



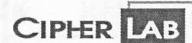
CIPHERLAB CO.,LTD.
Condensed Balance Sheets (Unconsolidated)
(In Thousands of New Taiwan Dollars)

	September 30,2011		June 30,2011		September 30,2010		QoQ		YoY	
ASSETS:										
Current assets										
Cash and cash equivalents	217,645	16%	117,744	10%	167,842	13%	99,901	85%	49,803	30%
Financial assets at fair value through profit or loss - current	62,887	4%	64,700	5%	168,349	13%	(1,813)	-3%	(105,462)	-63%
Notes receivable, net	3,220	0%	7,227	1%	4,316	0%	(4,007)	-55%	(1,096)	-25%
Accounts receivable, net	162,419	12%	181,496	15%	137,698	11%	(19,077)	-11%	24,721	18%
Accounts receivable - related parties, net	185,811	13%	166,064	13%	99,346	8%	19,747	12%	86,465	87%
Other receivables- net	35,773	3%	34,568	3%	31,695	2%	1,205	3%	4,078	13%
Other receivables- related parties, net	68	0%	3,925	0%	1,480	0%	(3,857)	-98%	(1,412)	-95%
Inventories, net	390,657	28%	323,439	26%	400,794	31%	67,218	21%	(10,137)	-3%
Other current assets	51,627	3%	50,371	4%	16,425	1%	1,256	2%	35,202	214%
Total current assets	1,110,107	79%	949,534	77%	1,027,945	79%	160,573	17%	82,162	8%
Long-term investments										
Investments accounted for by the equity method	56,826	4%	49,360	4%	41,302	3%	7,466	15%	15,524	38%
Financial assets carried at cost – noncurrent	10,419	1%	13,374	1%	10,419	1%	-	2,955	-22%	0
Total long-term investments	67,245	5%	62,734	5%	51,721	4%	4,511	7%	15,524	30%
Property, plant and equipment										
Property, plant and equipment	322,650	23%	317,821	26%	298,163	23%	4,829	2%	24,487	8%
Less: Accumulated depreciation	(178,957)	-13%	(174,578)	-14%	(159,188)	-12%	(4,379)	3%	(19,769)	12%
Less: Accumulated impairment	-	0%	-	0%	0	0%	-	0%	-	0%
Construction in progress and prepayments for equipment	8,428	1%	4,229	1%	4,691	0%	4,199	99%	3,737	80%
Total property, plant and equipment	152,121	11%	147,472	13%	143,666	11%	4,649	3%	8,455	6%
Intangible assets and other assets	75,201	5%	73,220	6%	70,199	6%	1,981	3%	5,002	7%
Total assets	1,404,674	100%	1,232,960	100%	1,293,531	100%	171,714	14%	111,143	9%
LIABILITIES :										
Current liabilities										
Notes payable	-	0%	-	0%	2	0%	0	0%	(2)	-100%
Accounts payable	150,418	11%	106,190	9%	60,782	5%	44,228	42%	89,636	147%
Accounts payable - related parties	11,591	1%	8,331	1%	4,619	0%	3,260	39%	6,972	151%
Income tax payable	13,799	1%	10,275	1%	32,505	2%	3,524	34%	(18,706)	-58%
Accrued expenses	110,413	8%	92,384	7%	113,620	9%	18,029	20%	(3,207)	-3%
Other payable - related parties	4,651	0%	3,018	0%	635	0%	1,633	54%	4,016	632%
Other payable	7,113	0%	6,993	1%	3,191	0%	120	2%	3,922	123%
Other current liabilities	10,812	1%	27,541	2%	24,957	2%	(16,729)	-61%	(14,145)	-57%
Total current liabilities	308,797	22%	254,732	21%	240,311	18%	54,065	21%	68,486	28%
Other liabilities	45,272	3%	38,115	3%	33,496	3%	7,157	19%	11,776	35%
Total liabilities	354,069	25%	292,847	24%	273,807	21%	61,222	21%	80,262	29%
SHAREHOLDERS' EQUITY :										
Capital stock	709,811	51%	709,811	58%	709,811	55%	-	0%	-	0%
Capital surplus	1,101	0%	1,101	0%	1,101	0%	-	0%	-	0%
Share-based Payments	-	-	25,614	2%	-	-	-	-	-	-
Retained earnings	409,535	29%	371,001	30%	413,944	32%	38,534	10%	(4,409)	-1%
Others-cumulative translation adjustments	(5,379)	0%	(5,493)	0%	(7,674)	-1%	114	-2%	2,295	-30%
Treasury stock	(64,463)	-5%	(161,921)	-14%	(97,458)	-7%	97,458	-60%	32,995	-34%
Total shareholders' equity	1,050,605	75%	940,113	76%	1,019,724	79%	110,492	12%	30,881	3%
Total liabilities and shareholders' equity	1,404,674	100%	1,232,960	100%	1,293,531	100%	171,714	14%	111,143	9%



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Nine Months Ended September 30, 2011 and 2010
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Nine Months 2011		Nine Months 2010		YoY	
Net Sales	1,127,480	100%	972,360	100%	155,120	16%
Cost of Goods Sold	(646,336)	-57%	(513,648)	-53%	(132,688)	26%
Gross Profit	481,144	43%	458,712	47%	22,432	5%
Unrealized Profit	(29,926)	-3%	(17,559)	-2%	(12,367)	70%
Realized Profit	16,047	1%	16,281	2%	(234)	-1%
Realized Gross Profit	467,265	41%	457,434	47%	9,831	2%
Operating Expenses						
Sales and marketing expenses	(143,457)	-13%	(123,980)	-13%	(19,477)	16%
General and administrative expenses	(61,802)	-5%	(55,840)	-6%	(5,962)	11%
Research and development expenses	(111,331)	-10%	(88,904)	-9%	(22,427)	25%
Total operating expenses	(316,590)	-28%	(268,724)	-28%	(47,866)	18%
Operating Income	150,675	13%	188,710	19%	(38,035)	-20%
Non-operating Income						
Interest income	1,056	0%	1,285	0%	(229)	-18%
Investment income recognized under equity method	5,163	0%	9,133	1%	(3,970)	-43%
Dividend income	-	0%	0	0%	0	0%
Gain on sale of investments, net	179	0%	-	0%	179	0%
Exchange gain, net	20,657	2%	0	0%	20,657	0%
Reversal of bad debt expenses	5,904	1%	2,864	0%	3,040	106%
Valuation gain on financial assets, net	193	0%	5,586	1%	(5,393)	-97%
Valuation gain on financial liabilities, net	0	0%	0	0%	0	0%
Miscellaneous income	500	0%	1,276	0%	(776)	-61%
Total non-operating income and gains	33,652	3%	20,144	2%	13,508	67%
Non-operating expenses and losses						
Interest expense	(52)	0%	(132)	0%	80	-61%
Investment loss recognized under equity method	-	0%	0	0%	0	0%
Loss on disposal of property, plant and equipment	(5)	0%	0	0%	(5)	0%
Exchange loss, net	0	0%	(1,704)	0%	1,704	-100%
Total non-operating expenses and losses	(57)	0%	(1,836)	0%	1,779	-97%
Income before income tax	184,270	16%	207,018	21%	(22,748)	-11%
Income tax expense (benefit)	(35,469)	-3%	(47,574)	-5%	12,105	-25%
Net income	148,801	13%	159,444	16%	(10,643)	-7%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	2.72		3.00		(0.28)	
Basic Earnings Per Share After Income Tax	2.20		2.31		(0.11)	



CIPHERLAB CO.,LTD.
Condensed Income Statements (Unconsolidated)
For the Three Months Ended September 30, 2011, June 30, 2011 and September 30, 2010
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	3Q 2011		2Q 2011		3Q 2010		QoQ		YoY	
Net Sales	401,900	100%	445,912	100%	306,492	100%	(44,012)	-10%	95,408	31%
Cost of Goods Sold	(232,126)	-58%	(248,778)	-56%	(158,280)	-52%	16,652	-7%	(73,846)	47%
Gross Profit	169,774	42%	197,134	44%	148,212	48%	(27,360)	-14%	21,562	15%
Unrealized Profit	(7,371)	-2%	(4,517)	-1%	(2,009)	-1%	(2,854)	63%	(5,362)	267%
Realized Profit	-	0%	0	1%	0	0%	0	0%	0	0%
Realized Gross Profit	162,403	40%	192,617	44%	146,203	47%	(30,214)	-16%	16,200	11%
Operating Expenses										
Sales and marketing expenses	(52,479)	-13%	(52,351)	-12%	(39,597)	-13%	(128)	0%	(12,882)	33%
General and administrative expenses	(18,615)	-5%	(25,767)	-6%	(18,198)	-6%	7,152	-28%	(417)	2%
Research and development expenses	(36,993)	-8%	(46,831)	-11%	(26,216)	-8%	9,838	-21%	(10,777)	41%
Total operating expenses	(108,087)	-26%	(124,949)	-28%	(84,011)	-27%	16,862	-13%	(24,076)	29%
Operating Income	54,316	14%	67,668	16%	62,192	20%	(13,352)	-20%	(7,876)	-13%
Non-operating Income										
Interest income	310	0%	469	0%	364	0%	(159)	-34%	(54)	-15%
Investment income recognized under equity meth	1,248	0%	3,915	1%	7,099	2%	(2,667)	-68%	(5,851)	-82%
Dividend income	-	0%	-	0%	0	0%	-	0%	0	0%
Gain on disposal of property, plant and equipment	0	0%	0	0%	0	0%	0	0%	0	0%
Gain on sale of investments, net	0	0%	179	0%	0	0%	(179)	-100%	0	0%
Gain on physical inventory	0	0%	0	0%	0	0%	0	0%	0	0%
Exchange gain, net	20,657	5%	(3,283)	-1%	(5,341)	0%	23,940	-729%	25,998	-487%
Reversal of bad debt expenses	(101)	0%	2,419	1%	1,770	1%	(2,520)	-104%	(1,871)	-106%
Reversal of loss on inventories	0	0%	0	0%	0	0%	0	0%	0	0%
Reversal of impairment loss	0	0%	0	0%	0	0%	0	0%	0	0%
Valuation gain on financial assets, net	(1,811)	0%	(223)	0%	4,501	1%	(1,588)	712%	(6,312)	-140%
Valuation gain on financial liabilities, net	-	0%	-	0%	0	-	-	0%	0	0%
Miscellaneous income	131	0%	229	0%	224	0%	(98)	-43%	(93)	-42%
Total non-operating income and gains	20,434	5%	3,705	0%	8,617	4%	16,729	452%	11,817	137%
Non-operating expenses and losses										
Interest expense	(3)	0%	(49)	0%	(63)	0%	46	-94%	60	-95%
Investment loss recognized under equity method	-	0%	1,081	0%	0	0%	(1,081)	-100%	0	0%
Loss on disposal of property, plant and equipment	0	0%	0	0%	0	0%	0	0%	0	0%
Loss on sale of investments, net	0	0%	0	0%	0	0%	0	0%	0	0%
Loss on physical inventory	0	0%	0	0%	0	0%	0	0%	0	0%
Exchange loss, net	2,046	1%	(2,046)	0%	(1,704)	-2%	4,092	-200%	3,750	-220%
Total non-operating expenses and losses	2,043	1%	(1,014)	0%	(1,767)	-2%	3,057	-301%	3,810	-216%
Income before income tax	76,793	20%	70,359	15%	69,042	22%	6,434	9%	7,751	11%
Income tax expense (benefit)	(24,415)	-6%	(5,794)	-1%	(15,737)	-5%	(18,621)	321%	(8,678)	55%
Net income	52,378	14%	64,565	15%	53,305	17%	(12,187)	-19%	(927)	-2%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	1.13		1.04		1.00		0.09		0.13	
Basic Earnings Per Share After Income Tax	0.77		0.96		0.77		(0.19)		0.00	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)

For the Nine Months Ended September 30, 2011 and for the Three Months Ended September 30, 2011, June 30, 2011 and September 30, 2010

(In Thousands of New Taiwan Dollars)

	Nine Months 2011	3Q 2011	2Q 2011	3Q 2010
Cash flows from operating activities				
Net income	148,801	52,378	64,565	53,305
Depreciation	15,383	5,410	5,150	5,413
Amortization	15,585	5,073	5,246	5,113
Provision(Reversal) for doubtful accounts	(5,904)	101	(2,419)	(1,770)
Provision for (Recovery of) loss on inventories	2,427	1,919	(9,537)	(820)
Loss (gain) on sale of investments	(179)	-	(179)	-
Investment loss (income) recognized under equity method	(5,163)	(1,248)	(4,996)	(7,099)
Loss (Gain) on disposal of property, plant and equipment	23	-	-	0
Valuation loss (gain) on financial instruments	(193)	1,811	223	(4,501)
Deferred income tax	5,450	2,127	3,262	0
Changes in operating assets and liabilities:		84,304	(127,370)	0
Financial assets at fair value through profit or loss - current	99,569	2	99,484	2
Others	(72,264)	(103,949)	29,932	(41,390)
Net cash provided by (used in) operating activities	203,535	47,928	63,361	8,253
Cash flows from investing activities				
Acquisition of investments accounted for by equity method	(5,895)	(5,895)	-	(20,000)
Acquisition of property, plant and equipment	(18,574)	(6,554)	(6,697)	(3,959)
Acquisition of Intangible assets	(20,815)	(7,618)	(426)	(3,410)
Decrease (Increase) in other receivables – related parties	7,934	8,133	(199)	6,421
Others	31	5,895	1,886	(203)
Net cash used in investing activities	(37,319)	(6,039)	(5,436)	(21,151)
Cash flows from financing activities				
Increase in short-term bills payable	-	-	-	-
Cash dividends	(168,248)	-	(168,248)	-
Cash paid for acquisition of treasury stock	(50,963)	0	-	-
Treasury Stock Sold to Employees	58,000	57,397	-	-
Others	(349)	615	(964)	106
Net cash used in financing activities	(161,560)	58,012	(169,212)	106
Effect of exchange rate changes	0	0	-	-
Net decrease in cash and cash equivalents	4,656	99,901	(111,287)	(12,792)
Cash and cash equivalents at beginning of period	212,989	117,744	229,031	180,634
Cash and cash equivalents at end of period	217,645	217,645	117,744	167,842