

USERJOY TECHNOLOGY CO., LTD.

BALANCE SHEETS

JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

ASSETS	2011		2010		LIABILITIES AND STOCKHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 794,441	60	\$ 667,333	46	Notes payable	\$ 207	-	\$ -	-
Available-for-sale financial assets - current	-	-	51,329	4	Accounts payable	-	-	14,072	1
Notes receivable	7,641	1	3,361	-	Income tax payable	4,984	1	36,777	3
Accounts receivable	78,132	6	218,059	15	Accrued expenses	83,773	6	123,628	9
Accounts receivable from related parties	6,040	-	16,080	1	Other payables	266,755	20	223,341	15
Inventories	-	-	4,186	-	Other current liabilities	44,223	3	16,188	1
Deferred income tax asset, current	22,626	2	25,986	2					
Other current assets	4,936	-	25,028	2	Total current liabilities	399,942	30	414,006	29
Total current assets	913,816	69	1,011,362	70	Total liabilities	399,942	30	414,006	29
INVESTMENTS					STOCKHOLDERS' EQUITY				
Long-term equity investments at equity method	78,240	6	116,236	8	Capital stock, \$10 par value				
Financial assets carried at cost, noncurrent	25,000	2	25,000	2	Authorized - both 80,000 thousand shares at June 30, 2011 and 2010; issued - 32,608 thousand shares and 30,390 thousand shares at June 30, 2011 and 2010	326,084	25	303,897	21
Total investments	103,240	8	141,236	10	Advanced collections for common stock	-	-	45	-
PROPERTY, PLANT AND EQUIPMENT					Stock dividends to be distributed	16,868	1	15,073	1
Cost	175,369	13	167,544	12	Capital surplus				
Less accumulated depreciation	(31,751)	(2)	(22,398)	(2)	Paid-in capital	236,049	18	227,785	16
Property, plant and equipment, net	143,618	11	145,146	10	Treasure stock	51	-	51	-
INTANGIBLE ASSETS					Other	12,981	1	-	-
Computer software	127,870	9	121,731	8	Retained earnings				
Goodwill	10,641	1	10,641	1	Legal reserve	123,153	9	84,833	6
Total intangible assets	138,511	10	132,372	9	Accumulated retained earnings	231,881	17	403,564	27
OTHER ASSETS					Cumulative translation adjustments	5,815	1	11,269	1
Refundable deposits	3,380	-	2,995	-	Unrealized loss on financial instruments	-	-	11,217	1
Deferred charges	2,862	-	3,547	-	Treasury stock	(21,839)	(2)	(21,839)	(2)
Others	25,558	2	13,243	1	Total stockholders' equity	931,043	70	1,035,895	71
Total other assets	31,800	2	19,785	1					
TOTAL	\$ 1,330,985	100	\$ 1,449,901	100	TOTAL	\$ 1,330,985	100	\$ 1,449,901	100

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

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

	2011		2010	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 354,952	109	\$ 710,700	102
LESS SALES RETURNS AND ALLOWANCES	<u>(29,269)</u>	<u>(9)</u>	<u>(16,345)</u>	<u>(2)</u>
NET SALES AND REVENUES	325,683	100	694,355	100
COST OF GOODS SOLD	<u>-</u>	<u>-</u>	<u>15,701</u>	<u>2</u>
GROSS PROFIT	<u>325,683</u>	<u>100</u>	<u>678,654</u>	<u>98</u>
OPERATING EXPENSES				
Sales and marketing	100,223	31	165,702	24
General and administration	27,521	8	59,340	9
Research and development	<u>155,925</u>	<u>48</u>	<u>135,513</u>	<u>19</u>
Total operating expenses	<u>283,669</u>	<u>87</u>	<u>360,555</u>	<u>52</u>
INCOME FROM OPERATIONS	<u>42,014</u>	<u>13</u>	<u>318,099</u>	<u>46</u>
NONOPERATING INCOME AND GAINS				
Interest income	2,878	1	1,168	-
Gain on sale of investments, net	11,059	3	-	-
Exchange gain, net	-	-	141	-
Miscellaneous income	<u>1,638</u>	<u>1</u>	<u>79</u>	<u>-</u>
Total nonoperating income and gains	<u>15,575</u>	<u>5</u>	<u>1,388</u>	<u>-</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized under equity method	12,236	4	8,316	1
Loss on disposal of property, plant and equipment	1,005	-	402	-
Exchange losses, net	1,521	1	-	-
Miscellaneous expenses	<u>66</u>	<u>-</u>	<u>104</u>	<u>-</u>
Total nonoperating expenses and losses	<u>14,828</u>	<u>5</u>	<u>8,822</u>	<u>1</u>
INCOME BEFORE INCOME TAX	42,761	13	310,665	45
INCOME TAX EXPENSE	<u>(12,740)</u>	<u>(4)</u>	<u>(36,030)</u>	<u>(5)</u>
NET INCOME	<u>\$ 30,021</u>	<u>9</u>	<u>\$ 274,635</u>	<u>40</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

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

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE				
Basic	<u>\$ 1.33</u>	<u>\$ 0.94</u>	<u>\$ 10.40</u>	<u>\$ 9.19</u>
Diluted	<u>\$ 1.31</u>	<u>\$ 0.92</u>	<u>\$ 9.86</u>	<u>\$ 8.72</u>

(Concluded)

USERJOY TECHNOLOGY CO., LTD.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(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	Other	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	6,474	(2,689)	-	7,509	-	-	-	-	-	-	-	11,294
Appropriations of 2010 earnings												
Legal reserve	-	-	-	-	-	-	38,320	(38,320)	-	-	-	-
Stock dividends	-	-	16,054	-	-	-	-	(16,054)	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(256,876)	-	-	-	(256,876)
Employee stock bonus	-	-	814	-	-	12,981	-	-	-	-	-	13,795
Net income for the six months ended June 30, 2011	-	-	-	-	-	-	-	30,021	-	-	-	30,021
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	(10,961)	-	(10,961)
Change in translation adjustments	-	-	-	-	-	-	-	-	(498)	-	-	(498)
BALANCE, JUNE 30, 2011	\$ 326,084	\$ -	\$ 16,868	\$ 236,049	\$ 51	\$ 12,981	\$ 123,153	\$ 231,881	\$ 5,815	\$ -	\$ (21,839)	\$ 931,043
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)
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

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 30,021	\$ 274,635
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	17,843	10,360
Investment loss recognized under the equity method	12,236	8,316
Provision for doubtful accounts	275	7,858
Loss on disposal of property, plant and equipment	1,005	402
Gain on sale of investments	(11,059)	-
Net changes in operating assets and liabilities		
Notes receivable	41,348	23,991
Accounts receivable (including from related parties)	56,391	(102,569)
Inventories	-	(1,076)
Income tax prepayment	(8,542)	(133)
Deferred income tax asset, current	6,240	1,880
Prepaid pension	(258)	(272)
Other current assets	1,266	(5,416)
Other assets	-	3,096
Notes payable	207	(1,146)
Accounts payable	-	5,150
Income tax payable	405	13,541
Accrued expense	(329,012)	12,293
Other payables	262,521	16,300
Other current liabilities	<u>34,392</u>	<u>6,324</u>
Net cash provided by operating activities	<u>115,279</u>	<u>273,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,882)	(11,122)
Acquisition of available-for-sale financial assets	-	(9,582)
Proceeds from disposal of available-for-sale financial assets - current	60,671	-
Increase in long-term equity investments	-	(15,642)
Decrease (increase) in refundable deposit	470	(268)
Increase in deferred charges	(441)	(2,510)
Increase in computer software	<u>(10,666)</u>	<u>(29,221)</u>
Net cash provided by (used in) investing activities	<u>47,152</u>	<u>(68,345)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Employee stock options	<u>11,294</u>	<u>3,873</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	173,725	209,062
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>620,716</u>	<u>458,271</u>

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USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 794,441</u>	<u>\$ 667,333</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period		
Income tax	<u>\$ 25,369</u>	<u>\$ 20,742</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ (498)</u>	<u>\$ 2,756</u>
Adjustment arising from changes in percentage of ownership in investees	<u>\$ -</u>	<u>\$ (984)</u>
Change in unrealized gain on available-for-sale financial assets	<u>\$ (10,961)</u>	<u>\$ 1,464</u>
Stock dividends	<u>\$ 16,054</u>	<u>\$ 15,073</u>
Cash dividends payable	<u>\$ 256,876</u>	<u>\$ 211,019</u>
Employee stock bonus	<u>\$ 13,795</u>	<u>\$ -</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	\$ 9,315	\$ 14,767
Add: Payables for acquisition of equipment payable, beginning of period	1,882	3,103
Less: Payables for acquisition of equipment payable, end of period	<u>(8,315)</u>	<u>(6,748)</u>
	<u>\$ 2,882</u>	<u>\$ 11,122</u>

(Concluded)