,441	20	2,141,447	18
Net change in unrealized profit on intercompany sales	117,524	1	(93,721)	(1)
Realized gross profits	2,822,965	21	2,047,726	17
Operating expenses				
Selling	537,638	4	286,742	2
Administrative	361,400	3	394,219	2
R&D	693,833	5	581,941	5
Total operating expenses	1,592,871	12	1,262,902	9
Operating profits	1,230,094	9	784,824	8
Non-operating income :				
Interest income	14,439	-	26,191	-
Long-term investment income	52,634	1	-	-
Rental income	18,751	-	29,044	-
Foreign exchange gain	3,369	-	84,000	1
Other income	31,387	-	64,541	1
	120,580	1	203,776	2
Non-operating loss :				
Interest expenses	84,733	1	78,064	1
Long-term investment loss	-	-	140,441	1
Loss on inventory obsolescence and devaluation	184,735	1	74,828	1
	269,468	2	293,333	3
Income before income tax	1,081,206	8	695,267	7
Income tax expenses	74,500	1	72,000	1
Net income	\$ 1,006,706	7	623,267	6
	<u>Pretax</u>	<u>Taxed</u>	<u>Pretax</u>	<u>Taxed</u>
Net income per share				
Basic earnings per common share	\$ 2.16	2.01	1.35	1.21