



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

Code	Accounting Title	2020/9/30	2019/12/31	2019/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	127,101	168,963	183,273
1136	Current financial assets at amortised cost	0	38,677	39,497
1150	Notes receivable, net	269	1,314	774
1170	Accounts receivable, net	215,191	223,034	261,485
1200	Other receivables	3,678	8,017	4,206
1220	Current tax assets	7,596	7,596	7,584
130X	Current inventories	420,668	401,249	430,782
1470	Other current assets	29,398	45,862	33,917
1476	Other current financial assets	587	581	581
1479	Other current assets, others	28,811	45,281	33,336
11XX	Total current assets	803,901	894,712	961,518
	Non-current assets			
1600	Property, plant and equipment	137,231	138,645	141,915
1755	Right-of-use assets	58,905	38,927	45,159
1780	Intangible assets	11,034	13,863	6,711
1840	Deferred tax assets	76,215	56,129	51,858
1900	Other non-current assets	14,421	16,798	12,870
1990	Other non-current assets, others	14,421	16,798	12,870
15XX	Total non-current assets	297,806	264,362	258,513
1XXX	Total assets	1,101,707	1,159,074	1,220,031
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	141,000	80,000	100,000
2150	Notes payable	46	0	5
2170	Accounts payable	60,406	85,815	89,343
2200	Other payables	61,129	107,986	124,463
2219	Other payables, others	61,129	107,986	124,463
2280	Current lease liabilities	23,791	9,779	17,654
2300	Other current liabilities	6,937	7,840	6,458
2320	Long-term liabilities, current portion	500	0	0
2399	Other current liabilities, others	6,437	7,840	6,458
21XX	Total current liabilities	293,309	291,420	337,923

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	Non-current liabilities			
2540	Non-current portion of non-current borrowings	10,500	0	0
2570	Deferred tax liabilities	1,066	1,066	696
2580	Non-current lease liabilities	36,163	29,433	27,608
2600	Other non-current liabilities	20,223	21,845	28,994
2640	Net defined benefit liability, non-current	13,765	13,772	16,078
2645	Guarantee deposits received	6,458	8,073	12,916
25XX	Total non-current liabilities	67,952	52,344	57,298
2XXX	Total liabilities	361,261	343,764	395,221
	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	1,144	1,135	1,135
3200	Total capital surplus	1,144	1,135	1,135
	Retained earnings			
3310	Legal reserve	133,053	141,133	141,133
3320	Special reserve	3,062	3,062	3,062
3350	Unappropriated retained earnings (accumulated deficit)	(73,796)	(8,080)	(2,627)
3300	Total retained earnings	62,319	136,115	141,568
	Other equity interest			
3410	Exchange differences on translation of foreign financial	(5,986)	(5,021)	(999)
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	(8,166)	(7,201)	(3,179)
31XX	Total equity attributable to owners of parent	740,188	814,940	824,415
36XX	Non-controlling interests	258	370	395
3XXX	Total equity	740,446	815,310	824,810
3X2X	Total liabilities and equity	1,101,707	1,159,074	1,220,031
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	2020 7/1To9/30	2019 7/1To9/30	2020 1/1To9/30	2019 1/1To9/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	294,013	323,227	698,667	936,036
	Service revenue				
4600	Total service revenue	4,682	7,858	16,434	22,578
4000	Total operating revenue	298,695	331,085	715,101	958,614
	Operating costs				
	Cost of sales				
5110	Total cost of sales	183,377	187,149	441,164	560,592
	Cost of services				
5600	Total cost of services	863	907	2,348	2,498
5000	Total operating costs	184,240	188,056	443,512	563,090
5900	Gross profit (loss) from operations	114,455	143,029	271,589	395,524
5950	Gross profit (loss) from operations	114,455	143,029	271,589	395,524
	Operating expenses				
6100	Selling expenses	48,049	58,173	162,675	174,449
6200	Administrative expenses	16,875	18,636	49,853	54,788
6300	Research and development expenses	42,182	56,658	162,595	174,357
6450	Impairment loss (impairment gain and reversal of impairment)	(843)	(236)	(365)	808
6000	Total operating expenses	106,263	133,231	374,758	404,402
6900	Net operating income (loss)	8,192	9,798	(103,169)	(8,878)
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	70	331	383	1,108
	Other income				
7010	Total other income	4,828	143	17,017	427
	Other gains and losses				
7020	Other gains and losses, net	(2,072)	(1,096)	(4,144)	899
	Finance costs				
7050	Finance costs, net	887	426	2,451	1,178
7000	Total non-operating income and expenses	1,939	(1,048)	10,805	1,256
7900	Profit (loss) from continuing operations before tax	10,131	8,750	(92,364)	(7,622)
	Tax expense (income)				
7950	Total tax expense (income)	1,156	1,781	(18,456)	(4,991)
8000	Profit (loss) from continuing operations	8,975	6,969	(73,908)	(2,631)
8200	Profit (loss)	8,975	6,969	(73,908)	(2,631)
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(724)	(2,001)	(1,206)	(146)

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Statement of Comprehensive Income					
8399	Income tax related to components of other comprehensive	(145)	(400)	(241)	(29)
8360	Components of other comprehensive income that will be	(579)	(1,601)	(965)	(117)
8300	Total other comprehensive income	(579)	(1,601)	(965)	(117)
8500	Total comprehensive income	8,396	5,368	(74,873)	(2,748)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	8,997	7,126	(73,796)	(2,252)
8620	Profit (loss), attributable to non-controlling interests	(22)	(157)	(112)	(379)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	8,418	5,525	(74,761)	(2,369)
8720	Comprehensive income, attributable to non-controlling interests	(22)	(157)	(112)	(379)
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.13	0.10	(1.08)	(0.03)
9750	Total basic earnings per share	0.13	0.10	(1.08)	(0.03)
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.13	0.10	(1.08)	(0.03)
9850	Total diluted earnings per share	0.13	0.10	(1.08)	(0.03)



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

Statements of Cash Flows			
Code	Accounting Title	2020/1/1To9/30	2019/1/1To9/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	(92,364)	(7,622)
A10000	Profit (loss) before tax	(92,364)	(7,622)
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	41,084	40,863
A20200	Amortization expense	3,901	2,575
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(365)	808
A20900	Interest expense	2,451	1,178
A21200	Interest income	(383)	(1,108)
A22500	Loss (gain) on disposal of property, plan and equipment	204	0
A23700	Impairment loss on non-financial assets	14,956	0
A24100	Unrealized foreign exchange loss (gain)	(1,963)	(67)
A29900	Other adjustments to reconcile profit (loss)	2,006	0
A20010	Total adjustments to reconcile profit (loss)	61,891	44,249
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	1,045	(608)
A31150	Decrease (increase) in accounts receivable	7,849	80,653
A31180	Decrease (increase) in other receivable	4,044	8,078
A31200	Adjustments for decrease (increase) in inventories	(35,978)	64,827
A31240	Adjustments for decrease (increase) in other current assets	16,470	(3,255)
A31000	Total changes in operating assets	(6,570)	149,695
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	46	5
A32150	Increase (decrease) in accounts payable	(25,853)	(48,612)
A32180	Increase (decrease) in other payable	(46,723)	(65,794)
A32230	Adjustments for increase (decrease) in other current liabilities	(1,403)	(2,447)
A32240	Increase (decrease) in net defined benefit liability	(7)	(2)
A32000	Total changes in operating liabilities	(73,940)	(116,850)
A30000	Total changes in operating assets and liabilities	(80,510)	32,845
A20000	Total adjustments	(18,619)	77,094



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Statements of Cash Flows			
A33000	Cash inflow (outflow) generated from operations	(110,983)	69,472
A33100	Interest received	678	1,284
A33500	Income taxes refund (paid)	(1,462)	(7,352)
AAAA	Net cash flows from (used in) operating activities	(111,767)	63,404
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	38,767	0
B02700	Acquisition of property, plant and equipment	(9,888)	(13,471)
B04500	Acquisition of intangible assets	(1,072)	(2,213)
B06500	Increase in other financial assets	(6)	(6)
B06700	Increase in other non-current assets	(8,316)	(13,941)
BBBB	Net cash flows from (used in) investing activities	19,485	(29,631)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	61,000	10,000
C01600	Proceeds from long-term debt	11,000	0
C03100	Decrease in guarantee deposits received	(1,615)	(3,229)
C04020	Payments of lease liabilities	(18,834)	(22,246)
C04500	Cash dividends paid	0	(49,997)
C05600	Interest paid	(2,437)	(1,169)
CCCC	Net cash flows from (used in) financing activities	49,114	(66,641)
DDDD	Effect of exchange rate changes on cash and cash equivalents	1,306	1,155
EEEE	Net increase (decrease) in cash and cash equivalents	(41,862)	(31,713)
E00100	Cash and cash equivalents at beginning of period	168,963	214,986
E00200	Cash and cash equivalents at end of period	127,101	183,273
E00210	Cash and cash equivalents reported in the statement of financial position	127,101	183,273