

USERJOY TECHNOLOGY CO., LTD.

BALANCE SHEETS

SEPTEMBER 30, 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	\$ 471,110	46	\$ 570,192	44	Notes payable	\$ 220	-	\$ -	-
Available-for-sale financial assets - current	10,150	1	40,683	3	Accounts payable	-	-	13,496	1
Notes receivable	9,159	1	54,111	4	Income tax payable	4,984	1	14,772	1
Accounts receivable	87,918	9	148,854	12	Accrued expenses	66,079	7	128,040	10
Accounts receivable from related parties	13,122	1	9,387	1	Other payables	2,862	-	5,099	-
Inventories	-	-	2,968	-	Other current liabilities	<u>35,057</u>	<u>3</u>	<u>24,476</u>	<u>2</u>
Deferred income tax asset - current	1,190	-	25,816	2	Total current liabilities	<u>109,202</u>	<u>11</u>	<u>185,883</u>	<u>14</u>
Other current assets	<u>7,087</u>	<u>1</u>	<u>12,111</u>	<u>1</u>	Total liabilities	<u>109,202</u>	<u>11</u>	<u>185,883</u>	<u>14</u>
Total current assets	<u>599,736</u>	<u>59</u>	<u>864,122</u>	<u>67</u>					
INVESTMENTS					STOCKHOLDERS' EQUITY				
Long-term equity investments at equity method	83,179	8	101,958	8	Capital stock	343,156	34	319,082	25
Financial assets carried at cost - noncurrent	<u>25,000</u>	<u>3</u>	<u>25,000</u>	<u>2</u>	Capital surplus				
Total investments	<u>108,179</u>	<u>11</u>	<u>126,958</u>	<u>10</u>	Additional paid-in capital	249,245	25	227,927	18
					Treasury stock transaction	51	-	51	-
PROPERTY, PLANT AND EQUIPMENT					Retained earnings				
Cost	175,738	17	169,661	13	Legal reserve	123,153	12	84,833	7
Less accumulated depreciation	<u>(35,320)</u>	<u>(3)</u>	<u>(25,295)</u>	<u>(2)</u>	Unappropriated earnings	194,664	19	469,708	36
Property, plant and equipment, net	<u>140,418</u>	<u>14</u>	<u>144,366</u>	<u>11</u>	Other equity				
					Cumulative translation adjustments	12,959	1	11,838	1
INTANGIBLE ASSETS					Unrealized gain on financial instruments	335	-	8,971	1
Computer software	118,059	12	121,643	9	Treasury stock	<u>(21,839)</u>	<u>(2)</u>	<u>(21,839)</u>	<u>(2)</u>
Goodwill	<u>10,641</u>	<u>1</u>	<u>10,641</u>	<u>1</u>	Total stockholders' equity	<u>901,724</u>	<u>89</u>	<u>1,100,571</u>	<u>86</u>
Total intangible assets	<u>128,700</u>	<u>13</u>	<u>132,284</u>	<u>10</u>					
OTHER ASSETS									
Refundable deposits	3,487	-	3,246	1					
Deferred charges	2,335	-	3,052	-					
Others	<u>28,071</u>	<u>3</u>	<u>12,426</u>	<u>1</u>					
Total other assets	<u>33,893</u>	<u>3</u>	<u>18,724</u>	<u>2</u>					
TOTAL	<u>\$ 1,010,926</u>	<u>100</u>	<u>\$ 1,286,454</u>	<u>100</u>	TOTAL	<u>\$ 1,010,926</u>	<u>100</u>	<u>\$ 1,286,454</u>	<u>100</u>

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 536,081	109	\$ 990,395	106
LESS SALES RETURNS AND ALLOWANCES	<u>(45,981)</u>	<u>(9)</u>	<u>(57,447)</u>	<u>(6)</u>
NET SALES AND REVENUES	490,100	100	932,948	100
COST OF GOODS SOLD	<u>-</u>	<u>-</u>	<u>24,487</u>	<u>2</u>
GROSS PROFIT	<u>490,100</u>	<u>100</u>	<u>908,461</u>	<u>98</u>
OPERATING EXPENSES				
Selling expense	171,226	35	247,953	27
General and administrative expense	38,253	8	60,425	6
Research and development expense	<u>257,501</u>	<u>52</u>	<u>221,745</u>	<u>24</u>
Total operating expenses	<u>466,980</u>	<u>95</u>	<u>530,123</u>	<u>57</u>
INCOME FROM OPERATIONS	<u>23,120</u>	<u>5</u>	<u>378,338</u>	<u>41</u>
NONOPERATING INCOME AND GAINS				
Interest income	4,104	1	2,058	-
Dividend income	450	-	2,033	-
Gain on sale of investments, net	11,059	2	6,475	1
Exchange gain, net	2,387	-	1,609	-
Miscellaneous income	<u>4,753</u>	<u>1</u>	<u>225</u>	<u>-</u>
Total nonoperating income and gains	<u>22,753</u>	<u>4</u>	<u>12,400</u>	<u>1</u>
NONOPERATING EXPENSES AND LOSSES				
Investment loss recognized under equity method	14,441	3	6,621	1
Loss on disposal of property, plant and equipment	1,086	-	596	-
Miscellaneous expenses	<u>66</u>	<u>-</u>	<u>675</u>	<u>-</u>
Total nonoperating expenses and losses	<u>15,593</u>	<u>3</u>	<u>7,892</u>	<u>1</u>
INCOME BEFORE INCOME TAX	30,280	6	382,846	41
INCOME TAX EXPENSE	<u>(37,476)</u>	<u>(7)</u>	<u>(42,067)</u>	<u>(4)</u>
NET (LOSS) INCOME	<u>\$ (7,196)</u>	<u>(1)</u>	<u>\$ 340,779</u>	<u>37</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

(Reviewed, Not Audited)

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE				
Basic	<u>\$ 0.91</u>	<u>\$ (0.22)</u>	<u>\$ 11.60</u>	<u>\$ 10.32</u>
Diluted	<u>\$ 0.91</u>	<u>\$ (0.22)</u>	<u>\$ 11.13</u>	<u>\$ 9.90</u>

(Concluded)

USERJOY TECHNOLOGY CO., LTD.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)**

	Capital Stock	Advanced Collections for Common Stock	Capital Surplus		Retained Earnings		Cumulative Translation Adjustments	Other Equity		Total
			Additional Paid-in Capital	Treasury Stock Transaction	Legal Reserve	Unappropriated Earnings		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	6,678	(2,689)	7,724	-	-	-	-	-	-	11,713
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 nine months ended September 30, 2011	-	-	-	-	-	(7,196)	-	-	-	(7,196)
Change in translation adjustments	-	-	-	-	-	-	6,646	-	-	6,646
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(10,626)	-	(10,626)
BALANCE, SEPTEMBER 30, 2011	<u>\$ 343,156</u>	<u>\$ -</u>	<u>\$ 249,245</u>	<u>\$ 51</u>	<u>\$ 123,153</u>	<u>\$ 194,664</u>	<u>\$ 12,959</u>	<u>\$ 335</u>	<u>\$ (21,839)</u>	<u>\$ 901,724</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	1,798	-	2,284	-	-	-	-	-	-	4,082
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 nine months ended September 30, 2010	-	-	-	-	-	340,779	-	-	-	340,779
Adjustment arising from changes in percentage of ownership in investees	-	-	-	-	-	(984)	-	-	-	(984)
Change in translation adjustments	-	-	-	-	-	-	3,325	-	-	3,325
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(782)	-	(782)
BALANCE, SEPTEMBER 30, 2010	<u>\$ 319,082</u>	<u>\$ -</u>	<u>\$ 227,927</u>	<u>\$ 51</u>	<u>\$ 84,833</u>	<u>\$ 469,708</u>	<u>\$ 11,838</u>	<u>\$ 8,971</u>	<u>\$ (21,839)</u>	<u>\$ 1,100,571</u>

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	\$ (7,196)	\$ 340,779
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation	11,171	10,294
Amortization	24,452	5,228
(Recovery of) provision for doubtful accounts	(2,822)	14,351
Investment loss recognized under the equity method	14,441	6,621
Loss on disposal of property, plant and equipment	1,086	596
Gain on sale of investments	(11,059)	(6,475)
Net changes in operating assets and liabilities		
Notes receivable	39,830	(26,758)
Accounts receivable	45,724	(41,038)
Accounts receivable - related parties	(3,104)	7,874
Inventories	-	142
Other current assets	(885)	7,500
Deferred income tax asset - current	27,676	2,050
Prepaid pension	(383)	(407)
Other assets	-	4,048
Prepaid income tax	(10,930)	(133)
Notes payable	220	(1,146)
Accounts payable	-	4,574
Income tax payable	405	(8,464)
Accrued expense	(83,397)	31,455
Other payables	(1,310)	(2,056)
Other current liabilities	<u>25,226</u>	<u>14,614</u>
Net cash provided by operating activities	<u>69,145</u>	<u>363,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,077)	(17,737)
Acquisition of available-for-sale financial assets	(9,815)	(8,991)
Proceeds from disposal of available-for-sale financial assets	60,671	13,588
Proceeds from disposal of long-term equity investments	-	17,236
Increase in computer software	(14,127)	(29,971)
Increase in long-term equity investments	-	(15,642)
Decrease (increase) in refundable deposit	363	(519)
Increase in deferred charges	<u>(603)</u>	<u>(2,755)</u>
Net cash provided by (used in) investing activities	<u>26,412</u>	<u>(44,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends	(256,876)	(211,019)
Employee stock options	<u>11,713</u>	<u>4,082</u>

(Continued)

USERJOY TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2011	2010
Net cash used in financing activities	<u>(245,163)</u>	<u>(206,937)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(149,606)	111,921
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>620,716</u>	<u>458,271</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 471,110</u>	<u>\$ 570,192</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period		
Income tax	<u>\$ 31,056</u>	<u>\$ 48,578</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 6,646</u>	<u>\$ 3,325</u>
Adjustment arising from changes in percentage of ownership in investees	<u>\$ -</u>	<u>\$ (984)</u>
Change in unrealized loss on available-for-sale financial assets	<u>\$ (10,626)</u>	<u>\$ (782)</u>
Stock dividends	<u>\$ 16,054</u>	<u>\$ 15,073</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	\$ 10,015	\$ 17,764
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>(1,820)</u>	<u>(3,130)</u>
	<u>\$ 10,077</u>	<u>\$ 17,737</u>

(Concluded)