

**CAMEO COMMUNICATIONS, INC.****Income Statement**

Periods: Mar. 2004

Currency: Functional Currency at NTD Dollars

	<u>AMOUNT</u>	<u>%</u>
Net sales	1,157,882,650	100.0
Cost of goods sold	<u>1,019,256,797</u>	88.0
Gross profit	138,625,853	12.0
Unrealized intercompany profits	<u>-</u>	0.0
Realized gross profit	138,625,853	12.0
Operating expenses:		
Selling expenses	25,741,629	2.2
Administrative expenses	17,736,430	1.5
Research and development expenses	30,352,711	2.6
	<u>73,830,770</u>	6.4
Operating income	<u>64,795,083</u>	5.6
Non-operating income and gains(*):		
Interest income	-	0.0
Long-term investment income (net)	(4,067,758)	-0.4
Gain on disposal of property, plant and equip.	-	0.0
Short-term investment income (net)	2,707,945	0.2
Income on foreign exchanges (net)	(3,941,600)	-0.3
Other income (net)	1,122,204	0.1
	<u>(4,179,209)</u>	-0.4
Non-operating expenses and loss(*):		
Interest expense	-	0.0
Long-term investment loss (net)	-	0.0
Loss on disposal of property, plant and equipment	-	0.0
Short-term investment loss (net)	-	0.0
Loss on foreign exchange	-	0.0
Inventory obsolescence	3,687,764	0.3
Other loss (net)	80,836	0.0
	<u>3,768,600</u>	0.3
Income before income tax	56,847,274	4.9
Income tax expense	<u>5,862,660</u>	0.5
Net income	<u>50,984,614</u>	4.4