

USERJOY TECHNOLOGY CO., LTD.

BALANCE SHEETS

MARCH 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS	2011		2010		LIABILITIES AND STOCKHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 654,664	50	\$ 498,339	37	Notes payable	\$ 51	-	\$ 237	-
Available-for-sale financial assets - current	39	-	50,771	4	Accounts payable	-	-	12,787	1
Notes receivable	11,837	1	3,811	-	Income tax payable	4,766	-	30,909	2
Accounts receivable	125,082	10	262,304	20	Accrued expenses	86,993	7	122,738	9
Accounts receivable from related parties	6,648	1	15,839	1	Other payables	4,854	-	11,899	1
Inventories	-	-	4,106	-	Other current liabilities	32,491	3	7,040	1
Deferred income tax asset, current	28,706	2	27,396	2					
Other current assets	64,018	5	22,107	2	Total current liabilities	129,155	10	185,610	14
Total current assets	890,994	69	884,673	66	Total liabilities	129,155	10	185,610	14
INVESTMENTS					STOCKHOLDERS' EQUITY				
Long-term equity investments at equity method	82,714	6	127,161	9	Capital stock, 10 par value				
Financial assets carried at cost, noncurrent	25,000	2	25,000	2	Authorized - 80,000 thousand shares at March 31, 2011 and 2010; issued - 32,455 thousand shares and 30,359 thousand shares at March 31, 2011 and 2010	324,551	25	303,589	23
Total investments	107,714	8	152,161	11	Advanced collections for common stock	246	-	53	-
PROPERTY, PLANT AND EQUIPMENT					Capital surplus				
Cost	171,349	13	161,960	12	Paid-in capital	234,271	18	227,394	17
Less accumulated depreciation	(29,969)	(2)	(19,658)	(1)	Treasury stock	51	-	51	-
Property, plant and equipment, net	141,380	11	142,302	11	Retained earnings				
INTANGIBLE ASSETS					Legal reserve	84,833	6	54,094	4
Computer software	123,929	9	122,594	9	Accumulated retained earnings	542,581	42	566,104	43
Goodwill	10,641	1	10,641	1	Cumulative translation adjustments	6,398	1	7,003	-
Total intangible assets	134,570	10	133,235	10	Unrealized loss on financial instruments	6	-	10,659	1
OTHER ASSETS					Treasury stock	(21,839)	(2)	(21,839)	(2)
Refundable deposits	3,550	-	2,791	-	Total stockholders' equity	1,171,098	90	1,147,108	86
Deferred charges	3,383	-	3,036	1					
Others	18,662	2	14,520	1					
Total other assets	25,595	2	20,347	2					
TOTAL	\$ 1,300,253	100	\$ 1,332,718	100	TOTAL	\$ 1,300,253	100	\$ 1,332,718	100

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 180,183	109	\$ 388,733	102
LESS SALES RETURNS AND ALLOWANCES	<u>(14,791)</u>	<u>(9)</u>	<u>(6,253)</u>	<u>(2)</u>
NET SALES AND REVENUES	165,392	100	382,480	100
COST OF GOODS SOLD	<u>-</u>	<u>-</u>	<u>5,688</u>	<u>1</u>
GROSS PROFIT	<u>165,392</u>	<u>100</u>	<u>376,792</u>	<u>99</u>
OPERATING EXPENSES				
Sales and marketing	45,958	28	89,890	24
General and administration	15,331	9	24,463	6
Research and development	<u>74,515</u>	<u>45</u>	<u>76,580</u>	<u>20</u>
Total operating expenses	<u>135,804</u>	<u>82</u>	<u>190,933</u>	<u>50</u>
INCOME FROM OPERATIONS	<u>29,588</u>	<u>18</u>	<u>185,859</u>	<u>49</u>
NONOPERATING INCOME AND GAINS				
Interest income	1,250	1	491	-
Investment income recognized under equity method	-	-	13,216	3
Gain on sale of investments, net	11,053	7	-	-
Rent income	9	-	9	-
Others	<u>712</u>	<u>-</u>	<u>21</u>	<u>-</u>
Total nonoperating income and gains	<u>13,024</u>	<u>8</u>	<u>13,737</u>	<u>3</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized under equity method	8,345	5	-	-
Loss on disposal of property, plant, equipment	392	1	164	-
Foreign exchange losses, net	<u>344</u>	<u>-</u>	<u>288</u>	<u>-</u>
Total nonoperating expenses and losses	<u>9,081</u>	<u>6</u>	<u>452</u>	<u>-</u>
INCOME BEFORE INCOME TAX	33,531	20	199,144	52
INCOME TAX EXPENSE	<u>(4,060)</u>	<u>(2)</u>	<u>(18,800)</u>	<u>(5)</u>
NET INCOME	<u>\$ 29,471</u>	<u>18</u>	<u>\$ 180,344</u>	<u>47</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE				
Basic	<u>\$ 1.05</u>	<u>\$ 0.92</u>	<u>\$ 6.38</u>	<u>\$ 5.78</u>
Diluted	<u>\$ 1.02</u>	<u>\$ 0.90</u>	<u>\$ 6.06</u>	<u>\$ 5.48</u>

(Concluded)

USERJOY TECHNOLOGY CO., LTD.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)**

	Capital Stock	Advance Collections Common Stock	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, 2011	\$ 319,610	\$ 2,689	\$ 228,540	\$ 51	\$ 84,833	\$ 513,110	\$ 6,313	\$ 10,961	\$ (21,839)	\$ 1,144,268
Employee stock options	3,696	246	4,287	-	-	-	-	-	-	8,229
Conversion of advance receipts for common stock	1,245	(2,689)	1,444	-	-	-	-	-	-	-
Net income for the year ended March 31, 2011	-	-	-	-	-	29,471	-	-	-	29,471
Change in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	(10,955)	-	(10,955)
Change in translation adjustments	-	-	-	-	-	-	85	-	-	85
BALANCE, MARCH 31, 2011	<u>\$ 324,551</u>	<u>\$ 246</u>	<u>\$ 234,271</u>	<u>\$ 51</u>	<u>\$ 84,833</u>	<u>\$ 542,581</u>	<u>\$ 6,398</u>	<u>\$ 6</u>	<u>\$ (21,839)</u>	<u>\$ 1,171,098</u>
BALANCE, JANUARY 1, 2010	\$ 302,211	\$ -	\$ 225,643	\$ 51	\$ 54,094	\$ 386,744	\$ 8,513	\$ 9,753	\$ (21,839)	\$ 965,170
Employee stock options	1,378	53	1,751	-	-	-	-	-	-	3,182
Net income for the year ended March 31, 2010	-	-	-	-	-	180,344	-	-	-	180,344
Change in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	906	-	906
Change in translation adjustments	-	-	-	-	-	-	(1,510)	-	-	(1,510)
Adjustment arising from changes in percentage of ownership in investees	-	-	-	-	-	(984)	-	-	-	(984)
BALANCE, MARCH 31, 2010	<u>\$ 303,589</u>	<u>\$ 53</u>	<u>\$ 227,394</u>	<u>\$ 51</u>	<u>\$ 54,094</u>	<u>\$ 566,104</u>	<u>\$ 7,003</u>	<u>\$ 10,659</u>	<u>\$ (21,839)</u>	<u>\$ 1,147,108</u>

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 29,471	\$ 180,344
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	8,951	5,139
Investment loss (income) recognized under the equity method	8,345	(13,216)
Loss on disposal of property, plant and equipment	392	164
Gain on sale of investments, net	(11,053)	-
Net changes in operating assets and liabilities		
Notes receivable	37,152	23,541
Accounts receivable from affiliates (including from related parties)	9,108	(138,715)
Inventories	-	(996)
Income tax prepayment	(1,776)	-
Deferred income tax asset, current	160	470
Prepaid pension	(128)	(133)
Other current assets	(57,816)	(2,496)
Other assets	-	1,548
Notes payable	(771)	(919)
Accounts payable	-	3,865
Income tax payable	187	7,674
Accrued expenses	(77,025)	22,193
Other current liabilities	<u>23,280</u>	<u>1,919</u>
Net cash (used in) provided by operating activities	<u>(31,523)</u>	<u>90,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets - current	-	(9,582)
Proceeds from disposal of available-for-sale financial assets - current	60,632	-
Acquisition of property, plant and equipment	(1,168)	(4,174)
Increase in long-term equity investments	-	(9,300)
Decrease (increase) in refundable deposit	300	(64)
Increase in deferred charges	(198)	(1,263)
Increase in computer software	<u>(2,324)</u>	<u>(29,113)</u>
Net cash provided by (used in) investing activities	<u>57,242</u>	<u>(53,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Employee stock options	<u>8,229</u>	<u>3,182</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,948	40,068
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>620,716</u>	<u>458,271</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 654,664</u>	<u>\$ 498,339</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period		
Income tax	<u>\$ 15,043</u>	<u>\$ 10,656</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 85</u>	<u>\$ (1,510)</u>
Change in unrealized (loss) gain on available-for-sale financial assets	<u>\$ (10,955)</u>	<u>\$ 906</u>
Adjustment arising from changes in percentage of ownership in investees	<u>\$ -</u>	<u>\$ (984)</u>
CASH PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT		
Cash paid for acquisition of property, plant and equipment		
Net increase in property, plant and equipment	\$ 2,737	\$ 8,171
Add: Accounts of equipment payable, beginning of period	1,882	3,103
Less: Accounts of equipment payable, end of period	<u>(3,451)</u>	<u>(7,100)</u>
Cash paid for acquisition of property, plant and equipment	<u>\$ 1,168</u>	<u>\$ 4,174</u>

(Concluded)