



CIPHERLAB CO.,LTD.
Condensed Balance Sheets (Unconsolidated)
(In Thousands of New Taiwan Dollars)

	December 31,2008		September 30,2008		December 31,2007		QoQ		YoY	
Current assets										
Cash and Cash Equivalents	293,557	20%	224,664	16%	353,407	22%	68,893	31%	(59,850)	-17%
Financial Assets at Fair Value through Profit or Loss	231,325	16%	230,449	16%	396,148	25%	876	0%	(164,823)	-42%
Notes Receivable, Net	7,774	1%	5,760	0%	9,396	1%	2,014	35%	(1,622)	-17%
Accounts Receivable, Net	182,704	13%	208,266	15%	239,877	15%	(25,562)	-12%	(57,173)	-24%
Accounts Receivable – related parties, Net	98,492	7%	95,951	7%	100,416	6%	2,541	3%	(1,924)	-2%
Other receivables – related parties, Net	1,080	0%	19,879	1%	49,394	3%	(18,799)	-95%	(48,314)	-98%
Inventories, Net	369,684	25%	361,157	25%	236,342	15%	8,527	2%	133,342	56%
Other Current Assets	26,747	2%	41,432	3%	39,400	2%	(14,685)	-35%	(12,653)	-32%
Total Current Assets	1,211,363	83%	1,187,558	83%	1,424,380	89%	23,805	2%	(213,017)	-15%
Long-term Equity Investments										
Financial Assets Carried at Cost - concurrent	15,048	1%	20,048	1%	21,726	1%	(5,000)	-25%	(6,678)	-31%
Long-term Equity Investments	14,199	1%	21,383	2%	149	0%	(7,184)	-34%	14,050	9430%
Total Long-term Equity Investments	29,247	2%	41,431	3%	21,875	1%	(12,184)	-29%	7,372	34%
Property, Plant and Equipment										
Property, Plant and Equipment	269,378	19%	253,839	18%	255,457	16%	15,539	6%	13,921	5%
Less : Accumulated depreciation	(124,297)	-9%	(119,435)	-8%	(131,629)	-8%	(4,862)	4%	7,332	-6%
Less : Accumulated impairment loss	(5,170)	0%	(5,170)	0%	(5,170)	0%	0	0%	0	0%
construction in progress and prepayments for equipment	803	0%	20,348	1%	3,032	0%	(19,545)	-96%	(2,229)	-74%
Property, Plant and Equipment, Net	140,714	10%	149,582	10%	121,690	8%	(8,868)	-6%	19,024	16%
Intangible and Other assets	73,483	5%	46,778	3%	38,222	2%	26,705	57%	35,261	92%
TOTAL ASSETS	1,454,807	100%	1,425,349	100%	1,606,167	100%	29,458	2%	(151,360)	-9%
LIABILITIES :										
Current Liabilities										
Notes Payable	0	0%	286	0%	11,351	1%	(286)	-100%	(11,351)	-100%
Accounts Payable	79,924	5%	149,611	10%	32,753	2%	(69,687)	-47%	47,171	144%
Income Tax Payable	24,645	2%	2,260	0%	43,473	3%	22,385	990%	(18,828)	-43%
Accrued Expenses	113,603	8%	107,388	8%	108,930	7%	6,215	6%	4,673	4%
Other Current Liabilities	83,616	6%	26,278	2%	39,520	2%	57,338	218%	44,096	112%
Total Current Liabilities	301,788	21%	285,823	20%	236,027	15%	15,965	6%	65,761	28%
Other liabilities	41,947	3%	61,721	4%	68,683	4%	(19,774)	-32%	(26,736)	-39%
Total Liabilities	343,735	24%	347,544	24%	304,710	19%	(3,809)	-1%	39,025	13%
SHAREHOLDERS' EQUITY :										
Capital Stock	709,811	49%	709,811	50%	709,811	44%	0	0%	0	0%
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	0	0%	0	0%
Retained Earnings	501,636	34%	426,367	30%	591,101	37%	75,269	18%	(89,465)	-15%
Others-Cumulative Translation Adjustments	(4,018)	0%	(2,569)	0%	(556)	0%	(1,449)	56%	(3,462)	623%
Treasury stock	(97,458)	-7%	(56,905)	-4%	0	0%	(40,553)	71%	(97,458)	-100%
Total Shareholders' Equity	1,111,072	76%	1,077,805	76%	1,301,457	81%	33,267	3%	(190,385)	-15%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,454,807	100%	1,425,349	100%	1,606,167	100%	29,458	2%	(151,360)	-9%



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)

For the Year Ended December 31,2008 and 2007

(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2008		2007		YoY	
Net Sales	1,378,495	100%	1,515,231	100%	(136,736)	-9%
Cost of Goods Sold	(624,684)	-45%	(651,057)	-43%	26,373	-4%
Gross Profit	753,811	55%	864,174	57%	(110,363)	-13%
Unrealized Profit	(25,451)	-2%	(50,085)	-3%	24,634	-49%
Realized Profit	50,085	4%	38,750	3%	11,335	29%
Realized Gross Profit	778,445	56%	852,839	56%	(74,394)	-9%
Operating Expenses	(324,637)	-24%	(279,072)	-18%	(45,565)	16%
Sales and Marketing Expenses	(158,249)	-11%	(119,685)	-8%	(38,564)	32%
General and Administrative Expenses	(79,021)	-6%	(76,679)	-5%	(2,342)	3%
Research and Development Expenses	(87,367)	-6%	(82,708)	-5%	(4,659)	6%
Operating Income	453,808	33%	573,767	38%	(119,959)	-21%
Non-operating Income	78,602	6%	41,222	3%	37,380	91%
Interest income	7,927	1%	8,025	1%	(98)	-1%
Dividend income	3,039	0%	5,795	0%	(2,756)	-48%
Valuation gain on financial assets, net	-	-	10,110	1%	(10,110)	-100%
Gain on sale of investments, net	1,478	0%	-	-	1,478	100%
Reversal of Bad Debt Expenses	32,540	2%	9,760	1%	22,780	233%
Exchange gain, net	5,969	0%	1,948	0%	4,021	206%
Reversal of loss on inventories	25,903	2%	-	-	25,903	100%
Miscellaneous income	1,746	0%	5,584	0%	(3,838)	-69%
Non-operating Expenses and Losses	(159,118)	-12%	(78,901)	-5%	(80,217)	102%
Interest expense	-	-	(120)	0%	120	-100%
Valuation loss on financial assets, net	(30,246)	-2%	-	-	(30,246)	-100%
Investment loss recognized under equity method	(83,188)	-6%	(63,328)	-4%	(19,860)	31%
Provision for loss on inventories and loss on disposal of inventories	(45,197)	-3%	(665)	0%	(44,532)	6697%
Miscellaneous expenses	(487)	0%	(14,788)	-1%	14,301	-97%
Income Before Income Tax	373,292	27%	536,088	35%	(162,796)	-30%
Income Tax	(78,181)	-6%	(111,700)	-7%	33,519	-30%
Net Income	295,111	21%	424,388	28%	(129,277)	-30%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	5.30		7.55		(2.25)	
Basic Earnings Per Share After Income Tax	4.19		5.98		(1.79)	



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)

For the Three Months Ended December 31, September 30 and December 31 2007

(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Q4 2008		Q3 2008		Q4 2007		QoQ		YoY	
Net Sales	378,358	100%	328,609	100%	427,998	100%	49,749	15%	(49,640)	-12%
Cost of Goods Sold	(167,588)	-44%	(154,512)	-47%	(178,883)	-42%	(13,076)	8%	11,295	-6%
Gross Profit	210,770	56%	174,097	53%	249,115	58%	36,673	21%	(38,345)	-15%
Unrealized Profit	(25,451)	-7%	(45,155)	-14%	(50,085)	-12%	19,704	-44%	24,634	-49%
Realized Profit	45,155	12%	39,810	12%	51,100	12%	5,345	13%	(5,945)	-12%
Realized Gross Profit	230,474	61%	168,752	51%	250,130	58%	61,722	37%	(19,656)	-8%
Operating Expenses	(97,204)	-26%	(86,487)	-26%	(70,752)	-17%	(10,717)	12%	(26,452)	37%
Sales and Marketing Expenses	(44,404)	-12%	(47,326)	-14%	(34,096)	-8%	2,922	-6%	(10,308)	30%
General and Administrative Expenses	(21,449)	-6%	(18,013)	-5%	(17,139)	-4%	(3,436)	19%	(4,310)	25%
Research and Development Expenses	(31,351)	-8%	(21,148)	-6%	(19,517)	-5%	(10,203)	48%	(11,834)	61%
Operating Income	133,270	35%	82,265	25%	179,378	42%	51,005	62%	(46,108)	-26%
Non-operating Income	25,235	7%	26,439	8%	15,372	4%	(1,204)	-5%	9,863	64%
Interest income	1,286	0%	1,535	0%	1,448	0%	(249)	-16%	(162)	-11%
Dividend income	319	0%	-	-	435	0%	319	100%	(116)	-27%
Valuation gain on financial assets and liabilities, net	876	0%	1,108	0%	-	-	(232)	-21%	876	100%
Reversal of Bad Debt Expenses	14,260	4%	4,025	1%	9,760	2%	10,235	254%	4,500	46%
Exchange gain, net	7,849	2%	19,225	6%	-	-	(11,376)	-59%	7,849	100%
Miscellaneous income	645	0%	546	0%	3,729	1%	99	18%	(3,084)	-83%
Non-operating Expenses and Losses	(59,614)	-16%	(33,739)	-10%	(83,382)	-19%	(25,875)	77%	23,768	-29%
Valuation loss on financial assets, net	-	-	-	-	(26,325)	-6%	-	-	26,325	-100%
Investment loss recognized under equity method	(49,194)	-13%	(16,716)	-5%	(40,678)	-10%	(32,478)	194%	(8,516)	21%
Exchange loss, net	-	-	-	-	(533)	0%	-	-	533	-100%
Provision for loss on inventories and loss on disposal of inventories	(10,772)	-3%	(17,019)	-5%	(2,676)	-1%	6,247	-37%	(8,096)	303%
Miscellaneous expenses	352	0%	(4)	0%	(13,170)	-3%	356	-8900%	13,522	-103%
Income Before Income Tax	98,891	26%	74,965	23%	111,368	26%	23,926	32%	(12,477)	-11%
Income Tax	(23,621)	-6%	(13,586)	-4%	(33,100)	-8%	(10,035)	74%	9,479	-29%
Net Income	75,270	20%	61,379	19%	78,268	18%	13,891	23%	(2,998)	-4%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	1.43		1.06		1.57		0.37		(0.14)	
Basic Earnings Per Share After Income Tax	1.09		0.87		1.10		0.22		(0.01)	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

For the Year Ended December 31,2008 and For the Three Months Ended December 31 ,2008,September 30,2008 and December 31 ,2007

(In Thousands of New Taiwan Dollars)

	2008	Q4 2008	Q3 2008	Q4 2007
Cash Flows from Operating Activities :				
Net Income	295,111	75,270	61,379	78,268
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :				
Valuation loss (gain) on financial assets and liability	30,246	(876)	(1,108)	26,325
Loss(Gain) on sale of investments	(1,478)	-	-	-
Loss(Reversal) on Decline in Market Value of inventories and loss on disposal of inventories	19,294	10,772	17,019	2,676
Investment Loss Recognized by Equity Method	83,188	49,194	16,716	40,678
Depreciation	20,027	5,147	5,057	4,533
Amortization	7,830	3,026	1,755	1,353
Bad Debt Expenses(Reversal)	(32,540)	(14,260)	(4,025)	(17,231)
Net changes in operating assets and liabilities				
Financial Assets at Fair Value through Profit or Loss	134,577	-	35,774	(8,021)
Changes in Others assets and liabilities	(74,294)	(32,774)	(67,777)	65,070
Net Cash Provided from Operating Activities	481,961	95,499	64,790	193,651
Cash Flows from Investing Activities :				
Acquisition of Properties, Plant and Equipment	(32,208)	-	(12,396)	(9,366)
Acquisition of investments accounted for by equity method	(35,325)	-	(19,913)	(5,170)
Increase in Others	7,659	19,970	(168)	(66,137)
Net Cash Used by Investing Activities	(59,874)	19,970	(32,477)	(80,673)
Cash Flows from Financing Activities :				
Cash bonus to directors, supervisors and employees	(15,474)	-	-	-
Cash dividends	(369,102)	-	-	-
Repurchase of Treasury Stock	(97,458)	(46,672)	(50,786)	-
Increase in Others	97	96	-	-
Net Cash Used by Financing Activities	(481,937)	(46,576)	(50,786)	-
Net Decrease in Cash and Cash Equivalents	(59,850)	68,893	(18,473)	112,978
Cash and Cash Equivalents at Beginning of Period	353,407	224,664	243,137	240,429
Cash and Cash Equivalents at End of Period	293,557	293,557	224,664	353,407