

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2008

(In Thousands, Except Par Value)

(Not Reviewed, Not Audited)

<u>ASSETS</u>	<u>NTS</u>	<u>%</u>	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>NTS</u>	<u>%</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 1,683,068	31	Notes and accounts payable	\$ 16,866	-
Financial assets at fair value through profit or loss-current	421,667	8	Income tax payable	48,381	1
Available-for-sale financial assets-current	334,158	6	Accrued expenses	155,394	3
Accounts receivables	389,567	7	Other payable	384,620	7
Other receivable	10,800	-	Unearned revenue	373,691	7
Other financial assets	4,212	-	Other current liabilities	75,005	1
Inventories	23,379	1	Total current liabilities	<u>1,053,957</u>	<u>19</u>
Other current assets	<u>146,608</u>	<u>3</u>	OTHER LIABILITIES		
Total current assets	<u>3,013,459</u>	<u>56</u>	Accrued pension liability	1,066	-
LONG-TERM INVESTMENTS			Guarantee deposits received	19,079	-
Investments accounted for using equity method	164,167	3	Others	33,947	1
Financial assets carried at cost-noncurrent	<u>127,343</u>	<u>2</u>	Total other liabilities	<u>54,092</u>	<u>1</u>
Total long-term investments	<u>291,510</u>	<u>5</u>	Total liabilities	<u>1,108,049</u>	<u>20</u>
PROPERTY, PLANT AND EQUIPMENT			EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT		
Cost			Common stock—\$10 par value		
Buildings	597,719	11	Authorized—300,000 thousand shares; Issued-211,103 thousand shares in 2008	<u>2,111,029</u>	<u>39</u>
Machinery and equipment	393,425	7	Capital surplus		
Office equipment	73,868	2	Paid-in capital in excess of par value	425,114	8
Leasehold improvements	2,600	-	Arising from conversion of bonds	1,151,141	21
Other facilities	<u>1,889</u>	<u>-</u>	Gain on sale of fixed assets	380	-
	1,069,501	20	Arising from long-term investments	<u>44,014</u>	<u>1</u>
Accumulated depreciation	(352,211)	(7)	Total capital surplus	<u>1,620,649</u>	<u>30</u>
Advanced payments and construction in progress	<u>3,917</u>	<u>-</u>	Retained earnings		
Net property, plant and equipment	<u>721,207</u>	<u>13</u>	Legal reserve	472,688	9
INTANGIBLE ASSETS			Special reserve	28,848	-
Goodwill	505,515	9	Unappropriated earnings	<u>335,616</u>	<u>6</u>
Other intangible assets	<u>752,255</u>	<u>14</u>	Total retained earnings	<u>837,152</u>	<u>15</u>
Total intangible assets	<u>1,257,770</u>	<u>23</u>	Others		
OTHER ASSETS			Unrealized losses on financial instruments	(26,961)	-
Refundable deposits	50,888	1	Cumulated translation adjustments	(11,582)	-
Certificate of deposit-restricted	700	-	Treasury stock(at cost)-4,000 thousand shares in 2008	(195,140)	(4)
Others	<u>107,662</u>	<u>2</u>	Total others	(233,683)	(4)
Total other assets	<u>159,250</u>	<u>3</u>	Total stockholders' equity	<u>4,335,147</u>	<u>80</u>
TOTAL ASSETS	<u>\$ 5,443,196</u>	<u>100</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 5,443,196</u>	<u>100</u>

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEP 30, 2008

(Amounts are Expressed in Thousands, Except Consolidated Earnings Per Share)

(Not Reviewed, Not Audited)

	NT\$	%
NET SALES	\$ 1,472,476	100
COST OF SALES	(134,724)	(9)
GROSS PROFIT	1,337,752	91
OPERATING EXPENSES		
Selling	(411,445)	(28)
General and administrative	(181,854)	(13)
Research and development	(400,745)	(27)
Total operating expenses	(994,044)	(68)
OPERATING INCOME	343,708	23
NONOPERATING INCOME AND GAINS		
Interest income	26,460	2
Gains on disposal of assets	170,489	11
Gains on sale of investments, net	166,532	11
Foreign exchange gain, net	8,777	1
Others	15,242	1
Total nonoperating income and gains	387,500	26
NONOPERATING EXPENSES AND LOSSES		
Investment loss on equity-method investments, net	(5,141)	-
Valuation loss on financial assets, net	(67,747)	(5)
Others	(18,282)	(1)
Total nonoperating expenses and losses	(91,170)	(6)
INCOME BEFORE INCOME TAX	640,038	43
INCOME TAX EXPENSE	(66,049)	(4)

(Continued)

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS ENDED SEP 30, 2008

(Amounts are Expressed in Thousands, Except Consolidated Earnings Per Share)
(Not Reviewed, Not Audited)

	<u>NT\$</u>	<u>%</u>
CONSOLIDATED NET INCOME	<u>\$ 573,989</u>	<u>39</u>
ATTRIBUTABLE TO		
Stockholders of the parent	\$ 313,546	21
Minority interests	<u>\$ 260,443</u>	<u>18</u>
	<u>\$ 573,989</u>	<u>39</u>
	<u>Before</u>	<u>After</u>
	<u>Income Tax</u>	<u>Income Tax</u>
CONSOLIDATED EARNINGS PER SHARE		
Basic earnings per share	<u>\$ 1.83</u>	<u>\$ 1.51</u>
Diluted earnings per share	<u>\$ 1.81</u>	<u>\$ 1.50</u>

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEP 30, 2008 (Amounts are Expressed in Thousands) (Not Reviewed, Not Audited)

	<u>NTS</u>
CASH FLOWS FROM	
OPERATING ACTIVITIES	
Adjustments to reconcile net income to net cash provided by operating activities:	
Consolidated net income	\$ 573,989
Depreciation and amortization	61,935
Valuation loss on financial assets	67,747
Investment loss on equity-method investees	5,141
Gain on disposal of investments	(68,484)
Cash dividends from investee's company under equity-method	15,138
Deferred income tax	(100,142)
Accrued pension liability	(4,144)
Others	(3,831)
Net changes in operating assets and liabilities	
Financial assets for trading	431,405
Accounts receivable	52,516
Other receivable	(8,172)
Inventories	(3,985)
Other financial assets	4,211
Other current assets	96,287
Other assets	52,862
Accounts payable	(195,209)
Income tax payable	30,471
Accrued expenses	48,008
Other Accounts payable	64,088
Unearned revenue	(10,118)
Other current liabilities	(74,105)
Other liabilities	4,929
Net cash provided by operating activities	<u>1,040,537</u>
CASH FLOWS FROM	
INVESTING ACTIVITIES	
Acquisition of goodwill	(505,515)
Proceeds from decrease of capital of investee	3,637

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEP 30, 2008 (Amounts are Expressed in Thousands) (Not Reviewed, Not Audited)

	<u>NT\$</u>
Acquisition of financial assets carried at cost	(23,211)
Acquisition of available-for-sale financial assets	(925,001)
Proceeds from disposal of Available-for-sale financial assets	863,600
Acquisition of property, plant and equipment	(20,869)
Acquisition of intangible assets	(763,633)
Increase in refundable deposits	(49,809)
Others	<u>(700)</u>
Net cash used in investing activities	<u>(1,421,501)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in long-term notes payable	(193,020)
Other accounts payable	157,633
Cash bonus to employees and remuneration paid to directors and supervisors	(77,736)
Cash dividend paid	(404,164)
Others	<u>5,193</u>
Net cash used in financing activities	<u>(512,094)</u>
EFFECT OF EXCHANGE RATE CHANGES	(33,893)
EFFECT OF INCREASE IN CONSOLIDATED SUBSIDIARIES	494,952
NET DECREASE IN CASH AND CASH EQUIVALENTS	(431,999)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,115,067</u>

SPRINGSOFT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEP 30, 2008

(Amounts are Expressed in Thousands)

(Not Reviewed, Not Audited)

	<u>NT\$</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,683,068</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Income tax paid	<u>\$ 139,689</u>
Cash paid for acquisition of property, plant and equipment	
Total acquisition	\$ 21,171
Equipment payable, beginning of period	500
Equipment payable, end of period	<u>(802)</u>
Net cash paid	<u>\$ 20,869</u>