

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

Carsh and Cash Equivalents         66,044         12%         240,088         17%         117,744         10%         C78,854         3.47%         47,300         30         0         10%         62,091         40%         62,091         40%         62,091         40%         62,091         40%         62,001         40%         62,001         40%         62,001         40%         62,001         40%         62,001         40%         62,001         40%         62,001         40%         62,001         60%         62,001         40%         62,002         67%         62,002         60%         72,002         40%         61,003         70%         62,002         60%         62,002         60%         62,002         40%         60%         20%         40%         20%         20%         20%         20%         60%         70% <t< th=""><th></th><th>June 30,20</th><th>)12</th><th colspan="2">March 31,2012</th><th>June 30,20</th><th colspan="2">June 30,2011</th><th></th><th colspan="2">YoY</th></t<>		June 30,20	)12	March 31,2012		June 30,20	June 30,2011			YoY	
Financial Assets at Fair Value through Profit or Los   0	Current assets										
Notes Receivable, Net 13,377 1% 3,090 0% 7,227 1% 22 1% (4,155) 5.7% Accounts Receivable, Net 133,373 14% 150,228 10% 181,496 15% 33,047 22% 2,379 1% Accounts Receivable parties Net 153,579 11% 150,228 10% 181,496 15% 34,931 148% 124,289 3.8% 0.0 14,000	Cash and Cash Equivalents	165,044	12%	240,898	17%	117,744	10%	(75,854)	-31%	47,300	40%
Accounts Receivable, Net	Financial Assets at Fair Value through Profit or Los	0	0%	62,901	4%	64,700	5%	(62,901)	-100%	(64,700)	-100%
Accounts Receivable −related parries, Net         153,579         11%         103,684         7%         166,064         3%         49,931         48%         (12,485)         5%           Other receivables, Net         36,405         3%         44,620         2%         34,686         3%         1,1655         5%         1,637         5%           Other receivables − related parties, Net         34,945         3%         48,682         3%         3,325         0%         (14,508)         36%         67,027         21%           Other Current Assets         293,326         2%         168,649         5%         33,439         2%         36,737         4%         (3,178)         12%         67,025         25%           Total Current Assets         99,932         7%         101,871         7%         49,360         4%         67,227         5%         47,389         9%           Found-term Equity Investments         96,749         7%         101,871         7%         49,360         4%         65,122         5%         47,389         9%           Total Current Equity Investments         10,145         18         12,29         8%         62,73         5%         65,122         5%         47,389 <td< td=""><td>Notes Receivable, Net</td><td>3,072</td><td>1%</td><td>3,050</td><td>0%</td><td>7,227</td><td>1%</td><td>22</td><td>1%</td><td>(4,155)</td><td>-57%</td></td<>	Notes Receivable, Net	3,072	1%	3,050	0%	7,227	1%	22	1%	(4,155)	-57%
Other receivables, Net         36,205         3%         34,620         2%         34,568         3%         1,568         5%         1,637         778°           Other receivables – related parties, Net         390,666         3%         48,602         3%         3,235         0%         (1,608)         -30%         62,031         778°         788° <td>Accounts Receivable, Net</td> <td>183,875</td> <td>14%</td> <td>150,228</td> <td>10%</td> <td>181,496</td> <td>15%</td> <td>33,647</td> <td>22%</td> <td>2,379</td> <td>1%</td>	Accounts Receivable, Net	183,875	14%	150,228	10%	181,496	15%	33,647	22%	2,379	1%
Other receivables – related patries, Net         34,454         3%         48,962         3%         3,925         0%         (14,508)         -30%         30,529         77.87           Inventories, Net         390,666         2%         416,669         2%         53,343         2%         (26,03)         -6%         67,272         1%           Other Current Assets         990,231         7%         108,749         7%         949,534         7%         (31,78)         -2%         27,035         -4%           Investerm Equity Investments         990,231         7%         101,871         7%         949,630         4%         (5,122)         -5%         47,389         96%           Investments         10,419         1%         10,419         1%         13,374         1%         -         -         (2,955)         -22%           Advance payments for investments         10,718         8%         112,299         8%         62,734         5%         (5,122)         5%         44,349         7%           Property, Plant and Equipment         339,468         25%         332,648         23%         317,821         26%         6,820         2%         16,637         1%           Less: Accumulated dimp	Accounts Receivable - related parties, Net	153,579	11%	103,648	7%	166,064	13%	49,931	48%	(12,485)	-8%
Inventiories, Net Option         390,866         29% both of Current Assets         29% both of Current	Other receivables, Net	36,205	3%	34,620	2%	34,568	3%	1,585	5%	1,637	5%
Other Current Asserts         23,336         2%         26,514         2%         50,371         4%         0,176         0,276	Other receivables - related parties, Net	34,454	3%	48,962	3%	3,925	0%	(14,508)	-30%	30,529	778%
Total Current Assets   990,231   74%   1087,490   75%   949,534   77%   972,595   9.9%   40,697   47,898   78	Inventories, Net	390,666	29%	416,669	29%	323,439	26%	(26,003)	-6%	67,227	21%
Consist	Other Current Assets	23,336	2%	26,514	2%	50,371	4%	(3,178)	-12%	(27,035)	-54%
Long-term Equity Investments   96,749   7%   101,871   7%   49,360   4%   (5,122)   5%   47,369   98/8   Financial Assets Carried at Cost -noncurent   10,419   1%   10,419   1%   13,374   1%   1%   1%   1%   1%   7%   2%   2%   2%   2%   2%   2%   2	Total Current Assets	990,231	74%	1,087,490	75%	949,534	77%	(97,259)	-9%	40,697	4%
Financial Assets Carried at Cost - noncurrent         10,419         1%         10,419         1%         13,374         1%         −         −         0         0           Advance payments for investments         −         −         0         0%         −         −         0         0%           Total Long-term Equity Investments         107,168         8%         112,290         8%         62,734         5%         (5,122)         -5%         444,343         71%           Property, Plant and Equipment         339,468         25%         332,648         23%         317,821         26%         6,820         2%         21,647         7%           Less : Accumulated depreciation         (192,948)         -14%         (187,256)         -3%         (174,578)         -14%         (5,692)         3%         (18,370)         11%           Less : Accumulated depreciation         (192,948)         -14%         (187,256)         -3%         174,078         -4%         (5,692)         3%         (18,370)         11%           Less : Accumulated dimpariment loss         -         -         -         -         -         -         -         0         0         -         -         0         0         0	Long-term Equity Investments										
Advance payments for investments         1 or 10 mode         1 mode         <	Long-term Equity Investments	96,749	7%	101,871	7%	49,360	4%	(5,122)	-5%	47,389	96%
Total Long-term Equity Investments   107,168   8%   112,290   8%   62,734   5%   (5,122)   -5%   44,434   71%     Property, Plant and Equipment   339,468   25%   332,648   23%   317,821   26%   6,820   2%   21,647   7%     Less: Accumulated dipreciation   (192,948)   -14%   (187,256)   -13%   (174,578)   -14%   (5,692)   3%   (18,370)   11%     Less: Accumulated diprepayments for equip   22,019   2%   14,012   1%   4,229   0%   8,007   57%   17,790   421%     Property, Plant and Equipment, Net   168,539   12%   159,404   11%   147,472   12%   9,135   6%   21,067   14%     Intangible and Other assets   88,219   7%   85,118   6%   73,220   6%   3,101   4%   14,999   20%     TOTAL ASSETS   1,354,157   10%   1,444,302   10%   1,232,960   10%   (90,145)   -6%   121,197   10%     Accounts Payable   0	Financial Assets Carried at Cost - noncurrent	10,419	1%	10,419	1%	13,374	1%		-	(2,955)	-22%
Property, Plant and Equipment   Property, Plant and Equipment   339,468   25%   332,648   23%   317,821   26%   6,820   2%   21,647   7%   2.5%	Advance payments for investments	-		-	0%	-	0%			0	0%
Property, Plant and Equipment         339,468         25%         332,648         23%         317,821         26%         6,820         2%         21,647         7%           Less: Accumulated depreciation         (192,948)         -14%         (187,256)         -13%         (174,578)         -14%         (5,692)         3%         (18,370)         11%           Less: Accumulated impairment loss	Total Long-term Equity Investments	107,168	8%	112,290	8%	62,734	5%	(5,122)	-5%	44,434	71%
Less: Accumulated depreciation         (192,948)         -14%         (18,7256)         -13%         (174,578)         -14%         (5,692)         3%         (18,370)         11%           Less: Accumulated impairment loss         -         -         -         -         0%         -         0%         -         -         0         0%           Property, Plant and Equipment, Net         168,539         12%         14,012         1%         147,472         12%         9,135         6%         21,067         14%           Intangible and Other assets         88,219         7%         85,118         6%         73,220         6%         3,101         4%         14,999         20%           TOTAL ASSETS         88,219         7%         85,118         6%         73,220         6%         3,101         4%         14,999         20%           Current Liabilities           Worker Agaste         5         1,354,157         10%         0         0         %         0         #DIVIOI         0 </td <td>Property, Plant and Equipment</td> <td></td>	Property, Plant and Equipment										
Less : Accumulated impairment loss         c         c         c         c         c         c         0         c         c         0         0           Property, Plant and Equipment, Net         168,539         12%         159,404         11%         147,772         12%         9,135         6%         21,067         14%           Intangible and Other assets         88,219         7%         85,118         6%         73,220         6%         3,101         4%         14,999         20%           TOTAL ASSETS         1,354,157         100%         1,444,302         100%         1,232,960         100%         90,145         -6%         121,197         10%           LIABILITIES:           Current Liabilities           Notes payable         0         0         0         0         0         0         #DIV/0!         0         #DIV/0!           Accounts Payable         117,139         9%         98,099         7%         106,190         9%         19,040         19%         10,949         10%           Accounts Payable - related parties, Net         4,852         0%         8,277         1%         8,331         1%         (3,425)         44%	Property, Plant and Equipment	339,468	25%	332,648	23%	317,821	26%	6,820	2%	21,647	7%
construction in progress and prepayments for equity         22,019         2%         14,012         1%         4,229         0%         8,007         57%         17,790         421%           Property, Plant and Equipment, Net         168,539         12%         159,404         11%         147,472         12%         9,135         6%         21,067         14%           Intangible and Other assets         88,219         7%         85,118         6%         73,220         6%         3,101         4%         14,999         20%           TOTAL ASSETS         1,354,157         100%         1,444,302         100%         1,232,960         100%         (90,145)         -6%         121,197         10%           Current Liabilities           Notes payable         0         0         0         0         0         #DIV/0!         <	Less: Accumulated depreciation	(192,948)	-14%	(187,256)	-13%	(174,578)	-14%	(5,692)	3%	(18,370)	11%
Property, Plant and Equipment, Net         168,539         12%         159,404         11%         147,472         12%         9,135         6%         21,067         14%           Intangible and Other assets         88,219         7%         85,118         6%         73,220         6%         3,101         4%         14,999         20%           TOTAL ASSETS         1,354,157         100%         1,444,302         100%         1,232,960         100%         (90,145)         -6%         121,197         10%           LIABILITIES:           Current Liabilities           Notes payable         0         0%         0         0         0         MDIV/0!         0         #DIV/0!         0         4 <td>Less: Accumulated impairment loss</td> <td></td> <td>-</td> <td>-</td> <td>0%</td> <td>-</td> <td>0%</td> <td>-</td> <td>-</td> <td>0</td> <td>0%</td>	Less: Accumulated impairment loss		-	-	0%	-	0%	-	-	0	0%
Total Assers   88,219   7%   85,118   6%   73,220   6%   3,101   4%   14,999   20%   1007   1,354,157   10%   1,444,302   10%   1,232,960   10%   (90,145)   -6%   121,197   10%   107   10%   107   10%   107   10%   107   10%   107   10%   107   10%   108   107   108	construction in progress and prepayments for equip_	22,019	2%	14,012	1%	4,229	0%	8,007	57%	17,790	421%
LIABILITIES :         Current Liabilities         Value of the payable of the payable - related parties of the payable of the paya	Property, Plant and Equipment, Net	168,539	12%	159,404	11%	147,472	12%	9,135	6%	21,067	14%
LIABILITIES :  Current Liabilities  Notes payable 0 0 0% 0 0% 106,190 9% 19,040 19% 10,949 10% Accounts Payable related parties, Net 4,852 0% 8,277 1% 8,331 1% (3,425) -41% (3,479) -42% 10,000 1 1,0	Intangible and Other assets	88,219	7%	85,118	6%	73,220	6%	3,101	4%	14,999	20%
Current Liabilities         Notes payable         0         0%         0         0%         0         0%         DIVIVI         0         #DIVIVI           Accounts Payable         117,139         9%         98,099         7%         106,190         9%         19,040         19%         10,949         10%           Accounts Payable – related parties, Net         4,852         0%         8,277         1%         8,331         1%         (3,425)         -41%         (3,479)         -42%           Income Tax Payable         52,426         4%         49,505         3%         10,275         1%         2,921         6%         42,151         410%           Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable - related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable - related parties         10,468         1%         5,036         0%         6,993         1%         5,432         108         3,475         50%           Other Current Liabilities         8,905<	TOTAL ASSETS =	1,354,157	100%	1,444,302	100%	1,232,960	100%	(90,145)		121,197	10%_
Notes payable         0         0%         0         0%         0         #DIV/01         0         #DIV/01           Accounts Payable         117,139         9%         98,099         7%         106,190         9%         19,040         19%         10,949         10%           Accounts Payable – related parties, Net         4,852         0%         8,277         1%         8,331         1%         (3,425)         -41%         (3,479)         -42%           Income Tax Payable         52,426         4%         49,505         3%         10,275         1%         2,921         6%         42,151         410%           Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable – related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable – related parties         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044	LIABILITIES:										
Accounts Payable         117,139         9%         98,099         7%         106,190         9%         19,040         19%         10,949         10%           Accounts Payable – related parties, Net         4,852         0%         8,277         1%         8,331         1%         (3,425)         -41%         (3,479)         -42%           Income Tax Payable         52,426         4%         49,505         3%         10,275         1%         2,921         6%         42,151         410%           Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable - related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable - related parties         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities	Current Liabilities										
Accounts Payable – related parties, Net         4,852         0%         8,277         1%         8,331         1%         (3,425)         -41%         (3,479)         -42%           Income Tax Payable         52,426         4%         49,505         3%         10,275         1%         2,921         6%         42,151         410%           Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable – related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable – related parties         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities <td>Notes payable</td> <td>0</td> <td>0%</td> <td>0</td> <td>0%</td> <td>0</td> <td>0%</td> <td>0</td> <td>#DIV/0!</td> <td>0</td> <td>#DIV/0!</td>	Notes payable	0	0%	0	0%	0	0%	0	#DIV/0!	0	#DIV/0!
Income Tax Payable         52,426         4%         49,505         3%         10,275         1%         2,921         6%         42,151         410%           Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable - related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable - related parties         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Other liabilities         362,215 <td>Accounts Payable</td> <td>117,139</td> <td>9%</td> <td>98,099</td> <td>7%</td> <td>106,190</td> <td>9%</td> <td>19,040</td> <td>19%</td> <td>10,949</td> <td>10%</td>	Accounts Payable	117,139	9%	98,099	7%	106,190	9%	19,040	19%	10,949	10%
Accrued Expenses         121,284         9%         120,067         8%         92,384         7%         1,217         1%         28,900         31%           Other payable - related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Accounts Payable - related parties, Net	4,852	0%	8,277	1%	8,331	1%	(3,425)	-41%	(3,479)	-42%
Other payable - related parties         2,108         0%         4,301         0%         3,018         0%         (2,193)         -51%         (910)         -30%           Other payable         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Income Tax Payable	52,426	4%	49,505	3%	10,275	1%	2,921	6%	42,151	410%
Other payable         10,468         1%         5,036         0%         6,993         1%         5,432         108%         3,475         50%           Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Accrued Expenses	121,284	9%	120,067	8%	92,384	7%	1,217	1%	28,900	31%
Other Current Liabilities         8,905         1%         16,044         1%         27,541         2%         (7,139)         -44%         (18,636)         -68%           Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Other payable - related parties	2,108	0%	4,301	0%	3,018	0%	(2,193)	-51%	(910)	-30%
Total Current Liabilities         317,182         23%         301,329         21%         254,732         21%         15,853         5%         62,450         25%           Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Other payable	10,468	1%	5,036	0%	6,993	1%	5,432	108%	3,475	50%
Other liabilities         45,033         3%         40,488         3%         38,115         3%         4,545         11%         6,918         18%           Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Other Current Liabilities	8,905	1%	16,044	1%	27,541	2%	(7,139)	-44%	(18,636)	-68%
Total Liabilities         362,215         27%         341,817         24%         292,847         24%         20,398         6%         69,368         24%	Total Current Liabilities	317,182	23%	301,329	21%	254,732	21%	15,853	5%	62,450	25%
	Other liabilities	45,033	3%	40,488	3%	38,115	3%	4,545	11%	6,918	18%
SHAREHOLDERS' EQUITY:	Total Liabilities	362,215	27%	341,817	24%	292,847	24%	20,398	6%	69,368	24%
	SHAREHOLDERS' EQUITY:										
Capital Stock 709,811 52% 709,811 49% 709,811 58% - 0% - 0%	Capital Stock	709,811	52%	709,811	49%	709,811	58%	-	0%	-	0%
Capital Surplus 1,101 0% 1,101 0% 1,101 0% - 0% - 0%	Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	0%	-	0%
Share-based Payments 0 0% 0 0% 25,614 2% - #DIV/0! - 25,614.00 -100%	Share-based Payments	0	0%	0	0%	25,614	2%		#DIV/0!	- 25,614.00	-100%
Retained Earnings 376,876 28% 486,867 34% 371,001 30% - 109,991.00 -23% 5,875.00 2%	Retained Earnings	376,876	28%	486,867	34%	371,001	30%	- 109,991.00	-23%	5,875.00	2%
Others-Cumulative Translation Adjustments (6,201) 0% (5,649) 0% (5,493) 0% - 552.00 10% - 708.00 13%	Others-Cumulative Translation Adjustments	(6,201)	0%	(5,649)	0%	(5,493)	0%	- 552.00	10%	- 708.00	13%
Treasury stock (89,645) -7% (89,645) -6% (161,921) -13% - 0% 72,276.00 -45%	Treasury stock	(89,645)	-7%	(89,645)	-6%	(161,921)	-13%	-	0%	72,276.00	-45%
Total Shareholders' Equity 991,942 74% 1,102,485 76% 940,113 76% (110,543) -10% 51,829 6%	Total Shareholders' Equity	991,942	74%	1,102,485	76%	940,113	76%	(110,543)	-10%	51,829	6%
TOTAL LIABILITIES AND SHAREHOLDERS' EC 1,354,157 100% 1,444,302 100% 1,232,960 100% (90,145) -6% 121,197 10%	TOTAL LIABILITIES AND SHAREHOLDERS' EC	1,354,157	100%	1,444,302	100%	1,232,960	100%	(90,145)	-6%	121,197	10%



## CIPHERLAB CO.,LTD.

### Condensed Income Statements (Unconsolidated) For the Six Months Ended June 30,2012 and 2011

(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	1H 2012	1H 2011	YoY
Net Sales	740,397 100%	725,580 98%	14,817 2%
Cost of Goods Sold	(424,162) -57%	(414,210) -56%	(9,952) 2%
Gross Profit	316,235 43%	311,370 42%	4,865 2%
Unrealized Profit	(29,742) -4%	(22,555) -3%	(7,187) 32%
Realized Profit	26,985 4%	16,047 2%	10,938 68%
Realized Gross Profit	313,478 43%	304,862 41%	8,616 3%
Operating Expenses			
Sales and Marketing Expenses	(76,942) -10%	(90,978) -12%	14,036 -15%
General and Administrative Expenses	(32,942) -4%	(43,187) -6%	10,245 -24%
Research and Development Expenses	(81,603) -11%	(74,338) -10%	(7,265) 10%
Total operating expenses	(191,487) -26%	(208,503) -28%	17,016 -8%
Operating Income	121,991 16%	96,359 13%	25,632 27%
Non-operating Income			
Interest income	1,284 0%	746 0%	538 72%
Investment income recognized under equity method	0 1%	3,915 1%	(3,915) -100%
Gain on sale of investments, net	0 0%	179.00 0.00	(179) -100%
Gain on physical inventory	0 0%	0 0%	0 0%
Exchange gain, net	0 0%	0 0%	0 0%
Reversal of Bad Debt Expenses	36 0%	6,005 1%	(5,969) -99%
Valuation gain on financial assets, net	199 0%	2,004 0%	(1,805) -90%
Valuation gain on financial liabilities, net	0 0%	0 0%	0 0%
Miscellaneous income	1,025 0%	369 0%	656 178%
Total non-operating income and gains	2,544 0%	13,218 2%	(10,674) -81%
Non-operating expenses and losses			
Interest expense	0 0%	(49) 0%	49 -100%
Investment loss recognized under equity method	(13,435) -2%	0 0%	(13,435) 0%
Loss on disposal of property, plant and equipment	(8) 0%	(5) 0%	(3) 60%
Exchange loss, net	(4,548) -1%	(2,046) -0.00	(2,502) 122%
Total non-operating expenses and losses	(17,991) -2%	(2,100) 0%	(15,891) 757%
Income before income tax	106,544 14%	107,477 15%	(933) -1%
Income tax expense (benefit)	(19,856) -3%	(11,054) -1%	(8,802) 80%
Net income	86,688 12%	96,423 13%	(9,735) -10%
Earnings Per Share			
Basic Earnings Per Share Before Income Tax	1.55	1.59	(0.04)
Basic Earnings Per Share After Income Tax	1.26	1.43	(0.17)



#### CIPHERLAB CO.,LTD.

#### Condensed Income Statements (Unconsolidated)

#### For the Three Months Ended June 30 and March 31 2012, June 30 2011

(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Q2 2012		Q1 2012		Q2 2011		QoQ		YoY	
Net Sales	403,959	100%	336,438	100%	445,912	100%	67,521	20%	(41,953)	-9%
Cost of Goods Sold	(232,907)	-58%	(191,255)	-57%	(248,778)	-56%	(41,652)	22%	15,871	-6%
Gross Profit	171,052	42%	145,183	43%	197,134	44%	25,869	18%	(26,082)	-13%
Unrealized Profit	(4,465)	-1%	(25,277)	-8%	(4,517)	-1%	20,812	-82%	52	-1%
Realized Profit	-	0%	26,985	8%		0%	- 26,985	100%		#DIV/0!
Realized Gross Profit	166,587	41%	146,891	44%	192,617	43%	19,696	13%	(26,030)	-14%
Operating Expenses										
Sales and marketing expenses	(42,355)	-10%	(34,587)	-10%	(52,351)	-12%	(7,768)	22%	9,996	-19%
General and administrative expenses	(16,325)	-4%	(16,617)	-5%	(25,767)	-6%	292	-2%	9,442	-37%
Research and development expenses	(43,921)	-11%	(37,682)	-11%	(46,831)	-11%	(6,239)	17%	2,910	-6%
Total operating expenses	(102,601)	-25%	(88,886)	-26%	(124,949)	-28%				
Operating Income	63,986	16%	58,005	17%	67,668	15%	152,872	-172%	(3,682)	-5%
Non-operating Income										
Interest income	471	0%	813	0%	469	0%	(342)	-42%	2	0%
Investment income recognized under equity method	0	0%	0	0%	3,915	1%	0	#DIV/0!	(3,915)	0%
Dividend income	0	0%		0%	0	0%	0	#DIV/0!	0	0%
Gain on sale of investments, net	0	0%	-	0%	179	0%	0	#DIV/0!	(179)	0%
Exchange gain, net	0	0%	0	0%	- 3,283	-1%	0	#DIV/0!	3,283	-100%
Reversal of bad debt expenses	(22)	0%	58	0%	2,419	1%	(80)	-138%	(2,441)	-101%
Valuation gain on financial assets, net	97	0%	102	0%	(223)	0%	(5)	-5%	320	-143%
Valuation gain on financial liabilities, net	0	0%	0	0%	-	0%	0	0%	0	0%
Miscellaneous income	609	0%	416	0%	229	0%	193	46%	380	166%
Total non-operating income and gains	1,155	0%	1,389	0%	3,705	1%	(234)	-17%	(2,550)	-69%
Non-operating expenses and losses										
Interest expense	0	0%	0	0%	(49)	0%	0	#DIV/0!	49	0%
Investment loss recognized under equity method	(10,405)	-3%	(3,030)	-1%	1,081	0%	(7,375)	0%	(11,486)	100%
Loss on disposal of property, plant and equipment	0	0%	(8)	0%	0	0%	8	-100%	0	200%
Exchange loss, net	4,627	1%	(9,175)	-3%	(2,046)	0%	13,802	0%	6,673	500%
Total non-operating expenses and losses	(5,778)	-1%	(12,213)	-4%	(1,014)	0%	6,435	-53%	(4,764)	470%
Income before income tax	59,363	15%	47,181	14%	70,359	16%	12,182	26%	(10,996)	-16%
Income tax expense (benefit)	(11,829)	-3%	(8,027)	-2%	(5,794)	-1%	(3,802)	47%	(6,035)	104%
Net income	47,534	12%	39,154	12%	64,565	14%	8,380	21%	(17,031)	-26%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.86		0.69		1.04		0.17		(0.18)	
Basic Earnings Per Share After Income Tax	0.69		0.57		0.96		0.12		(0.27)	

#### CIPHERLAB CO.,LTD.

# CIPHER LAB

#### Condensed Statement of Cash Flows (Unconsolidated)

FOR THE SIX MONTHS ENDED June 30,2012 AND FOR THE THREE MONTHS ENDED ,June 30,2012 ,March 31,2012 AND June 30,2011 (In Thousands of New Taiwan Dollars)

	Six Months 2012	Q2 2012	Q1 2012	Q2 2011
Cash flows from operating activities				
Net income	86,688	47,534	39,154	64,565
Depreciation	11,044	5,692	5,352	5,150
Amortization	9,308	5,500	3,808	5,246
Provision(Reversal) for doubtful accounts	(36)	(36)	0	(6,005)
Provision for (Recovery of) loss on inventories	2,349	2,666	(317)	(9,497)
Loss (gain) on sale of investments	0	0	0	(179)
Investment loss (income) recognized under equity method	13,435	10,405	3,030	(4,996)
Loss (Gain) on disposal of property, plant and equipment	8	0	8	18
Valuation loss (gain) on financial instruments	(199)	(97)	(102)	223
Reversal of impairment loss on financial instruments	0	0	0	0
Impairment loss	0	0	0	0
Unrealized gross profit	29,742	4,465	25,277	4,517
Realized gross profit	(26,985)	0	(26,985)	0
Deferred income tax	(3,330)	(1,920)	(1,410)	3,262
Changes in operating assets and liabilities:	(33,948)	(33,948)	0	(84,304)
Financial assets at fair value through profit or loss - current	62,998	62,998	0	99,484
Others	156	(14,500)	14,656	(14,123)
Net cash provided by (used in) operating activities	151,230	88,759	62,471	63,361
Cash flows from investing activities				
Acquisition of investments accounted for by equity method	(47,650)	0	(47,650)	0
Acquisition of property, plant and equipment	(21,912)	(8,011)	(13,901)	(6,697)
Acquisition of Intangible assets	(11,084)	(8,206)	(2,878)	(426)
Decrease (Increase) in other receivables – related parties	(4,259)	8,770	(13,029)	4,596
Others	(227)	(6)	(221)	(2,909)
Net cash used in investing activities	(85,132)	(7,453)	(77,679)	(5,436)
Cash flows from financing activities				
Increase in short-term bills payable	300	365	(65)	(964)
Cash dividends	(157,525)	(157,525)	o´	(168,248)
Cash bonus to directors, supervisors and employees	0	0	0	0
Cash paid for acquisition of treasury stock	(25,182)	0	(25,182)	0
Treasury Stock Sold to Employees	0	0	0	0
Others	0	0	0	0
Increase (decrease) in short-term loans	0	0	0	0
Increase (decrease) in guarantee deposits received	0	0	0	0
Net cash used in financing activities	(182,407)	(157,160)	(25,247)	(169,212)
Effect of exchange rate changes			(==;==:-]	(111)
Net decrease in cash and cash equivalents	(116,309)	(75,854)	(40,455)	(111,287)
Cash and cash equivalents at beginning of period	281,353	240,898	281,353	212,989
Cash and cash equivalents at end of period	165,044	165,044	240,898	101,702
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