

USERJOY TECHNOLOGY CO., LTD.

BALANCE SHEETS

June 30, 2008

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

ASSETS	2008		2007		LIABILITIES AND STOCKHOLDERS' EQUITY	2008		2007	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 459,177	58	\$ 266,725	50	Notes payable	\$ 550	-	\$ 4,927	1
Valuation gain on financial assets	26,329	4	16,203	3	Accounts payable	4,462	-	1,088	-
Notes receivable	1,770	-	24,642	5	Income tax payable	6,510	1	5,743	1
Accounts receivable	79,872	10	36,497	7	Expense payable	53,777	7	26,188	5
Accounts receivable from related parties	338	-	611	-	Other current liabilities	71,321	9	35,779	7
Inventories	5,503	1	5,079	1	Current porting of long-term debts	-	-	1,828	-
Deferred income tax asset, current	9,205	1	11,243	2	Other current liabilities	8,695	1	2,805	-
Other current assets	13,658	2	7,194	1	TOTAL CURRENT LIABILITIES	145,315	18	78,358	14
TOTAL CURRENT ASSETS	595,852	76	368,194	69	LONG-TERM LIABILITIES				
CURRENT ASSETS					Long-term borrowings	-	-	19,886	4
Long-term equity investments at equity method	34,402	4	23,262	4	OTHER LIABILITIES				
FIXED ASSETS					Accrued pension	39	-	114	-
Cost					Deposit in advance	-	-	11	-
PROPERTY	49,616	6	49,616	9	Total other liabilities	39	-	125	-
PLANT	29,558	4	29,558	5	Total liabilities	145,354	18	98,369	18
EQUIPMENT	37,224	5	19,825	4	STOCKHOLDERS' EQUITY				
Total Cost	116,398	15	98,999	18	Capital				
Less accumulated depreciation	(17,369)	(2)	(11,821)	(2)	Capital common stock	227,072	29	152,893	29
TOTAL FIXED ASSETS	99,029	13	87,178	16	Capital collected in advance	-	-	80,000	15
INTANGIBLE ASSETS					Stock dividends to be distributed	30,182	4	39,579	7
Computer software	14,389	2	24,853	5	Additional paid-in capital				
Good will	12,646	1	12,646	2	Additional paid-in capital in excess of par- common stock	222,994	29	18,234	3
Deferred pension cost	-	-	1,698	-	Treasury stock exchange	51	-	51	-
TOTAL INTANGIBLE ASSETS	27,035	3	39,197	7	Retained earnings				
OTHER ASSETS					Legal reserve	39,721	5	26,883	5
Refundable deposits	3,164	-	1,929	-	Accumulated profit or loss	119,316	15	120,864	23
Deferred charges	7,818	1	4,013	1	Cumulative translation adjustment	2,424	-	1,202	-
OTHER NON-OPERATING REVENUE- OTHER ITEMS	19,814	3	14,302	3	TOTAL STOCKHOLDERS' EQUITY	641,760	82	439,706	82
TOTAL OTHER ASSETS	30,796	4	20,244	4	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 787,114	100	\$ 538,075	100
TOTAL ASSETS	\$ 787,114	100	\$ 538,075	100					

USERJOY TECHNOLOGY CO., LTD.
STATEMENTS OF INCOME

June 30, 2008

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

	2008		2007	
	Amount	%	Amount	%
GROSS SALES AND REVENUES	\$ 201,040	100	\$ 179,161	100
COST OF GOODS SOLD	<u>33,423</u>	<u>17</u>	<u>44,978</u>	<u>25</u>
GROSS PROFIT	<u>167,617</u>	<u>83</u>	<u>134,183</u>	<u>75</u>
OPERATING EXPENSES				
Sales and marketing	42,885	21	6,631	4
General and administration	44,096	22	29,620	17
Research and development	<u>36,024</u>	<u>18</u>	<u>22,071</u>	<u>12</u>
TOTAL OPERATING EXPENSES	<u>123,005</u>	<u>61</u>	<u>58,322</u>	<u>33</u>
INCOME FROM OPERATIONS	<u>44,612</u>	<u>22</u>	<u>75,861</u>	<u>42</u>
NONOPERATING INCOME AND GAINS				
Interest income	3,178	2	1,657	1
Investment income recognized under equity method	2,350	1	434	-
Dividend income	210	-	-	-
Foreign exchange gain income	-	-	81	-
Gain on reversal of bad debts	-	-	211	-
Gain on valuation of	-	-	632	1
Other non-operating expenses— other	<u>5,572</u>	<u>3</u>	<u>1,328</u>	<u>1</u>
TOTAL NONOPERATING INCOME AND GAINS	<u>11,310</u>	<u>6</u>	<u>4,343</u>	<u>3</u>

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	2008		2007	
	Amount	%	Amount	%
Non-operating				
Interest expense	\$ -	-	\$ 311	-
Loss on disposal of investments	189	-	395	-
Loss on disposal of Foreign exchange net loss	1,707	1	-	-
Loss for market price decline and obsolete and slow-moving inventories	504	-	-	-
Loss on valuation of other non-operating expenses— other	-	-	912	1
Total Non-Operating	<u>3</u>	-	-	-
	<u>1,019</u>	<u>1</u>	<u>2</u>	<u>-</u>
	<u>3,422</u>	<u>2</u>	<u>1,620</u>	<u>1</u>
Loss on valuation of financial asset	52,500	26	78,584	44
Income tax expense	(<u>1,700</u>)	(<u>1</u>)	(<u>12,200</u>)	(<u>7</u>)
Total continuing operating net income	<u>\$ 50,800</u>	<u>25</u>	<u>\$ 66,384</u>	<u>37</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				
Net income current period	<u>\$ 2.17</u>	<u>\$ 2.10</u>	<u>\$ 3.58</u>	<u>\$ 3.03</u>
Diluted Earnings Per Share				
Net income current period	<u>\$ 2.09</u>	<u>\$ 2.03</u>	<u>\$ 3.58</u>	<u>\$ 3.03</u>

USERJOY TECHNOLOGY CO., LTD.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
June 30, 2008
(In Thousands of New Taiwan Dollar. Except Earnings Per Share)

	Capital	Capital collected in advance	Stock dividends to be distributed	Additional paid-in capital Additional paid-in capital in excess of par- common stock	Treasury stock exchange	Retained earnings Legal reserve	Accumulated profit or loss	Cumulative translation adjustment	Total
BALANCE, JANUARY 1,2008	\$ 202,472	\$ -	\$ -	\$ 88,234	\$ 51	\$ 26,883	\$ 182,857	\$ 2,246	\$ 502,743
Proceed fm New Issue	24,600	-	-	134,760	-	-	-	-	159,360
Appropriation of 2007 net income									
Legal reserve	-	-	-	-	-	12,838	(12,838)	-	-
Bonuses to employees	-	-	7,475	-	-	-	(7,475)	-	-
Stock dividends	-	-	22,707	-	-	-	(22,707)	-	-
Remuneration to directors and supervisors	-	-	-	-	-	-	(3,200)	-	(3,200)
Cash dividends	-	-	-	-	-	-	(68,121)	-	(68,121)
Net income for 2008	-	-	-	-	-	-	50,800	-	50,800
Cumulative translation adjustment	-	-	-	-	-	-	-	178	178
BALANCE, 2008	<u>\$ 227,072</u>	<u>\$ -</u>	<u>\$ 30,182</u>	<u>\$ 222,994</u>	<u>\$ 51</u>	<u>\$ 39,721</u>	<u>\$ 119,316</u>	<u>\$ 2,424</u>	<u>\$ 641,760</u>
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 2007	-	-	-	-	-	-	66,384	-	66,384
Cumulative translation adjustment	-	-	-	-	-	-	-	799	799
BALANCE, 2007	<u>\$ 152,893</u>	<u>\$ 80,000</u>	<u>\$ 39,579</u>	<u>\$ 18,234</u>	<u>\$ 51</u>	<u>\$ 26,883</u>	<u>\$ 120,864</u>	<u>\$ 1,202</u>	<u>\$ 439,706</u>

USERJOY TECHNOLOGY CO., LTD.
STATEMENTS OF CASH FLOWS
June 30, 2008

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

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Total continuing operating net income	\$ 50,800	\$ 66,384
Depreciation and amortization	11,365	13,359
Loss on disposal of	1,707	-
loss on valuation of financial asset (profit)	3	(632)
Investment income recognized under equity method	(2,350)	(434)
Loss on uncollectible accounts (reversal)	600	(211)
Loss on disposal of investments	189	395
Loss for market price decline and obsolete and slow-moving inventories	-	912
Net changes in operating assets and liabilities		
Financial assets measured at fair value through profit and loss, current	(9,104)	(2,418)
Notes receivable (including related parties)	19,664	11,459
Accounts receivable (including related parties)	11,894	19,631
Inventories	(1,063)	(3,640)
Other current assets	(4,070)	(1,213)
Deferred income tax asset, current	(6,176)	657
Prepaid pension cost	(371)	-
OTHER ASSETS	(2,409)	(40)
Temporary tax	391	(286)
Notes payable	(327)	(1,420)
Accounts payable	(3,080)	486
Income tax payable	(9,430)	(6,121)
Expense payable	7,716	(2,172)
Other current liabilities	5,248	(6,958)
Accrued pension	39	(342)
OTHER LIABILITIES	(2)	-
Net cash provided by operating activities	<u>71,234</u>	<u>87,396</u>

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	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 11,751)	(\$ 17,335)
Refundable deposits decrease (increase)	94	(332)
Increase in deferred charges	(5,147)	(1,682)
Net cash used in investing activities	<u>(16,804)</u>	<u>(19,349)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed fm New Issue	159,360	-
Capital collected in advance	-	80,000
Long-term borrowings decrease	-	(23,748)
Deposit in advance increase	<u>(2)</u>	<u>(4)</u>
NET INCREASE IN CASH FLOWS FROM FINANCING ACTIVITIES	<u>159,358</u>	<u>56,248</u>
Exchange Influence	<u>(978)</u>	<u>61</u>
Cash and cash equivalents	212,810	124,356
Cash and cash equivalents BALANCE, Beginning of Period	<u>246,367</u>	<u>142,369</u>
Cash and cash equivalents BALANCE, End of the period	<u>\$ 459,177</u>	<u>\$ 266,725</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest (excluding interest capitalized)	<u>\$ -</u>	<u>\$ 311</u>
Income tax	<u>\$ 18,537</u>	<u>\$ 18,483</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Translation adjustments on foreign long-term equity investments	<u>\$ 178</u>	<u>\$ 799</u>
Current Of L-T Debt	<u>\$ -</u>	<u>\$ 1,828</u>
Remuneration to directors and supervisors payable	<u>\$ 3,200</u>	<u>\$ 3,200</u>
Cash dividends payable	<u>\$ 68,121</u>	<u>\$ 32,579</u>