



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

	June 30,2012		March 31,2012		June 30,2011		QoQ		YoY	
Current assets										
Cash and Cash Equivalents	165,044	12%	240,898	17%	117,744	10%	(75,854)	-31%	47,300	40%
Financial Assets at Fair Value through Profit or Loss	0	0%	62,901	4%	64,700	5%	(62,901)	-100%	(64,700)	-100%
Notes Receivable, Net	3,072	1%	3,050	0%	7,227	1%	22	1%	(4,155)	-57%
Accounts Receivable, Net	183,875	14%	150,228	10%	181,496	15%	33,647	22%	2,379	1%
Accounts Receivable – related parties, Net	153,579	11%	103,648	7%	166,064	13%	49,931	48%	(12,485)	-8%
Other receivables , Net	36,205	3%	34,620	2%	34,568	3%	1,585	5%	1,637	5%
Other receivables – related parties, Net	34,454	3%	48,962	3%	3,925	0%	(14,508)	-30%	30,529	778%
Inventories, Net	390,666	29%	416,669	29%	323,439	26%	(26,003)	-6%	67,227	21%
Other Current Assets	23,336	2%	26,514	2%	50,371	4%	(3,178)	-12%	(27,035)	-54%
Total Current Assets	990,231	74%	1,087,490	75%	949,534	77%	(97,259)	-9%	40,697	4%
Long-term Equity Investments										
Long-term Equity Investments	96,749	7%	101,871	7%	49,360	4%	(5,122)	-5%	47,389	96%
Financial Assets Carried at Cost - noncurrent	10,419	1%	10,419	1%	13,374	1%	-	-	(2,955)	-22%
Advance payments for investments	-	-	-	0%	-	0%	-	-	0	0%
Total Long-term Equity Investments	107,168	8%	112,290	8%	62,734	5%	(5,122)	-5%	44,434	71%
Property, Plant and Equipment										
Property, Plant and Equipment	339,468	25%	332,648	23%	317,821	26%	6,820	2%	21,647	7%
Less : Accumulated depreciation	(192,948)	-14%	(187,256)	-13%	(174,578)	-14%	(5,692)	3%	(18,370)	11%
Less : Accumulated impairment loss	-	-	-	0%	-	0%	-	-	0	0%
construction in progress and prepayments for equip	22,019	2%	14,012	1%	4,229	0%	8,007	57%	17,790	421%
Property, Plant and Equipment, Net	168,539	12%	159,404	11%	147,472	12%	9,135	6%	21,067	14%
Intangible and Other assets	88,219	7%	85,118	6%	73,220	6%	3,101	4%	14,999	20%
TOTAL ASSETS	1,354,157	100%	1,444,302	100%	1,232,960	100%	(90,145)	-6%	121,197	10%
LIABILITIES :										
Current Liabilities										
Notes payable	0	0%	0	0%	0	0%	0	#DIV/0!	0	#DIV/0!
Accounts Payable	117,139	9%	98,099	7%	106,190	9%	19,040	19%	10,949	10%
Accounts Payable – related parties, Net	4,852	0%	8,277	1%	8,331	1%	(3,425)	-41%	(3,479)	-42%
Income Tax Payable	52,426	4%	49,505	3%	10,275	1%	2,921	6%	42,151	410%
Accrued Expenses	121,284	9%	120,067	8%	92,384	7%	1,217	1%	28,900	31%
Other payable - related parties	2,108	0%	4,301	0%	3,018	0%	(2,193)	-51%	(910)	-30%
Other payable	10,468	1%	5,036	0%	6,993	1%	5,432	108%	3,475	50%
Other Current Liabilities	8,905	1%	16,044	1%	27,541	2%	(7,139)	-44%	(18,636)	-68%
Total Current Liabilities	317,182	23%	301,329	21%	254,732	21%	15,853	5%	62,450	25%
Other liabilities	45,033	3%	40,488	3%	38,115	3%	4,545	11%	6,918	18%
Total Liabilities	362,215	27%	341,817	24%	292,847	24%	20,398	6%	69,368	24%
SHAREHOLDERS' EQUITY :										
Capital Stock	709,811	52%	709,811	49%	709,811	58%	-	0%	-	0%
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	0%	-	0%
Share-based Payments	0	0%	0	0%	25,614	2%	-	#DIV/0!	- 25,614.00	-100%
Retained Earnings	376,876	28%	486,867	34%	371,001	30%	- 109,991.00	-23%	5,875.00	2%
Others-Cumulative Translation Adjustments	(6,201)	0%	(5,649)	0%	(5,493)	0%	- 552.00	10%	- 708.00	13%
Treasury stock	(89,645)	-7%	(89,645)	-6%	(161,921)	-13%	-	0%	72,276.00	-45%
Total Shareholders' Equity	991,942	74%	1,102,485	76%	940,113	76%	(110,543)	-10%	51,829	6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,354,157	100%	1,444,302	100%	1,232,960	100%	(90,145)	-6%	121,197	10%



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Six Months Ended June 30,2012 and 2011
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	1H 2012		1H 2011		YoY	
Net Sales	740,397	100%	725,580	98%	14,817	2%
Cost of Goods Sold	(424,162)	-57%	(414,210)	-56%	(9,952)	2%
Gross Profit	316,235	43%	311,370	42%	4,865	2%
Unrealized Profit	(29,742)	-4%	(22,555)	-3%	(7,187)	32%
Realized Profit	26,985	4%	16,047	2%	10,938	68%
Realized Gross Profit	313,478	43%	304,862	41%	8,616	3%
Operating Expenses						
Sales and Marketing Expenses	(76,942)	-10%	(90,978)	-12%	14,036	-15%
General and Administrative Expenses	(32,942)	-4%	(43,187)	-6%	10,245	-24%
Research and Development Expenses	(81,603)	-11%	(74,338)	-10%	(7,265)	10%
Total operating expenses	(191,487)	-26%	(208,503)	-28%	17,016	-8%
Operating Income	121,991	16%	96,359	13%	25,632	27%
Non-operating Income						
Interest income	1,284	0%	746	0%	538	72%
Investment income recognized under equity method	0	1%	3,915	1%	(3,915)	-100%
Gain on sale of investments, net	0	0%	179.00	0.00	(179)	-100%
Gain on physical inventory	0	0%	0	0%	0	0%
Exchange gain, net	0	0%	0	0%	0	0%
Reversal of Bad Debt Expenses	36	0%	6,005	1%	(5,969)	-99%
Valuation gain on financial assets, net	199	0%	2,004	0%	(1,805)	-90%
Valuation gain on financial liabilities, net	0	0%	0	0%	0	0%
Miscellaneous income	1,025	0%	369	0%	656	178%
Total non-operating income and gains	2,544	0%	13,218	2%	(10,674)	-81%
Non-operating expenses and losses						
Interest expense	0	0%	(49)	0%	49	-100%
Investment loss recognized under equity method	(13,435)	-2%	0	0%	(13,435)	0%
Loss on disposal of property, plant and equipment	(8)	0%	(5)	0%	(3)	60%
Exchange loss, net	(4,548)	-1%	(2,046)	-0.00	(2,502)	122%
Total non-operating expenses and losses	(17,991)	-2%	(2,100)	0%	(15,891)	757%
Income before income tax	106,544	14%	107,477	15%	(933)	-1%
Income tax expense (benefit)	(19,856)	-3%	(11,054)	-1%	(8,802)	80%
Net income	86,688	12%	96,423	13%	(9,735)	-10%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	1.55		1.59		(0.04)	
Basic Earnings Per Share After Income Tax	1.26		1.43		(0.17)	



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)

For the Three Months Ended June 30 and March 31 2012, June 30 2011

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

	Q2 2012		Q1 2012		Q2 2011		QoQ		YoY	
Net Sales	403,959	100%	336,438	100%	445,912	100%	67,521	20%	(41,953)	-9%
Cost of Goods Sold	(232,907)	-58%	(191,255)	-57%	(248,778)	-56%	(41,652)	22%	15,871	-6%
Gross Profit	171,052	42%	145,183	43%	197,134	44%	25,869	18%	(26,082)	-13%
Unrealized Profit	(4,465)	-1%	(25,277)	-8%	(4,517)	-1%	20,812	-82%	52	-1%
Realized Profit	-	0%	26,985	8%	-	0%	26,985	100%	-	#DIV/0!
Realized Gross Profit	166,587	41%	146,891	44%	192,617	43%	19,696	13%	(26,030)	-14%
Operating Expenses										
Sales and marketing expenses	(42,355)	-10%	(34,587)	-10%	(52,351)	-12%	(7,768)	22%	9,996	-19%
General and administrative expenses	(16,325)	-4%	(16,617)	-5%	(25,767)	-6%	292	-2%	9,442	-37%
Research and development expenses	(43,921)	-11%	(37,682)	-11%	(46,831)	-11%	(6,239)	17%	2,910	-6%
Total operating expenses	(102,601)	-25%	(88,886)	-26%	(124,949)	-28%				
Operating Income	63,986	16%	58,005	17%	67,668	15%	152,872	-172%	(3,682)	-5%
Non-operating Income										
Interest income	471	0%	813	0%	469	0%	(342)	-42%	2	0%
Investment income recognized under equity method	0	0%	0	0%	3,915	1%	0	#DIV/0!	(3,915)	0%
Dividend income	0	0%	-	0%	0	0%	0	#DIV/0!	0	0%
Gain on sale of investments, net	0	0%	-	0%	179	0%	0	#DIV/0!	(179)	0%
Exchange gain, net	0	0%	0	0%	3,283	-1%	0	#DIV/0!	3,283	-100%
Reversal of bad debt expenses	(22)	0%	58	0%	2,419	1%	(80)	-138%	(2,441)	-101%
Valuation gain on financial assets, net	97	0%	102	0%	(223)	0%	(5)	-5%	320	-143%
Valuation gain on financial liabilities, net	0	0%	0	0%	-	0%	0	0%	0	0%
Miscellaneous income	609	0%	416	0%	229	0%	193	46%	380	166%
Total non-operating income and gains	1,155	0%	1,389	0%	3,705	1%	(234)	-17%	(2,550)	-69%
Non-operating expenses and losses										
Interest expense	0	0%	0	0%	(49)	0%	0	#DIV/0!	49	0%
Investment loss recognized under equity method	(10,405)	-3%	(3,030)	-1%	1,081	0%	(7,375)	0%	(11,486)	100%
Loss on disposal of property, plant and equipment	0	0%	(8)	0%	0	0%	8	-100%	0	200%
Exchange loss, net	4,627	1%	(9,175)	-3%	(2,046)	0%	13,802	0%	6,673	500%
Total non-operating expenses and losses	(5,778)	-1%	(12,213)	-4%	(1,014)	0%	6,435	-53%	(4,764)	470%
Income before income tax	59,363	15%	47,181	14%	70,359	16%	12,182	26%	(10,996)	-16%
Income tax expense (benefit)	(11,829)	-3%	(8,027)	-2%	(5,794)	-1%	(3,802)	47%	(6,035)	104%
Net income	47,534	12%	39,154	12%	64,565	14%	8,380	21%	(17,031)	-26%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.86		0.69		1.04		0.17		(0.18)	
Basic Earnings Per Share After Income Tax	0.69		0.57		0.96		0.12		(0.27)	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

FOR THE SIX MONTHS ENDED June 30,2012 AND FOR THE THREE MONTHS ENDED ,June 30,2012 ,March 31,2012 AND June 30,2011

(In Thousands of New Taiwan Dollars)

	Six Months 2012	Q2 2012	Q1 2012	Q2 2011
Cash flows from operating activities				
Net income	86,688	47,534	39,154	64,565
Depreciation	11,044	5,692	5,352	5,150
Amortization	9,308	5,500	3,808	5,246
Provision(Reversal) for doubtful accounts	(36)	(36)	0	(6,005)
Provision for (Recovery of) loss on inventories	2,349	2,666	(317)	(9,497)
Loss (gain) on sale of investments	0	0	0	(179)
Investment loss (income) recognized under equity method	13,435	10,405	3,030	(4,996)
Loss (Gain) on disposal of property, plant and equipment	8	0	8	18
Valuation loss (gain) on financial instruments	(199)	(97)	(102)	223
Reversal of impairment loss on financial instruments	0	0	0	0
Impairment loss	0	0	0	0
Unrealized gross profit	29,742	4,465	25,277	4,517
Realized gross profit	(26,985)	0	(26,985)	0
Deferred income tax	(3,330)	(1,920)	(1,410)	3,262
Changes in operating assets and liabilities:	(33,948)	(33,948)	0	(84,304)
Financial assets at fair value through profit or loss - current	62,998	62,998	0	99,484
Others	156	(14,500)	14,656	(14,123)
Net cash provided by (used in) operating activities	151,230	88,759	62,471	63,361
Cash flows from investing activities				
Acquisition of investments accounted for by equity method	(47,650)	0	(47,650)	0
Acquisition of property, plant and equipment	(21,912)	(8,011)	(13,901)	(6,697)
Acquisition of Intangible assets	(11,084)	(8,206)	(2,878)	(426)
Decrease (Increase) in other receivables – related parties	(4,259)	8,770	(13,029)	4,596
Others	(227)	(6)	(221)	(2,909)
Net cash used in investing activities	(85,132)	(7,453)	(77,679)	(5,436)
Cash flows from financing activities				
Increase in short-term bills payable	300	365	(65)	(964)
Cash dividends	(157,525)	(157,525)	0	(168,248)
Cash bonus to directors, supervisors and employees	0	0	0	0
Cash paid for acquisition of treasury stock	(25,182)	0	(25,182)	0
Treasury Stock Sold to Employees	0	0	0	0
Others	0	0	0	0
Increase (decrease) in short-term loans	0	0	0	0
Increase (decrease) in guarantee deposits received	0	0	0	0
Net cash used in financing activities	(182,407)	(157,160)	(25,247)	(169,212)
Effect of exchange rate changes				
Net decrease in cash and cash equivalents	(116,309)	(75,854)	(40,455)	(111,287)
Cash and cash equivalents at beginning of period	281,353	240,898	281,353	212,989
Cash and cash equivalents at end of period	165,044	165,044	240,898	101,702