

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

Code	Accounting Title	2021/6/30	2020/12/31	2020/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	134,353	156,820	117,709
1150	Notes receivable, net	1,397	2	1,770
1170	Accounts receivable, net	261,819	213,213	126,507
1200	Other receivables	9,299	7,430	4,898
1220	Current tax assets	7,534	7,565	7,596
130X	Current inventories	505,863	417,425	477,901
1470	Other current assets	46,241	29,424	28,734
1476	Other current financial assets	1,391	587	587
1479	Other current assets, others	44,850	28,837	28,147
11XX	Total current assets	966,506	831,879	765,115
	Non-current assets			
1600	Property, plant and equipment	131,041	135,093	138,750
1755	Right-of-use assets	41,742	54,409	65,725
1780	Intangible assets	8,945	11,404	11,972
1840	Deferred tax assets	76,270	80,221	77,402
1900	Other non-current assets	14,591	14,582	14,810
1990	Other non-current assets, others	14,591	14,582	14,810
15XX	Total non-current assets	272,589	295,709	308,659
1XXX	Total assets	1,239,095	1,127,588	1,073,774
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	141,000	101,000	130,000
2150	Notes payable	0	46	46
2170	Accounts payable	149,468	98,483	66,504
2200	Other payables	76,496	73,083	50,198
2219	Other payables, others	76,496	73,083	50,198
2280	Current lease liabilities	19,235	24,613	24,318
2300	Other current liabilities	20,170	17,701	7,074
2320	Long-term liabilities, current portion	6,463	1,876	0
2399	Other current liabilities, others	13,707	15,825	7,074
21XX	Total current liabilities	406,369	314,926	278,140

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	Non-current liabilities			
2540	Non-current portion of non-current borrowings	8,537	9,124	0
2570	Deferred tax liabilities	2,130	1,274	1,198
2580	Non-current lease liabilities	24,214	31,084	42,171
2600	Other non-current liabilities	22,922	19,893	20,224
2640	Net defined benefit liability, non-current	13,434	13,435	13,766
2670	Other non-current liabilities, others	9,488	6,458	6,458
25XX	Total non-current liabilities	57,803	61,375	63,593
2XXX	Total liabilities	464,172	376,301	341,733
	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	1,144	1,135
3200	Total capital surplus	1,144	1,144	1,135
	Retained earnings			
3310	Legal reserve	133,053	133,053	133,053
3320	Special reserve	3,062	3,062	3,062
3350	Unappropriated retained earnings (accumulated deficit)	-36,998	-62,117	-82,793
3300	Total retained earnings	99,117	73,998	53,322
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	-9,019	-6,808	-5,407
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	-11,199	-8,988	-7,587
31XX	Total equity attributable to owners of parent	773,953	751,045	731,761
36XX	Non-controlling interests	970	242	280
3XXX	Total equity	774,923	751,287	732,041
3X2X	Total liabilities and equity	1,239,095	1,127,588	1,073,774
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	2021/4/1To6/30	2020/4/1To6/30	2021/1/1To6/30	2020/1/1To6/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	325,425	185,919	638,243	404,654
	Service revenue				
4600	Total service revenue	8,699	7,229	16,681	11,752
4000	Total operating revenue	334,124	193,148	654,924	416,406
	Operating costs				
	Cost of sales				
5110	Total cost of sales	219,827	125,073	401,145	257,787
	Cost of services				
5600	Total cost of services	836	711	1,938	1,485
5000	Total operating costs	220,663	125,784	403,083	259,272
5900	Gross profit (loss) from operations	113,461	67,364	251,841	157,134
5950	Gross profit (loss) from operations	113,461	67,364	251,841	157,134
	Operating expenses				
6100	Selling expenses	53,653	48,645	109,848	114,626
6200	Administrative expenses	17,544	15,660	35,468	32,978
6300	Research and development expenses	36,695	59,225	74,304	120,413
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	2,742	414	2,214	478
6000	Total operating expenses	110,634	123,944	221,834	268,495
6900	Net operating income (loss)	2,827	(56,580)	30,007	(111,361)
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	118	159	226	313
	Other income				
7010	Total other income	318	11,935	4,592	12,189
	Other gains and losses				
7020	Other gains and losses, net	(2,062)	(3,354)	(2,061)	(2,072)
	Finance costs				
7050	Finance costs, net	821	828	1,609	1,564
7000	Total non-operating income and expenses	(2,447)	7,912	1,148	8,866
7900	Profit (loss) from continuing operations before tax	380	(48,668)	31,155	(102,495)

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Code	Accounting Title	2021/4/1To6/30	2020/4/1To6/30	2021/1/1To6/30	2020/1/1To6/30
7950	Tax expense (income) Total tax expense (income)	116	(8,859)	5,308	(19,612)
8000	Profit (loss) from continuing operations	264	(39,809)	25,847	(82,883)
8200	Profit (loss)	264	(39,809)	25,847	(82,883)
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(2,749)	(912)	(2,764)	(482)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(550)	(182)	(553)	(96)
8360	Components of other comprehensive income that will be reclassified to profit or loss	(2,199)	(730)	(2,211)	(386)
8300	Total other comprehensive income	(2,199)	(730)	(2,211)	(386)
8500	Total comprehensive income	(1,935)	(40,539)	23,636	(83,269)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	509	(39,782)	25,119	(82,793)
8620	Profit (loss), attributable to non-controlling interests	(245)	(27)	728	(90)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(1,690)	(40,512)	22,908	(83,179)
8720	Comprehensive income, attributable to non-controlling interests	(245)	(27)	728	(90)
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.01	(0.58)	0.37	(1.21)
9750	Total basic earnings per share	0.01	(0.58)	0.37	(1.21)
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.01	(0.58)	0.37	(1.21)
9850	Total diluted earnings per share	0.01	(0.58)	0.37	(1.21)

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

Code	Accounting Title	2021/1/1To6/30	2020/1/1To6/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	31,155	(102,495)
A10000	Profit (loss) before tax	31,155	(102,495)
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	27,482	28,030
A20200	Amortization expense	2,570	2,703
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt	2,214	478
A20900	Interest expense	1,609	1,564
A21200	Interest income	(226)	(313)
A22500	Loss (gain) on disposal of property, plan and equipment	(369)	48
A23700	Impairment loss on non-financial assets	4,035	12,621
A24100	Unrealized foreign exchange loss (gain)	(404)	(2,404)
A29900	Other adjustments to reconcile profit (loss)	0	2,006
A20010	Total adjustments to reconcile profit (loss)	36,911	44,733
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	(1,395)	(456)
A31150	Decrease (increase) in accounts receivable	(51,896)	97,432
A31180	Decrease (increase) in other receivable	(1,878)	2,823
A31200	Adjustments for decrease (increase) in inventories	(93,861)	(90,399)
A31240	Adjustments for decrease (increase) in other current assets	(16,078)	17,134
A31000	Total changes in operating assets	(165,108)	26,534
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	(46)	46
A32150	Increase (decrease) in accounts payable	51,205	(19,789)
A32180	Increase (decrease) in other payable	3,976	(56,611)
A32230	Adjustments for increase (decrease) in other current liabilities	(2,118)	(766)
A32240	Increase (decrease) in net defined benefit liability	(1)	(6)
A32990	Increase (decrease) in other operating liabilities	3,030	0
A32000	Total changes in operating liabilities	56,046	(77,126)
A30000	Total changes in operating assets and liabilities	(109,062)	(50,592)
A20000	Total adjustments	(72,151)	(5,859)
A33000	Cash inflow (outflow) generated from operations	(40,996)	(108,354)
A33100	Interest received	235	609

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Code	Accounting Title	2021/1/1To6/30	2020/1/1To6/30
A33500	Income taxes refund (paid)	31	(1,461)
AAAA	Net cash flows from (used in) operating activities	(40,730)	(109,206)
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	0	38,989
B02700	Acquisition of property, plant and equipment	(5,854)	(8,296)
B02800	Proceeds from disposal of property, plant and equipment	726	0
B04500	Acquisition of intangible assets	(111)	(811)
B06500	Increase in other financial assets	(804)	(6)
B06700	Increase in other non-current assets	(5,102)	(6,127)
BBBB	Net cash flows from (used in) investing activities	(11,145)	23,749
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	40,000	50,000
C01600	Proceeds from long-term debt	4,000	0
C04020	Payments of lease liabilities	(12,878)	(12,759)
C04400	Decrease in other non-current liabilities	0	(1,615)
C05600	Interest paid	(1,597)	(1,561)
CCCC	Net cash flows from (used in) financing activities	29,525	34,065
DDDD	Effect of exchange rate changes on cash and cash equivalents	(117)	138
EEEE	Net increase (decrease) in cash and cash equivalents	(22,467)	(51,254)
E00100	Cash and cash equivalents at beginning of period	156,820	168,963
E00200	Cash and cash equivalents at end of period	134,353	117,709
E00210	Cash and cash equivalents reported in the statement of financial position	134,353	117,709