

**CAMEO COMMUNICATIONS, INC.****Balance Sheet****Periods:as of 2007/12/31**

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

	<u>AMOUNT</u>	<u>%</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	540,025	7.5
Notes & account receivable, 3rd party	962,880	13.4
Receivable from related parties	2,177,557	30.3
Other financial assets-current	39,700	0.6
Inventories,net	1,324,252	18.4
Prepaid expenses and other current assets	158,066	2.2
Total current assets	<u>5,202,480</u>	<u>72.4</u>
Investments accounted for using equity method	1,206,696	16.8
Available-for -sale financial assets	18,600	0.3
Financial assets at cost-noncurrent	18,209	0.3
Other financial assets	7,280	0.1
	<u>1,250,785</u>	<u>17.4</u>
Property, plant and equipment, at cost		
Land	110,378	1.5
Building and leasehold improvements	135,732	1.9
Machinery and equipment	249,440	3.5
Furniture and fixtures, Transportation, others	105,154	1.5
Prepayment for construction and equipment	-	0.0
Less: accumulated depreciation	(277,221)	-3.9
Net property, plant and equipment	<u>323,483</u>	<u>4.4</u>
Intangible assets	<u>251,213</u>	<u>3.5</u>
Other assets	<u>154,600</u>	<u>2.3</u>
Total Assets	<u><u>7,182,561</u></u>	<u><u>100.0</u></u>

	AMOUNT	%
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Short-term loans	142,958	2.0
Notes & accounts payable, 3rd party	1,331,995	18.5
Payables to related parties	1,599,041	22.3
Accrued expenses and other current lia.	237,098	3.3
Total current liabilities	<u>3,311,092</u>	<u>46.1</u>
Long-term liabilities:		
financial liabilities at fair value through income statement – noncuri	34,896	0.5
Bonds payable	709,062	9.9
Long-term loans, excluding current installments	-	0.0
Total long-term liabilities:	<u>743,958</u>	<u>10.4</u>
Other liabilities		
Accrued pension cost	-	0.0
Deferred intercompany profits and others	53,548	0.7
Total liabilities	<u>4,108,598</u>	<u>57.2</u>
Stockholders' equity		
Common stock	1,814,612	25.3
Stock dividends to be distributed	-	0.0
Additional paid-in capital in excess of par	438,884	6.1
Other additional paid-in capital	58,112	0.8
Retained earnings	681,274	9.5
Cumulative translation adjustments	81,081	1.1
Unrealized gains on financial instruments	-	0.0
Total stockholders' equity	<u>3,073,963</u>	<u>42.8</u>
Commitments and contingent liabilities		
Total liabilities and stockholders' equity	<u><u>7,182,561</u></u>	<u><u>100.0</u></u>
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**CAMEO COMMUNICATIONS, INC.****Income Statement****Periods: Dec. 2007**(In Thousands of New Taiwan Dollars, Except  
Earnings Per Share)

	AMOUNT	%
Net sales	11,625,674	100.0
Cost of goods sold	10,415,823	89.6
Gross profit	1,209,851	10.4
Unrealized intercompany profits	(360) -	0.00
Realized gross profit	1,209,491	10.4
Operating expenses:		
Selling expenses	204,149	1.8
Administrative expenses	127,227	1.1
Research and development expenses	465,869	4.0
	797,245	6.9
Operating income	412,246	3.5
Non-operating income and gains:		
Interest income	18,342	0.2
Long-term investment income (net)	86,856	0.7
Gain on disposal of property, plant and equip.	-	0.0
Gain on valuation of financial liability	13,304	0.1
Income on foreign exchanges (net)	-	0.0
Other income	71,581	0.6
	190,083	1.6
Non-operating expenses and loss:		
Interest expense	22,434	0.2
Long-term investment loss	-	0.0
Loss on disposal of property, plant and equipment	-	0.0
Loss on foreign exchanges (net)	15,469	0.1
Impairment loss	61,419	0.5
Inventory obsolescence	51,188	0.4
Other loss	3,203	0.0
	153,713	1.3
Income before income tax	448,616	3.9
Income tax expense	-	-
Net income	448,616	3.9
Earnings per share	<b>Before Tax</b>	<b>After Tax</b>
Basic earnings per share	<b>2.47</b>	<b>2.47</b>