



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

Code	Accounting Title	2019/12/31	2018/12/31
	Assets		
	Current assets		
1100	Cash and cash equivalents	168,963	214,986
1136	Current financial assets at amortised cost	38,677	40,278
1150	Notes receivable, net	1,314	166
1170	Accounts receivable, net	223,034	342,539
1200	Other receivables	8,017	12,460
1220	Current tax assets	7,596	7,564
130X	Current inventories	401,249	495,925
1470	Other current assets	45,862	30,656
1476	Other current financial assets	581	575
1479	Other current assets, others	45,281	30,081
11XX	Total current assets	894,712	1,144,574
	Non-current assets		
1600	Property, plant and equipment	138,645	129,872
1755	Right-of-use assets	38,927	0
1780	Intangible assets	13,863	7,073
1840	Deferred tax assets	56,129	46,803
1900	Other non-current assets	16,798	14,101
1990	Other non-current assets, others	16,798	14,101
15XX	Total non-current assets	264,362	197,849
1XXX	Total assets	1,159,074	1,342,423
	Liabilities and equity		
	Liabilities		
	Current liabilities		
2100	Current borrowings	80,000	90,000
2170	Accounts payable	85,815	137,671
2200	Other payables	107,986	188,049
2219	Other payables, others	107,986	188,049
2230	Current tax liabilities	0	7,326
2280	Current lease liabilities	9,779	0
2300	Other current liabilities	7,840	8,905
2399	Other current liabilities, others	7,840	8,905
21XX	Total current liabilities	291,420	431,951
	Non-current liabilities		
2570	Deferred tax liabilities	1,066	696
2580	Non-current lease liabilities	29,433	0

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2600	Other non-current liabilities	21,845	32,225
2640	Net defined benefit liability, non-current	13,772	16,080
2645	Guarantee deposits received	8,073	16,145
25XX	Total non-current liabilities	52,344	32,921
2XXX	Total liabilities	343,764	464,872
	Equity		
	Equity attributable to owners of parent		
	Share capital		
3110	Ordinary share	684,891	684,891
3100	Total capital stock	684,891	684,891
	Capital surplus		
3210	Capital surplus, additional paid-in capital	1,135	1,131
3200	Total capital surplus	1,135	1,131
	Retained earnings		
3310	Legal reserve	141,133	135,477
3320	Special reserve	3,062	0
3350	Unappropriated retained earnings (accumulated deficit)	-8,080	58,897
3300	Total retained earnings	136,115	194,374
	Other equity interest		
3410	Exchange differences on translation of foreign financial statements	-5,021	-882
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	-2,180	-2,180
3400	Total other equity interest	-7,201	-3,062
31XX	Total equity attributable to owners of parent	814,940	877,334
36XX	Non-controlling interests	370	217
3XXX	Total equity	815,310	877,551
3X2X	Total liabilities and equity	1,159,074	1,342,423
3998	Equivalent issue shares of advance receipts for ordinary share	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	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	2019/1/1To12/31	2018/1/1To12/31
	Operating revenue		
	Net sales revenue		
4100	Net sales revenue	1,255,977	1,539,710
	Service revenue		
4600	Total service revenue	29,685	28,410
4000	Total operating revenue	1,285,662	1,568,120
	Operating costs		
	Cost of sales		
5110	Total cost of sales	767,889	985,529
	Cost of services		
5600	Total cost of services	3,285	2,834
5000	Total operating costs	771,174	988,363
5900	Gross profit (loss) from operations	514,488	579,757
5950	Gross profit (loss) from operations	514,488	579,757
	Operating expenses		
6100	Selling expenses	235,444	235,987
6200	Administrative expenses	71,368	74,298
6300	Research and development expenses	221,094	219,007
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	641	-8,056
6000	Total operating expenses	528,547	521,236
6900	Net operating income (loss)	-14,059	58,521
	Non-operating income and expenses		
	Other income		
7010	Total other income	2,177	1,880
	Other gains and losses		
7020	Other gains and losses, net	-4,217	5,174
	Finance costs		
7050	Finance costs, net	1,840	1,372
7000	Total non-operating income and expenses	-3,880	5,682
7900	Profit (loss) from continuing operations before tax	-17,939	64,203
	Tax expense (income)		
7950	Total tax expense (income)	-8,352	8,167
8000	Profit (loss) from continuing operations	-9,587	56,036
8200	Profit (loss)	-9,587	56,036
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains (losses) on remeasurements of defined benefit plans	1,848	320
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	370	159
8310	Components of other comprehensive income that will not be reclassified to profit or loss	1,478	161
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	-5,174	2,281
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-1,035	355
8360	Components of other comprehensive income that will be reclassified to profit or loss	-4,139	1,926
8300	Other comprehensive income, net	-2,661	2,087



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8500	Total comprehensive income	-12,248	58,123
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	-9,183	56,556
8620	Profit (loss), attributable to non-controlling interests	-404	-520
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	-11,844	58,643
8720	Comprehensive income, attributable to non-controlling interests	-404	-520
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	-0.13	0.83
9750	Total basic earnings per share	-0.13	0.83
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	-0.13	0.82
9850	Total diluted earnings per share	-0.13	0.82



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

Code	Accounting Title	2019/1/1To12/31	2018/1/1To12/31
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	-17,939	64,203
A10000	Profit (loss) before tax	-17,939	64,203
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	51,664	21,092
A20200	Amortization expense	3,782	3,893
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	641	-8,056
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	0	-234
A20900	Interest expense	1,840	1,372
A21200	Interest income	-1,418	-1,562
A23700	Impairment loss on non-financial assets	0	11,119
A24100	Unrealized foreign exchange loss (gain)	903	1,031
A20010	Total adjustments to reconcile profit (loss)	57,412	28,655
	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	-1,148	255
A31150	Decrease (increase) in accounts receivable	117,395	-71,880
A31180	Decrease (increase) in other receivable	4,415	-3,665
A31200	Decrease (increase) in inventories	92,955	-82,723
A31230	Decrease (increase) in prepayments	-15,200	1,391
A31000	Total changes in operating assets	198,417	-144,267
	Changes in operating liabilities		
A32150	Increase (decrease) in accounts payable	-51,336	20,248
A32180	Increase (decrease) in other payable	-77,167	34,887
A32220	Increase (decrease) in other financial liabilities	-1,065	6,848
A32240	Increase (decrease) in net defined benefit liability	-460	-422
A32000	Total changes in operating liabilities	-130,028	61,561
A30000	Total changes in operating assets and liabilities	68,389	-82,706
A20000	Total adjustments	125,801	-54,051
A33000	Cash inflow (outflow) generated from operations	107,862	10,152
A33100	Interest received	1,446	1,384
A33500	Income taxes refund (paid)	-7,358	-120
AAAA	Net cash flows from (used in) operating activities	101,950	11,416
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	0	-70,678
B00050	Proceeds from disposal of financial assets at amortised cost	0	58,064
B02700	Acquisition of property, plant and equipment	-19,301	-9,107



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B04500	Acquisition of intangible assets	-10,573	-6,978
B06500	Increase in other financial assets	-6	-7
B06700	Increase in other non-current assets	-20,023	-10,307
BBBB	Net cash flows from (used in) investing activities	-49,903	-39,013
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	40,000
C00200	Decrease in short-term loans	-10,000	0
C03100	Decrease in guarantee deposits received	-8,072	0
C04020	Payments of lease liabilities	-25,859	0
C04500	Cash dividends paid	-49,997	0
C05600	Interest paid	-1,840	-1,372
CCCC	Net cash flows from (used in) financing activities	-95,768	38,628
DDDD	Effect of exchange rate changes on cash and cash equivalents	-2,302	-1,457
EEEE	Net increase (decrease) in cash and cash equivalents	-46,023	9,574
E00100	Cash and cash equivalents at beginning of period	214,986	205,412
E00200	Cash and cash equivalents at end of period	168,963	214,986
E00210	Cash and cash equivalents reported in the statement of financial position	168,963	214,986