

# USERJOY TECHNOLOGY CO., LTD.

## BALANCE SHEETS

MARCH 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS	2009		2008		LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents	\$ 434,470	48	\$ 300,445	50	Notes payable	\$ 5,520	1	\$ 10,717	2
Available-for-sale financial assets - current	15,750	2	-	-	Accounts payable	2,465	-	199	-
Notes receivable	252	-	10,326	2	Income tax payable	13,721	2	17,604	3
Notes receivable from related parties	-	-	1,320	-	Other payables	75,530	8	35,874	6
Accounts receivable	119,009	13	71,847	12	Other current liabilities	822	-	10,948	2
Accounts receivable from related parties	8,665	1	4,310	1	Total current liabilities	98,058	11	75,342	13
Inventories	5,105	1	5,059	1					
Deferred income tax asset, current	6,116	1	4,955	1	<b>OTHER LIABILITIES</b>				
Other current assets	3,991	-	2,625	-	Accrued pension	48	-	39	-
Total current assets	593,358	66	400,887	67	Total liabilities	98,106	11	75,381	13
<b>INVESTMENTS</b>					<b>STOCKHOLDERS' EQUITY</b>				
Long-term equity investments at equity method	120,750	14	54,784	9	Capital stock, \$10 par value				
Prepayments for investments	9,847	1	-	-	Authorized - 80,000 thousand shares at March 31, 2009 and 30,000 thousand shares at March 31, 2008				
Total investments	130,597	15	54,784	9	issued - 25,725 thousand shares and 20,247 thousand shares at March 31, 2009 and 2008	257,254	29	202,472	34
<b>PROPERTY, PLANT AND EQUIPMENT</b>					Capital surplus				
Cost	141,788	16	101,640	17	Paid-in capital	222,994	25	88,234	14
Less accumulated depreciation	(18,038)	(2)	(14,371)	(3)	Treasury stock	51	-	51	-
Property, plant and equipment, net	123,750	14	87,269	14	Retained earnings				
					Legal reserve	39,721	4	26,883	5
<b>INTANGIBLE ASSETS</b>					Accumulated retained earnings	288,179	32	206,998	34
Computer software	6,930	1	17,467	3	Cumulative translation adjustments	12,470	1	908	-
Goodwill	10,641	1	10,641	2	Unrealized loss on financial instruments	132	-	-	-
Total intangible assets	17,571	2	28,108	5	Treasury stock	(21,839)	(2)	-	-
<b>OTHER ASSETS</b>					Total stockholders' equity	798,962	89	525,546	87
Refundable deposits	2,449	-	1,939	-					
Deferred charges	16,424	2	3,239	1	<b>TOTAL</b>	<b>\$ 897,068</b>	<b>100</b>	<b>\$ 600,927</b>	<b>100</b>
Others	12,919	1	24,701	4					
Total other assets	31,792	3	29,879	5					
<b>TOTAL</b>	<b>\$ 897,068</b>	<b>100</b>	<b>\$ 600,927</b>	<b>100</b>					

# USERJOY TECHNOLOGY CO., LTD.

## STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 222,528	104	\$ 103,165	108
LESS SALES RETURNS AND ALLOWANCES	<u>(7,560)</u>	<u>(4)</u>	<u>(8,083)</u>	<u>(8)</u>
NET SALES AND REVENUES	214,968	100	95,082	100
COST OF GOODS SOLD	<u>7,592</u>	<u>4</u>	<u>7,134</u>	<u>7</u>
GROSS PROFIT	<u>207,376</u>	<u>96</u>	<u>87,948</u>	<u>93</u>
OPERATING EXPENSES				
Sales and marketing	49,376	23	22,328	24
General and administration	14,527	7	9,445	10
Research and development	<u>47,391</u>	<u>22</u>	<u>25,073</u>	<u>26</u>
Total operating expenses	<u>111,294</u>	<u>52</u>	<u>56,846</u>	<u>60</u>
INCOME FROM OPERATIONS	<u>96,082</u>	<u>44</u>	<u>31,102</u>	<u>33</u>
NONOPERATING INCOME AND GAINS				
Interest income	1,846	1	1,218	1
Rent revenue	9	-	27	-
Others	<u>4</u>	<u>-</u>	<u>3,395</u>	<u>4</u>
Total nonoperating income and gains	<u>1,859</u>	<u>1</u>	<u>4,640</u>	<u>5</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized under equity method	1,674	1	7,134	8
Loss on disposal of property, plant, equipment	154	-	125	-
Foreign exchange losses, net	2,129	1	335	-
Valuation loss on financial assets, net	-	-	1,707	2
Others	<u>954</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating expenses and losses	<u>4,911</u>	<u>2</u>	<u>9,301</u>	<u>10</u>

(Continued)

# USERJOY TECHNOLOGY CO., LTD.

## STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 93,030	43	\$ 26,441	28
INCOME TAX EXPENSE	<u>(17,100)</u>	<u>(8)</u>	<u>(2,300)</u>	<u>(3)</u>
NET INCOME	<u>\$ 75,930</u>	<u>35</u>	<u>\$ 24,141</u>	<u>25</u>
	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE				
Basic	<u>\$ 3.69</u>	<u>\$ 3.01</u>	<u>\$ 1.15</u>	<u>\$ 1.05</u>
Diluted	<u>\$ 3.48</u>	<u>\$ 3.01</u>	<u>\$ 1.15</u>	<u>\$ 1.05</u>

(Concluded)

**USERJOY TECHNOLOGY CO., LTD.**

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**YEARS ENDED MARCH 31, 2009 AND 2008**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Capital Surplus			Retained Earnings			Unrealized gain (loss) on financial instruments	Treasury stock	Total
	Capital Stock	Additional Paid-in Capital	Additional Paid-in Capital-treasury stock	Legal Reserve	Unappropriated earnings	Cumulative Translation Adjustments			
BALANCE, JANUARY 1, 2009	\$ 257,254	\$ 222,994	\$ 51	\$ 39,721	\$ 212,249	\$ 11,485	\$ 659	\$ (21,839)	\$ 722,574
Net income for the year ended March 31, 2009	-	-	-	-	75,930	-	-	-	75,930
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	(527)	-	(527)
Translation adjustments on long-term equity investments	-	-	-	-	-	985	-	-	985
BALANCE, MARCH 31, 2009	<u>\$ 257,254</u>	<u>\$ 222,994</u>	<u>\$ 51</u>	<u>\$ 39,721</u>	<u>\$ 288,179</u>	<u>\$ 12,470</u>	<u>\$ 132</u>	<u>\$ (21,839)</u>	<u>\$ 798,962</u>
BALANCE, JANUARY 1, 2008	\$ 202,472	\$ 88,234	\$ 51	\$ 26,883	\$ 182,857	\$ 2,246	\$ -	\$ -	\$ 502,743
Net income for the year ended March 31, 2008	-	-	-	-	24,141	-	-	-	24,141
Translation adjustments on long-term equity investments	-	-	-	-	-	(1,338)	-	-	(1,338)
BALANCE, MARCH 31, 2008	<u>\$ 202,472</u>	<u>\$ 88,234</u>	<u>\$ 51</u>	<u>\$ 26,883</u>	<u>\$ 206,998</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,546</u>

# USERJOY TECHNOLOGY CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 75,930	\$ 24,141
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,870	4,720
Valuation loss on financial assets	-	1,707
Investment loss recognized under the equity method	1,674	7,134
Loss on disposal of property, plant and equipment	154	125
Net changes in operating assets and liabilities		
Financial assets measured at fair value through profit and loss, current	-	17,018
Available-for-sale financial assets - current	(3,430)	-
Notes receivable (including from related parties)	8,612	9,788
Accounts receivable from affiliates(including from related parties)	(47,527)	15,347
Inventories	799	(619)
Income tax prepayment	132	-
Deferred income tax asset, current	5,145	(1,926)
Prepaid pension	(192)	(204)
Other current assets	2,706	2,268
Other assets	1,417	(7,072)
Notes payable	2,449	9,840
Accounts payable	1,359	(7,312)
Income tax payable	4,427	1,664
Other payables	4,965	(9,507)
Other current liabilities	(6,998)	7,612
Accrued pension	48	39
Net cash provided by operating activities	<u>58,540</u>	<u>74,763</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(8,030)	(2,108)
Increase in long-term equity investments	(16,648)	(6,420)
Increase in refundable deposit	(129)	292
Prepayments for investments	(9,847)	-
Increase in deferred charges	<u>(9,802)</u>	<u>(462)</u>
Net cash used in investing activities	<u>(44,456)</u>	<u>(8,698)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in deposits received	<u>-</u>	<u>(2)</u>
Net cash used in financing activities	<u>-</u>	<u>(2)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 14,084	\$ 66,063
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>420,386</u>	<u>234,382</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 434,470</u>	<u>\$ 300,445</u>

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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the period

Income tax

\$ 7,527

\$ 2,542

NONCASH INVESTING AND FINANCING ACTIVITIES

Translation adjustments on foreign long-term equity investments

\$ 985

\$ (1,338)

Change in unrealized gain (loss) on available-for-sale financial assets

\$ (527)

\$ -

(Concluded)