

CAMEO COMMUNICATIONS, INC.**Balance Sheet****Periods:as of 2006/06/30**

(In Thousands of New Taiwan Dollars,Except Par Value)

	<u>AMOUNT</u>	<u>%</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	552,037	10.8
Notes & account receivable, 3rd party	547,417	10.7
Receivable from related parties	1,358,263	26.6
Other financial assets-current	19,587	0.4
Inventories,net	1,237,334	24.2
Prepaid expenses and other current assets	52,883	1.0
Total current assets	<u>3,767,521</u>	<u>73.8</u>
Investments accounted for using equity method	603,673	11.8
Available-for -sale financial assets	-	0.0
Other financial assets	7,148	0.1
	<u>610,821</u>	<u>12.0</u>
Property, plant and equipment, at cost		
Land	194,189	3.8
Building and leasehold improvements	221,694	4.3
Machinery and equipment	228,074	4.5
Furniture and fixtures, Transportation, others	83,991	1.6
Prepayment for construction and equipment	227	0.0
Less: accumulated depreciation	(196,121)	-3.8
Net property, plant and equipment	<u>532,054</u>	<u>10.4</u>
Other assets	<u>197,920</u>	<u>3.9</u>
Total Assets	<u><u>5,108,316</u></u>	<u><u>100.0</u></u>

	AMOUNT	%
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Short-term loans	-	0.0
Notes & accounts payable, 3rd party	1,600,982	31.3
Payables to related parties	403,691	7.9
Accrued expenses and other current lia.	610,033	11.9
Total current liabilities	<u>2,614,706</u>	<u>51.2</u>
Long-term liabilities:		
Bonds payable	-	0.0
Long-term loans, excluding current installments	-	0.0
Total long-term liabilities:	<u>-</u>	<u>0.0</u>
Other liabilities		
Accrued pension cost	14,753	0.3
Deferred intercompany profits and others	-	0.0
Total liabilities	<u>2,629,459</u>	<u>51.5</u>
Stockholders' equity		
Common stock	1,685,483	33.0
Preferred Stock	-	0.0
Capital surplus	472,594	9.3
Retained earnings	313,240	6.1
Cumulative translation adjustments	7,540	0.1
Total stockholders' equity	<u>2,478,857</u>	<u>48.5</u>
Commitments and contingent liabilities		
Total liabilities and stockholders' equity	<u>5,108,316</u>	<u>100.0</u>

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CAMEO COMMUNICATIONS, INC.**Income Statement****Periods: Jun. 2006**(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

	AMOUNT	%
Net sales	4,475,300	100%
Cost of goods sold	3,980,241	89%
Gross profit	495,059	11%
Unrealized intercompany profits	-	0%
Realized gross profit	495,059	11%
Operating expenses:		
Selling expenses	103,579	2%
Administrative expenses	70,171	2%
Research and development expenses	197,110	4%
	370,860	8%
Operating income	124,199	3%
Non-operating income and gains:		
Interest income	7,830	0%
Long-term investment income (net)	28,819	1%
Gain on disposal of property, plant and equip.	-	0%
Short-term investment income	-	0%
Income on foreign exchanges (net)	3,194	0%
Other income	14,188	0%
	54,031	1%
Non-operating expenses and loss:		
Interest expense	422	0%
Long-term investment loss	-	0%
Loss on disposal of property, plant and equipment	-	0%
Short-term investment loss	-	0%
Loss on foreign exchange	-	0%
Inventory obsolescence	62,976	1%
Other loss	4,590	0%
	67,988	2%
Income before income tax	110,242	2%
Income tax expense	-	0%
Net income	110,242	2%
Earnings per share	Before Tax	After Tax
Basic earnings per share	0.65	0.65