

CAMEO COMMUNICATIONS, INC.**Income Statement**

Periods: Dec. 2004

Currency: Functional Currency at NTD Dollars

	<u>AMOUNT</u>	<u>%</u>
Net sales	5,482,138,091	100.0
Cost of goods sold	4,775,620,791	87.1
Gross profit	<u>706,517,300</u>	12.9
Unrealized intercompany profits	-	0.0
Realized gross profit	<u>706,517,300</u>	12.9
Operating expenses:		
Selling expenses	117,210,398	2.1
Bad debt expense	-	0.0
Administrative expenses	78,064,445	1.4
Research and development expenses	126,299,721	2.3
	<u>321,574,564</u>	5.9
Operating income	<u>384,942,736</u>	7.0
Non-operating income and gains(*):		
Interest income	1,644,157	0.0
Long-term investment income (net)	-	0.0
Gain on disposal of property, plant and equip.	-	0.0
Short-term investment income (net)	5,369,005	0.1
Income on foreign exchanges (net)	-	0.0
Other income (net)	5,097,254	0.1
	<u>12,110,416</u>	0.2
Non-operating expenses and loss(*):		
Interest expense	995,008	0.0
Long-term investment loss (net)	24,220,667	0.4
Loss on disposal of property, plant and equipment	-	0.0
Short-term investment loss (net)	-	0.0
Loss on foreign exchange	26,875,353	0.5
Inventory obsolescence	8,138,672	0.1
Other loss (net)	123,147	0.0
	<u>60,352,847</u>	1.1
Income before income tax	336,700,305	6.1
Income tax expense	52,756,100	1.0
Net income	<u>283,944,205</u>	5.2