

ChipSip Technology Co., Ltd.
Balance Sheet
For the years ended Dec. 31, 2007 and 2006
(Expressed in Thousands of New Taiwan Dollars)

	Dec. 31, 2007	%	Dec. 31, 2006	%
ASSETS				
Current Assets				
Cash and Cash Equivalents	131,367	37.6	12,078	16.3
Accounts Receivable	89,079	25.5	2,331	3.1
Inventories, Net	87,566	25.0	42,615	57.5
Other Current Assets	34,453	9.9	12,340	16.7
Total Current Assets	342,465	98.0	69,364	93.6
Long Term Investments				
Property, Plant and Equipment	11,630	3.3	10,498	14.2
Less: Accumulated Depreciation	8,335	2.4	6,915	9.3
Property, Plant and Equipment, Net	3,295	0.9	3,583	4.8
Other Assets	3,852	1.1	1,158	1.6
Total Assets	349,612	100.0	74,105	100.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Short-Term Bank Loans	34,663	9.9	37,119	50.1
Notes Payable	2,502	0.7	8,831	11.9
Accounts Payable	51,560	14.7	13	0.0
Accrued Expense	7,148	2.0	4,537	6.1
Current Porttion of Long-Term Liabilities	-	-	-	-
Other Current Liabilities	5	-	204	-
Total Current Liabilities	95,878	27.4	50,704	68.4
Long-Term Liabilities				
Accrued Pension Liabilities	295	-	-	-
Owners' Current Account	-	-	5,000	6.7
Total Long-Term Liabilities	295	0.1	5,000	6.7
Total Liabilities	96,173	27.5	55,704	75.2
SHAREHOLDERS' EQUITY				
Capital Stock	188,000	53.8	88,000	118.8
Paid-in Capital in Excess of Par, Common Stoc	109,545	31.3	14,545	19.6
Retained Earnings(Accumulated Deficit)	(44,106)	-12.6	(84,144)	(113.5)
Total Shareholders' Equity	253,439	72.5	18,401	24.8
Total Liabilities and Shareholders' Equity	349,612	100.0	74,105	100.0

ChipSip Technology Co., Ltd.
Income Statements

For the years ended Dec. 31, 2007 and 2006
(Expressed in Thousands of New Taiwan Dollars)

	Dec. 31, 2007	%	Dec. 31, 2006	%
Net Sales	630,164	100.0	125,184	100.0
Cost of Sales	539,955	85.7	131,003	104.6
Gross Profit	90,209	14.3	(5,819)	(4.6)
Operating Expenses				
Sales and Marketing Expenses	10,508	1.7	8,793	7.0
General Administrative Expenses	12,706	2.0	11,915	9.5
Research and Development Expenses	22,088	3.5	14,256	11.4
Total Operating Expenses	45,302	7.2	34,964	27.9
Operating Income	44,907	7.1	(40,783)	(32.6)
Non-Operating Income, Net	369	0.1	80	-
Non-Operating Expenses, Net	6,058	1.0	6,544	5.2
Income before Income Tax	39,218	6.2	(47,247)	(37.7)
Income Tax (Expenses) Benefits	820	0.1	-	-
Net Income	40,038	6.4	(47,247)	(37.7)

ChipSip Technology Co., Ltd.
Statements of Cash Flows
For the years ended Dec. 31, 2007 and 2006
(Expressed in Thousands of New Taiwan Dollars)

	Dec. 31, 2007	Dec. 31, 2006
Cash Flows from Operating Activities		
Net Income	40,038	(47,247)
Depreciation and Amortization	1,863	2,838
Changes in Working Capital	(85,859)	(21,479)
Changes in Other Operating Activities	2,427	6,056
Net Cash Used in Operating Activities	(41,531)	(59,832)
Cash Flows from Investing Activities		
Decrease(Increase) in Restricted Assets	(22,555)	(5,161)
Acquisition of Property, Plant and Equipment	(2,227)	(2,566)
Proceeds from Disposal of Property, Plant and Equip	74	-
Decrease(Increase) in Other Assets	(2,016)	(86)
Net Cash Used in Investing Activities	(26,724)	(7,813)
Cash Flows from Financing Activities		
Paid-in Capital	195,000	-
Decrease(Increase) in Short-Term Bank Loans	(2,456)	37,119
Decrease(Increase) in Owners' Current Account	(5,000)	5,000
Net Cash Provided by Financing Activities	187,544	42,119
Net Increase(Decrease) in Cash and Cash Equivalent	119,289	(25,526)
Cash and Cash Equivalents at Beginning of Period	12,078	37,604
Cash and Cash Equivalents at End of Period	131,367	12,078