



CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Code	Accounting Title	2019/6/30	2018/12/31	2018/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	\$173,453	\$214,986	\$210,564
1110	Current financial assets at fair value through profit or loss	0	0	21,797
1136	Current financial assets at amortised cost	40,662	40,278	43,923
1150	Notes receivable, net	2,034	166	1,571
1170	Accounts receivable, net	229,505	342,539	206,380
1200	Other receivables	4,823	12,460	5,733
1220	Current tax assets	7,572	7,564	7,556
130X	Current inventories	464,134	495,925	469,459
1470	Other current assets	38,696	30,656	43,027
11XX	Total current assets	960,879	1,144,574	1,010,010
	Non-current assets			
1600	Property, plant and equipment	143,641	129,872	126,400
1755	Right-of-use assets	19,845	0	0
1780	Intangible assets	6,643	7,073	4,001
1840	Deferred tax assets	53,392	46,803	51,629
1900	Other non-current assets	9,690	14,101	11,881
15XX	Total non-current assets	233,211	197,849	193,911
1XXX	Total assets	\$1,194,090	\$1,342,423	\$1,203,921
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	\$50,000	\$90,000	\$70,000
2150	Notes payable	10	0	10
2170	Accounts payable	88,024	137,671	134,264
2200	Other payables	176,449	188,049	112,814
2230	Current tax liabilities	0	7,326	4,574
2280	Current lease liabilities	18,916	0	0
2300	Other current liabilities	7,189	8,905	14,756
21XX	Total current liabilities	340,588	431,951	336,418
	Non-current liabilities			
2570	Deferred tax liabilities	846	696	632
2580	Non-current lease liabilities	993	0	0
2600	Other non-current liabilities	32,225	32,225	32,968
25XX	Total non-current liabilities	34,064	32,921	33,600
2XXX	Total liabilities	374,652	464,872	370,018
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	684,891	684,891	684,891
	Capital surplus			
3210	Capital surplus, additional paid-in capital	1,131	1,131	1,101
	Retained earnings			
3310	Legal reserve	141,133	135,477	135,477
3320	Special reserve	3,062	0	0
3350	Unappropriated retained earnings (accumulated deficit)	(9,753)	58,897	14,406
3300	Total retained earnings	134,442	194,374	149,883
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	602	(882)	(230)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(2,180)	(2,180)	(2,180)
3400	Total other equity interest	(1,578)	(3,062)	(2,410)
31XX	Total equity attributable to owners of parent	818,886	877,334	833,465
36XX	Non-controlling interests	552	217	438
3XXX	Total equity	819,438	877,551	833,903
3X2X	Total liabilities and equity	\$1,194,090	\$1,342,423	\$1,203,921
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	0	0	0

CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounting Title	2019/4/1To6/30	2018/4/1To6/30	2019/1/1To6/30	2018/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	\$335,552	\$305,851	\$612,809	\$595,384
	Service revenue				
4600	Total service revenue	8,274	5,276	14,720	10,376
4000	Total operating revenue	343,826	311,127	627,529	605,760
	Operating costs				
	Cost of sales				
5110	Total cost of sales	204,504	189,071	373,443	363,565
	Cost of services				
5600	Total cost of services	830	621	1,591	1,167
5000	Total operating costs	205,334	189,692	375,034	364,732
5900	Gross profit (loss) from operations	138,492	121,435	252,495	241,028
	Operating expenses				
6100	Selling expenses	58,627	57,270	116,276	111,506
6200	Administrative expenses	17,037	17,888	36,152	34,882
6300	Research and development expenses	62,041	51,668	117,699	97,128
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	301	(10,544)	1,044	(10,278)
6000	Total operating expenses	138,006	116,282	271,171	233,238
6900	Net operating income (loss)	486	5,153	(18,676)	7,790
	Non-operating income and expenses				
	Other income				
7010	Total other income	598	456	1,061	948
	Other gains and losses				
7020	Other gains and losses, net	(445)	5,639	1,995	4,154
	Finance costs				
7050	Finance costs, net	336	302	752	554
7000	Total non-operating income and expenses	(183)	5,793	2,304	4,548
7900	Profit (loss) from continuing operations before tax	303	10,946	(16,372)	12,338
	Tax expense (income)				
7950	Total tax expense (income)	(3,450)	(416)	(6,772)	316
8000	Profit (loss) from continuing operations	3,753	11,362	(9,600)	12,022
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	95	0	95
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	(95)	0	(95)
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	375	4,047	1,855	3,096
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	75	708	371	518
8360	Components of other comprehensive income that will be reclassified to profit or loss	300	3,339	1,484	2,578
8300	Other comprehensive income, net	300	3,244	1,484	2,483
8500	Total comprehensive income	\$4,053	\$14,606	(\$8,116)	\$14,505
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$3,910	\$11,494	(\$9,378)	\$12,321
8620	Profit (loss), attributable to non-controlling interests	(157)	(132)	(222)	(299)
		\$3,753	\$11,362	(\$9,600)	\$12,022
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$4,210	\$14,738	(\$7,894)	\$14,804
8720	Comprehensive income, attributable to non-controlling interests	(157)	(132)	(222)	(299)
		\$4,053	\$14,606	(\$8,116)	\$14,505
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	\$0.06	\$0.17	(\$0.14)	\$0.18
9750	Total basic earnings per share	\$0.06	\$0.17	(\$0.14)	\$0.18
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	\$0.06	\$0.17	(\$0.14)	\$0.18
9850	Total diluted earnings per share	\$0.06	\$0.17	(\$0.14)	\$0.18



CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code	Accounting Title	2019/1/1To6/30	2018/1/1To6/30
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	(\$16,372)	\$12,338
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	26,690	11,234
A20200	Amortization expense	1,720	2,260
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,044	(10,278)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	0	(225)
A20900	Interest expense	752	554
A21200	Interest income	(777)	(875)
A23700	Impairment loss on non-financial assets	0	1,750
A24100	Unrealized foreign exchange loss (gain)	(53)	(878)
A20010	Total adjustments to reconcile profit (loss)	29,376	3,542
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	0	(9,451)
A31130	Decrease (increase) in notes receivable	(1,868)	(1,150)
A31150	Decrease (increase) in accounts receivable	113,192	70,109
A31180	Decrease (increase) in other receivable	7,663	2,976
A31200	Decrease (increase) in inventories	33,417	(47,634)
A31240	Decrease (increase) in other current assets	(8,034)	(10,980)
A31000	Total changes in operating assets	144,370	3,870
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	10	10
A32150	Increase (decrease) in accounts payable	(49,931)	14,994
A32180	Increase (decrease) in other payable	(66,304)	(37,975)
A32230	Increase (decrease) in other current liabilities	(1,716)	12,699
A32240	Increase (decrease) in net defined benefit liability	0	1
A32000	Total changes in operating liabilities	(117,941)	(10,271)
A30000	Total changes in operating assets and liabilities	26,429	(6,401)
A20000	Total adjustments	55,805	(2,859)
A33000	Cash inflow (outflow) generated from operations	39,433	9,479
A33100	Interest received	751	783
A33500	Income taxes refund (paid)	(7,343)	(23)
AAAA	Net cash flows from (used in) operating activities	32,841	10,239
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	0	(16,259)
B02700	Acquisition of property, plant and equipment	(8,754)	(4,409)
B04500	Acquisition of intangible assets	(1,289)	(2,271)
B06500	Increase in other financial assets	(6)	(7)
B06700	Increase in other non-current assets	(7,746)	(2,172)
BBBB	Net cash flows from (used in) investing activities	(17,795)	(25,118)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	20,000
C00200	Decrease in short-term loans	(40,000)	0
C04020	Payments of lease liabilities	(14,786)	0
C05600	Interest paid	(754)	(557)
CCCC	Net cash flows from (used in) financing activities	(55,540)	19,443
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,039)	588
EEEE	Net increase (decrease) in cash and cash equivalents	(41,533)	5,152
E00100	Cash and cash equivalents at beginning of period	214,986	205,412
E00200	Cash and cash equivalents at end of period	\$173,453	\$210,564
E00210	Cash and cash equivalents reported in the statement of financial position	\$173,453	\$210,564