

**CREATIVE SENSOR INC.**  
**Income Statements**  
**For the Year Ended December 31, 2007 and 2006**

	NTD THOUSANDS	
	<b>2007</b>	<b>2006</b>
<i>OPERATING REVENUES:</i>		
<i>Sales revenue</i>	5,935,934	5,880,162
<i>Sales return</i>	92,398	121,951
<i>Sales discounts and allowances</i>	477	398
<i>Net Sales</i>	5,843,059	5,757,813
<i>OPERATING COSTS</i>		
<i>Cost of Goods Sold</i>	5,356,692	5,202,705
<i>GROSS MARGIN</i>	486,367	555,108
<i>OPERATING EXPENSES</i>		
<i>Selling expenses</i>	39,879	30,222
<i>General and administrative expenses</i>	61,847	66,912
<i>R&amp;D expenses</i>	92,256	75,468
<i>Total Operating Expenses</i>	193,982	172,602
<i>OPERATING INCOME</i>	292,385	382,506
<i>Interest revenue</i>	17,463	14,704
<i>Gain on valuation of financial asset</i>	0	10,355
<i>Investment income recognized under equity method</i>	267,630	204,187
<i>Foreign exchange gain</i>	499	0
<i>Gain from Price recovery of inventory</i>	1,962	0
<i>Other non-operating revenue-other items</i>	22,278	32,010
<i>NON-OPERATING INCOME</i>	309,832	261,256
<i>Interest expense</i>	12,188	8,781
<i>Loss on valuation of financial asset</i>	1,157	0
<i>Foreign exchange loss</i>	0	20,691
<i>Loss for market price decline and obsolete and slow-moving inventories</i>	0	9,094
<i>Impairment loss</i>	18,173	20,177
<i>Other non-operating expenses-other</i>	3,724	4,828
<i>NON-OPERATING EXPENSES</i>	35,242	63,571
<i>CONTINUING OPERATING INCOME BEFORE TAX</i>	566,975	580,191
<i>INCOME TAX EXPENSES(OR BENEFIT)</i>	87,288	76,680
<i>CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES</i>	0	(6,028)
<i>NET INCOME</i>	479,687	509,539

**CREATIVE SENSOR INC.**

**Balance sheets**

**December 31, 2007 and 2006**

NTD THOUSANDS

	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<b>ASSETS</b>			<b>LIABILITIES AND OWNER'S EQUITY</b>		
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and cash equivalents	651,051	1,212,447	Accounts payable	325,994	283,806
Financial assets at fair value through income statement	650,029	603,803	Accounts payable-related parties	736,513	569,307
Accounts receivable	1,262,327	932,576	Income tax payable	6,932	31,813
Other receivable-related parties	157,331	186,378	Accrued expenses	181,326	176,756
Other financial assets-current	71,459	26,773	Other payables-related parties	237,195	274,908
Inventories	122,894	123,551	Other current liabilities	10,743	8,170
Other current assets	8,544	15,330	Total Current Liabilities	<u>1,498,703</u>	<u>1,344,760</u>
Total Current Assets	<u>2,923,635</u>	<u>3,100,858</u>			
			<b>LONG-TERM LIABILITIES</b>		
<b>FUNDS AND LONG-TERM INVESTMENTS</b>			Corporate bonds payable	20,000	133,100
Financial assets in available-for-sale -noncurrent	13,317	13,646	<b>OTHER LIABILITIES</b>		
Financial assets at cost-noncurrent	44,251	60,134	Accrued pension liabilities	3,439	4,357
Long-term investments at equity	1,600,527	1,078,744	Deferred income tax liabilities	66,908	51,047
Total Funds and Long-term Investments	<u>1,658,095</u>	<u>1,152,524</u>	Total Liabilities	<u>1,589,050</u>	<u>1,533,264</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>			<b>OWNER'S EQUITY</b>		
Machinery and equipment	247,092	246,447	Capital		
Office equipment	23,922	22,875	Capital-common stock	1,266,820	1,235,603
Leasehold improvements	29,285	29,285	Additional Paid-in Capital		
Other facilities	4,394	4,274	Capital Surplus-Additional paid-In Capital-Common Stock	537,462	537,462
Accumulated depreciation	(234,098)	(206,571)	Capital Surplus-Additional Paid-In Capital-Bond Conversion	134,926	53,043
Prepayment for equipment	150	241	Treasury Stock Transacion	877	-
Net Property, Plant & Equipment	<u>70,745</u>	<u>96,551</u>	Retained Earnings		
			Legal reserve	196,873	145,919
<b>OTHER ASSETS</b>			Special reserve	39,847	39,847
Refundable deposit	2,381	2,384	Retained earnings-unappropriated	791,539	833,074
Deferred assets	5,735	14,497	Equity Adjustments		
Other assets-other	750	1,042	Unrealized gain or loss on financial instruments	5,935	6,264
Total Other Assets	<u>8,866</u>	<u>17,923</u>	Cumulative translation adjustment	98,012	27,548
			Treasury Stock	0	(44,168)
<b>TOTAL ASSETS</b>	<u>4,661,341</u>	<u>4,367,856</u>	Total Owner's Equity	<u>3,072,291</u>	<u>2,834,592</u>
			<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<u>4,661,341</u>	<u>4,367,856</u>