

CAMEO COMMUNICATIONS, INC.**Income Statement**

Periods: Sep. 2004

Currency: Functional Currency at NTD Dollars

	AMOUNT	%
Net sales	3,799,671,786	100.0
Cost of goods sold	3,325,404,261	87.5
Gross profit	474,267,525	12.5
Unrealized intercompany profits	-	0.0
Realized gross profit	474,267,525	12.5
Operating expenses:		
Selling expenses	84,312,253	2.2
Bad debt expense	-	0.0
Administrative expenses	53,929,061	1.4
Research and development expenses	91,744,106	2.4
	229,985,420	6.1
Operating income	244,282,105	6.4
Non-operating income and gains(*):		
Interest income	415,833	0.0
Long-term investment income (net)	-	0.0
Gain on disposal of property, plant and equip.	-	0.0
Short-term investment income (net)	6,170,773	0.2
Income on foreign exchanges (net)	11,132,484	0.3
Other income (net)	4,118,677	0.1
	21,837,767	0.6
Non-operating expenses and loss(*):		
Interest expense	281,038	0.0
Long-term investment loss (net)	15,539,590	0.4
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	5,329,492	0.1
Other loss (net)	-	0.0
	21,150,120	0.6
Income before income tax	244,969,752	6.4
Income tax expense	37,839,503	1.0
Net income	207,130,249	5.5