

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

_	June 30,2018		December 31,2017		June 30,2017		QoQ		YoY	
Current assets										
Cash and cash equivalents	\$210,564	17%	\$205,412	17%	\$166,695	15%	\$5,152	3%	\$43,869	26%
Financial assets at fair value through profit or loss - current	21,797	2%	12,121	1%	35,330	3%	9,676	80%	(13,533)	-38%
Current financial assets at cost, net	43,923	4%	0	0%	0	0%	43,923	100%	43,923	100%
Current bond investment without active market, net	0	0%	27,664	2%	29,717	3%	(27,664)	-100%	(29,717)	-100%
Notes receivable, net	1,571	0%	421	0%	1,581	0%	1,150	273%	(10)	-1%
Accounts receivable, net	206,380	17%	261,124	22%	180,642	17%	(54,744)	-21%	25,738	14%
Other receivable	5,733	0%	8,617	1%	5,350	1%	(2,884)	-33%	383	7%
Deferred income tax assets	7,556	1%	7,533	1%	0	0%	23	0%	7,556	100%
Inventories, Net	469,459	39%	422,233	36%	407,959	38%	47,226	11%	61,500	15%
Other current assets	43,027	4%	32,040	3%	42,612	4%	10,987	34%	415	1%
Total current assets	1,010,010	84%	977,165	83%	869,886	81%	32,845	3%	140,124	16%
Long-term investments										
Financial assets carried at cost – noncurrent	0	0%	0	0%	610	0%	0	0%	(610)	-100%
Total long-term investments	0	0%	0	0%	610	0%	0	0%	(610)	-100%
Property, plant and equipment										
Property, plant and equipment	126,400	11%	129,290	11%	134,551	12%	(2,890)	-2%	(8,151)	-6%
Total property, plant and equipment	126,400	11%	129,290	11%	134,551	12%	(2,890)	-2%	(8,151)	-6%
Intangible assets and other assets	67,511	5%	70,542	6%	73,596	7%	(3,031)	-4%	(6,085)	-8%
Total assets	\$1,203,921	100%	\$1,176,997	100%	\$1,078,643	100%	\$26,924	2%	\$125,278	12%
	_		_		_					
LIABILITIES:										
Current liabilities										
Short-term bills payable	\$70,000	6%	\$50,000	4%	\$0	0%	\$20,000	40%	\$70,000	0
Notes payable	10	0%	335	0%	0	0%	(325)	-97%	10	100%
Accounts payable	134,264	11%	117,127	10%	58,852	5%	17,137	15%	75,412	128%
Other payable	112,814	9%	150,002	13%	188,872	18%	(37,188)	-25%	(76,058)	-40%
Income tax payable	4,574	1%	4,574	0%	5,044	1%	0	0%	(470)	-9%
Other current liabilities	14,756	1%	2,057	0%	2,191	0%	12,699	617%	12,565	573%
Total current liabilities	336,418	28%	324,095	27%	254,959	24%	12,323	4%	81,459	32%
Non-current liabilities										
Deferred tax liabilities	632	0%	537	0%	439	0%	95	18%	193	44%
Accrued pension liabilities	16,823	2%	16,822	2%	17,747	2%	1	0%	(924)	-5%
Refundable deposits	16,145	1%	16,145	1%	16,145	1%	0	0%	0	0%
Total non-current liabilities	33,600	3%	33,504	3%	34,331	3%	96	0%	(731)	-2%
Total liabilities	370,018	31%	357,599	30%	289,290	27%	12,419	3%	80,728	28%
SHAREHOLDERS' EQUITY:										
Capital stock	684,891	57%	684,891	58%	684,891	63%	0	0%	0	0%
Capital surplus	1,101	0%	1,101	0%	1,062	0%	0	0%	39	4%
Retained earnings	149,883	12%	135,477	12%	104,884	10%	14,406	11%	44,999	43%
Others-cumulative translation adjustments	(2,410)	0%	(2,808)	0%	(2,093)	0%	398	-14%	(317)	15%
Non-controlling interests	438	0%	737	0%	609	0%	(299)	-41%	(171)	-28%
Total shareholders' equity	833,903	69%	819,398	70%	789,353	73%	14,505	2%	44,550	6%
Total liabilities and shareholders' equity	\$1,203,921	100%	\$1,176,997	100%	\$1,078,643	100%	\$26,924	2%	\$125,278	12%



CIPHERLAB CO.,LTD. Consolidated Condensed Income Statements For the Period Ended June 30,2018 and June 30,2017 (In Thousands of New Taiwan Dollars, Except Per Share Amounts)

Net Sales		June 30,2018		June 30,201	7	YoY		
Cross Profit Capta Capta	Net Sales	\$605,760	100%	\$497,691	100%	\$108,069	22%	
Sales and Marketing Expenses	Cost of Goods Sold	(364,732)	60%	(307,832)	62%	(56,900)	18%	
Sales and Marketing Expenses								
Sales and Marketing Expenses (101,128) 17% (113,055) 2.3% 12,737 1-11% General and Administrative Expenses (34,882) 6% (37,30) 7% 2.418 6-0% Research and Development Expenses (97,128) 16% (132,362) 2.7% 35,234 2.7% Total operating expenses (97,128) 16% (133,362) 2.7% 35,234 2.2% Total operating expenses (97,128) 16% (283,627) 57% 50,389 1.8% Operating Income 7,790 18 (93,768) 19% 10,108 10,109 10 0% 22.8 35% Gain on Disposal of investments, net 0 0% 10 0% 3.09 100 10% 3.09 100 10% 3.09 100 68 3.0% 100 10% 12,010 10% 12,010 4.8% 100 0% 12,31 10% 2.8% 100 0% 12,24 10 0% 12,24 10	_	241,028	40%	189,859	38%	51,169	27%	
General and Administrative Expenses (34,882) 6% (37,300) 7% 2,418 6% Reseanch and Development Expenses (293,238) 16% (123,622) 7% 35,334 2-7% Total operating expenses (233,238) 3% (283,627) 5% 50,389 -18% Operating Income 87 0% (37,700) 7% 50,389 -18% Non-operating Income 875 0% 647 0% 22.8 35% Gain on Disposal of investments, net 0 0% 647 0% 22.8 35% Gain on Disposal of investments, net 3,929 1% 0 0 3,929 100% Exchange gain, net 3,929 1% 0 0 3,929 100% Miscellanceus income 3,03 50 689 0% 26,189 5.6% Miscellanceus income 3,03 50 1,289 0 3,243 174 Exchange Jamine development income and gains 5,152 0% <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Research and Development Expenses								
Total operating expenses (233,238) 39% (283,627) 57% 50,389 1.8% Operating Income 700 1% 03,768 19% 50,389 1.8% Non-operating Income 875 0% 647 0% 228 35% Gain on Diffusion of investments, net 0 0% 10 0% 3,929 100 Exchange gain, net 3,929 1% 0 0 3,929 100 Gain on financial asset at fair value through profit or loss 225 0% 689 0% 6161 3,98 Miscellaneous income 73 0% 689 0% 610 3,98 1,748 Miscellaneous income 30 0% 18,59 0% 3,243 1748 William for poperating expenses and losses 55 0% 12,947 2% 12,947 100% Financi Cost 55 0% (13,005) 2% 12,512 1,752 1,752 1,752 1,752 1,752 1	1							
Non-operating Income								
Non-operating Income		\ / /						
Interest income	-	7,790	1%	(93,768)	19%	101,558	-108%	
Gain on Disposal of investments, net 0 0% 10 0% 1,00% 1,00% 1,00% 1,00% 1,00% 3,929 1,00% 3,929 1,00% 3,929 1,00% 3,929 1,00% 3,929 1,00% 3,929 1,00% 3,929 1,00% 6,689 0% (2,88) 5,66% Miscellaneous income and gains 5,102 1% 1,859 0% (3,243 1,74% <td>1 0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	1 0							
Exchange gain, net 3,929 1% 0 0% 3,929 100% Gain on financial asset at fair value through profit or loss 225 0% 513 0% (288) -56% Miscellaneous income 73 0% 689 0% (616) -89% Total non-operating income and gains 5,102 1% 1,859 0% 3,243 174% Non-operating expenses and losses 0 0% (12,947) 2% 12,947 -100% Financial Cost (554) 0% (13,005) 2% 12,947 -100% Financial Cost (554) 0% (13,005) 2% 12,947 -100% Income before income tax 12,338 2% (104,914) 2½ 117,252 -112% Income tax expense (benefit) (316) 0% 18,609 4% (18,925) -102% Net income 1 2,322 2% (86,305) 1% 98,327 -114% Items not to be reclassified related income tax <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Gain on financial asset at fair value through profit or loss 225 0% 513 0% (288) -56% Miscellaneous income 73 0% 689 0% (616) -89% Total non-operating income and gains 5,102 1% 1,859 0% 3,243 174% Non-operating expenses and losses 5,102 1% 1,859 0% 3,243 174% Exchange loss, net 0 0% (12,947) 2% 12,947 -100% Financial Cost (554) 0% (58) 0% 496 855% Total non-operating expenses and losses (554) 0% (13,005) 2% 12,451 -96% Income tax (316) 0% 18,609 4% (18,925) -112% Income tax expense (benefit) (316) 0% 18,609 4% (18,925) -112% Items not to be reclassified related income tax (95) 0% 0 0% (95) 100% Items not to be reclassified related inco	•					` /		
Miscellaneous income 73 0% 689 0% 6161 8998 Total non-operating income and gains 5,102 1% 1,859 0% 3,243 174% Non-operating expenses and losses 5,102 0% (12,947) 2% 12,947 1,00% Exchange loss, net 0 0% (13,005) 2% 12,451 -968 Financial Cost (554) 0% (13,005) 2% 12,451 -968 Income before income tax 12,338 2% (104,914) 21% 117,252 -112% Income tax expense (benefit) (316) 0% 18,609 4% (18,925) -112% Net income 12,022 2% (86,305) 1% 98,327 -114% Other comprehensive income 1 2,022 2% (86,305) 1% 98,327 -114% Items not to be reclassified related income tax (95) 0% 0 0 0 95 100% Items will be reclassified rel						,		
Non-operating expenses and losses Since						` '		
Non-operating expenses and losses 0 0 0% (12,947 2% 12,947 -100% 15,040 -100% 15,040 -100% 12,047 -100% 12,047 -100% 12,047 -100% 13,005 -100% 13,005 -2% 12,451 -96% 10,000 -100% -10								
Exchange loss, net 0		5,102	1%	1,859	0%	3,243	174%	
Financial Cost (554) 0% (58) 0% (496) 855% Total non-operating expenses and losses (554) 0% (13,005) 2% 12,451 -96% Income before income tax 12,338 2% (104,914) 21% 117,252 -112% Income tax expense (benefit) (316) 0% 18,609 4% (18,925) -102% Net income 12,022 2% (86,305) 17% 98,327 -114% Other comprehensive income Items not to be reclassified into profit or loss 1 0% 0 0% (95) 10% Items not to be reclassified related income tax (95) 0% 0 0% (95) 10% Items will be reclassified into profit or loss Exchange differences on translation 3,096 0% (4,416) 1% 7,512 -170% Items will be reclassified related income tax (518) 0% 3,665 1% 61,488 -168% Other comprehensive income, net 2,483 <t< td=""><td></td><td>_</td><td></td><td></td><td></td><td></td><td></td></t<>		_						
Total non-operating expenses and losses						,		
Income before income tax 12,338 2% (104,914) 21% 117,252 -112% 117,000 118,000 118,600 4% (118,925) -102% 118,000 118,600 11								
Net income tax expense (benefit) (316) 0% 18,609 4% (18,925) -102% Net income 12,022 2% (86,305) 17% 98,327 -114% 12,022 2% (86,305) 17% 98,327 -114% 14 %								
Net income 12,022 2% (86,305) 17% 98,327 -114% Other comprehensive income Items not to be reclassified into profit or loss Items not to be reclassified related income tax (95) 0% 0 0% (95) 100% Items will be reclassified into profit or loss Exchange differences on translation 3,096 0% (4,416) 1% 7,512 -170% Items will be reclassified related income tax (518) 0% 751 0% (1,269) -169% Other comprehensive income, net 2,483 0% 3,665 1% 6,148 -168% Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to: Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (\$70) 0% 271 Comprehensive income attributable to. \$14,804 2% <t< td=""><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	-							
Other comprehensive income Items not to be reclassified into profit or loss (95) 0% 0 0 0% (95) 100% Items mot to be reclassified related income tax (95) 0% 0 0 0% (95) 100% Items will be reclassified into profit or loss Exchange differences on translation 3,096 0% (4,416) 1% 7,512 -170% Items will be reclassified related income tax (518) 0% 751 0% (1,269) -169% Other comprehensive income, net 2,483 0% (3,665) 1% 6,148 -168% Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to: Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (\$86,305) 17% \$98,327 \$98,056 Comprehensive income attributable to: \$14,804 2% (\$89,400) 18% \$104,204 \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (589,900) 18% \$104,405 \$104,404 Earnings Per Share \$14,505 2% (\$89,900) 18% \$104,475 \$1.43	1 ' /							
Items not to be reclassified into profit or loss 100%	Net income =	12,022	2%	(86,305)	17%	98,327	-114%	
Items not to be reclassified related income tax (95) (0%) (0 0 0%) (95) (100%)								
Exchange differences on translation 3,096 0% (4,416) 1% 7,512 -170% Items will be reclassified related income tax (518) 0% 751 0% (1,269) -169% Other comprehensive income, net 2,483 0% (3,665) 1% 6,148 -168% Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to: Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 Fomprehensive income attributable to: Comprehensive income attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	1							
Exchange differences on translation 3,096 0% (4,416) 1% 7,512 -170% Items will be reclassified related income tax (518) 0% 751 0% (1,269) -169% Other comprehensive income, net 2,483 0% (3,665) 1% 6,148 -168% Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to: Profit (loss), attributable to owners of parent (loss), attributable to non-controlling interests \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 Comprehensive income attributable to: \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 Comprehensive income, attributable to non-controlling interests (299) 0% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-contr		(95)	0%	0	0%	(95)	100%	
Rems will be reclassified related income tax (518) 0% 751 0% (1,269) -169%								
Other comprehensive income, net 2,483 0% (3,665) 1% 6,148 -168% Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to: Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 Comprehensive income attributable to: Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 Earnings Per Share \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43		3,096	0%	` ' '		*		
Total comprehensive income \$14,505 2% (\$89,970) 18% \$104,475 -116% Profit (loss), attributable to:	Items will be reclassified related income tax	(518)		751				
Profit (loss), attributable to: Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 S12,022 2% (\$86,305) 17% \$98,327 Comprehensive income attributable to: Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 Earnings Per Share \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share \$0.18 (\$1.25) \$1.43	<u> </u>							
Profit (loss), attributable to owners of parent \$12,321 2% (\$85,735) 17% \$98,056 Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 \$12,022 2% (\$86,305) 17% \$98,327 Comprehensive income attributable to: Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Total comprehensive income	\$14,505	2%	(\$89,970)	18%	\$104,475	-116%	
Profit (loss), attributable to non-controlling interests (299) 0% (570) 0% 271 \$12,022 2% (\$86,305) 17% \$98,327 Comprehensive income attributable to: Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Profit (loss), attributable to:							
\$12,022 2% (\$86,305) 17% \$98,327	* **	\$12,321	2%	(\$85,735)	17%	\$98,056		
Comprehensive income attributable to: Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Profit (loss), attributable to non-controlling interests	(299)	0%	(570)	0%	271		
Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43		\$12,022	2%	(\$86,305)	17%	\$98,327		
Comprehensive income, attributable to owners of parent \$14,804 2% (\$89,400) 18% \$104,204 Comprehensive income, attributable to non-controlling interests (299) 0% (570) 0% 271 \$14,505 2% (\$89,970) 18% \$104,475 Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Comprehensive income attributable to:							
Earnings Per Share \$0.18 \$1.4505 2% (\$89,970) 18% \$104,475 Earnings Per Share \$0.18 (\$1.25) \$1.43	•	\$14,804	2%	(\$89,400)	18%	\$104,204		
Earnings Per Share Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Comprehensive income, attributable to non-controlling interests	(299)	0%	(570)	0%	271		
Basic Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43		\$14,505	2%	(\$89,970)	18%	\$104,475		
	Earnings Per Share							
Diluted Earnings Per Share After Income Tax \$0.18 (\$1.25) \$1.43	Basic Earnings Per Share After Income Tax			(\$1.25)		\$1.43		
	Diluted Earnings Per Share After Income Tax	\$0.18		(\$1.25)	_	\$1.43		



CIPHERLAB CO.,LTD. Consolidated Condensed Income Statements For the Quarterly Period Ended June 30,2018, March 31,2018 and June 30,2017 (In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2Q 2018 1Q 2018		2Q 2017		QoQ		YoY			
Net Sales	\$311,127	100%	\$294,633	100%	\$263,280	100%	\$16,494	6%	\$47,847	18%
Cost of Goods Sold	(189,692)	-61%	(175,040)	-59%	(163,228)	-62%	(14,652)	8%	(26,464)	16%
Gross Profit	121,435	39%	119,593	41%	100,052	38%	1,842	2%	21,383	21%
Operating Expenses										<u>.</u>
Sales and Marketing Expenses	(46,726)	-15%	(54,502)	-18%	(62,431)	-23%	7,776	-14%	15,705	-25%
General and Administrative Expenses	(17,888)	-6%	(16,994)	-6%	(18,340)	-7%	(894)	5%	452	-2%
Research and Development Expenses	(51,668)	-16%	(45,460)	-16%	(59,832)	-23%	(6,208)	14%	8,164	-14%
Total operating expenses	(116,282)	-37%	(116,956)	-40%	(140,603)	-53%	674	-1%	24,321	-17%
Operating Income	5,153	2%	2,637	1%	(40,551)	-15%	2,516	95%	45,704	-113%
Non-operating Income										
Interest income	440	0%	435	0%	332	0%	5	1%	108	33%
Gain on Disposal of investments, net	0	0%	0	0%	10	0%	0	0%	(10)	-100%
Exchange gain, net	5,501	2%	0	0%	1,686	1%	5,501	#DIV/0!	3,815	226%
Gain on financial asset at fair value method	138	0%	87	0%	510	0%	51	59%	(372)	-73%
Miscellaneous income	16	0%	57	0%	595	0%	(41)	-72%	(579)	-97%
Total non-operating income and gains	6,095	2%	579	0%	3,133	1%	5,516	953%	2,962	95%
Non-operating expenses and losses										
Exchange loss, net	0	0%	(1,572)	-1%	0	0%	1,572	100%	0	0%
Financial Cost	(302)	0%	(252)	0%	(38)	0%	(50)	20%	(264)	695%
Total non-operating expenses and losses	(302)	0%	(1,824)	-1%	(38)	0%	1,522	-83%	(264)	695%
Income before income tax	10,946	4%	1,392	0%	(37,456)	-14%	9,554	686%	48,402	-129%
Income tax expense (benefit)	416	0%	(732)	0%	5,782	2%	1,148	-157%	(5,366)	-93%
Net income	11,362	4%	660	0%	(31,674)	-12%	10,702	1622%	43,036	-136%
Other comprehensive income										
Items not to be reclassified into profit or loss										
Items not to be reclassified related income tax	(95)	0%	0	0%	0	0%	(95)	#DIV/0!	(95)	100%
Items will be reclassified into profit or loss										
Exchange differences on translation	4,047	1%	(951)	0%	2,047	1%	4,998	-526%	2,000	98%
Items will be reclassified related income tax	(708)	0%	190	0%	(348)	0%	(898)	-473%	(360)	103%
Other comprehensive income, net	3,244	1%	(761)	0%	1,699	1%	4,005	-526%	1,545	91%
Total comprehensive income	\$14,606	5%	(\$101)	0%	(\$29,975)	-11%	\$14,707	-14561%	\$44,581	-149%
Profit (loss), attributable to:										
Profit (loss), attributable to owners of parent	\$11,494	4%	\$827	0%	(\$31,412)	12%	\$10,667		\$42,906	
Profit (loss), attributable to non-controlling interests	(132)	0%	(167)	0%	(262)	0%	35		130	
	\$11,362	4%	\$660	0%	(\$31,674)	12%	\$10,702	-	\$43,036	
Comprehensive income attributable to:								=		
Comprehensive income, attributable to owners of parent	\$14,738	5%	\$66	0%	(\$29,713)	11%	\$14,672		\$44,451	
Comprehensive income, attributable to non-controlling interests	(132)	0%	(167)	0%	(262)	0%	35		130	
	\$14,606	5%	(\$101)	0%	(\$29,975)	11%	\$14,707	-	\$44,581	
Earnings Per Share								:		
Basic Earnings Per Share After Income Tax	\$0.17		\$0.01		(\$0.46)		\$0.16	_	\$0.63	
Diluted Earnings Per Share After Income Tax	\$0.17		\$0.01		(\$0.46)		\$0.16	=	\$0.63	
								-		



CIPHERLAB CO.,LTD.

Consolidated Statements of Cash Flows For the Period Ended June 30,2018 and 2017 (In Thousands of New Taiwan Dollars)

	June 30,2018	June 30,2017
Cash flows from operating activities		_
Net income	\$12,338	(\$104,914)
Adjustments for:		
Provision(Reversal) for doubtful accounts	(10,278)	2,044
Depreciation	11,234	15,000
Amortization	2,260	2,876
Loss (gain) on available-for-sale financial assets	(225)	(513)
Interest revenue	(875)	(647)
Financial Cost	554	58
Loss (gain) on disposal of Investment	0	(10)
Loss on market price decline and obsolete and slow-moving inventories	1,750	15,066
Unrealized foreign exchange loss (gain)	(878)	2,265
Decrease (increase) in available-for-sale financial assets	0	(14,798)
Decrease (increase) in financial asset at fair value through profit or loss	(9,451)	0
Decrease (increase) in notes receivable	(1,150)	2,128
Decrease (increase) in accounts receivable	70,109	167
Decrease (increase) in other receivables	2,976	(1,081)
Decrease (increase) in inventories	(47,634)	(13,202)
Decrease (increase) in other current assets	(10,980)	1,722
Decrease (increase) in notes payable	10	0
Decrease (increase) in accounts payable	14,994	(19,510)
Decrease (increase) in other accounts payables	(37,975)	(26,939)
Decrease (increase) in other current liabilities	12,699	(552)
Decrease (increase) in net defined benefit liability	1	(2)
Interest received	783	552
Income tax paid	(23)	(4,296)
Net cash provided by (used in) operating activities	10,239	(144,586)
Cash flows from investing activities		
Financial assets at amortized cost	(16,259)	0
Acquisition of bond investments without active market	0	(15,717)
Loss (gain) on disposal of financial assets carried at cost	0	10
Acquisition of property, plant and equipment	(4,409)	(5,045)
Acquisition of Intangible assets	(2,271)	(1,015)
Decrease (increase) in other financial assets	(7)	(6)
Decrease (increase) in other non-current assets	(2,172)	(13,142)
Net cash used in investing activities	(25,118)	(34,915)
Cash flows from financing activities		
Short-term Loan	20,000	0
Interest Expense	(557)	(58)
Increase (decrease) in non-controlling interests	0	1,000
Net cash used in financing activities	19,443	942
Effect of exchange rate changes	588	(692)
Net decrease in cash and cash equivalents	5,152	(179,251)
Cash and cash equivalents at Beginning of Period	205,412	345,946
Cash and cash equivalents at End of Period	\$210,564	\$166,695
Cash and cash equitates at Lite Of I CHOR	Ψ210,304	Ψ100,073