

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

ASSETS	2010		2009		LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 721,538	49	\$ 492,296	50	Notes payable	\$ -	-	\$ 6,735	1
Available-for-sale financial assets	51,329	3	31,181	3	Accounts payable	17,950	1	2,676	-
Notes receivable	3,361	-	1,591	-	Income tax payable	47,285	3	17,468	2
Accounts receivable	243,487	16	156,870	16	Accrued expenses	126,468	9	86,756	9
Accounts receivable from related parties	7,020	1	13,592	1	Other financial liabilities - current	227,168	15	79,610	8
Inventories	4,186	-	4,408	-	Other current liabilities	<u>23,970</u>	<u>2</u>	<u>6,279</u>	<u>-</u>
Deferred income tax asset, current	25,986	2	5,076	1	Total current liabilities	<u>442,841</u>	<u>30</u>	<u>199,524</u>	<u>20</u>
Other current assets	<u>22,376</u>	<u>2</u>	<u>41,298</u>	<u>4</u>					
Total current assets	<u>1,079,283</u>	<u>73</u>	<u>746,312</u>	<u>75</u>	OTHER LIABILITIES				
					Accrued pension	<u>-</u>	<u>-</u>	<u>48</u>	<u>-</u>
INVESTMENTS					Total liabilities	<u>442,841</u>	<u>30</u>	<u>199,572</u>	<u>20</u>
Long-term equity investments at equity method	40,379	3	50,594	5					
Financial assets carried at cost, noncurrent	<u>25,000</u>	<u>1</u>	<u>-</u>	<u>-</u>	STOCKHOLDERS' EQUITY				
Total investments	<u>65,379</u>	<u>4</u>	<u>50,594</u>	<u>5</u>	Capital stock, \$10 par value				
					Authorized - 80,000 thousand shares at June 30, 2010 and 2009; issued - 30,390 thousand shares and 25,725 thousand shares at June 30, 2010 and 2009	303,897	21	257,254	26
PROPERTY, PLANT AND EQUIPMENT					Advanced collections for common stock	45	-	-	-
Cost	192,163	13	158,835	16	Stock dividends to be distributed	15,073	1	42,871	4
Less accumulated depreciation	<u>(34,975)</u>	<u>(2)</u>	<u>(17,693)</u>	<u>(2)</u>	Capital surplus				
Property, plant and equipment, net	<u>157,188</u>	<u>11</u>	<u>141,142</u>	<u>14</u>	Paid-in capital	227,785	15	222,994	23
					Treasury stock	51	-	51	-
INTANGIBLE ASSETS					Retained earnings				
Trademarks	548	-	241	-	Legal reserve	84,833	6	54,094	5
Computer software	-	-	4,607	1	Accumulated retained earnings	403,564	27	222,985	23
Goodwill	<u>12,646</u>	<u>1</u>	<u>12,646</u>	<u>1</u>	Other adjustment of stockholders' equity				
Total intangible assets	<u>13,194</u>	<u>1</u>	<u>17,494</u>	<u>2</u>	Cumulative translation adjustments	11,269	1	9,509	1
					Unrealized gain on financial instruments	11,217	1	2,896	-
OTHER ASSETS					Treasury stock	<u>(21,839)</u>	<u>(2)</u>	<u>(21,839)</u>	<u>(2)</u>
Refundable deposits	8,659	-	5,808	1	Total stockholders' equity	<u>1,035,895</u>	<u>70</u>	<u>790,815</u>	<u>80</u>
Deferred charges	141,789	10	16,610	2					
Others	<u>13,244</u>	<u>1</u>	<u>12,427</u>	<u>1</u>					
Total other assets	<u>163,692</u>	<u>11</u>	<u>34,845</u>	<u>4</u>					
TOTAL	<u>\$ 1,478,736</u>	<u>100</u>	<u>\$ 990,387</u>	<u>100</u>	TOTAL	<u>\$ 1,478,736</u>	<u>100</u>	<u>\$ 990,387</u>	<u>100</u>

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME SIX MONTHS ENDED JUNE 30, 2010 AND 2009

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

	2010		2009	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 817,538	102	\$ 501,589	103
LESS SALES RETURNS AND ALLOWANCES	<u>(16,345)</u>	<u>(2)</u>	<u>(16,286)</u>	<u>(3)</u>
NET SALES AND REVENUES	801,193	100	485,303	100
COST OF GOODS SOLD	<u>36,370</u>	<u>4</u>	<u>17,683</u>	<u>4</u>
GROSS PROFIT	<u>764,823</u>	<u>96</u>	<u>467,620</u>	<u>96</u>
OPERATING EXPENSES				
Sales and marketing	199,759	25	118,627	24
General and administration	88,826	11	62,012	13
Research and development	<u>135,969</u>	<u>17</u>	<u>100,969</u>	<u>21</u>
Total operating expenses	<u>424,554</u>	<u>53</u>	<u>281,608</u>	<u>58</u>
INCOME FROM OPERATIONS	<u>340,269</u>	<u>43</u>	<u>186,012</u>	<u>38</u>
NONOPERATING INCOME AND GAINS				
Interest income	1,176	-	2,935	1
Exchange gain, net	49	-	-	-
Miscellaneous income	<u>95</u>	<u>-</u>	<u>595</u>	<u>-</u>
Total nonoperating income and gains	<u>1,320</u>	<u>-</u>	<u>3,530</u>	<u>1</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized under equity method	19,879	3	5,280	1
Loss on disposal of property, plant and equipment	436	-	251	-
Exchange losses, net	-	-	4,245	1
Miscellaneous expenses	<u>496</u>	<u>-</u>	<u>1,104</u>	<u>-</u>
Total nonoperating expenses and losses	<u>20,811</u>	<u>3</u>	<u>10,880</u>	<u>2</u>
INCOME BEFORE INCOME TAX	320,778	40	178,662	37
INCOME TAX EXPENSE	<u>(46,143)</u>	<u>(6)</u>	<u>(35,027)</u>	<u>(7)</u>
NET INCOME	<u>\$ 274,635</u>	<u>34</u>	<u>\$ 143,635</u>	<u>30</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2010 AND 2009

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

	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE				
Basic	<u>\$ 10.73</u>	<u>\$ 9.19</u>	<u>\$ 7.08</u>	<u>\$ 5.70</u>
Diluted	<u>\$ 10.19</u>	<u>\$ 8.72</u>	<u>\$ 6.62</u>	<u>\$ 5.32</u>

(Concluded)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(In Thousands of New Taiwan Dollars)**

	Capital Stock	Advanced Collections for Common Stock	Stock Dividends to be Distributed	Capital Surplus		Retained Earnings		Other Items of Stockholders' Equity			Total
				Additional Paid-in Capital	Treasury Stock Transaction	Legal Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Unrealized Gain (Loss) on Financial Instruments	Treasury Stock	
BALANCE, JANUARY 1, 2010	\$ 302,211	\$ -	\$ -	\$ 225,643	\$ 51	\$ 54,094	\$ 386,744	\$ 8,513	\$ 9,753	\$ (21,839)	\$ 965,170
Employee stock options	1,686	45	-	2,142	-	-	-	-	-	-	3,873
Appropriations of 2009 earnings											
Legal reserve	-	-	-	-	-	30,739	(30,739)	-	-	-	-
Stock dividends	-	-	15,073	-	-	-	(15,073)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(211,019)	-	-	-	(211,019)
Consolidated net income for the six months ended June 30, 2010	-	-	-	-	-	-	274,635	-	-	-	274,635
Change in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	1,464	-	1,464
Change in translation adjustments	-	-	-	-	-	-	-	2,756	-	-	2,756
Adjustment arising from changes in percentage of ownership in investees	-	-	-	-	-	-	(984)	-	-	-	(984)
BALANCE, JUNE 30, 2010	\$ 303,897	\$ 45	\$ 15,073	\$ 227,785	\$ 51	\$ 84,833	\$ 403,564	\$ 11,269	\$ 11,217	\$ (21,839)	\$ 1,035,895
BALANCE, JANUARY 1, 2009	\$ 257,254	\$ -	\$ -	\$ 222,994	\$ 51	\$ 39,721	\$ 212,249	\$ 11,485	\$ 659	\$ (21,839)	\$ 722,574
Appropriations of 2008 earnings											
Legal reserve	-	-	-	-	-	14,373	(14,373)	-	-	-	-
Stock dividends	-	-	42,871	-	-	-	(42,871)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(75,655)	-	-	-	(75,655)
Consolidated net income for the six months ended June 30, 2009	-	-	-	-	-	-	143,635	-	-	-	143,635
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	2,237	-	2,237
Change in translation adjustments	-	-	-	-	-	-	-	(1,976)	-	-	(1,976)
BALANCE, JUNE 30, 2009	\$ 257,254	\$ -	\$ 42,871	\$ 222,994	\$ 51	\$ 54,094	\$ 222,985	\$ 9,509	\$ 2,896	\$ (21,839)	\$ 790,815

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 274,635	\$ 143,635
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,268	16,002
Loss on inventory retirement	1,510	1,828
Investment loss recognized under the equity method	19,879	5,280
Provision for doubtful accounts	7,858	-
Loss on disposal of property, plant and equipment	436	251
Net changes in operating assets and liabilities		
Notes receivable (including from related parties)	23,991	7,273
Accounts receivable (including from related parties)	(108,347)	(91,511)
Inventories	(2,586)	(332)
Other current assets	(4,576)	(26,453)
Deferred income tax asset, current	1,880	6,510
Other assets	2,690	1,849
Notes payable	(1,146)	3,664
Accounts payable	8,572	1,570
Income tax payable	22,756	6,110
Accrued expense	29,529	16,625
Other current liabilities	6,832	(2,366)
Accrued pension	-	48
Net cash provided by operating activities	<u>302,181</u>	<u>89,983</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(14,524)	(25,037)
Acquisition of available-for-sale financial assets	(9,582)	(16,097)
Increase in long-term equity investments	(9,300)	-
Increase in refundable deposit	(3,589)	(2,442)
Increase in deferred charges	(32,220)	(11,449)
Proceeds from disposal of property, plant and equipment	2	657
Increase in trademarks	<u>(328)</u>	<u>(281)</u>
Net cash used in investing activities	<u>(69,541)</u>	<u>(54,649)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Employee stock options	<u>3,874</u>	<u>-</u>
EFFECT OF EXCHANGE RATE CHANGES		
	<u>1,916</u>	<u>(1,695)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	238,430	33,639
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>483,108</u>	<u>458,657</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2010 AND 2009

(In Thousands of New Taiwan Dollars)

	2010	2009
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 721,538</u>	<u>\$ 492,296</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period		
Income tax	<u>\$ 20,742</u>	<u>\$ 25,037</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 2,756</u>	<u>\$ (1,976)</u>
Adjustment arising from changes in percentage of ownership in investees	<u>\$ (984)</u>	<u>\$ -</u>
Change in unrealized gain on available-for-sale financial assets	<u>\$ 1,464</u>	<u>\$ 2,237</u>
Stock dividends	<u>\$ 15,073</u>	<u>\$ 42,871</u>
Cash dividends payable	<u>\$ 211,019</u>	<u>\$ 75,655</u>
CASH PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT		
Net increase in property, plant and equipment	\$ 18,169	\$ 25,037
Add payables for acquisition of equipment payable, beginning of period	3,103	-
Less payables for acquisition of equipment payable, end of period	<u>(6,748)</u>	<u>-</u>
Cash paid for acquisition of property, plant and equipment	<u>\$ 14,524</u>	<u>\$ 25,037</u>

(Concluded)