

**USERJOY TECHNOLOGY CO., LTD.**  
**BALANCE SHEETS**  
**June 30, 2007 and 2006**  
**(In Thousands of New Taiwan Dollar. Except Earnings Per Share)**

ASSETS	2007		2006		LIABILITIES AND STOCKHOLDERS' EQUITY	2007		2006	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents	\$ 266,725	49	\$ 96,345	28	Notes payable	\$ 4,927	1	\$ 998	-
Valuation gain on financial assets	16,203	3	10,245	3	Accounts payable	1,088	-	1,766	1
Notes receivable	24,642	5	8,334	2	Income tax payable	5,743	1	7,182	2
Notes receivable from related parties	-	-	2,400	1	Expense payable	26,188	5	17,330	5
Accounts receivable	36,497	7	37,938	11	Other current liabilities	35,779	7	20,140	6
Accounts receivable from related parties	611	-	11,418	3	Current porting of long-term debts	1,828	-	3,975	1
Inventories	5,079	1	2,589	1	Other current liabilities	2,805	-	7,890	2
Deferred income tax asset, current	11,243	2	675	-	<b>TOTAL CURRENT LIABILITIES</b>	<b>78,358</b>	<b>14</b>	<b>59,281</b>	<b>17</b>
Other current assets	19,699	4	16,206	5	<b>LONG-TERM LIABILITIES</b>				
<b>TOTAL CURRENT ASSETS</b>	<b>380,699</b>	<b>71</b>	<b>186,150</b>	<b>54</b>	Long-term borrowings	19,886	4	43,474	13
<b>CURRENT ASSETS</b>					<b>OTHER LIABILITIES</b>				
Long-term equity investments at equity method	23,262	4	16,878	5	Accrued pension	114	-	1,841	1
					Deposit in advance	11	-	6	-
					Total other liabilities	125	-	1,847	1
<b>FIXED ASSETS</b>					<b>Total liabilities</b>	<b>98,369</b>	<b>18</b>	<b>104,602</b>	<b>31</b>
Cost					<b>STOCKHOLDERS' EQUITY</b>				
PROPERTY	49,616	9	41,678	12	Capital				
PLANT	29,558	5	23,399	7	Capital common stock	152,893	29	126,033	37
EQUIPMENT	19,825	4	20,403	6	Capital collected in advance	80,000	15	-	-
Total Cost	98,999	18	85,480	25	Stock dividends to be distributed	39,579	7	26,860	8
Less accumulated depreciation	( 11,821 )	( 2 )	( 12,701 )	( 4 )	Additional paid-in capital				
<b>TOTAL FIXED ASSETS</b>	<b>87,178</b>	<b>16</b>	<b>72,779</b>	<b>21</b>	Additional paid-in capital in excess of par- common stock	18,234	3	18,234	5
<b>INTANGIBLE ASSETS</b>					Treasury stock exchange	51	-	51	-
Computer software	24,853	5	28,553	8	Retained earnings				
Goodwill	12,646	2	12,646	4	Legal reserve	26,883	5	14,861	4
Deferred pension cost	1,698	-	1,709	1	Accumulated profit or loss	120,864	23	51,153	15
<b>TOTAL INTANGIBLE ASSETS</b>	<b>39,197</b>	<b>7</b>	<b>42,908</b>	<b>13</b>	Cumulative translation adjustment	1,202	-	( 368 )	-
<b>OTHER ASSETS</b>					<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>439,706</b>	<b>82</b>	<b>236,824</b>	<b>69</b>
Refundable deposits	1,929	1	806	-	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 538,075</b>	<b>100</b>	<b>\$ 341,426</b>	<b>100</b>
Deferred charges	4,013	1	3,694	1					
deferred income tax-noncurrent	-	-	15,830	5					
OTHER NON-OPERATING REVENUE- OTHER ITEMS	1,797	-	2,381	1					
<b>TOTAL OTHER ASSETS</b>	<b>7,739</b>	<b>2</b>	<b>22,711</b>	<b>7</b>					
<b>TOTAL ASSETS</b>	<b>\$ 538,075</b>	<b>100</b>	<b>\$ 341,426</b>	<b>100</b>					

**ERJOY TECHNOLOGY CO., LTD.****STATEMENTS OF INCOME****June 30, 2007 and 2006****(In Thousands of New Taiwan Dollar. Except Earnings Per Share)**

	2007		2006	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 179,161	100	\$ 130,142	100
COST OF GOODS SOLD	<u>44,978</u>	<u>25</u>	<u>27,622</u>	<u>21</u>
GROSS PROFIT	<u>134,183</u>	<u>75</u>	<u>102,520</u>	<u>79</u>
OPERATING EXPENSES				
Sales and marketing	6,631	4	9,342	7
General and administration	29,620	17	29,963	23
Research and development	<u>22,071</u>	<u>12</u>	<u>18,674</u>	<u>15</u>
TOTAL OPERATING EXPENSES	<u>58,322</u>	<u>33</u>	<u>57,979</u>	<u>45</u>
INCOME FROM OPERATIONS	<u>75,861</u>	<u>42</u>	<u>44,541</u>	<u>34</u>
NONOPERATING INCOME AND GAINS				
Interest income	1,657	1	478	1
Investment income	434	-	-	-
Foreign exchange gain	81	-	-	-
Gain on reversal of bad debts	211	-	-	-
Gain on valuation of	632	1	-	-
Other non-operating revenue— other items	<u>1,328</u>	<u>1</u>	<u>259</u>	<u>-</u>
TOTAL NONOPERATING INCOME AND GAINS	<u>4,343</u>	<u>3</u>	<u>737</u>	<u>1</u>
Non-operating				
Interest expense	311	-	480	1
Investment loss recognized under equity method	-	-	3,991	3
Loss on disposal of investments	395	-	-	-
Foreign exchange loss	-	-	66	-

(Next page)

(continue last page)

	2007		2006	
	Amount	%	Amount	%
Loss for market price decline and obsolete and slow-moving inventories	\$ 912	1	\$ -	-
Loss on valuation of financial asset	-	-	435	-
other non-operating expenses— other	<u>2</u>	<u>-</u>	<u>2,782</u>	<u>2</u>
TOTAL non-operating	<u>1,620</u>	<u>1</u>	<u>7,754</u>	<u>6</u>
Continuing operating income before tax	78,584	44	37,524	29
Income tax expense	( <u>12,200</u> )	( <u>7</u> )	( <u>8,000</u> )	( <u>6</u> )
INCOME BEFORE CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES	66,384	37	29,524	23
Cumulative effect of changes in accounting principles	<u>-</u>	<u>-</u>	( <u>10</u> )	<u>-</u>
Total continuing operating net income	<u>\$ 66,384</u>	<u>37</u>	<u>\$ 29,514</u>	<u>23</u>
	Before	After	Before	After
	Income Tax	Income Tax	Income Tax	Income Tax
BASIC EARNINGS PER SHARE				
Income from continuing operations	<u>\$ 4.08</u>	\$ 3.45	<u>\$ 1.95</u>	\$ 1.53
Cumulative effect of changes in accounting principles		<u>-</u>		<u>-</u>
TOTAL BASIC EARNINGS PER SHARE		<u>\$ 3.45</u>		<u>\$ 1.53</u>

**USERJOY TECHNOLOGY CO., LTD.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**June 30, 2007 and 2006**  
(In Thousands of New Taiwan Dollar. Except Earnings Per Share)

	Capital	Stock dividends to be distributed	Capital collected in advance	Additional paid-in capital Additional paid-in capital in excess of par- common stock	Treasury stock exchange	Retained Legal reserve	earnings Accumulated profit or loss	Cumulative translation adjustment	Total
BALANCE, JANUARY 1, 2007	\$ 152,893	\$ -	\$ -	\$ 18,234	\$ 51	\$ 14,861	\$ 141,860	\$ 403	\$ 328,302
Capital collected in advance	-	-	80,000	-	-	-	-	-	80,000
Appropriation of 2006 net income									
Legal reserve	-	-	-	-	-	12,022	( 12,022 )	-	-
Bonuses to employees	-	7,000	-	-	-	-	( 7,000 )	-	-
Stock dividends	-	32,579	-	-	-	-	( 32,579 )	-	-
Remuneration to directors and supervisors	-	-	-	-	-	-	( 3,200 )	-	( 3,200 )
Cash dividends	-	-	-	-	-	-	( 32,579 )	-	( 32,579 )
Net income for June 30, 2007	-	-	-	-	-	-	66,384	-	66,384
Cumulative translation adjustment	-	-	-	-	-	-	-	799	799
BALANCE, June 30, 2007	<u>\$ 152,893</u>	<u>\$ 39,579</u>	<u>\$ 80,000</u>	<u>\$ 18,234</u>	<u>\$ 51</u>	<u>\$ 26,883</u>	<u>\$ 120,864</u>	<u>\$ 1,202</u>	<u>\$ 439,706</u>
BALANCE, JANUARY 1, 2006	\$ 126,033	\$ -	\$ -	\$ 18,234	\$ 51	\$ 7,234	\$ 76,266	(\$ 885)	\$ 226,933
Appropriation of 2005 net income									
Legal reserve	-	-	-	-	-	7,627	( 7,627 )	-	-
Bonuses to employees	-	6,860	-	-	-	-	( 6,860 )	-	-
Stock dividends	-	20,000	-	-	-	-	( 20,000 )	-	-
Remuneration to directors and supervisors	-	-	-	-	-	-	( 140 )	-	( 140 )
Cash dividends	-	-	-	-	-	-	( 20,000 )	-	( 20,000 )
Net income for June 30, 2006	-	-	-	-	-	-	29,514	-	29,514
Cumulative translation adjustment	-	-	-	-	-	-	-	517	517
BALANCE, June 30, 2006	<u>\$ 126,033</u>	<u>\$ 26,860</u>	<u>\$ -</u>	<u>\$ 18,234</u>	<u>\$ 51</u>	<u>\$ 14,861</u>	<u>\$ 51,153</u>	<u>(\$ 368)</u>	<u>\$ 236,824</u>

**USERJOY TECHNOLOGY CO., LTD.**  
**STATEMENTS OF CASH FLOWS**

**June 30, 2007 and 2006**

**(In Thousands of New Taiwan Dollar. Except Earnings Per Share)**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Total continuing operating net income	\$ 66,384	\$ 29,514
Cumulative effect of changes in accounting principles	-	10
Depreciation and amortization	13,359	7,900
Valuation gain on financial assets	( 632)	435
Investment loss recognized under the equity method	( 434)	3,991
Gain on reversal of bad debts	( 211)	-
Loss on disposal of investments	395	-
Loss for market price decline and obsolete and slow-moving inventories	912	-
Loss on disposal of idle inventory	-	2,709
Net changes in operating assets and liabilities		
Financial assets measured at fair value through profit and loss, current	( 2,418)	( 9,882)
Notes receivable	11,459	921
Accounts receivable	14,284	( 20,697)
Accounts receivable from affiliates (including from related parties)	5,347	-
Inventories	( 3,640)	642
Other current assets	( 1,213)	( 14,811)
Deferred income tax asset, current	657	-
OTHER ASSETS	( 326)	( 2,381)
Deferred income tax-noncurrent	-	641
Notes payable	( 1,420)	( 1,768)
Accounts payable	486	( 717)
Income tax payable	( 6,121)	660
Expense payable	( 2,172)	( 2,963)
Other current liabilities	( 6,958)	7,384
Accrued pension	( 342)	132
Net cash provided by operating activities	<u>87,396</u>	<u>1,720</u>

(Next page)

(continue last page)

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(\$ 17,335)	(\$ 30,062)
Increase in refundable deposit	( 332)	434
Increase in computer software	-	( 1,734)
Increase in deferred charges	( <u>1,682</u> )	( <u>1,789</u> )
Net cash used in investing activities	( <u>19,349</u> )	( <u>33,151</u> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital collected in advance	80,000	-
(Decrease) increase in long-term loans	( 23,748)	22,469
(Decrease) Increase Deposit in advance	( <u>4</u> )	<u>6</u>
NET INCREASE IN CASH FLOWS FROM FINANCING ACTIVITIES	<u>56,248</u>	<u>22,475</u>
Exchange Influence	<u>61</u>	<u>18</u>
Net increase (decrease) Cash and cash equivalents	124,356	( 8,938)
Cash and cash equivalents BALANCE at beginning of the year	<u>142,369</u>	<u>105,283</u>
Cash and cash equivalents BALANCE at the end of the year	<u>\$ 266,725</u>	<u>\$ 96,345</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest (excluding interest capitalized)	<u>\$ 311</u>	<u>\$ 480</u>
Income tax	<u>\$ 18,483</u>	<u>\$ 6,699</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Translation adjustments on foreign long-term equity investments	<u>\$ 799</u>	<u>\$ 517</u>
Current Of L-T Debt	<u>\$ 1,828</u>	<u>\$ 3,975</u>
Account payable Remuneration to directors and supervisors	<u>\$ 3,200</u>	<u>\$ 140</u>
Account PayableCash dividends	<u>\$ 32,579</u>	<u>\$ 20,000</u>