



Historical

## Independent Auditors' Report

Provided by: GENESYSLOGIC, INC.  
Financial year: Yearly

Provided by: Genesyslogic, Inc.  
Independent Auditors ' Report  
2008, the first 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: April 28, 2008

### 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, 2008 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(5) to the financial statements, the Company ' s long-term investment amounting to NT\$102,978 thousand and NT\$91,762 thousand as of March 31, 2008 and 2007, respectively, and related investment loss of NT\$7,629 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, 2008 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 28, 2008



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## Financial Statement ? Balance Sheet

Provided by: GENESYSLOGIC, INC.

Financial year: Yearly

Unit?NT\$ thousand

Accounting Title	2008/03/31		2007/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	390,979.00	21.99	323,248.00	16.77
Financial assets measured at fair value through profit or loss - current	152,642.00	8.58	274,283.00	14.23
Notes receivable - net	479.00	0.02	1,182.00	0.06
Accounts receivable - net	152,533.00	8.58	298,764.00	15.50
Accounts receivable - related parties - net	24,836.00	1.39	7,564.00	0.39
Other financial assets - current	2,623.00	0.14	10,546.00	0.54
Inventories	141,240.00	7.94	179,448.00	9.31
Other current assets	52,315.00	2.94	63,106.00	3.27
Current assets	917,647.00	51.62	1,158,141.00	60.10
Funds and Investments				
Financial assets carried at cost - non current	87,886.00	4.94	24,000.00	1.24
Equity investments under equity method	102,978.00	5.79	91,762.00	4.76
Investments	102,978.00	5.79	91,762.00	4.76
Funds and long-term investments	190,864.00	10.73	115,762.00	6.00
Fixed Assets				
Cost				
Land	248,513.00	13.98	248,513.00	12.89
Buildings and structures	307,023.00	17.27	307,023.00	15.93
Computer and telecommunication equipment	50,017.00	2.81	52,554.00	2.72
Testing equipment	73,179.00	4.11	65,821.00	3.41
Office equipment	11,237.00	0.63	8,920.00	0.46
Fixed assets cost	689,969.00	38.81	682,831.00	35.43
Accumulated depreciation	-143,338.00	-8.06	-128,106.00	-6.64
Construction in process and prepayment for equipments	10,269.00	0.57	0.00	0.00
Fixed assets	556,900.00	31.33	554,725.00	28.79
Intangible Assets				

Intangible assets	1,563.00	0.08	892.00	0.04
OtherAssets				
Guarantee deposits paid	30,918.00	1.73	30,183.00	1.56
Deferred charges	39,243.00	2.20	27,266.00	1.41
Long-term notes and accounts receivable	0.00	0.00	0.00	0.00
Deferred income tax assets - non current	33,920.00	1.90	39,824.00	2.06
Other assets - other	6,375.00	0.35	0.00	0.00
Other assets	110,456.00	6.21	97,273.00	5.04
Assets	1,777,430.00	100.00	1,926,793.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Notes payable	43,647.00	2.45	68,879.00	3.57
Accounts payable	65,875.00	3.70	156,883.00	8.14
Accounts payable - related parties	58,060.00	3.26	88,325.00	4.58
Income tax payable	3,937.00	0.22	1,491.00	0.07
Accrued expenses	46,329.00	2.60	36,429.00	1.89
Other current liabilities	2,434.00	0.13	2,365.00	0.12
Current liabilities	220,282.00	12.39	354,372.00	18.39
Long term Liabilities				
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	42,886.00	2.41	42,809.00	2.22
Other liabilities	42,886.00	2.41	42,809.00	2.22
Liabilities	263,168.00	14.80	397,181.00	20.61
Stockholders' Equity				
Capital				
Common stock	797,689.00	44.87	761,367.00	39.51
Advance receipts for common stock	0.00	0.00	14,302.00	0.74
Capital Surplus				
Capital surplus - additional paid-in capital	536,710.00	30.19	536,710.00	27.85
Capital surplus - treasury stock transactions	657.00	0.03	838.00	0.04
Capital surplus - employee stock option	51,992.00	2.92	40,240.00	2.08
Capital surplus	589,359.00	33.15	577,788.00	29.98
Retained Earnings				
Legal reserve	95,597.00	5.37	86,284.00	4.47
Special reserve	3,337.00	0.18	2,744.00	0.14
Unappropriated retained earnings	117,568.00	6.61	150,550.00	7.81
Retained earnings	216,502.00	12.18	239,578.00	12.43
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	-4,696.00	-0.26	-2,289.00	-0.11

Equity adjustments	-4,696.00	-0.26	-2,289.00	-0.11
Treasury stock	-84,592.00	-4.75	-61,134.00	-3.17
Stockholders' equity	1,514,262.00	85.19	1,529,612.00	79.38
Number of treasury stock acquired by the company and subsidiaries (unit: share)	1,200,000.00	67.51	3,156,000.00	163.79



Historical

## Financial Statement ? Income Statement

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

Accounting Title	2008/03/31		2007/03/31	
	Amount	%	Amount	%
Sales	303,119.00	97.83	448,494.00	97.61
Sales returns	375.00	0.12	376.00	0.08
Sales discounts and allowances	680.00	0.21	96.00	0.02
Sales	302,064.00	97.49	448,022.00	97.51
Service revenue	5,446.00	1.75	8,628.00	1.87
Service revenue	5,446.00	1.75	8,628.00	1.87
Other operating revenue	2,306.00	0.74	2,794.00	0.60
Operating income	309,816.00	100.00	459,444.00	100.00
Cost of sales	202,478.00	65.35	295,738.00	64.36
Operating costs	202,478.00	65.35	295,738.00	64.36
Gross profit (loss) from operations	107,338.00	34.64	163,706.00	35.63
Selling expense	22,000.00	7.10	19,237.00	4.18
General and administrative expenses	19,176.00	6.18	18,649.00	4.05
Research and development expenses	83,490.00	26.94	73,036.00	15.89
Operating expenses	124,666.00	40.23	110,922.00	24.14
Operating income (loss)	-17,328.00	-5.59	52,784.00	11.48
Non-Operating Income				
Interest income	2,988.00	0.96	2,915.00	0.63
Revaluation gain on financial assets	0.00	0.00	2,261.00	0.49
Miscellaneous income	1,653.00	0.53	4,891.00	1.06
Non-operating revenues and gains	4,641.00	1.49	10,067.00	2.19
Non-Operating Expenses				
Losses from long-term equity investments under the equity method	7,629.00	2.46	1,072.00	0.23
Investment loss	7,629.00	2.46	1,072.00	0.23
Foreign exchange losses	25,454.00	8.21	0.00	0.00
Loss on inventory valuation and obsolescence	2,787.00	0.89	2,551.00	0.55
Revaluation loss on financial assets	4,080.00	1.31	0.00	0.00
Non-operating expenses and losses	39,950.00	12.89	3,623.00	0.78
Income from continuing operations before income tax	-52,637.00	-16.98	59,228.00	12.89

Income tax expense (benefit)	1,000.00	0.32	1,807.00	0.39
Income from continuing operations	-53,637.00	-17.31	57,421.00	12.49
Net income (loss)	-53,637.00	-17.31	57,421.00	12.49
Primary Earnings per Share				
Income (loss) from continuing operations	-0.68	0.00	0.78	0.00
Cumulative effect of changes in accounting principle	0.00	0.00	0.00	0.00
Primary earnings per share	-0.68	0.00	0.78	0.00
Diluted earnings per share				
Diluted earnings per share	-0.68	0.00	0.74	0.00



## Statements of Cash Flows

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

Genesyslogic, Inc.		Statements of Cash Flows		2008	2007
		For the three-month periods ended March 31, 2008 and 2007		(Expressed in thousands of New Taiwan dollars)	
		(Expressed in thousands of New Taiwan dollars)		2008	2007
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Cash flows from operating activities:					
Net income (Loss)				\$ (53,637)	57,421
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and Amortization				9,904	10,912
Loss (Gain) on valuation of financial asset	4,080	(2,261)			
Equity in loss of affiliates, net			7,629		1,072
Allowance for doubtful accounts and inventory	2,249	2,926			
Deferred income tax expense	1,000	645			
Net (increase) decrease of Financial assets held for trading			(48,798)		25,120
Decrease (Increase) in notes and accounts receivable (including related parties)			55,428		(41,763)
Decrease (Increase) in inventories			40,817		(43,436)
Decrease (Increase) in other current assets	7,983		(7,494)		
Increase (Decrease) in notes and accounts payable (including related parties)			(124,319)		75,529
Decrease in accrued expenses and other current liabilities			(36,629)		(27,602)
Increase in pension liabilities and others			1,945		19
Cash (used in) provided by operating activities			(132,348)		51,088
Cash flows from investing activities:					
Increase in long-term investments under the equity method	(10,552)	(10,000)			
Increase in financial asset by cost		(10,680)		(24,000)	
Additions to property, plant and equipment			(5,646)		(1,270)
Increase in deferred expenses	(618)	(4,265)			
Others	(706)	-			
Cash provided by investing activities			(28,202)		(39,535)
Cash flows from financing activities:					
Employee stock option transferred to common stock			-		14,302
Cash provided by financing activities			-		14,302
Net decrease in cash			(160,550)		25,855
Cash at beginning of period			551,529		297,393
Cash at end of period	\$ 390,979		323,248		
Supplemental disclosures of cash flow information:					
Income taxes			\$ 65		505
Supplemental disclosures of noncash investing activities:					
Financial assets under the cost method - noncurrent classified to long-term investments at equity	\$ -	12,500			