

**CAMEO COMMUNICATIONS, INC.****Balance Sheet****Periods:as of 2007/9/30**

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

	<u>AMOUNT</u>	<u>%</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	748,794	9.8
Notes & account receivable, 3rd party	808,775	10.6
Receivable from related parties	2,284,118	29.8
Other financial assets-current	10,448	0.1
Inventories,net	1,630,229	21.3
Prepaid expenses and other current assets	148,118	1.9
Total current assets	<u>5,630,482</u>	<u>73.5</u>
Investments accounted for using equity method	1,371,081	17.9
Available-for -sale financial assets	22,020	0.3
Financial assets at cost-noncurrent	18,209	0.2
Other financial assets	7,280	0.1
	<u>1,418,590</u>	<u>18.5</u>
Property, plant and equipment, at cost		
Land	110,378	1.4
Building and leasehold improvements	139,106	1.8
Machinery and equipment	239,141	3.1
Furniture and fixtures, Transportation, others	96,246	1.3
Prepayment for construction and equipment	-	0.0
Less: accumulated depreciation	(257,426)	-3.4
Net property, plant and equipment	<u>327,445</u>	<u>4.2</u>
Intangible assets	<u>124,606</u>	<u>1.6</u>
Other assets	<u>157,772</u>	<u>2.2</u>
Total Assets	<u><u>7,658,895</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	1,200,896	15.7
Payables to related parties	2,424,219	31.7
Accrued expenses and other current lia.	258,982	3.4
Total current liabilities	<u>3,884,097</u>	<u>50.7</u>
Long-term liabilities:		
financial liabilities at fair value through income statement – noncuri	34,120	0.4
Bonds payable	704,045	9.2
Long-term loans, excluding current installments	-	0.0
Total long-term liabilities:	<u>738,165</u>	<u>9.6</u>
Other liabilities		
Accrued pension cost	38,334	0.5
Deferred intercompany profits and others	-	0.0
Total liabilities	<u>4,660,596</u>	<u>60.9</u>
Stockholders' equity		
Common stock	1,814,612	23.7
Stock dividends to be distributed	-	0.0
Additional paid-in capital in excess of par	438,884	5.7
Other additional paid-in capital	58,112	0.8
Retained earnings	623,732	8.1
Cumulative translation adjustments	62,959	0.8
Unrealized gains on financial instruments	-	0.0
Total stockholders' equity	<u>2,998,299</u>	<u>39.1</u>
Commitments and contingent liabilities		
Total liabilities and stockholders' equity	<u><u>7,658,895</u></u>	<u><u>100.0</u></u>

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

	AMOUNT	%
Net sales	8,445,970	100.0
Cost of goods sold	7,529,790	89.2
Gross profit	916,180	10.8
Unrealized intercompany profits	-	-
Realized gross profit	916,180	10.8
Operating expenses:		
Selling expenses	162,436	1.9
Administrative expenses	90,696	1.1
Research and development expenses	346,648	4.1
	599,780	7.1
Operating income	316,400	3.7
Non-operating income and gains:		
Interest income	14,794	0.2
Long-term investment income (net)	96,267	1.1
Gain on disposal of property, plant and equip.	-	0.0
Gain on valuation of financial liability	14,080	0.2
Income on foreign exchanges (net)	-	0.0
Other income	39,842	0.5
	164,983	2.0
Non-operating expenses and loss:		
Interest expense	16,970	0.2
Long-term investment loss	-	0.0
Loss on disposal of property, plant and equipment	-	0.0
Loss on foreign exchanges (net)	4,754	0.1
Impairment loss	56,620	0.7
Inventory obsolescence	11,187	0.1
Other loss	778	0.0
	90,309	1.1
Income before income tax	391,074	4.6
Income tax expense	-	-
Net income	391,074	4.6
Earnings per share	<b>Before Tax</b>	<b>After Tax</b>
Basic earnings per share	<b>2.16</b>	<b>2.16</b>