

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

ASSETS	2007		2006		LIABILITIES AND STOCKHOLDERS' EQUITY	2007		2006	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 196,970	39	\$ 92,025	26	Notes payable	\$ 6,882	2	\$ 5,522	2
Valuation gain on financial assets	17,596	3	19,110	5	Accounts payable	492	-	2,702	1
Notes receivable	18,700	4	30,094	8	Income tax payable	6,270	1	7,359	2
Accounts receivable	40,086	8	35,526	10	Expense payable	30,008	6	19,021	5
Accounts receivable from related parties	2,560	-	33	-	Current porting of long-term debts	-	-	3,975	1
Inventories	4,801	1	1,763	1	Other current liabilities	4,984	1	4,932	1
Deferred income tax asset, current	13,289	3	675	-	TOTAL CURRENT LIABILITIES	48,636	10	43,511	12
Other current assets	6,053	1	21,948	6	LONG-TERM LIABILITIES				
TOTAL CURRENT ASSETS	300,055	59	201,174	56	Long-term borrowings	-	-	42,481	12
CURRENT ASSETS					OTHER LIABILITIES				
Long-term equity investments at equity method	38,952	8	27,139	7	Accrued pension	17	-	1,841	-
Prepaid long term investment	22,831	4	-	-	Deposit in advance	1	-	6	-
TOTAL INVESTMENT	61,783	12	27,139	7	Total other liabilities	18	-	1,847	-
FIXED ASSETS					Total liabilities	48,654	10	87,839	24
Cost					STOCKHOLDERS' EQUITY				
PROPERTY	49,616	10	41,678	12	Capital				
PLANT	29,558	6	23,399	6	Capital common stock	202,472	40	152,893	42
EQUIPMENT	20,751	4	19,390	5	Additional paid-in capital				
Total Cost	99,925	20	84,467	23	Additional paid-in capital in excess of par- common stock	88,234	17	18,234	5
Less accumulated depreciation	(12,394)	(3)	(13,201)	(3)	Treasury stock exchange	51	-	51	-
TOTAL FIXED ASSETS	87,531	17	71,266	20	Retained earnings				
INTANGIBLE ASSETS					Legal reserve	26,883	5	14,861	4
Computer software	21,739	4	25,893	7	Accumulated profit or loss	139,792	28	88,541	25
Goodwill	10,641	2	9,962	3	Cumulative translation adjustment	909	-	(368)	-
Deferred pension cost	1,698	1	1,709	-	TOTAL STOCKHOLDERS' EQUITY	458,341	90	274,212	76
TOTAL INTANGIBLE ASSETS	34,078	7	37,564	10	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 506,995	100	\$ 362,051	100
OTHER ASSETS									
Refundable deposits	2,225	1	1,367	1					
Deferred charges	3,980	1	3,660	1					
deferred income tax-noncurrent	-	-	15,830	4					
OTHER NON-OPERATING REVENUE-OTHER ITEMS	17,343	3	4,051	1					
TOTAL OTHER ASSETS	23,548	5	24,908	7					
TOTAL ASSETS	\$ 506,995	100	\$ 362,051	100					

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

	2007		2006	
	Amount	%	Amount	%
GROSS SALES AND NET REVENUES	\$ 242,667	100	\$ 200,917	100
COST OF GOODS SOLD	<u>59,610</u>	<u>24</u>	<u>30,768</u>	<u>15</u>
GROSS PROFIT	183,057	76	170,149	85
OPERATING EXPENSES				
Sales and marketing	16,797	7	10,247	5
General and administration	40,054	17	39,159	20
Research and development	<u>34,462</u>	<u>14</u>	<u>37,930</u>	<u>19</u>
TOTAL OPERATING EXPENSES	<u>91,313</u>	<u>38</u>	<u>87,336</u>	<u>44</u>
INCOME FROM OPERATIONS	<u>91,744</u>	<u>38</u>	<u>82,813</u>	<u>41</u>
NONOPERATING INCOME AND GAINS				
Interest income	2,874	1	819	-
Investment net income recognized under equity method	2,323	1	-	-
Gain on reversal of bad debts	211	-	-	-
Profit on valuation of financial asset	817	-	1,383	1
Other non-operating expenses— other	<u>1,360</u>	<u>1</u>	<u>309</u>	<u>-</u>
TOTAL NONOPERATING INCOME AND GAINS	<u>7,585</u>	<u>3</u>	<u>2,511</u>	<u>1</u>

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

	Capital	Additional paid-in capital		Retained earnings		Cumulative translation adjustment	Total
		Additional paid-in capital in excess of par- common stock	Treasury stock exchange	Legal reserve	Accumulated profit or loss		
BALANCE, JANUARY 1, 2007	\$ 152,893	\$ 18,234	\$ 51	\$ 14,861	\$ 141,860	\$ 403	\$ 328,302
Proceed fm New Issue, 2007	10,000	70,000	-	-	-	-	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)
Income for September 30, 2007	-	-	-	-	85,312	-	85,312
Cumulative translation adjustment	-	-	-	-	-	506	506
BALANCE, 2007	<u>\$ 202,472</u>	<u>\$ 88,234</u>	<u>\$ 51</u>	<u>\$ 26,883</u>	<u>\$ 139,792</u>	<u>\$ 909</u>	<u>\$ 458,341</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)
Income for September 30, 2006	-	-	-	-	66,902	-	66,902
Cumulative translation adjustment	-	-	-	-	-	517	517
BALANCE, September 30, 2006	<u>\$ 152,893</u>	<u>\$ 18,234</u>	<u>\$ 51</u>	<u>\$ 14,861</u>	<u>\$ 88,541</u>	<u>(\$ 368)</u>	<u>\$ 274,212</u>

USERJOY TECHNOLOGY CO., LTD.**STATEMENTS OF CASH FLOWS****September 30, 2007****(In Thousands of New Taiwan Dollar. Except Earnings Per Share)**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income	\$ 85,312	\$ 66,901
Cumulative effect of changes in accounting principles	-	10
Depreciation and amortization	18,194	7,201
Gain on valuation of financial asset	(817)	(1,383)
Investment loss recognized under the equity method	(2,323)	5,581
Gain on reversal of bad debts	(211)	-
Loss on disposal of investments	425	-
Loss for market price decline and obsolete and slow-moving inventories	1,161	-
Gain on disposal of investments	-	587
Net changes in operating assets and liabilities		
Financial assets measured at fair value through profit and loss, current	(3,626)	(17,516)
Notes receivable	17,401	(18,556)
Accounts receivable	10,695	(6,783)
Accounts receivable from affiliates (including from related parties)	3,398	-
Inventories	(3,611)	4,152
Other current assets	11,777	(21,098)
Deferred income tax asset, current	(1,389)	-
OTHER ASSETS	(15,872)	(4,051)
Deferred income tax-noncurrent	-	641
Notes payable	535	2,756
Accounts payable	(110)	219
Income tax payable	(5,594)	837
Expense payable	4,146	(825)
Other current liabilities	(1,701)	-
Other current liabilities	(4,779)	4,427
Accrued pension	(439)	132
Net cash provided by operating activities	<u>112,572</u>	<u>23,232</u>

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	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Prepaid long term investment increase	(\$ 22,831)	\$ -
Acquisition of property, plant and equipment	(19,711)	(30,508)
Long-term investments increase	(6,204)	(5,185)
Refundable deposits increase	(628)	(127)
Increase in computer software	-	3,501
Increase in deferred charges	(<u>2,584</u>)	(<u>2,649</u>)
Net cash used in investing activities	(<u>51,958</u>)	(<u>34,968</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend to the stockholders	(32,579)	(20,000)
Director Bonus	(3,200)	(140)
(Decrease) increase in long-term loans	(45,462)	21,476
(Decrease) Increase Deposit in advance	(14)	5
Proceed fm New Issue	<u>80,000</u>	<u>-</u>
(Decrease) Increase cash of loan activities	(<u>1,255</u>)	<u>1,341</u>
(Decrease) Increase net ash and cash equivalents	59,359	(10,395)
Cash and cash equivalents BALANCE, January 1, 2007	<u>137,611</u>	<u>102,420</u>
Cash and cash equivalents BALANCE, December 31, 2007	<u>\$ 196,970</u>	<u>\$ 92,025</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest (excluding interest capitalized)	<u>\$ 339</u>	<u>\$ 744</u>
Income tax	<u>\$ 18,483</u>	<u>\$ 10,749</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 506</u>	<u>\$ 517</u>
Current Of L-T Debt	<u>\$ -</u>	<u>\$ 2,147</u>