



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

	December 31,2011		September 30,2011		December 31,2010		QoQ		YoY	
ASSETS:										
Current assets										
Cash and cash equivalents	281,353	19%	217,645	16%	212,989	17%	63,708	29%	68,364	32%
Financial assets at fair value thro	62,799	4%	62,887	4%	162,263	13%	(88)	0%	(99,464)	-61%
Notes receivable, net	4,603	0%	3,220	0%	4,878	0%	1,383	43%	(275)	-6%
Accounts receivable, net	198,883	13%	162,419	12%	138,190	11%	36,464	22%	60,693	44%
Accounts receivable - related part	128,965	8%	185,811	13%	86,450	7%	(56,846)	-31%	42,515	49%
Other receivables- net	36,589	2%	35,773	3%	30,009	2%	816	2%	6,580	22%
Other receivables- related parties	37,456	2%	68	0%	2,470	0%	37,388	54982%	34,986	1416%
Inventories, net	428,691	28%	390,657	28%	349,769	27%	38,034	10%	78,922	23%
Other current assets	28,120	2%	51,627	3%	15,129	1%	(23,507)	-46%	12,991	86%
Total current assets	1,207,459	78%	1,110,107	79%	1,002,147	78%	97,352	9%	205,312	20%
Long-term investments										
Investments accounted for by the	55,562	4%	56,826	4%	42,773	3%	(1,264)	-2%	12,789	30%
Financial assets carried at cost - 1	10,419	1%	10,419	1%	10,419	1%	-	0%	0	0%
Total long-term investments	65,981	5%	67,245	5%	53,192	4%	(1,264)	-2%	12,789	24%
Property, plant and equipment										
Property, plant and equipment	329,164	22%	322,650	23%	304,693	24%	6,514	2%	24,471	8%
Less: Accumulated depreciation	(182,201)	-12%	(178,957)	-13%	(164,693)	-13%	(3,244)	2%	(17,508)	11%
Less: Accumulated impairment	0	0%	0	0%	0	0%	0	0%	0	0%
Construction in progress and pre	13,039	1%	8,428	1%	5,533	0%	4,611	55%	7,506	136%
Total property, plant and equipm	160,002	11%	152,121	11%	145,533	11%	7,881	5%	14,469	10%
Intangible assets and other assets										
Total assets	1,517,425	100%	1,404,674	100%	1,273,716	100%	112,751	8%	243,709	19%
LIABILITIES :										
Current liabilities										
Notes payable	0	0%	0	0%	0	0%	0	0%	0	0%
Accounts payable	133,653	9%	150,418	11%	43,953	3%	(16,765)	-11%	89,700	204%
Accounts payable - related partie	10,400	1%	11,591	1%	2,353	0%	(1,191)	-10%	8,047	342%
Income tax payable	40,110	3%	13,799	1%	30,677	2%	26,311	191%	9,433	31%
Accrued expenses	164,774	11%	110,413	8%	99,863	8%	54,361	49%	64,911	65%
Other payable - related parties	6,998	0%	4,651	0%	373	0%	2,347	50%	6,625	1776%
Other payable	16,696	1%	7,113	0%	18,052	1%	9,583	135%	(1,356)	-8%
Other current liabilities	18,204	1%	10,812	1%	11,880	1%	7,392	68%	6,324	53%
Total current liabilities	390,835	26%	308,797	22%	207,151	15%	82,038	27%	183,684	89%
Other liabilities	42,120	3%	45,272	3%	32,084	3%	(3,152)	-7%	10,036	31%
Total liabilities	432,955	29%	354,069	25%	239,235	18%	78,886	22%	193,720	81%
SHAREHOLDERS' EQUITY :										
Capital stock	709,811	47%	709,811	51%	709,811	56%	0	0%	0	0%
Capital surplus	1,101	0%	1,101	0%	1,101	0%	0	0%	0	0%
Retained earnings	447,713	30%	409,535	29%	442,826	35%	38,178	9%	4,887	1%
Others-cumulative translation adjust	(5,787)	0%	(5,379)	0%	(7,806)	-1%	(408)	8%	2,019	-26%
Treasury stock	(68,368)	-4%	(64,463)	-5%	(111,451)	-8%	(3,905)	6%	43,083	-39%
Total shareholders' equity	1,084,470	73%	1,050,605	75%	1,034,481	82%	33,865	3%	49,989	5%
Total liabilities and shareholders'	1,517,425	102%	1,404,674	100%	1,273,716	100%	112,751	8%	243,709	19%



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Year Ended December 31, 2011 and 2010
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2011		2010		YoY	
Net Sales	1,518,756	100%	1,271,183	100%	247,573	19%
Cost of Goods Sold	(857,769)	-56%	(683,052)	-54%	(174,717)	26%
Gross Profit	660,987	44%	588,131	46%	72,856	12%
Unrealized Profit	(26,985)	-2%	(16,047)	-1%	(10,938)	68%
Realized Profit	16,047	1%	16,281	1%	(234)	-1%
Realized Gross Profit	650,049	43%	588,365	46%	61,684	10%
Operating Expenses						
Sales and marketing expenses	(203,531)	-13%	(175,278)	-14%	(28,253)	16%
General and administrative expenses	(80,863)	-5%	(69,473)	-5%	(11,390)	16%
Research and development expenses	(148,312)	-10%	(118,583)	-9%	(29,729)	25%
Total operating expenses	(432,706)	-28%	(363,334)	-29%	(69,372)	19%
Operating Income	217,343	14%	225,031	18%	(7,688)	-3%
Non-operating Income						
Interest income	1,485	0%	1,600	0%	(115)	-7%
Investment income recognized under equity method	2,972	0%	13,416	1%	(10,444)	-78%
Dividend income	187	0%	52	0%	135	260%
Gain on sale of investments, net	179.00	0%	0	0%	179	0%
Exchange gain, net	18,143	1%	0	0%	18,143	0%
Reversal of bad debt expenses	5,901	0%	7,958	1%	(2,057)	-26%
Valuation gain on financial assets, net	106	0%	1,902	0%	(1,796)	-94%
Valuation gain on financial liabilities, net	0	0%	0	0%	0	0%
Miscellaneous income	1,037	0%	1,400	0%	(363)	-26%
Total non-operating income and gains	30,010	2%	26,328	2%	3,682	14%
Non-operating expenses and losses						
Interest expense	(66)	0%	(145)	0%	79	-54%
Investment loss recognized under equity method	0	0%	0	0%	0	0%
Loss on disposal of property, plant and equipment	(5)	0%	0	0%	(5)	0%
Exchange loss, net	0	0%	(16,510)	-1%	16,510	-100%
Total non-operating expenses and losses	(71)	0%	(16,655)	-1%	16,584	-100%
Income before income tax	247,282	16%	234,704	18%	12,578	5%
Income tax expense (benefit)	(60,303)	-4%	(46,378)	-4%	(13,925)	30%
Net income	186,979	12%	188,326	15%	(1,347)	-1%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	3.63		3.40		0.23	
Basic Earnings Per Share After Income Tax	2.75		2.73		0.02	



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Three Months Ended December 31, 2011, September 30, 2011 and December 31, 2010
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	4Q 2011		3Q 2011		4Q 2010		QoQ		YoY	
Net Sales	391,276	100%	401,900	100%	298,823	100%	(10,624)	-3%	92,453	31%
Cost of Goods Sold	(211,433)	-54%	(232,126)	-58%	(169,404)	-57%	20,693	-9%	(42,029)	25%
Gross Profit	179,843	46%	169,774	42%	129,419	43%	10,069	6%	50,424	39%
Unrealized Profit	2,941	1%	(7,371)	-2%	1,512	1%	10,312	-140%	1,429	95%
Realized Profit	0	0%	0	0%	0	0%	0	0%	0	0%
Realized Gross Profit	182,784	47%	162,403	40%	130,931	44%	20,381	13%	51,853	40%
Operating Expenses										
Sales and marketing expenses	(60,074)	-15%	(52,479)	-13%	(51,298)	-17%	(7,595)	14%	(8,776)	17%
General and administrative expenses	(19,061)	-5%	(18,615)	-5%	(13,633)	-5%	(446)	2%	(5,428)	40%
Research and development expenses	(36,981)	-9%	(36,993)	-9%	(29,679)	-10%	12	0%	(7,302)	25%
Total operating expenses	(116,116)	-29%	(108,087)	-27%	(94,610)	-32%	(8,029)	7%	(21,506)	23%
Operating Income	66,668	18%	54,316	13%	36,321	12%	12,352	23%	30,347	84%
Non-operating Income										
Interest income	429	0%	310	0%	315	0%	119	38%	114	36%
Investment income recognized under equity method	(2,191)	-1%	1,248	0%	4,283.00	1%	(3,439)	-276%	(6,474)	-151%
Dividend income	187	0%	0	0%	52.00	0%	187	0%	135	260%
Gain on disposal of property, plant and equipment	0	0%	0	0%	0	0%	0	0%	0	0%
Exchange gain, net	(2,514)	-1%	20,657	5%	-	0%	(23,171)	-112%	2,514	0%
Reversal of bad debt expenses	(3)	0%	(101)	0%	5,094.00	2%	98	-97%	(5,097)	-100%
Valuation gain on financial assets, net	(87)	0%	(1,811)	0%	(3,684)	-1%	1,724	-95%	3,597	-98%
Valuation gain on financial liabilities, net	0	0%	0	0%	-	0%	-	0%	0	0%
Miscellaneous income	537	0%	131	0%	124	0%	406	310%	413	333%
Total non-operating income and gains	(3,642)	-2%	20,434	5%	6,184	2%	(24,076)	-118%	(9,826)	-159%
Non-operating expenses and losses										
Interest expense	(14)	0%	(3)	0%	(13)	0%	(11)	367%	(1)	8%
Investment loss recognized under equity method	0	0%	0	0%	0	0%	0	0%	0	0%
Loss on disposal of property, plant and equipment	0	0%	0	0%	0	0%	0	0%	0	0%
Loss on sale of investments, net	0	0%	0	0%	0	0%	0	0%	0	0%
Loss on physical inventory	0	0%	0	0%	0	0%	0	0%	0	0%
Exchange loss, net	0	0%	2,046	1%	(14,806)	-5%	(2,046)	-100%	14,806	-100%
Provision for loss on inventories	0	0%	0	0%	0	0%	0	0%	0	0%
Impairment loss	0	0%	0	0%	0	0%	0	0%	0	0%
Valuation loss on financial assets, net	0	0%	0	0%	0	-	0	0%	-	0%
Valuation loss on financial liabilities, net	0	0%	0	0%	-	-	0	0%	-	-
Miscellaneous expenses	0	0%	0	0%	0	0%	0	0%	0	0%
Total non-operating expenses and losses	(14)	0%	2,043	1%	(14,819)	-5%	(2,057)	-101%	14,805	-100%
Income before income tax	63,012	16%	76,793	19%	27,686	9%	(13,781)	-18%	35,326	128%
Income tax expense (benefit)	(24,834)	-6%	(24,415)	-6%	1,196	0%	(419)	2%	(26,030)	-2176%
Net income	38,178	10%	52,378	13%	28,882	9%	(14,200)	-27%	9,296	32%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.91		1.13		0.40		(0.22)		0.51	
Basic Earnings Per Share After Income Tax	0.55		0.77		0.42		(0.22)		0.13	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

For the Year Ended December 31, 2011 and 2010

(In Thousands of New Taiwan Dollars)

	2011	2010
Cash flows from operating activities		
Net income	186,979	188,326
Depreciation	21,280	21,996
Amortization	19,460	21,002
Provision(Reversal) for doubtful accounts	(5,901)	(7,958)
Provision for (Recovery of) loss on inventories	4,683	10,360
Loss (gain) on sale of investments	(179)	0
Investment loss (income) recognized under equity method	(2,972)	(13,416)
Loss (Gain) on disposal of property, plant and equipment	5	0
Valuation loss (gain) on financial instruments	(106)	(1,902)
Deferred income tax	3,895	10,280
Changes in operating assets and liabilities:	(29,099)	(152,421)
Financial assets at fair value through profit or loss - current	99,570	(10,631)
Others	35,844	137
Net cash provided by (used in) operating activities	<u>333,459</u>	<u>65,773</u>
Cash flows from investing activities		
Acquisition of investments accounted for by equity method	(5,895)	(20,000)
Acquisition of property, plant and equipment	(26,674)	(14,082)
Acquisition of Intangible assets	(33,007)	(12,384)
Decrease (Increase) in other receivables – related parties	(38,274)	2,373
Others	31	3,435
Net cash used in investing activities	<u>(103,819)</u>	<u>(40,658)</u>
Cash flows from financing activities		
Cash dividends	(168,248)	(103,472)
Cash paid for acquisition of treasury stock	(50,963)	(13,500)
Treasury Stock Sold to Employees	58,000	
Others	(65)	373
Net cash used in financing activities	<u>(161,276)</u>	<u>(116,599)</u>
Effect of exchange rate changes	0	0
Net decrease in cash and cash equivalents	68,364	(91,484)
Cash and cash equivalents at beginning of period	212,989	304,473
Cash and cash equivalents at end of period	<u>281,353</u>	<u>212,989</u>



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

For the Year Ended December 31, 2011 and for the Three Months Ended December 31, 2011, September 30, 2011 and December 31, 2010

(In Thousands of New Taiwan Dollars)

	2011	4Q 2011	3Q 2011	4Q 2010
Cash flows from operating activities				
Net income	186,979	38,178	52,378	28,882
Depreciation	21,280	5,897	5,410	5,505
Amortization	19,460	3,875	5,073	5,045
Provision(Reversal) for doubtful accounts	(5,901)	3	101	(5,094)
Provision for (Recovery of) loss on inventories	4,683	2,256	1,919	5,230
Loss (gain) on sale of investments	(179)	0	0	0
Investment loss (income) recognized under equity method	(2,972)	2,191	(1,248)	(4,283)
Loss (Gain) on disposal of property, plant and equipment	5	0	0	0
Valuation loss (gain) on financial instruments	(106)	87	1,811	3,684
Deferred income tax	3,895	(1,555)	2,127	603
Changes in operating assets and liabilities:	(29,099)	82,007	(26,802)	27,425
Financial assets at fair value through profit or loss - current	99,570	1	2	2,402
Others	35,844	(3,016)	7,157	(1,402)
Net cash provided by (used in) operating activities	<u>333,459</u>	<u>129,924</u>	<u>47,928</u>	<u>67,997</u>
Cash flows from investing activities				
Acquisition of investments accounted for by equity method	(5,895)	0	(5,895)	0
Acquisition of property, plant and equipment	(26,674)	(8,100)	(6,554)	(4,733)
Acquisition of Intangible assets	(33,007)	(12,192)	(7,618)	(6,917)
Decrease (Increase) in other receivables – related parties	(38,274)	(46,208)	8,133	2,035
Others	31	0	5,895	0
Net cash used in investing activities	<u>(103,819)</u>	<u>(66,500)</u>	<u>(6,039)</u>	<u>(9,615)</u>
Cash flows from financing activities				
Cash dividends	(168,248)	0	0	0
Cash paid for acquisition of treasury stock	(50,963)	0	0	(13,500)
Treasury Stock Sold to Employees	58,000	0	58,000	0
Others	(65)	284	12	265
Net cash used in financing activities	<u>(161,276)</u>	<u>284</u>	<u>58,012</u>	<u>(13,235)</u>
Effect of exchange rate changes	0	0	0	0
Net decrease in cash and cash equivalents	68,364	63,708	99,901	45,147
Cash and cash equivalents at beginning of period	212,989	217,645	117,744	167,842
Cash and cash equivalents at end of period	<u>281,353</u>	<u>281,353</u>	<u>217,645</u>	<u>212,989</u>