

**CAMEO COMMUNICATIONS, INC.****Balance Sheet****Periods:as of 2007/6/30**

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

	AMOUNT	%
<u>Assets</u>		
Current assets		
Cash and cash equivalents	562,650	9.0
Notes & account receivable, 3rd party	737,570	11.8
Receivable from related parties	1,739,179	27.8
Other financial assets-current	19,283	0.3
Inventories,net	1,120,174	17.9
Prepaid expenses and other current assets	130,968	2.0
Total current assets	<u>4,309,824</u>	<u>68.8</u>
Investments accounted for using equity method	1,270,869	20.3
Available-for -sale financial assets	22,020	0.4
Financial assets at cost-noncurrent	18,209	0.3
Other financial assets	7,280	0.1
	<u>1,318,378</u>	<u>21.1</u>
Property, plant and equipment, at cost		
Land	110,378	1.8
Building and leasehold improvements	139,106	2.2
Machinery and equipment	234,314	3.7
Furniture and fixtures, Transportation, others	94,928	1.5
Prepayment for construction and equipment	-	0.0
Less: accumulated depreciation	(243,708)	-3.9
Net property, plant and equipment	<u>335,018</u>	<u>5.3</u>
Intangible assets	<u>135,373</u>	<u>2.2</u>
Other assets	<u>160,545</u>	<u>2.6</u>
Total Assets	<u><u>6,259,138</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	1,130,400	18.0
Payables to related parties	1,156,648	18.5
Accrued expenses and other current lia.	361,669	5.8
Total current liabilities	<u>2,648,717</u>	<u>42.3</u>
Long-term liabilities:		
financial liabilities at fair value through income statement – noncurr	42,240	0.7
Bonds payable	699,028	11.2
Long-term loans, excluding current installments	-	0.0
Total long-term liabilities:	<u>741,268</u>	<u>11.8</u>
Other liabilities		
Accrued pension cost	39,418	0.6
Deferred intercompany profits and others	-	0.0
Total liabilities	<u>3,429,403</u>	<u>54.8</u>
Stockholders' equity		
Common stock	1,685,483	26.9
Stock dividends to be distributed	129,129	2.1
Additional paid-in capital in excess of par	438,884	7.0
Other additional paid-in capital	58,112	1.0
Retained earnings	468,094	7.4
Cumulative translation adjustments	50,033	0.8
Unrealized gains on financial instruments	-	0.0
Total stockholders' equity	<u>2,829,735</u>	<u>45.2</u>
Commitments and contingent liabilities		
Total liabilities and stockholders' equity	<u><u>6,259,138</u></u>	<u><u>100.0</u></u>

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**CAMEO COMMUNICATIONS, INC.****Income Statement****Periods: Jun. 2007**(In Thousands of New Taiwan Dollars, Except  
Earnings Per Share)

	AMOUNT	%
Net sales	5,205,147	100.0
Cost of goods sold	4,676,692	89.8
Gross profit	528,455	10.2
Unrealized intercompany profits	-	-
Realized gross profit	528,455	10.2
Operating expenses:		
Selling expenses	91,993	1.8
Administrative expenses	59,977	1.2
Research and development expenses	230,598	4.4
	382,568	7.4
Operating income	145,887	2.8
Non-operating income and gains:		
Interest income	10,289	0.2
Long-term investment income (net)	106,224	2.0
Gain on disposal of property, plant and equip.	-	0.0
Gain on valuation of financial liability	5,960	0.1
Income on foreign exchanges (net)	3,361	0.1
Other income	40,833	0.8
	166,667	3.2
Non-operating expenses and loss:		
Interest expense	11,953	0.2
Long-term investment loss	-	0.0
Loss on disposal of property, plant and equipment	-	0.0
Short-term investment loss	-	0.0
Impairment loss	56,620	1.1
Inventory obsolescence	7,487	0.2
Other loss	1,057	0.0
	77,117	1.5
Income before income tax	235,437	4.5
Income tax expense	-	-
Net income	235,437	4.5
Earnings per share	<b>Before Tax</b>	<b>After Tax</b>
Basic earnings per share	<b>1.30</b>	<b>1.30</b>