



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

Code	Accounting Title	2019/9/30	2018/12/31	2018/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	183,273	214,986	225,003
1136	Current financial assets at amortised cost	39,497	40,278	41,936
1150	Notes receivable, net	774	166	1,600
1170	Accounts receivable, net	261,485	342,539	392,380
1200	Other receivables	4,206	12,460	8,946
1220	Current tax assets	7,584	7,564	7,563
130X	Current inventories	430,782	495,925	553,930
1470	Other current assets	33,917	30,656	34,964
1476	Other current financial assets	581	575	575
1479	Other current assets, others	33,336	30,081	34,389
11XX	Total current assets	961,518	1,144,574	1,266,322
	Non-current assets			
1600	Property, plant and equipment	141,915	129,872	129,023
1755	Right-of-use assets	45,159	0	0
1780	Intangible assets	6,711	7,073	6,941
1840	Deferred tax assets	51,858	46,803	46,685
1900	Other non-current assets	12,870	14,101	11,775
1990	Other non-current assets, others	12,870	14,101	11,775
15XX	Total non-current assets	258,513	197,849	194,424
1XXX	Total assets	1,220,031	1,342,423	1,460,746
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	100,000	90,000	160,000
2150	Notes payable	5	0	5
2170	Accounts payable	89,343	137,671	220,448
2200	Other payables	124,463	188,049	167,163
2219	Other payables, others	124,463	188,049	167,163
2230	Current tax liabilities	0	7,326	4,574
2280	Current lease liabilities	17,654	0	0
2300	Other current liabilities	6,458	8,905	7,609
2399	Other current liabilities, others	6,458	8,905	7,609
21XX	Total current liabilities	337,923	431,951	559,799



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	Non-current liabilities			
2570	Deferred tax liabilities	696	696	766
2580	Non-current lease liabilities	27,608	0	0
2600	Other non-current liabilities	28,994	32,225	32,968
2640	Net defined benefit liability, non-current	16,078	16,080	16,823
2645	Guarantee deposits received	12,916	16,145	16,145
25XX	Total non-current liabilities	57,298	32,921	33,734
2XXX	Total liabilities	395,221	464,872	593,533
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	684,891	684,891	684,891
3100	Total capital stock	684,891	684,891	684,891
	Capital surplus			
3210	Capital surplus, additional paid-in capital	1,135	1,131	1,131
3200	Total capital surplus	1,135	1,131	1,131
	Retained earnings			
3310	Legal reserve	141,133	135,477	135,477
3320	Special reserve	3,062	0	0
3350	Unappropriated retained earnings (accumulated deficit)	-2,627	58,897	49,326
3300	Total retained earnings	141,568	194,374	184,803
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	-999	-882	-1,725
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	-3,179	-3,062	-3,905
31XX	Total equity attributable to owners of parent	824,415	877,334	866,920
36XX	Non-controlling interests	395	217	293
3XXX	Total equity	824,810	877,551	867,213
3X2X	Total liabilities and equity	1,220,031	1,342,423	1,460,746
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	2019/7/1To9/30	2018/7/1To9/30	2019/1/1To9/30	2018/1/1To9/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	323,227	460,726	936,036	1,056,110
	Service revenue				
4600	Total service revenue	7,858	10,622	22,578	20,998
4000	Total operating revenue	331,085	471,348	958,614	1,077,108
	Operating costs				
	Cost of sales				
5110	Total cost of sales	187,149	294,722	560,592	658,287
	Cost of services				
5600	Total cost of services	907	897	2,498	2,064
5000	Total operating costs	188,056	295,619	563,090	660,351
5900	Gross profit (loss) from operations	143,029	175,729	395,524	416,757
5950	Gross profit (loss) from operations	143,029	175,729	395,524	416,757
	Operating expenses				
6100	Selling expenses	58,173	58,893	174,449	170,399
6200	Administrative expenses	18,636	19,495	54,788	54,377
6300	Research and development expenses	56,658	56,397	174,357	153,525
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-236	171	808	-10,107
6000	Total operating expenses	133,231	134,956	404,402	368,194
6900	Net operating income (loss)	9,798	40,773	-8,878	48,563
	Non-operating income and expenses				
	Other income				
7010	Total other income	474	542	1,535	1,490
	Other gains and losses				
7020	Other gains and losses, net	-1,096	-752	899	3,402
	Finance costs				
7050	Finance costs, net	426	330	1,178	884
7000	Total non-operating income and expenses	-1,048	-540	1,256	4,008
7900	Profit (loss) from continuing operations before tax	8,750	40,233	-7,622	52,571
	Tax expense (income)				
7950	Total tax expense (income)	1,781	5,458	-4,991	5,774
8000	Profit (loss) from continuing operations	6,969	34,775	-2,631	46,797
8200	Profit (loss)	6,969	34,775	-2,631	46,797
	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	0	0	95
8310	Components of other comprehensive income that will not be reclassified to profit or loss	0	0	0	-95
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	-2,001	-1,869	-146	1,227
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-400	-374	-29	144
8360	Components of other comprehensive income that will be reclassified to profit or loss	-1,601	-1,495	-117	1,083
8300	Other comprehensive income, net	-1,601	-1,495	-117	988
8500	Total comprehensive income	5,368	33,280	-2,748	47,785



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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounting Title	2019/7/1To9/30	2018/7/1To9/30	2019/1/1To9/30	2018/1/1To9/30
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	7,126	34,920	-2,252	47,241
8620	Profit (loss), attributable to non-controlling interests	-157	-145	-379	-444
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	5,525	33,425	-2,369	48,229
8720	Comprehensive income, attributable to non-controlling interests	-157	-145	-379	-444
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.1	0.51	-0.03	0.69
9750	Total basic earnings per share	0.1	0.51	-0.03	0.69
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.1	0.51	-0.03	0.69
9850	Total diluted earnings per share	0.1	0.51	-0.03	0.69

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

Code	Accounting Title	2019/1/1To9/30	2018/1/1To9/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	-7,622	52,571
A10000	Profit (loss) before tax	-7,622	52,571
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	40,863	15,831
A20200	Amortization expense	2,575	3,055
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	808	-10,107
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	0	-234
A20900	Interest expense	1,178	884
A21200	Interest income	-1,108	-1,228
A23700	Impairment loss on non-financial assets	0	8,184
A24100	Unrealized foreign exchange loss (gain)	-67	427
A20010	Total adjustments to reconcile profit (loss)	44,249	16,812
	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	12,355
A31130	Decrease (increase) in notes receivable	-608	-1,179
A31150	Decrease (increase) in accounts receivable	80,653	-119,862
A31180	Decrease (increase) in other receivable	8,078	-320
A31200	Decrease (increase) in inventories	64,827	-139,617
A31240	Decrease (increase) in other current assets	-3,255	-2,917
A31000	Total changes in operating assets	149,695	-251,540
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	5	5
A32150	Increase (decrease) in accounts payable	-48,612	103,399
A32180	Increase (decrease) in other payable	-65,794	13,899
A32230	Increase (decrease) in other current liabilities	-2,447	5,552
A32240	Increase (decrease) in net defined benefit liability	-2	1
A32000	Total changes in operating liabilities	-116,850	122,856
A30000	Total changes in operating assets and liabilities	32,845	-128,684
A20000	Total adjustments	77,094	-111,872
A33000	Cash inflow (outflow) generated from operations	69,472	-59,301
A33100	Interest received	1,284	1,219
A33500	Income taxes refund (paid)	-7,352	-30
AAAA	Net cash flows from (used in) operating activities	63,404	-58,112

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Code	Accounting Title	2019/1/1To9/30	2018/1/1To9/30
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	0	-14,272
B02700	Acquisition of property, plant and equipment	-13,471	-5,810
B04500	Acquisition of intangible assets	-2,213	-6,009
B06500	Increase in other financial assets	-6	-7
B06700	Increase in other non-current assets	-13,941	-4,545
BBBB	Net cash flows from (used in) investing activities	-29,631	-30,643
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	10,000	110,000
C03100	Decrease in guarantee deposits received	-3,229	0
C04020	Payments of lease liabilities	-22,246	0
C04500	Cash dividends paid	-49,997	0
C05600	Interest paid	-1,169	-883
CCCC	Net cash flows from (used in) financing activities	-66,641	109,117
DDDD	Effect of exchange rate changes on cash and cash equivalents	1,155	-771
EEEE	Net increase (decrease) in cash and cash equivalents	-31,713	19,591
E00100	Cash and cash equivalents at beginning of period	214,986	205,412
E00200	Cash and cash equivalents at end of period	183,273	225,003
E00210	Cash and cash equivalents reported in the statement of financial position	183,273	225,003