



Historical

Financial Statement ? Balance Sheet

Provided by: GENESYSLOGIC, INC.

Financial year: Yearly

Unit?NT\$ thousand

Accounting Title	2007/09/30		2006/09/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	405,713.00	21.40	539,724.00	29.32
Financial assets measured at fair value through profit or loss - current	131,282.00	6.92	43,785.00	2.37
Notes receivable - net	2,130.00	0.11	1,355.00	0.07
Accounts receivable - net	275,309.00	14.52	233,726.00	12.69
Accounts receivable - related parties - net	22,058.00	1.16	2,098.00	0.11
Other financial assets - current	18,836.00	0.99	4,988.00	0.27
Inventories	179,016.00	9.44	188,779.00	10.25
Other current assets	62,404.00	3.29	70,488.00	3.82
Current assets	1,096,748.00	57.87	1,084,943.00	58.94
Funds and Investments				
Financial assets carried at cost - non current	33,831.00	1.78	12,500.00	0.67
Equity investments under equity method	97,639.00	5.15	72,623.00	3.94
Investments	97,639.00	5.15	72,623.00	3.94
Funds and long-term investments	131,470.00	6.93	85,123.00	4.62
Fixed Assets				
Cost				
Land	248,513.00	13.11	248,513.00	13.50
Buildings and structures	307,023.00	16.20	307,023.00	16.68
Computer and telecommunication equipment	56,007.00	2.95	51,428.00	2.79
Testing equipment	70,098.00	3.69	64,380.00	3.49
Office equipment	10,546.00	0.55	8,338.00	0.45
Fixed assets cost	692,187.00	36.52	679,682.00	36.92
Accumulated depreciation	-138,144.00	-7.28	-116,779.00	-6.34
Construction in process and prepayment for equipments	6,485.00	0.34	0.00	0.00
Fixed assets	560,528.00	29.57	562,903.00	30.58
Intangible Assets				

OtherAssets				
Guarantee deposits paid	30,184.00	1.59	30,217.00	1.64
Deferred charges	32,696.00	1.72	33,382.00	1.81
Long-term notes and accounts receivable	0.00	0.00	0.00	0.00
Deferred income tax assets - non current	37,259.00	1.96	43,946.00	2.38
Other assets - other	6,111.00	0.32	0.00	0.00
Other assets	106,250.00	5.60	107,545.00	5.84
Assets	1,894,996.00	100.00	1,840,514.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Notes payable	63,585.00	3.35	57,217.00	3.10
Accounts payable	102,813.00	5.42	166,135.00	9.02
Accounts payable - related parties	114,074.00	6.01	74,590.00	4.05
Accrued expenses	66,218.00	3.49	56,344.00	3.06
Other payables	0.00	0.00	40,376.00	2.19
Other current liabilities	7,838.00	0.41	4,776.00	0.25
Current liabilities	354,528.00	18.70	399,438.00	21.70
Long term Liabilities				
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	42,842.00	2.26	42,846.00	2.32
Other liabilities	42,842.00	2.26	42,846.00	2.32
Liabilities	397,370.00	20.96	442,284.00	24.03
Stockholders' Equity				
Capital				
Common stock	797,539.00	42.08	756,327.00	41.09
Advance receipts for common stock	609.00	0.03	11,580.00	0.62
Capital Surplus				
Capital surplus - additional paid-in capital	536,710.00	28.32	536,711.00	29.16
Capital surplus - treasury stock transactions	756.00	0.03	843.00	0.04
Capital surplus - employee stock option	51,533.00	2.71	24,155.00	1.31
Capital surplus	588,999.00	31.08	561,709.00	30.51
Retained Earnings				
Legal reserve	95,597.00	5.04	86,284.00	4.68
Special reserve	3,337.00	0.17	2,744.00	0.14
Unappropriated retained earnings	131,913.00	6.96	46,598.00	2.53
Retained earnings	230,847.00	12.18	135,626.00	7.36
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	-3,094.00	-0.16	-2,240.00	-0.12
Equity adjustments	-3,094.00	-0.16	-2,240.00	-0.12

Treasury stock	-117,274.00	-6.18	-64,772.00	-3.51
Stockholders' equity	1,497,626.00	79.03	1,398,230.00	75.96
Number of treasury stock acquired by the company and subsidiaries (unit: share)	2,684,500.00	141.66	3,346,000.00	181.79



Historical

Financial Statement ? Income Statement

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

Accounting Title	2007/09/30		2006/09/30	
	Amount	%	Amount	%
Sales	1,321,724.00	97.95	1,009,482.00	97.29
Sales returns	810.00	0.06	7,548.00	0.72
Sales discounts and allowances	2,493.00	0.18	582.00	0.05
Sales	1,318,421.00	97.70	1,001,352.00	96.51
Service revenue	13,664.00	1.01	12,009.00	1.15
Other service revenue	0.00	0.00	197.00	0.01
Service revenue	13,664.00	1.01	12,206.00	1.17
Other operating revenue	17,298.00	1.28	24,004.00	2.31
Operating income	1,349,383.00	100.00	1,037,562.00	100.00
Cost of sales	878,569.00	65.10	668,782.00	64.45
Operating costs	878,569.00	65.10	668,782.00	64.45
Gross profit (loss) from operations	470,814.00	34.89	368,780.00	35.54
Selling expense	61,664.00	4.56	53,326.00	5.13
General and administrative expenses	59,505.00	4.40	58,740.00	5.66
Research and development expenses	224,732.00	16.65	205,358.00	19.79
Operating expenses	345,901.00	25.63	317,424.00	30.59
Operating income (loss)	124,913.00	9.25	51,356.00	4.94
Non-Operating Income				
Interest income	9,611.00	0.71	7,031.00	0.67
Revaluation gain on financial assets	12,592.00	0.93	4,803.00	0.46
Miscellaneous income	12,977.00	0.96	8,108.00	0.78
Non-operating revenues and gains	35,180.00	2.60	19,942.00	1.92
Non-Operating Expenses				
Losses from long-term equity investments under the equity method	10,383.00	0.76	3,406.00	0.32
Investment loss	10,383.00	0.76	3,406.00	0.32
Loss on inventory valuation and obsolescence	6,102.00	0.45	17,775.00	1.71
Impairment loss on assets	0.00	0.00	2,500.00	0.24
Miscellaneous disbursements	317.00	0.02	8.00	0.00
Non-operating expenses and losses	16,802.00	1.24	23,689.00	2.28

Income from continuing operations before income tax	143,291.00	10.61	47,609.00	4.58
Income tax expense (benefit)	11,378.00	0.84	1,472.00	0.14
Income from continuing operations	131,913.00	9.77	46,137.00	4.44
Cumulative effect of changes in accounting principle	0.00	0.00	461.00	0.04
Net income (loss)	131,913.00	9.77	46,598.00	4.49
Primary Earnings per Share				
Income (loss) from continuing operations	1.71	0.00	0.64	0.00
Cumulative effect of changes in accounting principle	0.00	0.00	0.01	0.00
Primary earnings per share	1.71	0.00	0.65	0.00
Diluted earnings per share				
Income (loss) from continuing operations	1.62	0.00	0.63	0.00
Cumulative effect of changes in accounting principle	0.00	0.00	0.01	0.00
Diluted earnings per share	1.62	0.00	0.64	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 For the six-month periods ended June30, 2006 and 2007 (Expressed in thousands of New Taiwan dollars)

Item	Common to be stock distributed	Capital Legal collected	Dividends Special	Capital Inappropriate surplus	-----Retained earnings----- Treasury	Foreign currency Reserve earning translation				
in advance	(Accumulated deficit)			adjustment	Stock	Total				
Balance on January 1, 2006	\$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)	-	-	-
Transferred to special reserve	-	-	-	(1,798)	1,798	-	-	-	-	-
Stockholder dividends (Stock and Cash)	-	33,475	-	-	(66,950)	-	-	(33,475)	-	-
Employee bonuses (Stock and Cash)	-	-	5,449	-	-	-	(10,898)	-	-	(5,449)
Remuneration to directors and supervisors	-	-	-	-	-	-	(1,452)	-	-	(1,452)
Employee stock option transferred to common stock	2,760	5,092	-	5,299	-	-	-	-	-	13,151
Increase in treasury stock	-	(100)	-	-	-	35,384	35,284	-	-	-
Net income for the six-month period ended June 30, 2006	-	-	-	-	34,402	-	-	34,402	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	(727)	-	(727)	-
Balance on June30 2006	\$715,403	5,997	38,924	557,712	86,284	2,744	34,402	(3,471)	(64,772)	1,373,223
Balance on January 1, 2007	759,137	9,545	-	570,473	86,284	2,744	93,129	(3,336)	(61,134)	1,456,842
Appropriation of 2006 earnings:										
Legal Reserve	-	-	-	9,313	(9,313)	-	-	-	-	-
Special Reserve	-	-	-	593	(593)	-	-	-	-	-
Stockholder dividends (Stock nad Cash)	-	28,129	-	-	(70,322)	-	-	(42,193)	-	-
Employee bonuses (Stock nad Cash)	-	4,553	-	-	(11,383)	-	-	(6,830)	-	-
Remuneration to directors and supervisors	-	-	-	-	(1,518)	-	-	(1,518)	-	-
Employee stock option transferred to Common stock	5,620	(9,064)	-	18,227	-	-	-	-	-	14,783
Treasury stock transferred	-	-	(37)	-	-	-	12,609	12,572	-	-
Net income for the six-month period ended June 30, 2007	-	-	-	-	88,838	-	-	88,838	-	-

Statements of Changes in Stockholders' Equity

Foreign currency translation adjustment	-	-	-	-	-	-	-	624	-	624
Balance on June 30, 2007	\$764,757	481	32,682	588,663	95,597	3,337	88,838	(2,712)	(48,525)	1,523,118



Statements of Cash Flows

Provided by: GENESYSLOGIC, INC.

Financial year: Yearly

Unit : NT\$ thousand

Genesyslogic, Inc.		Statements of Cash Flows			
For the nine-month periods ended September 30, 2007 and 2006		(Expressed in thousands of New Taiwan dollars)			
				2007	2006

Cash flows from operating activities:					
Net income				\$ 131,913	46,598
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and Amortization				32,831	36,078
Gain on valuation of financial asset	(12,592)	(4,803)			
Equity in loss of affiliates, net	10,383		3,406		
Loss on fair Value of Financial assets devaluation		-	2,500		
Deferred income tax expense	2,000	6,413			
Net decrease of Financial assets held for trading	178,452	31,568			
Decrease (increase) in notes and accounts receivable (including related parties)			(33,375)	6,383	
Increase in inventories	(40,453)	(46,044)			
Increase in other current assets	(19,983)	(19,004)			
Increase in notes and accounts payable (including related parties)		41,914	48,866		
Increase (Decrease) in accrued expenses and other current liabilities		6,170	(7,162)		
Others				(1,840)	(345)
Cash provided by operating activities	295,420	104,454			
Cash flows from investing activities:					
Increase in long-term investments at equity	(61,564)	(26,160)			
Capital reduction of the Company received by its subsidiaries		26,648	-		
Sale of long-term investments	10,500	-			
Increase in financial asset at cost-noncurrent	(33,831)	-			
Additions to property, plant and equipment				(18,189)	(17,447)
Increase in deferred expenses	(19,874)	(3,702)			
Others	499	1,473			
Cash provided by investing activities	(95,811)	(45,836)			
Cash flows from financing activities :					
Treasury stock transferred	28,453	35,284			
Increase in treasury stock	(84,593)	-			
Employee stock option transferred to common stock		15,392	24,730		
Directors' remuneration and Employees' bonuses and cash dividends paid			(50,541)	-	
Cash provided by (used in) financing activities	(91,289)	60,014			
Net increase in cash			108,320	118,632	
Cash at beginning of period	297,393	421,092			
Cash at end of period	\$ 405,713	539,724			
Supplemental disclosures of cash flow information:					
Income taxes	\$ 1,524	4,313			
Supplemental disclosures of noncash investing activities:					
Financial assets under the cost method - noncurrent classified to long-term investments at equity		\$ 12,500	-		
Supplemental disclosures of noncash financing activities :					
Cash dividends and Employee bonuses and directors' remuneration		\$ -	40,376		



Historical

Independent Auditors' Report

Provided by: GENESYSLOGIC, INC.
Financial year: Yearly

Provided by: Genesyslogic, Inc.
Independent Auditors' Report
2007, the Third quarter

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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: October 25, 2007

Independent Auditors' Report

The Board of Directors
Genesys Logic, Inc.:

We have audited the accompanying balance sheets of Genesys Logic, Inc. as of September 30, 2006 and 2007, and the related statements of income, changes in stockholders' equity, and cash flows for the nine-month periods then ended. The compilation and preparation of these consolidated 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 the opinion expressed in the next paragraph, we planned and conducted our reviews based upon the Statement No. 36 in Statements of Financial Accounting Standards. We did not conduct audit in accordance with auditing standards generally accepted in the Republic of China. We only analyzed, compared and examined the consolidated financial statements. Therefore, we cannot provide audit opinions on the consolidated financial statements.

As discussed in note 4(5) to the financial statements, the Company's long-term investment amounting to NT\$72,623 thousand and NT\$97,639 thousand as of September 30, 2006 and 2007, respectively, and related investment loss of NT\$3,406 thousand and NT\$10,383 thousand, respectively, for the nine-month periods then ended, were accounted for under the equity method and based on the subsidiaries' unaudited financial statements. The "Information on Subsidiaries" in note 11(2) is provided by the Company. We did not adopt the audit principles stated in the above paragraph to audit the subsidiaries.

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 September 30, 2006 and 2007, and the results of its operations and its cash flows for the nine-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)
October 25, 2007