



Financial Statement ? Balance Sheet

Provided by: GENESYSLOGIC, INC.
 Financial year: Yearly
 Unit: NT\$ thousand

Accounting Title	2007/03/31		2006/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	323,248.00	16.77	491,769.00	29.91
Financial assets measured at fair value through profit or loss - current	274,283.00	14.23	41,600.00	2.53
Notes receivable - net	1,182.00	0.06	36.00	0.00
Accounts receivable - net	298,764.00	15.50	178,054.00	10.83
Accounts receivable - related parties - net	7,564.00	0.39	8,839.00	0.53
Other financial assets - current	10,546.00	0.54	3,636.00	0.22
Inventories	179,448.00	9.31	117,521.00	7.14
Other current assets	63,106.00	3.27	51,952.00	3.16
Current assets	1,158,141.00	60.10	893,407.00	54.34
Funds and Investments				
Financial assets carried at cost - non current	24,000.00	1.24	12,500.00	0.76
Equity investments under equity method	91,762.00	4.76	48,265.00	2.93
Investments	91,762.00	4.76	48,265.00	2.93
Funds and long-term investments	115,762.00	6.00	60,765.00	3.69
Fixed Assets				
Cost				
Land	248,513.00	12.89	248,513.00	15.11
Buildings and structures	307,023.00	15.93	306,899.00	18.66
Computer and telecommunication equipment	52,554.00	2.72	49,576.00	3.01
Testing equipment	65,821.00	3.41	59,979.00	3.64
Office equipment	8,920.00	0.46	8,782.00	0.53
Fixed assets cost	682,831.00	35.43	673,749.00	40.98
Accumulated depreciation	-128,106.00	-6.64	-104,687.00	-6.36
Fixed assets	554,725.00	28.79	569,062.00	34.61
Intangible Assets				
Other Assets				
Guarantee deposits paid	30,183.00	1.56	31,008.00	1.88
Deferred charges	28,158.00	1.46	40,847.00	2.48
Long-term notes and accounts receivable	0.00	0.00	0.00	0.00
Deferred income tax assets - non current	39,824.00	2.06	48,784.00	2.96
Other assets	98,165.00	5.09	120,639.00	7.33
Assets	1,926,793.00	100.00	1,643,873.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Notes payable	68,880.00	3.57	46,518.00	2.82
Accounts payable	156,882.00	8.14	122,727.00	7.46
Accounts payable - related parties	88,325.00	4.58	36,659.00	2.23
Income tax payable	1,491.00	0.07	7,304.00	0.44
Accrued expenses	36,429.00	1.89	31,930.00	1.94
Other current liabilities	2,365.00	0.12	6,043.00	0.36
Current liabilities	354,372.00	18.39	251,181.00	15.27

Long term Liabilities				
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	42,809.00	2.22	42,990.00	2.61
Other liabilities	42,809.00	2.22	42,990.00	2.61
Liabilities	397,181.00	20.61	294,171.00	17.89
Stockholders' Equity				
Capital				
Common stock	761,367.00	39.51	712,953.00	43.37
Advance receipts for common stock	14,302.00	0.74	7,154.00	0.43
Capital Surplus				
Capital surplus - additional paid-in capital	536,710.00	27.85	552,165.00	33.58
Capital surplus - treasury stock transactions	41,078.00	2.13	944.00	0.05
Capital surplus	577,788.00	29.98	553,109.00	33.64
Retained Earnings				
Legal reserve	86,284.00	4.47	77,672.00	4.72
Special reserve	2,744.00	0.14	4,542.00	0.27
Unappropriated retained earnings	150,550.00	7.81	97,757.00	5.94
Retained earnings	239,578.00	12.43	179,971.00	10.94
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	-2,289.00	-0.11	-3,329.00	-0.20
Equity adjustments	-2,289.00	-0.11	-3,329.00	-0.20
Treasury stock	-61,134.00	-3.17	-100,156.00	-6.09
Stockholders' equity	1,529,612.00	79.38	1,349,702.00	82.10
Number of treasury stock acquired by the company and subsidiaries (unit: share)	3,156,000.00	163.79	5,194,000.00	315.96



Financial Statement ? Income Statement

Provided by: GENESYSLOGIC, INC.
 Financial year: Yearly
 Unit: NT\$ thousand

Accounting Title	2007/03/31		2006/03/31	
	Amount	%	Amount	%
Sales	448,494.00	97.61	318,038.00	93.25
Sales returns	376.00	0.08	1,845.00	0.54
Sales discounts and allowances	96.00	0.02	157.00	0.04
Sales	448,022.00	97.51	316,036.00	92.66
Service revenue	8,628.00	1.87	11,151.00	3.26
Service revenue	8,628.00	1.87	11,151.00	3.26
Other operating revenue	2,794.00	0.60	13,862.00	4.06
Operating income	459,444.00	100.00	341,049.00	100.00
Cost of sales	295,738.00	64.36	209,662.00	61.47
Operating costs	295,738.00	64.36	209,662.00	61.47
Gross profit (loss) from operations	163,706.00	35.63	131,387.00	38.52
Selling expense	19,237.00	4.18	17,579.00	5.15
General and administrative expenses	18,649.00	4.05	19,071.00	5.59
Research and development expenses	73,036.00	15.89	72,839.00	21.35
Operating expenses	110,922.00	24.14	109,489.00	32.10
Operating income (loss)	52,784.00	11.48	21,898.00	6.42
Non-Operating Income				
Interest income	2,915.00	0.63	477.00	0.13
Gains on sale of investments	4,744.00	1.03	1,149.00	0.33
Foreign exchange gains	4,507.00	0.98	0.00	0.00
Miscellaneous income	384.00	0.08	297.00	0.08
Non-operating revenues and gains	12,550.00	2.73	1,923.00	0.56
Non-Operating Expenses				
Losses from long-term equity investments under the equity method	1,072.00	0.23	515.00	0.15
Investment loss	1,072.00	0.23	515.00	0.15
Loss on inventory valuation and obsolescence	2,551.00	0.55	2,493.00	0.73
Impairment loss on assets	0.00	0.00	2,500.00	0.73
Revaluation loss on financial assets	2,483.00	0.54	2,773.00	0.81
Miscellaneous disbursements	0.00	0.00	3,501.00	1.02
Non-operating expenses and losses	6,106.00	1.32	11,782.00	3.45
Income from continuing operations before income tax	59,228.00	12.89	12,039.00	3.52
Income tax expense (benefit)	1,807.00	0.39	857.00	0.25
Income from continuing operations	57,421.00	12.49	11,182.00	3.27
Cumulative effect of changes in accounting principle	0.00	0.00	461.00	0.13
Net income (loss)	57,421.00	12.49	11,643.00	3.41
Primary Earnings per Share				
Income (loss) from continuing operations	0.78	0.00	0.17	0.00
Cumulative effect of changes in accounting principle	0.00	0.00	0.01	0.00
Primary earnings per share	0.78	0.00	0.18	0.00
Diluted earnings per share				
Diluted earnings per share	0.74	0.00	0.18	0.00



Statements of Changes in Stockholders' Equity

Provided by: GENESYSLOGIC, INC.
Financial year: Yearly
Unit : NT\$ thousand

Genesyslogic, Inc. Statements of Changes in Stockholders' Equity Years ended December 31, 2005 and 2006 (Expressed in thousands of New Taiwan dollars)									
Item	Common stock	Capital collected in advance	Capital surplus	-----Retained earnings----- Legal Reserve Special Reserve Inappropriate Reserve Reserve earning (Accumulated deficit)			Foreign currency translation adjustment	Treasury Stock	Total
Balance on January 1, 2005	\$703,476	-	551,569	75,175	645	24,971	(4,542)	(39,984)	1,311,310
Appropriation of 2004 earnings:									
Legal Reserve	-	-	-	2,497	-	(2,497)	-	-	-
Special reserve	-	-	-	-	3,897	(3,897)	-	-	-
Stockholder dividends (Stock and Cash)	8,259	-	-	-	-	(16,518)	-	-	(8,259)
Employee bonuses (Stock and Cash)	908	-	-	-	-	(1,816)	-	-	(908)
Remuneration to directors and supervisors	-	-	-	-	-	(243)	-	-	(243)
Employee stock option transferred to Common stock	-	905	-	-	-	-	-	-	905
Increase in treasury stock	-	-	-	-	-	-	-	(87,600)	(87,600)
Treasury stock transferred	-	-	944	-	-	-	-	27,428	28,372
Net income for the year ended December 31, 2005	-	-	-	-	-	86,114	-	-	86,114
Foreign currency translation adjustment	-	-	-	-	-	-	1,798	-	1,798
Balance on December 31, 2005	\$712,643	905	552,513	77,672	4,542	86,114	(2,744)	(100,156)	1,331,489
Appropriation of 2005 earnings:									
Legal Reserve	-	-	-	8,612	-	(8,612)	-	-	-
Special Reserve	-	-	-	-	(1,798)	1,798	-	-	-
Stockholder dividends (Stock nad Cash)	33,475	-	-	-	-	(66,950)	-	-	(33,475)
Employee bonuses (Stock nad Cash)	5,449	-	-	-	-	(10,898)	-	-	(5,449)
Remuneration to directors and supervisors	-	-	-	-	-	(1,452)	-	-	(1,452)
Employee stock option transferred to Common stock	7,570	8,640	18,066	-	-	-	-	-	34,276
Treasury stock transferred	-	-	(106)	-	-	-	-	39,022	38,916
Net income for the year ended December 31, 2006	-	-	-	-	-	93,129	-	-	93,129
Foreign currency translation adjustment	-	-	-	-	-	-	(592)	-	(592)
Balance on December 31, 2006	\$759,137	9,545	570,473	86,284	2,744	93,129	(3,336)	(61,134)	1,456,842



Statements of Cash Flows

Provided by: GENESYSLOGIC, INC.
 Financial year: Yearly
 Unit : NT\$ thousand

Genesyslogic, Inc.		Statements of Cash Flows	
		For the three-month periods ended March 31, 2006 and 2007	
		(Expressed in thousands of New Taiwan dollars)	
	2007	2006	
Cash flows from operating activities:			
Net income (Loss)	\$ 57,421	11,643	
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and Amortization	10,912	12,227	
Equity in loss of affiliates, net	1,072	515	
Loss on fair Value of Financial assets devaluation	-	2,500	
Deferred income tax expense	645	-	
Net decrease of Financial assets held for trading	22,859	1,729	
Decrease (Increase) in notes and accounts receivable (including related parties)	(41,388)	56,632	
Decrease (Increase) in inventories	(40,885)	25,215	
Decrease (Increase) in other current assets	(7,494)	2,459	
Decrease (Increase) in notes and accounts payable (including related parties)	75,529	(43,171)	
Decrease in accrued expenses and other current liabilities	(27,602)	(23,006)	
Increase (decrease) in pension liabilities	19	(80)	
Cash provided by operating activities	51,088	46,663	
Cash flows from investing activities:			
Increase in long-term investments under the equity method	(10,000)	-	
Decrease in available-for-sale financial asset	-	27,221	
Increase in financial asset by cost	(24,000)	-	
Additions to property, plant and equipment	(1,270)	(10,343)	
Increase in deferred expenses	(4,265)	-	
Others	-	(18)	
Cash provided by investing activities	(39,535)	16,860	
Cash flows from financing activities:			
Employee stock option transferred to common stock	14,302	7,154	
Cash provided by financing activities	14,302	7,154	
Net decrease in cash	25,855	70,677	
Cash at beginning of period	297,393	421,092	
Cash at end of period	\$ 323,248	491,769	
Supplemental disclosures of cash flow information:			
Income taxes	\$ 505	44	

**Independent Auditors' Report**

Provided by: GENESYSLOGIC, INC.
Financial year: Yearly

Provided by: Genesyslogic, Inc.

Independent Auditors' Report
2007, the first quarter

Name of CPA office: KPMG Certified Public Accountants
Name of CPA(1): Chung-Cheng Chien
Name of CPA(2): Chung-Hwa Wei
Date of audit or review report: April 23, 2007

Independent Auditors' Report

The Board of Directors
Genesys Logic, Inc.:

We have audited the accompanying balance sheets of Genesys Logic, Inc. as of March 31, 2006 and 2007, and the related statements of income, and cash flows for the three-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we planned and conducted our reviews in accordance with auditing standards generally accepted in the Republic of China. We only conducted analysis, comparison and inquiry process and did not conduct audits according to the auditing standards. Therefore, we cannot express auditing opinion to the quarterly financial statements mentioned above.

As discussed in note 4(4) to the financial statements, the Company's long-term investment amounting to NT\$48,265 thousand and NT\$91,762 thousand as of March 31, 2006 and 2007, respectively, and related investment loss of NT\$515 thousand and NT\$1,072 thousand, respectively, for the three-month periods then ended, were accounted for under the equity method and based on the investee's unaudited financial statements.

In our opinion, except for the effects of the adjustments, if any, that might have been determined to be necessary had the investee's financial statements mentioned in the third paragraph been audited, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Genesys Logic, Inc. as of March 31, 2006 and 2007, and the results of its operations and its cash flows for the three-month periods then ended, in conformity with accounting principles generally accepted in the Republic of China.

KPMG Certified Public Accountants
Taipei, Taiwan (the Republic of China)

April 23, 2007