



Skymedi Corporation Balance Sheets

(In Thousands of New Taiwan Dollars)

	2003	2004	2005	2006	2007
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 80,301	\$ 23,232	\$ 239,677	\$ 364,473	\$ 142,458
Short-term investment	-	\$ 50,000	-	-	-
Notes receivable, net	-	-	1,000	715	10,088
Accounts receivable, net	-	-	58,882	126,831	278,806
Account receivable from related parties	-	-	56,998	110,677	66,012
Other receivable	3	7,715	2,124	2,497	6,285
Other receivable from related parties	-	-	92,152	1,145	216
Other financial assets-current	-	3,750	21,000	15,000	-
Inventories	-	2,466	195,202	165,613	148,407
Prepaid expense and other current assets	938	3,243	265,986	12,934	35,156
Total Current Assets	81,242	90,406	933,021	799,885	687,428
Funds and Long-term investments					
Financial assets at cost - noncurrent	-	-	-	-	6,667
Long-term investments at equity	-	-	-	-	16,229
	-	-	-	-	22,896
Property, Plant and Equipment					
Property, Plant and Equipment	4,584	11,193	13,910	49,819	58,305
Less: Accumulated Depreciation	(148)	(1,933)	(4,822)	(9,907)	(21,410)
Property, Plant and Equipment, Net	4,436	9,260	9,088	39,912	36,895
Intangible Assets					
Intangible Assets	30,438	26,807	20,862	21,525	24,170
Other Assets					
Other Assets	1	999	17,810	34,943	36,512
Total Assets	\$ 116,117	\$ 127,472	\$ 980,781	\$ 896,265	\$ 807,901
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short-term debt	-	-	75,415	-	0
Notes payable	-	3,539	6,742	139,342	657
Accounts payable	-	3,509	213,599	59,227	199,617
Payable to related parties	-	-	-	8,512	12,976
Income tax payable	-	-	-	10,895	-
Accrued expenses	2,306	4,125	8,859	24,775	55,897
Other payable to related parties	-	-	321,951	2,650	0
Other payable	252	1,283	29,387	4,574	233
Other current liabilities	-	-	9,610	683	1,818
Total Current Liabilities	2,558	12,456	665,563	250,658	271,198
Other Liabilities					
Guarantee deposits	-	-	-	15	15
Total other liabilities	-	-	-	15	15
Total Liabilities	2,558	12,456	665,563	250,673	271,213
		0	0	0	0
Shareholders' Equity					
Capital Stock	130,000	200,000	281,140	406,100	532,380
Capital Surplus	-	14,000	-	111,423	115,226
Retained Earnings	(16,441)	(98,984)	34,078	128,069	(110,918)
Total Shareholders' Equity	113,559	115,016	315,218	645,592	536,688
Total Liabilities & Shareholders' Equity	\$ 116,117	\$ 127,472	\$ 980,781	\$ 896,265	\$ 807,901

Note : Founded in September 2003



Skymedi Corporation Income Statements

(In Thousands of New Taiwan Dollars, Except Earnings Per Share in New Taiwan Dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Sales	\$ -	\$ -	\$ 497,631	\$ 992,082	\$ 1,167,052
Cost of Sales	-	-	330,735	619,275	797,054
Gross Profit	<u>-</u>	<u>-</u>	<u>166,896</u>	<u>372,807</u>	<u>369,998</u>
Operating Expenses					
Research and Development	(9,905)	(71,342)	(99,218)	(159,626)	(252,614)
General and Administrative	(3,071)	(11,377)	(18,339)	(40,605)	(61,504)
Marketing	(3,494)	(7,865)	(16,564)	(36,451)	(77,862)
Total Operating Expenses	<u>(16,470)</u>	<u>(90,584)</u>	<u>(134,121)</u>	<u>(236,682)</u>	<u>(391,980)</u>
Income (Loss) from Operations	<u>(16,470)</u>	<u>(90,584)</u>	<u>32,775</u>	<u>136,125</u>	<u>(21,982)</u>
Non-Operating Income (Expenses), Net	29	8,041	6,287	(750)	(107,691)
Income (Loss) before Income Tax	<u>(16,441)</u>	<u>(82,543)</u>	<u>39,062</u>	<u>135,375</u>	<u>(129,673)</u>
Income Tax Expense	-	-	-	(10,972)	147
Net Income (Loss)	<u>-\$ 16,441</u>	<u>-\$ 82,543</u>	<u>\$ 39,062</u>	<u>\$ 124,403</u>	<u>-\$ 129,526</u>
Earnings per Share(NT\$)	<u>-\$ 1.39</u>	<u>-\$ 4.71</u>	<u>\$ 1.46</u>	<u>\$ 3.07</u>	<u>-\$ 2.49</u>

Note : Founded in September 2003



Skymedi Corporation Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	2003	2004	2005	2006	2007
Cash Flows from Operating Activities:					
Net Income (Loss)	-\$ 16,441	-\$ 82,543	\$ 39,062	\$ 124,403	-\$ 129,526
Bad debt	-	-	-	2,716	(1,370)
Depreciation	148	1,785	2,889	5,115	11,596
Loss on disposal of property, plant and equipment, net	-	-	-	18	-
Amortization	585	6,353	13,185	28,832	58,722
Gain on disposal of short-term investment	-	-	(443)	-	-
Loss for market price decline and obsolete and slow-moving inventories	-	-	5,603	7,515	119,463
Equity in gain of affiliates, net	-	-	-	-	(20)
Amortization of employee stock option plan compensation cost	-	-	-	340	-
Changes in operating assets and liabilities:					
Notes receivables	-	-	(1,000)	285	(9,373)
Accounts receivable	-	-	(58,882)	(70,665)	(150,604)
Receivables from related parties	-	-	(56,998)	(53,679)	44,665
Inventories	-	(2,466)	(198,339)	22,074	(102,257)
Other receivables, prepaid expenses and other current assets	(941)	(10,018)	93,608	252,680	(26,011)
Other receivables from related parties	-	-	(92,152)	91,007	929
Notes payables	-	3,539	3,203	132,600	(138,685)
Accounts payable	-	3,509	210,090	(154,372)	140,390
Payable to related parties	-	-	-	8,512	4,464
Income tax payable	-	-	-	10,895	(10,895)
Accrued expenses, other payable and other current liabilities	2,558	2,851	(308,313)	(17,824)	27,915
Other payable to related parties	-	-	321,951	(319,301)	(2,650)
Net Cash Provided by Operating Activities	(14,091)	(76,990)	(26,536)	71,151	(163,247)
Cash Flows from Investing Activities:					
Other financial assets-current			(17,250)	6,000	15,000
(Increase) decrease in financial asset at fair value through profit or loss fair value through profit or loss-current	-	-	50,444	-	(22,832)
Increase in certificated of deposit restricted	-	(3,750)	-	-	-
Decrease (increase) in short-term investment	-	(50,000)	-	-	-
Acquisition of:					
Property, Plant and Equipment	(4,584)	(6,609)	(2,717)	(35,983)	(9,606)
Intangible Assets & Deferred Assets	(1,023)	(2,722)	(23,177)	(46,133)	(63,264)
Proceeds from Disposal:					
Property, Plant and Equipment	-	-	-	26	1,027
Decrease (increase) in refundable deposits	(1)	(998)	(874)	(495)	328
Net Cash Used in Investing Activities	(5,608)	(64,079)	6,426	(76,585)	(79,347)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-Term Debts	-	-	75,415	(75,415)	-
Increase (Decrease) in guarantee deposits	-	-	-	15	-
Bonus Paid to Directors and Supervisors	-	-	-	(613)	(2,239)
Issuance of common stock	100,000	84,000	160,000	196,763	-
Proceeds from exercise of employee stock options	-	-	1,140	9,480	22,818
Net Cash Provided by (Used in) Financing Activities	100,000	84,000	236,555	130,230	20,579
Net Increase (Decrease) in Cash and Cash Equivalents	80,301	(57,069)	216,445	124,796	(222,015)
Cash and Cash Equivalents at Beginning of Period	0	80,301	23,232	239,677	239,677
Cash and Cash Equivalents at End of Period	\$ 80,301	\$ 23,232	\$ 239,677	\$ 364,473	\$ 17,662

Note : Founded in September 2003