



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

Code	Accounting Title	2019/3/31	2018/12/31	2018/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	\$228,783	\$214,986	\$227,032
1136	Current financial assets at amortised cost	41,194	40,278	57,972
1150	Notes receivable, net	257	166	400
1170	Accounts receivable, net	189,450	342,539	180,561
1200	Other receivables	4,774	12,460	6,704
1220	Current tax assets	7,569	7,564	7,545
130X	Current inventories	532,674	495,925	479,193
1470	Other current assets	35,985	30,656	25,810
11XX	Total current assets	1,040,686	1,144,574	985,217
	Non-current assets			
1600	Property, plant and equipment	130,616	129,872	128,681
1755	Right-of-use assets	26,869	0	0
1780	Intangible assets	7,172	7,073	4,344
1840	Deferred tax assets	49,873	46,803	51,809
1900	Other non-current assets	15,442	14,101	12,125
15XX	Total non-current assets	229,972	197,849	196,959
1XXX	Total assets	\$1,270,658	\$1,342,423	\$1,182,176
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	\$90,000	\$90,000	\$90,000
2150	Notes payable	15	0	15
2170	Accounts payable	116,467	137,671	130,485
2200	Other payables	120,851	188,049	101,421
2230	Current tax liabilities	0	7,326	4,574
2280	Current lease liabilities	25,590	0	0
2300	Other current liabilities	18,074	8,905	2,881
21XX	Total current liabilities	370,997	431,951	329,376
	Non-current liabilities			
2570	Deferred tax liabilities	731	696	537
2580	Non-current lease liabilities	1,323	0	0
2600	Other non-current liabilities	32,225	32,225	32,966
25XX	Total non-current liabilities	34,279	32,921	33,503
2XXX	Total liabilities	405,276	464,872	362,879
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	684,891	684,891	684,891
	Capital surplus			
3210	Capital surplus, additional paid-in capital	1,131	1,131	1,101
	Retained earnings			
3310	Legal reserve	135,477	135,477	184,473
3350	Unappropriated retained earnings (accumulated deficit)	45,052	58,897	(45,989)
3300	Total retained earnings	180,529	194,374	138,484
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	302	(882)	(3,569)
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	(1,878)	(3,062)	(5,749)
31XX	Total equity attributable to owners of parent	864,673	877,334	818,727
36XX	Non-controlling interests	709	217	570
3XXX	Total equity	865,382	877,551	819,297
3X2X	Total liabilities and equity	\$1,270,658	\$1,342,423	\$1,182,176
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	2019/1/1To3/31	2018/1/1To3/31
	Operating revenue		
	Net sales revenue		
4100	Net sales revenue	\$277,257	\$289,533
	Service revenue		
4600	Total service revenue	6,446	5,100
4000	Total operating revenue	283,703	294,633
	Operating costs		
	Cost of sales		
5110	Total cost of sales	168,939	174,494
	Cost of services		
5600	Total cost of services	761	546
5000	Total operating costs	169,700	175,040
5900	Gross profit (loss) from operations	114,003	119,593
	Operating expenses		
6100	Selling expenses	57,649	54,236
6200	Administrative expenses	19,115	16,994
6300	Research and development expenses	55,658	45,460
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	743	266
6000	Total operating expenses	133,165	116,956
6900	Net operating income (loss)	(19,162)	2,637
	Non-operating income and expenses		
	Other income		
7010	Total other income	463	492
	Other gains and losses		
7020	Other gains and losses, net	2,440	(1,485)
	Finance costs		
7050	Finance costs, net	416	252
7000	Total non-operating income and expenses	2,487	(1,245)
7900	Profit (loss) from continuing operations before tax	(16,675)	1,392
	Tax expense (income)		
7950	Total tax expense (income)	(3,322)	732
8000	Profit (loss) from continuing operations	(13,353)	660
	Other comprehensive income		
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	1,480	(951)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	296	(190)
8300	Other comprehensive income, net	1,184	(761)
8500	Total comprehensive income	(\$12,169)	(\$101)
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	(\$13,288)	\$827
8620	Profit (loss), attributable to non-controlling interests	(65)	(167)
		(\$13,353)	\$660
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(\$12,104)	\$66
8720	Comprehensive income, attributable to non-controlling interests	(65)	(167)
		(\$12,169)	(\$101)
	Basic earnings per share		
9710	Basic earnings (loss) per share from continuing operations	(\$0.19)	\$0.01
9750	Total basic earnings per share	(\$0.19)	\$0.01
	Diluted earnings per share		
9810	Diluted earnings (loss) per share from continuing operations	(\$0.19)	\$0.01
9850	Total diluted earnings per share	(\$0.19)	\$0.01

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

Code	Accounting Title	2019/1/1To3/31	2018/1/1To3/31
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	(\$16,675)	\$1,392
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	12,995	5,688
A20200	Amortization expense	895	1,120
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	743	266
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	0	(87)
A20900	Interest expense	416	252
A21200	Interest income	(307)	(435)
A23700	Impairment loss on non-financial assets	(862)	648
A24100	Unrealized foreign exchange loss (gain)	(46)	2,524
A20010	Total adjustments to reconcile profit (loss)	13,834	9,976
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	0	12,208
A31130	Decrease (increase) in notes receivable	(91)	21
A31150	Decrease (increase) in accounts receivable	153,079	78,044
A31180	Decrease (increase) in other receivable	7,516	1,969
A31200	Decrease (increase) in inventories	(35,525)	(57,937)
A31240	Decrease (increase) in other current assets	(5,330)	6,230
A31000	Total changes in operating assets	119,649	40,535
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	15	15
A32150	Increase (decrease) in accounts payable	(21,488)	13,265
A32180	Increase (decrease) in other payable	(66,366)	(49,730)
A32220	Increase (decrease) in other financial liabilities	9,169	824
A32240	Increase (decrease) in net defined benefit liability	0	(1)
A32000	Total changes in operating liabilities	(78,670)	(35,627)
A30000	Total changes in operating assets and liabilities	40,979	4,908
A20000	Total adjustments	54,813	14,884
A33000	Cash inflow (outflow) generated from operations	38,138	16,276
A33100	Interest received	477	379
A33500	Income taxes refund (paid)	(7,330)	(12)
AAAA	Net cash flows from (used in) operating activities	31,285	16,643
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	0	(30,308)
B02700	Acquisition of property, plant and equipment	(5,847)	(1,805)
B04500	Acquisition of intangible assets	(993)	(1,476)
B06600	Decrease in other financial assets	1	0
B06700	Increase in other non-current assets	(2,674)	(809)
BBBB	Net cash flows from (used in) investing activities	(9,513)	(34,398)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	0	40,000
C04020	Payments of lease liabilities	(7,358)	0
C05600	Interest paid	(416)	(203)
CCCC	Net cash flows from (used in) financing activities	(7,774)	39,797
DDDD	Effect of exchange rate changes on cash and cash equivalents	(201)	(422)
EEEE	Net increase (decrease) in cash and cash equivalents	13,797	21,620
E00100	Cash and cash equivalents at beginning of period	214,986	205,412
E00200	Cash and cash equivalents at end of period	\$228,783	\$227,032
E00210	Cash and cash equivalents reported in the statement of financial position	\$228,783	\$227,032