

USERJOY TECHNOLOGY CO., LTD.
BALANCE SHEETS
December 31, 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	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 246,367	43	\$ 142,369	33	Notes payable	\$ 877	-	\$ 6,347	1
Financial assets measured at fair value through profit and loss, current –					Accounts payable	7,542	1	602	-
	18,725	3	13,153	3	Income tax payable	15,940	3	11,864	3
Notes receivable	18,756	3	35,984	8	Other account payable	46,061	8	28,360	7
Notes receivable – related parties					Current porting of long-term debts			3,975	1
	2,678	-	-	-	Other current liabilities	3,447	1	9,763	2
Accounts receivable	90,664	16	50,687	12	TOTAL CURRENT LIABILITIES	73,867	13	60,911	14
Accounts receivable from affiliates (including from related parties)									
	840	-	5,958	1	LONG-TERM LIABILITIES				
Inventories	4,440	1	2,351	1	Long-term borrowings	-	-	41,487	10
Deferred income tax asset, current									
	3,029	-	11,900	3	OTHER LIABILITIES				
Other current assets	9,798	2	18,789	4	Accrued pension	-	-	456	-
TOTAL CURRENT ASSETS	395,297	68	281,191	65	Deposit in advance	2	-	15	-
Investment					Others	2	-	-	-
Long-term equity investments at equity method	32,234	6	22,137	5	Total other liabilities	4	-	471	-
					Total liabilities	73,871	13	102,869	24
FIXED ASSETS					STOCKHOLDERS' EQUITY				
PROPERTY	49,616	9	41,678	10	Capital	202,472	35	152,893	36
PLANT	29,558	5	23,399	5	Additional paid-in capital				
EQUIPMENT	26,312	4	19,310	5	Additional paid-in capital in excess of par- common stock	88,234	15	18,234	4
Total Cost	105,486	18	84,387	20	Treasury stock exchange	51	-	51	-
					Retained earnings				
Less accumulated depreciation	(14,386)	(2)	(12,272)	(3)	Legal reserve	26,883	4	14,861	3
					Accumulated profit or loss	182,857	32	141,860	33
NET FIXED ASSETS	91,100	16	72,115	17	Cumulative translation adjustment	2,246	1	403	-
					TOTAL STOCKHOLDERS' EQUITY	502,743	87	328,302	76
INTANGIBLE ASSETS									
Computer software)	20,455	4	34,910	8	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 576,614	100	\$ 431,171	100
Good will	12,646	2	12,646	3					
Deferred pension cost	-	-	1,698	-					
TOTAL INTANGIBLE ASSETS	33,101	6	49,254	11					
OTHER ASSETS									
Refundable deposits	3,258	-	1,597	1					
Deferred charges	4,199	1	3,406	1					
Others	17,425	3	1,471	-					
TOTAL OTHER ASSETS	24,882	4	6,474	2					
TOTAL ASSETS	\$ 576,614	100	\$ 431,171	100					

USERJOY TECHNOLOGY CO., LTD.**STATEMENTS OF INCOME****December 31, 2007****(In Thousands of New Taiwan Dollar. Except Earnings Per Share)**

	2007		2006	
	Amount	%	Amount	%
GROSS SALES AND REVENUES				
Sales revenue	\$ 415,648	109	\$ 331,820	106
Sales return, discount and allowances	(33,868)	(9)	(17,774)	(6)
GROSS SALES AND REVENUES	381,780	100	314,046	100
COST OF GOODS SOLD	<u>86,803</u>	<u>23</u>	<u>57,656</u>	<u>18</u>
GROSS PROFIT	<u>294,977</u>	<u>77</u>	<u>256,390</u>	<u>82</u>
OPERATING EXPENSES				
Sales and marketing	30,523	8	13,715	4
General and administration	64,877	17	59,039	19
Research and development	<u>57,910</u>	<u>15</u>	<u>42,593</u>	<u>14</u>
TOTAL OPERATING EXPENSES	<u>153,310</u>	<u>40</u>	<u>115,347</u>	<u>37</u>
INCOME FROM OPERATIONS	<u>141,667</u>	<u>37</u>	<u>141,043</u>	<u>45</u>
NONOPERATING INCOME AND GAINS				
Interest income	4,056	1	1,358	1
Investment income recognized under equity method	8,630	3	658	-
Gain on reversal of bad debts	211	-	-	-
Gain from price recovery of inventory	-	-	1,500	1
Gain on valuation of	736	-	1,332	-
Other non-operating expenses— other	<u>8,477</u>	<u>2</u>	<u>526</u>	<u>-</u>
TOTAL NONOPERATING INCOME AND GAINS	<u>22,110</u>	<u>6</u>	<u>5,374</u>	<u>2</u>

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	2007		2006	
	Amount	%	Amount	%
Non-operating				
Interest expense	\$ 339	-	\$ 1,008	-
loss on disposal of investments	425	-	231	-
Foreign exchange loss	157	-	290	-
Loss for market price decline and obsolete and slow-moving inventories	1,161	-	-	-
other non-operating expenses— other	<u>118</u>	<u>-</u>	<u>4,257</u>	<u>2</u>
Total Non-Operating	<u>2,200</u>	<u>-</u>	<u>5,786</u>	<u>2</u>
Continuing operating income before tax	161,577	43	140,631	45
Income tax expense	(<u>33,200</u>)	(<u>9</u>)	(<u>20,400</u>)	(<u>7</u>)
Non-cumulative effect of changes in accounting principlesincome	128,377	34	120,231	38
Cumulative effect of changes in accounting principles	<u>-</u>	<u>-</u>	(<u>10</u>)	<u>-</u>
Total continuing operating net income	<u>\$ 128,377</u>	<u>34</u>	<u>\$ 120,221</u>	<u>38</u>
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
	<u>Income Tax</u>	<u>Income Tax</u>	<u>Income Tax</u>	<u>Income Tax</u>
BASIC EARNINGS PER SHARE				
Continuing operating income	<u>\$ 8.18</u>	\$ 6.50	<u>\$ 7.31</u>	\$ 6.25
Cumulative effect of changes in accounting principles		<u>-</u>		<u>-</u>
BASIC EARNINGS PER SHARE		<u>\$ 6.50</u>		<u>\$ 6.25</u>

USERJOY TECHNOLOGY CO., LTD.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
December 31, 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, 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 2006	-	-	-	-	120,221	-	120,221
Cumulative translation adjustment	-	-	-	-	-	1,288	1,288
BALANCE, December 31, 2006	152,893	18,234	51	14,861	141,860	403	328,302
Proceed fm New Issue of 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)
Net income for 2007	-	-	-	-	128,377	-	128,377
Cumulative translation adjustment	-	-	-	-	-	1,843	1,843
BALANCE, December 31, 2007	<u>\$ 202,472</u>	<u>\$ 88,234</u>	<u>\$ 51</u>	<u>\$ 26,883</u>	<u>\$ 182,857</u>	<u>\$ 2,246</u>	<u>\$ 502,743</u>

USERJOY TECHNOLOGY CO., LTD.
STATEMENTS OF CASH FLOWS

December 31, 2007

(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	\$ 128,377	\$ 120,221
Cumulative effect of changes in accounting principles	-	10
Depreciation and amortization	23,791	17,629
Loss on uncollectible accounts	(211)	-
Gain on valuation of financial asset	(736)	(1,332)
Investment income recognized under equity method	(8,630)	(658)
Loss on disposal of idle inventory	-	3,985
Loss for market price decline and obsolete and slow-moving inventories gain from price recovery	1,161	(1,500)
Loss on disposal of investments	-	231
LOSS ON DISPOSAL OF FIXED ASSETS	425	-
Net changes in operating assets and liabilities		
Financial assets measured at fair value through profit and loss, current	(4,836)	(11,023)
Notes receivable (including related parties)	14,550	(24,446)
Accounts receivable (including related parties)	(34,648)	(27,869)
Inventories	(3,250)	1,104
Other current assets	8,688	(17,394)
Temporary payments for income tax	(1,757)	(937)
Prepaid pension cost	(956)	-
OTHER ASSETS	(13,241)	(534)
Deferred income tax asset, current	8,871	(11,225)
Deferred income tax-noncurrent	-	16,471
Notes payable	(5,470)	3,581
Accounts payable	6,940	(1,881)
Income tax payable	4,076	5,342
Other payables	17,691	8,416
Other current liabilities	(6,314)	9,257
Accrued pension	(456)	(1,253)
Deferred pension cost	<u>1,698</u>	<u>11</u>
Net cash provided by operating activities	<u>135,763</u>	<u>86,206</u>

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	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 23,922)	(\$ 31,701)
Refundable deposits increase	(1,661)	(357)
Increase in computer software	(1,969)	(14,554)
Increase in deferred charges	(<u>3,339</u>)	(<u>3,051</u>)
Net cash used in investing activities	(<u>30,891</u>)	(<u>49,663</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in long-term loans	(45,462)	24,000
Proceed fm New Issue	80,000	-
Dividend to the stockholders	(32,579)	(20,000)
Remuneration to directors and supervisors	(3,200)	(140)
Deposit in advance increase	(13)	15
Pay back Long-term borrowings	<u>-</u>	(<u>3,518</u>)
(Decrease) Increase cash of loan activities	(<u>1,254</u>)	<u>357</u>
Exchange Influence	<u>380</u>	<u>186</u>
Cash and cash equivalents	103,998	37,086
Cash and cash equivalents BALANCE, Beginning of the period	<u>142,369</u>	<u>105,283</u>
Cash and cash equivalents BALANCE, End of the period	<u>\$ 246,367</u>	<u>\$ 142,369</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest (excluding interest capitalized)	<u>\$ 339</u>	<u>\$ 1,008</u>
Income tax	<u>\$ 21,073</u>	<u>\$ 10,749</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 1,843</u>	<u>\$ 1,288</u>
Retained earnings inappropriate and Bonuses to employees	<u>\$ -</u>	<u>\$ 26,860</u>
Current Of L-T Debt	<u>\$ -</u>	<u>\$ 3,975</u>

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	<u>2007</u>	<u>2006</u>
Cash paid for acquisition of property, plant and equipment		
FIXED ASSETS INCREASE	\$ 23,934	\$ 31,352
Increase Payables on equipment, Beginning of the period	-	349
Decrease Payables on equipment, End of the period	(<u>12</u>)	<u>-</u>
Cash payable for acquisition of property, plant and equipment for current period	<u>\$ 23,922</u>	<u>\$ 31,701</u>