

CREATIVE SENSOR INC.
Income Statements
For the six months ended June 30, 2008 and 2007

NTD THOUSANDS

	<u>2008</u>	<u>2007</u>
<i>OPERATING REVENUES:</i>		
<i>Sales revenue</i>	2,039,031	2,733,214
<i>Sales return</i>	53,839	69,797
<i>Sales discounts and allowances</i>	753	3
<i>Net Sales</i>	<u>1,984,439</u>	<u>2,663,414</u>
<i>OPERATING COSTS</i>		
<i>Cost of Goods Sold</i>	<u>1,905,917</u>	<u>2,478,087</u>
<i>GROSS MARGIN</i>	<u>78,522</u>	<u>185,327</u>
<i>OPERATING EXPENSES</i>		
<i>Selling expenses</i>	19,187	21,536
<i>General and administrative expenses</i>	33,946	31,198
<i>R&D expenses</i>	48,156	43,321
<i>Total Operating Expenses</i>	<u>101,289</u>	<u>96,055</u>
<i>OPERATING INCOME</i>	<u>(22,767)</u>	<u>89,272</u>
<i>Interest revenue</i>	6,159	10,358
<i>Gain on valuation of financial asset</i>	3,146	3,120
<i>Investment income recognized under equity method</i>	0	163,314
<i>Foreign exchange gain</i>	0	3,689
<i>Gain from Price recovery of inventory</i>	0	2,503
<i>Other non-operating revenue-other items</i>	12,191	9,146
<i>NON-OPERATING INCOME</i>	<u>21,496</u>	<u>192,130</u>
<i>Interest expense</i>	5,753	4,643
<i>Loss on valuation of financial asset</i>	4,798	0
<i>Foreign exchange loss</i>	11,231	0
<i>Impairment loss</i>	9,010	9,211
<i>Other non-operating expenses-other</i>	5,940	767
<i>NON-OPERATING EXPENSES</i>	<u>36,732</u>	<u>14,621</u>
<i>CONTINUING OPERATING INCOME BEFORE TAX</i>	<u>(38,003)</u>	<u>266,781</u>
<i>INCOME TAX EXPENSES(OR BENEFIT)</i>	<u>(3,061)</u>	<u>11,486</u>
<i>NET INCOME</i>	<u>(34,942)</u>	<u>255,295</u>

CREATIVE SENSOR INC.

Balance sheets

June 30, 2008 and 2007

NTD THOUSANDS

	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
ASSETS			LIABILITIES AND OWNER'S EQUITY		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	551,259	965,994	Short-Term Debt	78,884	-
Financial assets at fair value through income statement	797,633	660,906	Accounts payable	146,320	270,950
Financial assets at cost-current	-	-	Accounts payable-related parties	736,219	870,336
Other receivables	92,879	4,438	Income tax payable	633	15,472
Accounts receivable	896,096	1,173,758	Accrued expenses	155,874	188,704
Other receivable-related parties	192,986	198,687	Other payables	373,619	471,118
Other financial assets-current	3,978	244	Long-term liabilities -current portion	20,000	-
Inventories	8,748	28,912	Other current liabilities	29,437	14,485
Other current assets	5,357	5,489	Total Current Liabilities	<u>1,540,986</u>	<u>1,831,065</u>
Total Current Assets	<u>2,548,936</u>	<u>3,038,428</u>			
			LONG-TERM LIABILITIES		
FUNDS AND LONG-TERM INVESTMENTS			Corporate bonds payable	-	20,000
Financial assets in available-for-sale -noncurrent	13,974	15,372	OTHER LIABILITIES		
Financial assets at cost-noncurrent	35,241	52,453	Accrued pension liabilities	3,015	3,928
Long-term investments at equity	1,618,430	1,461,118	Deferred income tax liabilities	65,013	40,828
Total Funds and Long-term Investments	<u>1,667,645</u>	<u>1,528,943</u>	Total Liabilities	<u>1,609,014</u>	<u>1,895,821</u>
			OWNER'S EQUITY		
PROPERTY, PLANT AND EQUIPMENT			Capital		
Machinery and equipment	181,192	245,855	Capital-common stock	1,266,820	1,266,820
Office equipment	23,925	22,979	Stock dividends to be distributed	33,180	-
Leasehold improvements	29,285	29,285	Additional Paid-in Capital		
Other facilities	5,282	4,394	Capital Surplus-Additional paid-In Capital-Common Stock	537,462	537,462
Accumulated depreciation	(203,781)	(217,914)	Capital Surplus-Additional Paid-In Capital-Bond Conversion	134,926	134,926
Prepayment for equipment	1,948	1,683	Treasury Stock Transacion	877	-
Net Property, Plant & Equipment	<u>37,851</u>	<u>86,282</u>	Retained Earnings		
			Legal reserve	244,842	196,873
OTHER ASSETS			Special reserve	39,847	39,847
Refundable deposit	2,381	2,381	Retained earnings-unappropriated	301,829	567,147
Deferred assets	6,370	8,708	Equity Adjustments		
Other assets-other	605	895	Unrealized gain or loss on financial instruments	6,592	7,990
Total Other Assets	<u>9,356</u>	<u>11,984</u>	Cumulative translation adjustment	88,399	62,919
			Treasury Stock	-	(44,168)
TOTAL ASSETS	<u>4,263,788</u>	<u>4,665,637</u>	Total Owner's Equity	<u>2,654,774</u>	<u>2,769,816</u>
			TOTAL LIABILITIES AND OWNER'S EQUITY	<u>4,263,788</u>	<u>4,665,637</u>