

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

Code	Accounting Title	2020/3/31	2019/12/31	2019/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	161,926	168,963	228,783
1136	Current financial assets at amortised cost	0	38,677	41,194
1150	Notes receivable, net	259	1,314	257
1170	Accounts receivable, net	156,202	223,034	189,450
1200	Other receivables	6,280	8,017	4,774
1220	Current tax assets	7,596	7,596	7,569
130X	Current inventories	432,278	401,249	532,674
1470	Other current assets	42,785	45,862	35,985
1476	Other current financial assets	581	581	574
1479	Other current assets, others	42,204	45,281	35,411
11XX	Total current assets	807,326	894,712	1,040,686
	Non-current assets			
1600	Property, plant and equipment	143,466	138,645	130,616
1755	Right-of-use assets	33,020	38,927	26,869
1780	Intangible assets	13,268	13,863	7,172
1840	Deferred tax assets	67,013	56,129	49,873
1900	Other non-current assets	12,622	16,798	15,442
1990	Other non-current assets, others	12,622	16,798	15,442
15XX	Total non-current assets	269,389	264,362	229,972
1XXX	Total assets	1,076,715	1,159,074	1,270,658
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	100,000	80,000	90,000
2150	Notes payable	0	0	15
2170	Accounts payable	65,528	85,815	116,467
2200	Other payables	72,042	107,986	120,851
2219	Other payables, others	72,042	107,986	120,851
2280	Current lease liabilities	4,621	9,779	25,590
2300	Other current liabilities	11,524	7,840	18,074
2399	Other current liabilities, others	11,524	7,840	18,074
21XX	Total current liabilities	253,715	291,420	370,997
	Non-current liabilities			
2570	Deferred tax liabilities	1,263	1,066	731
2580	Non-current lease liabilities	28,927	29,433	1,323

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2600	Other non-current liabilities	20,230	21,845	32,225
2640	Net defined benefit liability, non-current	13,772	13,772	16,080
2645	Guarantee deposits received	6,458	8,073	16,145
25XX	Total non-current liabilities	50,420	52,344	34,279
2XXX	Total liabilities	304,135	343,764	405,276
	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	1,135	1,131
3200	Total capital surplus	1,135	1,135	1,131
	Retained earnings			
3310	Legal reserve	141,133	141,133	135,477
3320	Special reserve	3,062	3,062	0
3350	Unappropriated retained earnings (accumulated deficit)	-51,091	-8,080	45,052
3300	Total retained earnings	93,104	136,115	180,529
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	-4,677	-5,021	302
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	-6,857	-7,201	-1,878
31XX	Total equity attributable to owners of parent	772,273	814,940	864,673
36XX	Non-controlling interests	307	370	709
3XXX	Total equity	772,580	815,310	865,382
3X2X	Total liabilities and equity	1,076,715	1,159,074	1,270,658
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	2020/1/1To3/31	2019/1/1To3/31
	Operating revenue		
	Net sales revenue		
4100	Net sales revenue	218,735	277,257
	Service revenue		
4600	Total service revenue	4,523	6,446
4000	Total operating revenue	223,258	283,703
	Operating costs		
	Cost of sales		
5110	Total cost of sales	132,714	168,939
	Cost of services		
5600	Total cost of services	774	761
5000	Total operating costs	133,488	169,700
5900	Gross profit (loss) from operations	89,770	114,003
5950	Gross profit (loss) from operations	89,770	114,003
	Operating expenses		
6100	Selling expenses	65,981	57,649
6200	Administrative expenses	17,318	19,115
6300	Research and development expenses	61,188	55,658
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	64	743
6000	Total operating expenses	144,551	133,165
6900	Net operating income (loss)	-54,781	-19,162
	Non-operating income and expenses		
	Other income		
7010	Total other income	408	463
	Other gains and losses		
7020	Other gains and losses, net	1,282	2,440
	Finance costs		
7050	Finance costs, net	736	416
7000	Total non-operating income and expenses	954	2,487
7900	Profit (loss) from continuing operations before tax	-53,827	-16,675
	Tax expense (income)		
7950	Total tax expense (income)	-10,753	-3,322
8000	Profit (loss) from continuing operations	-43,074	-13,353
8200	Profit (loss)	-43,074	-13,353
	Other comprehensive income		
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	430	1,480

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Code	Accounting Title	2020/1/1To3/31	2019/1/1To3/31
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	86	296
8360	Components of other comprehensive income that will be reclassified to profit or loss	344	1,184
8300	Other comprehensive income, net	344	1,184
8500	Total comprehensive income	-42,730	-12,169
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	-43,011	-13,288
8620	Profit (loss), attributable to non-controlling interests	-63	-65
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	-42,667	-12,104
8720	Comprehensive income, attributable to non-controlling interests	-63	-65
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	-0.63	-0.19
9750	Total basic earnings per share	-0.63	-0.19
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	-0.63	-0.19
9850	Total diluted earnings per share	-0.63	-0.19



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

Code	Accounting Title	2020/1/1To3/31	2019/1/1To3/31
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	-53,827	-16,675
A10000	Profit (loss) before tax	-53,827	-16,675
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	14,589	12,995
A20200	Amortization expense	1,363	895
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	64	743
A20900	Interest expense	736	416
A21200	Interest income	-154	-307
A23700	Impairment loss on non-financial assets	3,998	-862
A24100	Unrealized foreign exchange loss (gain)	-2,631	-46
A20010	Total adjustments to reconcile profit (loss)	17,965	13,834
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	1,055	-91
A31150	Decrease (increase) in accounts receivable	70,119	153,079
A31180	Decrease (increase) in other receivable	1,487	7,516
A31200	Decrease (increase) in inventories	-34,574	-35,525
A31240	Decrease (increase) in other current assets	3,077	-5,330
A31000	Total changes in operating assets	41,164	119,649
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	0	15
A32150	Increase (decrease) in accounts payable	-21,195	-21,488
A32180	Increase (decrease) in other payable	-37,397	-66,366
A32220	Increase (decrease) in other financial liabilities	3,684	9,169
A32000	Total changes in operating liabilities	-54,908	-78,670
A30000	Total changes in operating assets and liabilities	-13,744	40,979
A20000	Total adjustments	4,221	54,813
A33000	Cash inflow (outflow) generated from operations	-49,606	38,138
A33100	Interest received	404	477
A33500	Income taxes refund (paid)	0	-7,330
AAAA	Net cash flows from (used in) operating activities	-49,202	31,285
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	38,854	0
B02700	Acquisition of property, plant and equipment	-4,224	-5,847
B04500	Acquisition of intangible assets	-768	-993
B06600	Decrease in other financial assets	0	1
B06700	Increase in other non-current assets	-3,159	-2,674

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BBBB	Net cash flows from (used in) investing activities	30,703	-9,513
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	20,000	0
C03100	Decrease in guarantee deposits received	-1,615	0
C04020	Payments of lease liabilities	-6,654	-7,358
C05600	Interest paid	-741	-416
CCCC	Net cash flows from (used in) financing activities	10,990	-7,774
DDDD	Effect of exchange rate changes on cash and cash equivalents	472	-201
EEEE	Net increase (decrease) in cash and cash equivalents	-7,037	13,797
E00100	Cash and cash equivalents at beginning of period	168,963	214,986
E00200	Cash and cash equivalents at end of period	161,926	228,783
E00210	Cash and cash equivalents reported in the statement of financial position	161,926	228,783