



CIPHERLAB CO.,LTD.
Condensed Balance Sheets (Consolidated)
June 30,2007 AND 2006
(Expressed in Thousands of NT Dollars)

ASSETS	June 30,2007		June 30,2006		LIABILITIES AND SHAREHOLDERS' EQUITY	June 30,2007		June 30,2006	
Current assets					LIABILITIES :				
Cash and Cash Equivalents	281,713	19%	478,338	36%	Current Liabilities				
Financial Assets at Fair Value through Profit or Loss	404,591	27%	228,796	17%	Short-term Loan	1,469	0%	15,522	1%
Notes Receivable, Net	4,339	0%	3,102	0%	Notes Payable	52,932	4%	41,259	3%
Accounts Receivable, Net	200,307	14%	177,252	13%	Accounts Payable	115,695	8%	117,220	9%
Accounts Rreceivable – related parties, Net					Income Tax Payable	53,127	4%	48,918	4%
Other receivables					Accrued Expenses and Other Current Liabilities	127,581	9%	60,785	5%
Other receivables – related parties, Net					Total Current Liabilities	350,804	24%	283,704	21%
Inventories-, Net	348,714	24%	214,101	16%					
Other Current Assets	61,293	4%	41,882	3%	Other Liabilities	16,479	1%	16,362	1%
Total Current Assets	1,300,957	88%	1,143,471	86%	Total Liabilities	367,283	26%	300,066	23%
Long-term Equity Investments									
Financial Assets Carried at Cost - noncurrent	15,726	1%	15,726	1%	SHAREHOLDERS' EQUITY :				
Total Long-term Equity Investments	15,726	1%	15,726	1%	Capital Stock	709,811	48%	709,811	54%
					Capital Surplus	1,101	0%	1,101	0%
Property, Plant and Equipment					Retained Earnings	405,536	27%	316,653	24%
Property, Plant and Equipment	252,013	17%	243,420	18%	Others-Cumulative Translation Adjustments	(816)	0%	(1,096)	0%
Less : Accumulated depreciation	(125,057)	-8%	(107,653)	-8%	Total Shareholders' Equity	1,115,632	75%	1,026,469	77%
Less : Accumulated impairment loss	(5,170)	0%	(5,170)	0%					
Pre-paid fee	674		1,488						
Property, Plant and Equipment, Net	122,460	8%	132,085	10%					
Other noncurrent assets	43,772	3%	35,253	3%					
TOTAL ASSETS	1,482,915	100%	1,326,535	100%	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,482,915	100%	1,326,535	100%



CIPHERLAB CO.,LTD.

Condensed Income Statements (Consolidated)

for period ended June 30, 2007 and 2006

(Expressed in Thousands of NT Dollars, Except Per Share Amounts)

	June 30,2007		June 30,2006	
Net Sales	764,620	100%	637,575	100%
Cost of Goods Sold	319,230	42%	282,465	44%
Gross Profit	445,390	58%	355,110	56%
Operating Expenses	179,532	23%	144,896	23%
Sales and Marketing Expenses	53,987	7%	53,110	8%
General and Administrative Expenses	83,004	11%	56,944	9%
Research and Development Expenses	42,541	6%	34,842	5%
Operating Income	265,858	35%	210,214	33%
Nonoperating Income	41,404	5%	29,628	5%
Nonoperating Expenses and Losses	(15,479)	-2%	(13,433)	-2%
Income Before Income Tax	291,783	38%	226,409	36%
Income Tax	(52,960)	-7%	(44,848)	-7%
Net Income Before Cumulative Effect of Changed In Accou	238,823	31%	181,561	28%
Cumulative Effect of Changed In Accounting Principles	0	0%	7,290	1%
Net Income	238,823	31%	188,851	30%
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Consolidated Earnings Per Share				
Basic Earnings Per Share	4,311.00	3.36	3.19	2.66
Cumulative Effect of Changed In Accounting Principles		0.10		0.10



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Consolidated)

OR THE YEARS ENDED JUNE 30,2007 AND 2006

(Expressed in Thousands of NT Dollars, Except Per Share Amounts)

	<u>June 30,2007</u>	<u>June 30,2006</u>
Cash Flows from Operating Activities :		
Net Income	238,823	188,851
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :		
Cumulative Effect of Changed In Accounting Principles	0	(7,290)
Bad Debt Expenses (Reversal)	(3,546)	(9,794)
Loss (Gain) on Decline (Recovery) in Market Value of inventories	11,131	5,349
Gain on Valuation of Financial assets	(6,939)	0
Provision for Pension Cost	122	2,500
Depreciation & Amortization	10,676	12,728
Impairment Loss of Assets	537	(396)
Financial Assets at Fair Value through Profit or Loss	(22,714)	(672)
Changes in Working Capital & Others	19,676	102,565
Net Cash Provided from Operating Activities	<u>208,414</u>	<u>88,711</u>
Cash Flows from Investing Activities :		
Acquisition of Properties, Plant and Equipment	(5,637)	(7,355)
Proceeds from Disposal of Properties, Panst and Equipment	0	505
Increase in deffer expenses	(13,599)	(1,806)
pre-paid deposit	(5,899)	0
Decrease in Others	(1,110)	(1,341)
Net Cash Used by Investing Activities	<u>(26,245)</u>	<u>(9,997)</u>
Cash Flows from Financing Activities :		
Increase (Decrease) in Short-term Loans	(15,907)	30,723
Increase (Decrease) in Other Liabilities	0	(40,967)
Cash Dividend	(340,709)	(261,177)
Bonus Paid to Employees, Directors and Supervisors	(12,050)	(40,809)
Net Cash Used by Financing Activities	<u>(368,666)</u>	<u>(312,230)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0	(955)
Effect of consolidation of subsidiaries	7,738	0
Net Increase (Decrease) in Cash and Cash Equivalents	(178,759)	(234,471)
Cash and Cash Equivalents at Beginning of Period	460,472	712,809
Cash and Cash Equivalents at End of Period	<u>281,713</u>	<u>478,338</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	<u>115</u>	<u>149</u>
Cash Paid for Income Tax	<u>31,567</u>	<u>73,848</u>



CIPHERLAB CO.,LTD.
 Condensed STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Consolidated)
 FOR THE YEARS ENDED JUNE 30,2007 AND 2006
 (Expressed in Thousands of NT Dollars)

	Common Stock	Capital Surplus	Retained Earnings		Cumulative Translation Adjustment	Total Shareholders' Equity
			Legal Capital Reserve	Unappropriated		
Balance, January 1, 2006	621,850	1,101	79,660	438,089	(771)	1,139,929
Appropriations of Prior Year's Earnings						
Legal Capital Reserve			43,566	(43,566)		0
Bonus to Directors and Supervisors				(13,070)		(13,070)
Cash Dividends				(261,177)		(261,177)
Employee's Profit Sharing - in cash				(27,739)		(27,739)
Transfer of Employee's Profit Sharing to Common Stock	13,339			(13,339)		0
Transfer of Retained Earnings to Common Stock	74,622			(74,622)		0
Changes in Cumulative Translation Adjustment					(325)	(325)
Net Income in 1st half of 2006				188,851		188,851
Balance, June 30, 2006	709,811	1,101	123,226	193,427	(1,096)	1,026,469
Balance, January 1, 2007	709,811	1,101	123,226	406,246	(1,044)	1,239,340
Appropriations of Prior Year's Earnings						
Legal Capital Reserve			40,168	(40,168)		0
Bonus to Directors and Supervisors				(12,050)		(12,050)
Cash Dividends				(340,709)		(340,709)
Employee's Profit Sharing - in cash				(10,000)		(10,000)
Changes in Cumulative Translation Adjustment					(228)	(228)
Net Income in 1st half of 2007				238,823		238,823
Balance, June 30, 2007	709,811	1,101	163,394	242,142	(1,272)	1,115,176