

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

Code	Accounting Title	2020/12/31	2019/12/31
	Assets		
	Current assets		
1100	Cash and cash equivalents	156,820	168,963
1136	Current financial assets at amortised cost	0	38,677
1150	Notes receivable, net	2	1,314
1170	Accounts receivable, net	213,213	223,034
1200	Other receivables	7,430	8,017
1220	Current tax assets	7,565	7,596
130X	Current inventories	417,425	401,249
1470	Other current assets	29,424	45,862
1476	Other current financial assets	587	581
1479	Other current assets, others	28,837	45,281
11XX	Total current assets	831,879	894,712
	Non-current assets		
1600	Property, plant and equipment	135,093	138,645
1755	Right-of-use assets	54,409	38,927
1780	Intangible assets	11,404	13,863
1840	Deferred tax assets	80,221	56,129
1900	Other non-current assets	14,582	16,798
1990	Other non-current assets, others	14,582	16,798
15XX	Total non-current assets	295,709	264,362
1XXX	Total assets	1,127,588	1,159,074
	Liabilities and equity		
	Liabilities		
	Current liabilities		
2100	Current borrowings	101,000	80,000
2150	Notes payable	46	0
2170	Accounts payable	98,483	85,815
2200	Other payables	73,083	107,986
2219	Other payables, others	73,083	107,986
2280	Current lease liabilities	24,613	9,779
2300	Other current liabilities	17,701	7,840
2320	Long-term liabilities, current portion	1,876	0
2399	Other current liabilities, others	15,825	7,840
21XX	Total current liabilities	314,926	291,420

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	Non-current liabilities		
2540	Non-current portion of non-current borrowings	9,124	0
2570	Deferred tax liabilities	1,274	1,066
2580	Non-current lease liabilities	31,084	29,433
2600	Other non-current liabilities	19,893	21,845
2640	Net defined benefit liability, non-current	13,435	13,772
2645	Guarantee deposits received	6,458	8,073
25XX	Total non-current liabilities	61,375	52,344
2XXX	Total liabilities	376,301	343,764
	Equity		
	Equity attributable to owners of parent		
	Share capital		
3110	Ordinary share	684,891	684,891
3100	Total Share Capital	684,891	684,891
	Capital surplus		
3210	Capital surplus, additional paid-in capital	1,144	1,135
3200	Total capital surplus	1,144	1,135
	Retained earnings		
3310	Legal reserve	133,053	141,133
3320	Special reserve	3,062	3,062
3350	Unappropriated retained earnings (accumulated deficit)	(62,117)	(8,080)
3300	Total retained earnings	73,998	136,115
	Other equity interest		
3410	Exchange differences on translation of foreign financial statements	(6,808)	(5,021)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(2,180)	(2,180)
3400	Total other equity interest	(8,988)	(7,201)
31XX	Total equity attributable to owners of parent	751,045	814,940
36XX	Non-controlling interests	242	370
3XXX	Total equity	751,287	815,310
3X2X	Total liabilities and equity	1,127,588	1,159,074
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	2020/1/1To12/31	2019/1/1To12/31
	Operating revenue		
	Net sales revenue		
4100	Net sales revenue	1,003,245	1,255,977
	Service revenue		
4600	Total service revenue	27,533	29,685
4000	Total operating revenue	1,030,778	1,285,662
	Operating costs		
	Cost of sales		
5110	Total cost of sales	639,356	767,889
	Cost of services		
5600	Total cost of services	3,781	3,285
5000	Total operating costs	643,137	771,174
5900	Gross profit (loss) from operations	387,641	514,488
5950	Gross profit (loss) from operations	387,641	514,488
	Operating expenses		
6100	Selling expenses	210,153	235,444
6200	Administrative expenses	64,850	71,368
6300	Research and development expenses	215,603	221,094
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(349)	641
6000	Total operating expenses	490,257	528,547
6900	Net operating income (loss)	(102,616)	(14,059)
	Non-operating income and expenses		
	Interest income		
7100	Total interest income	486	1,418
	Other income		
7010	Total other income	29,056	759
	Other gains and losses		
7020	Other gains and losses, net	(7,768)	(4,217)
	Finance costs		
7050	Finance costs, net	3,324	1,840

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Code	Accounting Title	2020/1/1To12/31	2019/1/1To12/31
7000	Total non-operating income and expenses	18,450	(3,880)
7900	Profit (loss) from continuing operations before tax	(84,166)	(17,939)
	Tax expense (income)		
7950	Total tax expense (income)	(22,063)	(8,352)
8000	Profit (loss) from continuing operations	(62,103)	(9,587)
8200	Profit (loss)	(62,103)	(9,587)
	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	(178)	1,848
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(36)	370
8310	Components of other comprehensive income that will not be reclassified to profit or loss	(142)	1,478
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	(2,234)	(5,174)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(447)	(1,035)
8360	Components of other comprehensive income that will be reclassified to profit or loss	(1,787)	(4,139)
8300	Total other comprehensive income	(1,929)	(2,661)
8500	Total comprehensive income	(64,032)	(12,248)
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	(61,975)	(9,183)
8620	Profit (loss), attributable to non-controlling interests	(128)	(404)
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(63,904)	(11,844)
8720	Comprehensive income, attributable to non-controlling interests	(128)	(404)
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	(0.90)	(0.13)
9750	Total basic earnings per share	(0.90)	(0.13)
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	(0.90)	(0.13)
9850	Total diluted earnings per share	(0.90)	(0.13)



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

Code	Accounting Title	2020/1/1To12/31	2019/1/1To12/31
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	(84,166)	(17,939)
A10000	Profit (loss) before tax	(84,166)	(17,939)
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	54,797	51,664
A20200	Amortization expense	5,169	3,782
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(349)	641
A20900	Interest expense	3,324	1,840
A21200	Interest income	(486)	(1,418)
A22500	Loss (gain) on disposal of property, plan and equipment	241	0
A23700	Impairment loss on non-financial assets	16,361	0
A24100	Unrealized foreign exchange loss (gain)	(1,685)	903
A29900	Other adjustments to reconcile profit (loss)	2,006	0
A20010	Total adjustments to reconcile profit (loss)	79,378	57,412
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	1,312	(1,148)
A31150	Decrease (increase) in accounts receivable	8,667	117,395
A31180	Decrease (increase) in other receivable	300	4,415
A31200	Adjustments for decrease (increase) in inventories	(35,320)	92,955
A31240	Adjustments for decrease (increase) in other current assets	16,288	(15,200)
A31000	Total changes in operating assets	(8,753)	198,417
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	46	0
A32150	Increase (decrease) in accounts payable	12,943	(51,336)
A32180	Increase (decrease) in other payable	(35,213)	(77,167)
A32230	Adjustments for increase (decrease) in other current liabilities	7,985	(1,065)
A32240	Increase (decrease) in net defined benefit liability	(515)	(460)
A32000	Total changes in operating liabilities	(14,754)	(130,028)
A30000	Total changes in operating assets and liabilities	(23,507)	68,389
A20000	Total adjustments	55,871	125,801



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Code	Accounting Title	2020/1/1To12/31	2019/1/1To12/31
A33000	Cash inflow (outflow) generated from operations	(28,295)	107,862
A33100	Interest received	773	1,446
A33500	Income taxes refund (paid)	(1,430)	(7,358)
AAAA	Net cash flows from (used in) operating activities	(28,952)	101,950
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	38,667	0
B02700	Acquisition of property, plant and equipment	(11,719)	(19,301)
B04500	Acquisition of intangible assets	(2,709)	(10,573)
B06500	Increase in other financial assets	(6)	(6)
B06700	Increase in other non-current assets	(10,849)	(20,023)
BBBB	Net cash flows from (used in) investing activities	13,384	(49,903)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	21,000	0
C00200	Decrease in short-term loans	0	(10,000)
C01600	Proceeds from long-term debt	11,000	0
C03100	Decrease in guarantee deposits received	(1,615)	(8,072)
C04020	Payments of lease liabilities	(25,296)	(25,859)
C04500	Cash dividends paid	0	(49,997)
C05600	Interest paid	(3,310)	(1,840)
CCCC	Net cash flows from (used in) financing activities	1,779	(95,768)
DDDD	Effect of exchange rate changes on cash and cash equivalents	1,646	(2,302)
EEEE	Net increase (decrease) in cash and cash equivalents	(12,143)	(46,023)
E00100	Cash and cash equivalents at beginning of period	168,963	214,986
E00200	Cash and cash equivalents at end of period	156,820	168,963
E00210	Cash and cash equivalents reported in the statement of financial position	156,820	168,963