



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

	June 30,2010		March 31,2010		June 30,2009		QoQ		YoY	
Current assets										
Cash and cash equivalents	180,634	14%	221,207	17%	153,872	14%	(40,573)	-18%	26,762	17%
Financial assets at fair value through profit or loss - current	163,850	13%	185,546	14%	149,622	13%	(21,696)	-12%	14,228	10%
Notes receivable, net	3,110	0%	2,416	0%	2,672	0%	694	29%	438	16%
Accounts receivable, net	170,105	13%	207,697	15%	148,367	13%	(37,592)	-18%	21,738	15%
Accounts receivable - related parties, net	99,161	8%	77,214	6%	72,320	6%	21,947	28%	26,841	37%
Other receivables- net	35,153	3%	40,472	3%	12,188	1%	(5,319)	-13%	22,965	188%
Other receivables- related parties, net	2,436	0%	1,206	0%	6,130	1%	1,230	102%	(3,694)	-60%
Inventories, Net	362,562	28%	325,652	24%	312,114	27%	36,910	11%	50,448	16%
Other current assets	11,247	1%	18,624	2%	21,979	2%	(7,377)	-40%	(10,732)	-49%
Total current assets	1,028,258	80%	1,080,034	81%	879,264	77%	(51,776)	-5%	148,994	17%
Long-term Investments										
Investments accounted for by the equity method	18,838	1%	10,419	1%	11,442	1%	8,419	81%	7,396	65%
Financial assets carried at cost - noncurrent	10,419	1%	17,843	1%	17,012	2%	(7,424)	-42%	(6,593)	-39%
Total Long-term Investments	29,257	2%	28,262	2%	28,454	3%	995	4%	803	3%
Property, plant and equipment										
Property, plant and equipment	297,263	23%	296,532	22%	280,324	25%	731	0%	16,939	6%
Less: Accumulated depreciation	(153,884)	-12%	(150,704)	-11%	(135,297)	-12%	(3,180)	2%	(18,587)	14%
Less: Accumulated impairment	-	0%	-	0%	(5,170)	-1%	-	0%	5,170	-100%
Construction in progress and prepayments for equipment	4,188	1%	1,653	0%	350	0%	2,535	153%	3,838	1097%
Total property, plant and equipment	147,567	12%	147,481	11%	140,207	12%	86	0%	7,360	5%
Intangible assets and Other assets	75,570	6%	84,326	6%	88,441	8%	(8,756)	-10%	(12,871)	-15%
TOTAL ASSETS	1,280,652	100%	1,340,103	100%	1,136,366	100%	(59,451)	-4%	144,286	13%
LIABILITIES :										
Current liabilities										
Short-term bills payable	-	0%	-	0%	20,000	2%	-	0%	(20,000)	-100%
Notes payable	-	0%	868	0%	10	0%	(868)	-100%	(10)	-100%
Accounts payable	103,177	8%	132,605	10%	45,558	4%	(29,428)	-22%	57,619	126%
Accounts payable - related parties	15,694	1%	1,815	0%	1,593	0%	13,879	765%	14,101	885%
Income tax payable	21,358	2%	17,171	1%	26,584	2%	4,187	24%	(5,226)	-20%
Accrued expenses	112,183	9%	92,493	7%	62,123	5%	19,690	21%	50,060	81%
Other payable - related parties	2,071	0%	29	0%	-	0%	2,042	7041%	2,071	0%
Other payable	8,222	1%	5,067	0%	12,109	1%	3,155	62%	(3,887)	-32%
Other current liabilities	21,125	2%	60,815	5%	35,810	4%	(39,690)	-65%	(14,685)	-41%
Total current liabilities	283,830	23%	310,863	23%	203,787	18%	(27,033)	-9%	80,043	39%
Other liabilities	31,397	2%	29,002	2%	30,036	3%	2,395	8%	1,361	5%
Total liabilities	315,227	25%	339,865	25%	233,823	21%	(24,638)	-7%	81,404	35%
SHAREHOLDERS' EQUITY :										
Capital Stock	709,811	55%	709,811	53%	709,811	62%	-	0%	-	0%
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	0%	-	0%
Retained Earnings	360,639	28%	394,470	30%	296,824	26%	(33,831)	-9%	63,815	21%
Others-Cumulative Translation Adjustments	(8,668)	-1%	(7,686)	-1%	(7,735)	-1%	(982)	13%	(933)	12%
Treasury stock	(97,458)	-7%	(97,458)	-7%	(97,458)	-8%	-	0%	-	0%
Total shareholders' equity	965,425	75%	1,000,238	75%	902,543	79%	(34,813)	-3%	62,882	7%
Total liabilities and shareholders' equity	1,280,652	100%	1,340,103	100%	1,136,366	100%	(59,451)	-4%	144,286	13%



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Six Months Ended June 30,2010 and 2009
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	1H 2010		1H 2009		YoY	
Net Sales	665,868	100%	488,958	100%	176,910	36%
Cost of Goods Sold	(355,368)	-53%	(263,778)	-54%	(91,590)	35%
Gross Profit	310,500	47%	225,180	46%	85,320	38%
Unrealized Profit	(15,550)	-2%	(13,551)	-2%	(1,999)	15%
Realized Profit	16,281	2%	25,451	5%	(9,170)	-36%
Realized Gross Profit	311,231	47%	237,080	49%	74,151	31%
Operating Expenses						
Sales and Marketing Expenses	(84,383)	-13%	(62,046)	-13%	(22,337)	36%
General and Administrative Expenses	(37,642)	-6%	(31,240)	-6%	(6,402)	20%
Research and Development Expenses	(62,688)	-9%	(57,876)	-12%	(4,812)	8%
Total operating expenses	(184,713)	-28%	(151,162)	-31%	(33,551)	22%
Operating Income	126,518	19%	85,918	18%	40,600	47%
Non-operating Income						
Interest income	921	0%	882	0%	39	4%
Investment income recognized under equity method	2,034	1%	-	0%	2,034	0%
Dividend income	-	0%	765	0%	(765)	-100%
Exchange gain, net	5,341	1%	3,050	1%	2,291	75%
Valuation gain on financial assets, net	1,085	0%	431	0%	654	152%
Miscellaneous income	1,052	0%	497	0%	555	112%
Total non-operating income and gains	11,527	2%	5,625	1%	5,902	105%
Non-operating expenses and losses						
Interest expense	(69)	0%	(16)	0%	(53)	331%
Investment loss recognized under equity method	-	0%	(13,636)	-3%	13,636	-100%
Total non-operating expenses and losses	(69)	0%	(13,652)	-3%	13,583	-99%
Income before income tax	137,976	21%	77,891	16%	60,085	77%
Income tax expense (benefit)	(31,837)	-5%	(20,575)	-4%	(11,262)	55%
Net income	106,139	16%	57,316	12%	48,823	85%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	2.00		1.13		0.87	
Basic Earnings Per Share After Income Tax	1.54		0.83		0.71	



CIPHERLAB CO., LTD.
Condensed Income Statements (Unconsolidated)
For the Three Months Ended June 30,2010 , March 31,2010 and June 30,2009
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2Q 2010		1Q 2010		2Q 2009		QoQ		YoY	
Net Sales	381,428	100%	284,440	100%	197,267	100%	96,988	34%	184,161	93%
Cost of Goods Sold	(208,258)	-55%	(147,110)	-52%	(94,365)	-48%	(61,148)	42%	(113,893)	121%
Gross Profit	173,170	45%	137,330	48%	102,902	52%	35,840	26%	70,268	68%
Unrealized Profit	(15,550)	-4%	(13,223)	-4%	(13,551)	-7%	(2,327)	18%	(1,999)	15%
Realized Profit	13,223	4%	16,281	6%	21,007	11%	(3,058)	-19%	(7,784)	-37%
Realized Gross Profit	170,843	45%	140,388	50%	110,358	56%	30,455	22%	60,485	55%
Operating Expenses										
Sales and Marketing Expenses	(47,660)	-12%	(36,723)	-13%	(30,521)	-15%	(10,937)	30%	(17,139)	56%
General and Administrative Expenses	(18,985)	-5%	(18,657)	-7%	(10,853)	-6%	(328)	2%	(8,132)	75%
Research and Development Expenses	(32,957)	-9%	(29,731)	-10%	(29,353)	-15%	(3,226)	11%	(3,604)	12%
Total operating expenses	(99,602)	-26%	(85,111)	-30%	(70,727)	-36%	(14,491)	17%	(28,875)	41%
Operating Income	71,241	19%	55,277	20%	39,631	20%	15,964	29%	31,610	80%
Non-operating Income										
Interest income	379	0%	542	0%	379	0%	(163)	-30%	-	0%
Investment income recognized under equity method	1,823	0%	211	0%	1,342	1%	1,612	764%	481	36%
Dividend income	-	0%	-	0%	765	0%	-	0%	(765)	-100%
Exchange gain, net	5,769	2%	-	0%	-	0%	5,769	0%	5,769	0%
Reversal of Bad Debt Expenses	1,094	0%	-	0%	-	0%	1,094	0%	1,094	0%
Valuation gain on financial assets, net	1,130	0%	-	0%	121	0%	1,130	0%	1,009	834%
Valuation gain on financial liabilities, net	-	0%	-	0%	128	0%	-	0%	(128)	-100%
Miscellaneous income	757	0%	295	0%	63	0%	462	157%	694	1102%
Total non-operating income and gains	10,952	2%	1,048	0%	2,798	1%	9,904	945%	8,154	291%
Non-operating expenses and losses										
Interest expense	(69)	0%	-	0%	(16)	0%	(69)	0%	(53)	331%
Exchange loss, net	-	0%	(428)	0%	(10,130)	-5%	6,197	-1448%	15,899	-157%
Valuation loss on financial assets, net	-	0%	(45)	0%	-	0%	45.00	-100%	-	0%
Total non-operating expenses and losses	(69)	0%	(473)	0%	(10,146)	-5%	404	-85%	10,077	-99%
Income before income tax	82,124	21%	55,852	20%	32,283	16%	26,272	47%	49,841	154%
Income tax expense (benefit)	(12,483)	-3%	(19,354)	-7%	(13,020)	-6%	6,871	-36%	537	-4%
Net income	69,641	18%	36,498	13%	19,263	10%	33,143	91%	50,378	262%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	1.19		0.81		0.47		0.38		0.72	
Basic Earnings Per Share After Income Tax	1.01		0.53		0.28		0.48		0.73	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

FOR THE SIX MONTHS ENDED June 30,2010 AND FOR THE THREE MONTHS ENDED ,June 30,2010 ,March 31,2010 AND June 30,2009

(In Thousands of New Taiwan Dollars)

	Six Months 2010	2Q 2010	1Q 2010	2Q 2009
Cash flows from operating activities				
Net income	106,139	69,641	36,498	19,263
Depreciation	11,078	5,526	5,552	6,494
Amortization	10,844	5,252	5,592	3,342
Provision(Reversal) for doubtful accounts	(1,094)	(3,309)	2,215	(315)
Provision for (recovery of) loss on inventories	5,950	11,854	(5,904)	(1,397)
Investment loss (income) recognized under equity method	(2,034)	(1,823)	(211)	(1,342)
Valuation loss (gain) on financial instruments	(1,085)	(1,130)	45	(249)
Changes in operating assets and liabilities:				
Financial assets at fair value through profit or loss - current	(13,035)	22,826	(35,861)	82,134
Others	(127,240)	(42,418)	(84,822)	58,228
Net cash provided by (used in) operating activities	(10,477)	66,419	(76,896)	166,158
Cash flows from investing activities				
Acquisition of property, plant and equipment	(5,390)	(2,973)	(2,417)	(3,963)
Acquisition of Intangible assets	(2,057)	71	(2,128)	(17,471)
Decrease (increase) in other receivables – related parties	(6,083)	(6,083)	-	(2,406)
Others	3,638	5,492	(1,854)	(74)
Net cash used in investing activities	(9,892)	(3,493)	(6,399)	(23,914)
Cash flows from financing activities				
Increase in short-term bills payable	-	-	-	20,000
Cash dividends	(103,472)	(103,472)	-	(262,128)
Others	2	(27)	29	-
Net cash used in financing activities	(103,470)	(103,499)	29	(242,128)
Effect of exchange rate changes	-	-	-	-
Net decrease in cash and cash equivalents	(123,839)	(40,573)	(83,266)	(99,884)
Cash and cash equivalents at Beginning of Period	304,473	221,207	304,473	253,756
Cash and cash equivalents at End of Period	180,634	180,634	221,207	153,872