



CIPHERLAB CO.,LTD.
 Unaudited Condensed Balance Sheets (Unconsolidated)
 March 31,2008 AND 2007
 (In Thousands of New Taiwan Dollars)

ASSETS	March 31,2008		March 31,2007		LIABILITIES AND SHAREHOLDERS' EQUITY	March 31,2008		March 31,2007	
Current assets					LIABILITIES :				
Cash and Cash Equivalents	538,902	32%	505,214	28%	Current Liabilities				
Financial Assets at Fair Value through Profit or Loss	342,649	20%	382,558	22%	Short-term Loan	-	0%	7,408	0%
Notes Receivable, Net	1,161	0%	9,188	1%	Financial liabilities at fair value through profit or loss - current	438	0%	0	0%
Accounts Receivable, Net	175,408	10%	205,242	12%	Notes Payable	1,043	0%	47,634	3%
Accounts Receivable – related parties, Net	92,281	5%	124,051	7%	Accounts Payable	83,585	5%	138,158	8%
Other receivables – related parties, Net	14,083	1%	32,475	2%	Income Tax Payable	62,016	4%	72,789	4%
Inventories-, Net	254,379	15%	272,604	15%	Accrued Expenses	92,977	6%	83,822	5%
Other Current Assets	64,915	4%	58,199	3%	Other Current Liabilities	22,225	1%	4,129	0%
Total Current Assets	1,483,778	88%	1,589,531	90%	Total Current Liabilities	262,284	16%	353,940	20%
Long-term Equity Investments					Other Liabilities	58,125	3%	61,089	3%
Financial Assets Carried at Cost - concurrent	21,726	1%	15,726	1%	Total Liabilities	320,409	20%	415,029	23%
Long-term Equity Investments	0	0%	7,622	0%					
Advance payments for investments	4,854	0%	0	0%	SHAREHOLDERS' EQUITY :				
Total Long-term Equity Investments	26,580	2%	23,348	1%	Capital Stock	709,811	42%	709,811	40%
Property, Plant and Equipment					Capital Surplus	1,101	0%	1,101	0%
Property, Plant and Equipment	261,810	16%	241,046	14%	Retained Earnings	645,077	38%	647,740	37%
Less : Accumulated depreciation	(136,548)	-8%	(118,962)	-7%	Others-Cumulative Translation Adjustments	2,046	0%	(892)	0%
Less : Accumulated impairment loss	(5,170)	0%	(5,170)	0%	Total Shareholders' Equity	1,358,035	81%	1,357,760	77%
construction in progress and prepayments for equipment	6,392	0%	2,281	0%					
Property, Plant and Equipment, Net	126,484	7%	119,195	7%					
Other assets	41,602	2%	40,715	2%					
TOTAL ASSETS	1,678,444	100%	1,772,789	100%	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,678,444	100%	1,772,789	100%



CIPHERLAB CO.,LTD.

Unaudited Condensed Income Statements (Unconsolidated)
For the Three Months ended March 31, 2008 and March 31, 2007
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	March 31,2008		March 31,2007	
Net Sales	308,468	100%	389,558	100%
Cost of Goods Sold	(138,461)	-45%	(165,865)	-43%
Gross Profit	170,007	55%	223,693	57%
Unrealized Profit	(40,317)	-13%	(44,334)	-11%
Realized Profit	50,085	16%	38,751	10%
Operating Expenses	(60,369)	-20%	(69,259)	-18%
Sales and Marketing Expenses	(26,254)	-9%	(24,555)	-6%
General and Administrative Expenses	(17,590)	-6%	(24,482)	-6%
Research and Development Expenses	(16,525)	-5%	(20,222)	-5%
Operating Income	119,406	39%	148,851	38%
Nonoperating Income	16,380	5%	18,314	5%
Interest income	2,353	1%	1,883	0%
Valuation gain on financial assets, net	0	0%	9,435	2%
Reversal of Bad Debt Expenses	9,144	3%	0	0%
Exchange gain, net	0	0%	6,816	2%
Reversal of loss on inventories	4,784	2%	0	0%
Miscellaneous income	99	0%	180	0%
Nonoperating Expenses and Losses	(62,510)	-20%	(13,897)	-4%
Interest expense	0	0%	(95)	0%
Valuation loss on financial assets, net	(11,880)	-4%	0	0%
Valuation loss on financial liabilities, net	(438)	0%	0	0%
Investment loss recognized under equity method	(14,071)	-5%	(4,804)	-1%
Loss on sale of investments, net	(16,582)	-5%	(940)	0%
Exchange loss, net	(19,539)	-6%	0	0%
Provision for loss on inventories	0	0%	(8,058)	-2%
Income Before Income Tax	73,276	24%	153,268	39%
Income Tax	(19,300)	-6%	(35,000)	-9%
Net Income	53,976	17%	118,268	30%
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Consolidated Earnings Per Share				
Basic Earnings Per Share	1.03	0.76	2.16	1.67



CIPHERLAB CO.,LTD.

Unaudited Condensed Statement of Cash Flows (Unconsolidated)

For the Three Months ended March 31, 2008 and March 31, 2007

(In Thousands of New Taiwan Dollars)

	March 31,2008	March 31,2007
Cash Flows from Operating Activities :		
Net Income	53,976	118,268
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :		
Valuation loss (gain) on financial assets and liability	12,318	(9,435)
Loss on sale of investments	16,582	940
Loss on Decline in Market Value of inventories	(4,784)	8,058
Investment Loss Recognized by Equity Method	14,071	4,804
Depreciation	4,941	4,761
Amortization	1,482	352
Bad Debt Expenses(Reversal)	(9,144)	8,855
Net changes in operating assets and liabilities		
Financial Assets at Fair Value through Profit or Loss	5,765	(21,024)
Changes in Others assets and liabilities	108,454	(4,018)
Net Cash Provided from Operating Activities	<u>203,661</u>	<u>111,561</u>
Cash Flows from Investing Activities :		
Increase in Advance payments for investments	(6,469)	-
Acquisition of Properties, Plant and Equipment	(9,952)	(2,509)
Increase in Others	(1,745)	(7,887)
Net Cash Used by Investing Activities	<u>(18,166)</u>	<u>(10,396)</u>
Cash Flows from Financing Activities :		
Decrease in Short-term Loans	0	(9,968)
Net Cash Used by Financing Activities	<u>0</u>	<u>(9,968)</u>
Net Decrease in Cash and Cash Equivalents	185,495	91,197
Cash and Cash Equivalents at Beginning of Period	353,407	414,017
Cash and Cash Equivalents at End of Period	<u>538,902</u>	<u>505,214</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	<u>0</u>	<u>100</u>
Cash Paid for Income Tax	<u>2,164</u>	<u>328</u>
Investing activities affecting both cash and non-cash items		
Acquisition of Properties, Plant and Equipment	9,735	2,509
Increase in payable for equipment purchased	217	0
	<u>9,952</u>	<u>2,509</u>
Non-cash investing and financing activities		
Changes in Cumulative Translation Adjustment	<u>2,602</u>	<u>152</u>