

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

Code	Accounting Title	2022/6/30	2021/12/31	2021/6/30
<b>Assets</b>				
	Current assets			
1100	Cash and cash equivalents	150,397	189,779	134,353
1150	Notes receivable, net	2,004	1,483	1,397
1170	Accounts receivable, net	233,690	237,640	261,819
1200	Other receivables	7,698	29,988	9,299
1220	Current tax assets	0	0	7,534
130X	Current inventories	611,968	572,869	505,863
1470	Other current assets	67,610	27,460	46,241
1476	Other current financial assets	1,500	1,500	1,391
1479	Other current assets, others	66,110	25,960	44,850
11XX	Total current assets	1,073,367	1,059,219	966,506
	Non-current assets			
1600	Property, plant and equipment	112,486	121,901	131,041
1755	Right-of-use assets	61,369	32,866	41,742
1780	Intangible assets	13,256	15,420	8,945
1840	Deferred tax assets	73,533	77,750	76,270
1900	Other non-current assets	9,004	10,562	14,591
1990	Other non-current assets, others	9,004	10,562	14,591
15XX	Total non-current assets	269,648	258,499	272,589
1XXX	Total assets	1,343,015	1,317,718	1,239,095
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
	Current liabilities			
2100	Current borrowings	233,000	182,341	141,000
2150	Notes payable	0	125	0
2170	Accounts payable	85,968	133,417	149,468
2200	Other payables	91,008	114,332	76,496
2219	Other payables, others	91,008	114,332	76,496
2230	Current tax liabilities	0	2,438	0
2280	Current lease liabilities	20,317	10,374	19,235
2300	Other current liabilities	37,326	29,242	20,170
2320	Long-term liabilities, current portion	2,805	7,505	6,463
2399	Other current liabilities, others	34,521	21,737	13,707
21XX	Total current liabilities	467,619	472,269	406,369

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	Non-current liabilities			
2540	Non-current portion of non-current borrowings	4,901	4,785	8,537
2570	Deferred tax liabilities	3,515	2,575	2,130
2580	Non-current lease liabilities	43,614	24,537	24,214
2600	Other non-current liabilities	43,277	27,732	22,922
2640	Net defined benefit liability, non-current	11,592	11,597	13,434
2670	Other non-current liabilities, others	31,685	16,135	9,488
25XX	Total non-current liabilities	95,307	59,629	57,803
2XXX	Total liabilities	562,926	531,898	464,172
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	684,891	684,891	684,891
3100	Total Share Capital	684,891	684,891	684,891
	Capital surplus			
3210	Capital surplus, additional paid-in capital	1,151	1,151	1,144
3200	Total capital surplus	1,151	1,151	1,144
	Retained earnings			
3310	Legal reserve	74,587	70,936	133,053
3320	Special reserve	11,508	3,062	3,062
3350	Unappropriated retained earnings (accumulated deficit)	11,938	36,507	-36,998
3300	Total retained earnings	98,033	110,505	99,117
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	-2,066	-9,328	-9,019
3420	Unrealised gains (losses) from financial assets measured at fair value	-2,180	-2,180	-2,180
3400	Total other equity interest	-4,246	-11,508	-11,199
31XX	Total equity attributable to owners of parent	779,829	785,039	773,953
36XX	Non-controlling interests	260	781	970
3XXX	Total equity	780,089	785,820	774,923
3X2X	Total liabilities and equity	1,343,015	1,317,718	1,239,095
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)

Statement of Comprehensive Income					
Code	Accounting Title	2022/4/1To6/30	2021/4/1To6/30	2022/1/1To6/30	2021/1/1To6/30
	Operating revenue				
4100	Net sales revenue				
	Net sales revenue	304,388	325,425	572,593	638,243
4600	Service revenue				
	Total service revenue	4,136	8,699	7,265	16,681
4000	Total operating revenue	308,524	334,124	579,858	654,924
	Operating costs				
5110	Cost of sales				
	Total cost of sales	192,557	219,827	358,983	401,145
5600	Cost of services				
	Total cost of services	503	836	994	1,938
5000	Total operating costs	193,060	220,663	359,977	403,083
5900	Gross profit (loss) from operations	115,464	113,461	219,881	251,841
5950	Gross profit (loss) from operations	115,464	113,461	219,881	251,841
	Operating expenses				
6100	Selling expenses	56,481	53,653	106,207	109,848
6200	Administrative expenses	13,354	17,544	34,318	35,468
6300	Research and development expenses	38,761	36,695	72,608	74,304
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-67	2,742	-1,324	2,214
6000	Total operating expenses	108,529	110,634	211,809	221,834
6900	Net operating income (loss)	6,935	2,827	8,072	30,007
	Non-operating income and expenses				
7100	Interest income				
	Total interest income	72	118	113	226
7010	Other income				
	Total other income	332	318	449	4,592
7020	Other gains and losses				
	Other gains and losses, net	3,800	-2,062	8,073	-2,061
7050	Finance costs				
	Finance costs, net	1,249	821	2220	1609
7000	Total non-operating income and expenses	2,955	-2,447	6,415	1,148
7900	Profit (loss) from continuing operations before tax	9,890	380	14,487	31,155

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	Tax expense (income)				
7950	Total tax expense (income)	2,550	116	3,509	5,308
8000	Profit (loss) from continuing operations	7,340	264	10,978	25,847
8200	Profit (loss)	7,340	264	10,978	25,847
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit				
8361	Exchange differences on translation	3,484	-2,749	9,078	-2,764
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	697	-550	1816	-553
8360	Components of other comprehensive income that will be reclassified to profit or loss	2,787	-2,199	7,262	-2,211
8300	Total other comprehensive income	2,787	-2,199	7,262	-2,211
8500	Total comprehensive income	10,127	-1,935	18,240	23,636
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	7,648	509	11,499	25,119
8620	Profit (loss), attributable to non-controlling interests	-308	-245	-521	728
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	10,435	-1,690	18,761	22,908
8720	Comprehensive income, attributable to non-controlling interests	-308	-245	-521	728
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.11	0.01	0.17	0.37
9750	Total basic earnings per share	0.11	0.01	0.17	0.37
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.11	0.01	0.17	0.37
9850	Total diluted earnings per share	0.11	0.01	0.17	0.37



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

Code	Accounting Title	2022/1/1To6/30	2021/1/1To6/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	14,487	31,155
A10000	Profit (loss) before tax	14,487	31,155
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	25,315	27,482
A20200	Amortization expense	2,683	2,570
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt	-1,324	2,214
A20900	Interest expense	2,220	1,609
A21200	Interest income	-113	-226
A22500	Loss (gain) on disposal of property, plan and equipment	0	-369
A23700	Impairment loss on non-financial assets	0	4,035
A24100	Unrealized foreign exchange loss (gain)	-3,703	-404
A29900	Other adjustments to reconcile profit (loss)	-106	0
A20010	Total adjustments to reconcile profit (loss)	24,972	36,911
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	-521	-1,395
A31150	Decrease (increase) in accounts receivable	9,393	-51,896
A31180	Decrease (increase) in other receivable	22,298	-1,878
A31200	Adjustments for decrease (increase) in inventories	-31,909	-93,861
A31240	Adjustments for decrease (increase) in other current assets	-39,976	-16,078
A31000	Total changes in operating assets	-40,715	-165,108
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	-125	-46
A32150	Increase (decrease) in accounts payable	-47,891	51,205
A32180	Increase (decrease) in other payable	-46,310	3,976
A32230	Adjustments for increase (decrease) in other current liabilities	12,784	-2,118
A32240	Increase (decrease) in net defined benefit liability	-5	-1
A32990	Increase (decrease) in other operating liabilities	15,550	3,030
A32000	Total changes in operating liabilities	-65,997	56,046
A30000	Total changes in operating assets and liabilities	-106,712	-109,062
A20000	Total adjustments	-81,740	-72,151
A33000	Cash inflow (outflow) generated from operations	-67,253	-40,996

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Code	Accounting Title	2022/1/1To6/30	2021/1/1To6/30
A33100	Interest received	105	235
A33500	Income taxes refund (paid)	-2,438	31
AAAA	Net cash flows from (used in) operating activities	-69,586	-40,730
	Cash flows from (used in) investing activities		
B02700	Acquisition of property, plant and equipment	-3,254	-5,854
B02800	Proceeds from disposal of property, plant and equipment	0	726
B04500	Acquisition of intangible assets	-518	-111
B06500	Increase in other financial assets	0	-804
B06700	Increase in other non-current assets	1,292	-5,102
BBBB	Net cash flows from (used in) investing activities	-2,480	-11,145
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	50,659	40,000
C01600	Proceeds from long-term debt	5,000	4,000
C01700	Repayments of long-term debt	-9,584	0
C04020	Payments of lease liabilities	-12,906	-12,878
C05600	Interest paid	-2,247	-1,597
CCCC	Net cash flows from (used in) financing activities	30,922	29,525
DDDD	Effect of exchange rate changes on cash and cash equivalents	1,762	-117
EEEE	Net increase (decrease) in cash and cash equivalents	-39,382	-22,467
E00100	Cash and cash equivalents at beginning of period	189,779	156,820
E00200	Cash and cash equivalents at end of period	150,397	134,353
E00210	Cash and cash equivalents reported in the statement of financial position	150,397	134,353