



CIPHERLAB CO.,LTD.

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

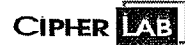
	March 31,2009		December 31,2008		March 31,2008		QoQ		YoY	
<b>Current assets</b>										
Cash and Cash Equivalents	253,756	18%	293,557	20%	538,902	32%	(39,801)	-14%	(285,146)	-53%
Financial Assets at Fair Value through Profit or Loss	231,635	16%	231,325	16%	342,649	20%	310	0%	(111,014)	-32%
Notes Receivable, Net	1,081	0%	7,774	1%	1,161	0%	(6,693)	-86%	(80)	-7%
Accounts Receivable, Net	220,199	15%	182,704	13%	175,408	10%	37,495	21%	44,791	26%
Accounts Receivable – related parties, Net	103,287	7%	98,492	7%	92,281	5%	4,795	5%	11,006	12%
Other receivables – related parties, Net	6,652	0%	1,080	0%	14,083	1%	5,572	516%	(7,431)	-53%
Inventories, Net	315,753	22%	369,684	25%	254,379	15%	(53,931)	-15%	61,374	24%
Other Current Assets	51,352	4%	26,747	2%	64,915	4%	24,605	92%	(13,563)	-21%
<b>Total Current Assets</b>	<b>1,183,715</b>	<b>83%</b>	<b>1,211,363</b>	<b>83%</b>	<b>1,483,778</b>	<b>88%</b>	<b>(27,648)</b>	<b>-2%</b>	<b>(300,063)</b>	<b>-20%</b>
<b>Long-term Equity Investments</b>										
Financial Assets Carried at Cost - concurrent	17,012	1%	15,048	1%	21,726	1%	1,964	13%	(4,714)	-22%
Long-term Equity Investments	10,713	1%	14,199	1%	-	-	(3,486)	-25%	10,713	100%
Advance payments for investments	-	-	-	-	4,854	0%	-	-	(4,854)	-100%
<b>Total Long-term Equity Investments</b>	<b>27,725</b>	<b>2%</b>	<b>29,247</b>	<b>2%</b>	<b>26,580</b>	<b>2%</b>	<b>(1,522)</b>	<b>-5%</b>	<b>1,145</b>	<b>4%</b>
<b>Property, Plant and Equipment</b>										
Property, Plant and Equipment	275,896	19%	269,378	19%	261,810	16%	6,518	2%	14,086	5%
Less : Accumulated depreciation	(128,803)	-9%	(124,297)	-9%	(136,548)	-8%	(4,506)	4%	7,745	-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	1,789	0%	803	0%	6,392	0%	986	123%	(4,603)	-72%
<b>Property, Plant and Equipment, Net</b>	<b>143,712</b>	<b>10%</b>	<b>140,714</b>	<b>10%</b>	<b>126,484</b>	<b>8%</b>	<b>2,998</b>	<b>2%</b>	<b>17,228</b>	<b>14%</b>
<b>Intangible and Other assets</b>	<b>77,386</b>	<b>5%</b>	<b>73,483</b>	<b>5%</b>	<b>41,602</b>	<b>2%</b>	<b>3,903</b>	<b>5%</b>	<b>35,784</b>	<b>86%</b>
<b>TOTAL ASSETS</b>	<b>1,432,538</b>	<b>100%</b>	<b>1,454,807</b>	<b>100%</b>	<b>1,678,444</b>	<b>100%</b>	<b>(22,269)</b>	<b>-2%</b>	<b>(245,906)</b>	<b>-15%</b>
<b>LIABILITIES :</b>										
<b>Current Liabilities</b>										
Financial liabilities at fair value through profit or loss - current	128	0%	-	-	438	0%	128	100%	(310)	-71%
Notes Payable	-	-	-	-	1,043	0%	-	-	(1,043)	-100%
Accounts Payable	43,362	3%	79,924	5%	83,585	5%	(36,562)	-46%	(40,223)	-48%
Income Tax Payable	34,254	2%	24,645	2%	62,016	4%	9,609	39%	(27,762)	-45%
Accrued Expenses	104,872	7%	113,603	8%	92,977	6%	(8,731)	-8%	11,895	13%
Other Current Liabilities	67,053	5%	83,616	6%	22,225	1%	(16,563)	-20%	44,828	202%
<b>Total Current Liabilities</b>	<b>249,669</b>	<b>17%</b>	<b>301,788</b>	<b>21%</b>	<b>262,284</b>	<b>16%</b>	<b>(52,119)</b>	<b>-17%</b>	<b>(12,615)</b>	<b>-5%</b>
<b>Other liabilities</b>	<b>37,537</b>	<b>3%</b>	<b>41,947</b>	<b>3%</b>	<b>58,125</b>	<b>3%</b>	<b>(4,410)</b>	<b>-11%</b>	<b>(20,588)</b>	<b>-35%</b>
<b>Total Liabilities</b>	<b>287,206</b>	<b>20%</b>	<b>343,735</b>	<b>24%</b>	<b>320,409</b>	<b>19%</b>	<b>(56,529)</b>	<b>-16%</b>	<b>(33,203)</b>	<b>-10%</b>
<b>SHAREHOLDERS' EQUITY :</b>				0%						
Capital Stock	709,811	50%	709,811	49%	709,811	42%	-	-	-	-
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	-	-	-
Retained Earnings	539,689	38%	501,636	34%	645,077	38%	38,053	8%	(105,388)	-16%
Others-Cumulative Translation Adjustments	(7,811)	-1%	(4,018)	0%	2,046	0%	(3,793)	94%	(9,857)	-482%
Treasury stock	(97,458)	-7%	(97,458)	-7%	-	-	-	-	(97,458)	-100%
<b>Total Shareholders' Equity</b>	<b>1,145,332</b>	<b>80%</b>	<b>1,111,072</b>	<b>76%</b>	<b>1,358,035</b>	<b>81%</b>	<b>34,260</b>	<b>3%</b>	<b>(212,703)</b>	<b>-16%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,432,538</b>	<b>100%</b>	<b>1,454,807</b>	<b>100%</b>	<b>1,678,444</b>	<b>100%</b>	<b>(22,269)</b>	<b>-2%</b>	<b>(245,906)</b>	<b>-15%</b>



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)  
For the Three Months Ended March 31,2009 ,December 31 and March 31 2008  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Q1 2009		Q4 2008		Q1 2008		QoQ		YoY	
Net Sales	291,691	100%	378,358	100%	308,468	100%	(86,667)	-23%	(16,777)	-5%
Cost of Goods Sold	(169,413)	-58%	(167,588)	-44%	(133,677)	-43%	(1,825)	1%	(35,736)	27%
Gross Profit	122,278	42%	210,770	56%	174,791	57%	(88,492)	-42%	(52,513)	-30%
Unrealized Profit	(21,007)	-7%	(25,451)	-7%	(40,317)	-13%	4,444	-17%	19,310	-48%
Realized Profit	25,451	9%	45,155	12%	50,085	16%	(19,704)	-44%	(24,634)	-49%
Realized Gross Profit	126,722	43%	230,474	61%	184,559	60%	(103,752)	-45%	(57,837)	-31%
Operating Expenses	(80,435)	-28%	(97,204)	-26%	(60,369)	-20%	16,769	-17%	(20,066)	33%
Sales and Marketing Expenses	(31,525)	-11%	(44,404)	-12%	(26,254)	-9%	12,879	-29%	(5,271)	20%
General and Administrative Expenses	(20,387)	-7%	(21,449)	-6%	(17,590)	-6%	1,062	-5%	(2,797)	16%
Research and Development Expenses	(28,523)	-10%	(31,351)	-8%	(16,525)	-5%	2,828	-9%	(11,998)	73%
Operating Income	46,287	16%	133,270	35%	124,190	40%	(86,983)	-65%	(77,903)	-63%
Non-operating Income	14,427	5%	25,587	7%	11,596	4%	(11,160)	-44%	2,831	24%
Interest income	503	0%	1,286	0%	2,353	1%	(783)	-61%	(1,850)	-79%
Dividend income	-	-	319	0%	-	-	(319)	-100%	-	-
Valuation gain on financial assets and liabilities, net	310	0%	876	0%	-	-	(566)	-65%	310	100%
Reversal of Bad Debt Expenses	-	-	14,260	4%	9,144	3%	(14,260)	-100%	(9,144)	-100%
Exchange gain, net	13,180	5%	7,849	2%	-	-	5,331	68%	13,180	100%
Miscellaneous income	434	0%	997	0%	99	0%	(563)	-56%	335	338%
Non-operating Expenses and Losses	(15,106)	-5%	(59,966)	-16%	(62,510)	-20%	44,860	-75%	47,404	-76%
Valuation loss on financial assets and liabilities, net	(128)	0%	-	-	(28,900)	-9%	(128)	-100%	28,772	-100%
Investment loss recognized under equity method	(14,978)	-5%	(49,194)	-13%	(14,071)	-5%	34,216	-70%	(907)	6%
Exchange loss, net	-	-	-	-	(19,539)	-6%	-	-	19,539	-100%
Provision for loss on inventories and loss on disposal of inventories	-	-	(10,772)	-3%	-	-	10,772	-100%	-	-
Income Before Income Tax	45,608	16%	98,891	26%	73,276	24%	(53,283)	-54%	(27,668)	-38%
Income Tax	(7,555)	-3%	(23,621)	-6%	(19,300)	-6%	16,066	-68%	11,745	-61%
Net Income	38,053	13%	75,270	20%	53,976	17%	(37,217)	-49%	(15,923)	-30%
<b>Earnings Per Share</b>										
Basic Earnings Per Share Before Income Tax	0.66		1.43		1.03		(0.77)		(0.37)	
Basic Earnings Per Share After Income Tax	0.55		1.09		0.76		(0.54)		(0.21)	



## CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)  
FOR THE THREE MONTHS ENDED March 31,2009 AND 2008  
(In Thousands of New Taiwan Dollars)

	<u>Q1 2009</u>	<u>Q1 2008</u>
Cash Flows from Operating Activities :		
Net Income	38,053	53,976
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :		
Valuation loss (gain) on financial assets and liability	(182)	28,900
Loss(Reversal) on Decline in Market Value of inventories and loss on disposal of inventories	6,235	(4,784)
Investment Loss Recognized by Equity Method	14,978	14,071
Depreciation	6,101	4,941
Amortization	3,230	1,482
Bad Debt Expenses(Reversal)	3,301	(9,144)
Net changes in operating assets and liabilities		
Financial Assets at Fair Value through Profit or Loss	-	25,037
Changes in Others assets and liabilities	(52,679)	69,856
Net Cash Provided from Operating Activities	<u>19,037</u>	<u>184,335</u>
Cash Flows from Investing Activities :		
Increase in Advance payments for investments	-	(6,469)
Acquisition of Properties, Plant and Equipment	(15,467)	(9,952)
Acquisition of investments accounted for by equity method	(90,368)	-
Increase in Others	47,094	17,581
Net Cash (Used by)Provided from Investing Activities	<u>(58,741)</u>	<u>1,160</u>
Cash Flows from Financing Activities :		
Increase in Others	(97)	-
Net Cash Used by Financing Activities	<u>(97)</u>	<u>-</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(39,801)	185,495
Cash and Cash Equivalents at Beginning of Period	<u>293,557</u>	<u>353,407</u>
Cash and Cash Equivalents at End of Period	<u><u>253,756</u></u>	<u><u>538,902</u></u>