

#### CIPHERLAB CO.,LTD.

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

Cache and Casif Equivalentes  Cache and Casif Equivalentes  Cache and Casif Equivalentes  123,05  168  189  189  189  189  189  189  189		March 31,2009		December 31,2008		March 31,2008		QoQ		YoY	
Panels Aurors of Fair Value fromph Profit or Loan   21,65   165   21,75   15   16   16   16   16   16   16   1	Current assets										
Month Receivable, Not   1,081	Cash and Cash Equivalents	253,756	18%	293,557	20%	538,902	32%	(39,801)	-14%	(285,146)	-53%
Account Receivable. Net   12,119   196   11,270   176   175,180   176   176,190   176   176,100   176   1	Financial Assets at Fair Value through Profit or Loss	231,635	16%	231,325	16%	342,649	20%	310	0%	(111,014)	-32%
Marche   M	Notes Receivable, Net	1,081	0%	7,774	1%	i,161	0%	(6,693)	-86%	(80)	-7%
Property Plant and Engineement Information   1,000	Accounts Receivable, Net	220,199	15%	182,704	13%	175,408	10%	37,495	21%	44,791	26%
Marcial Control Cont	Accounts Receivable - related parties, Net	103,287	7%	98,492	7%	92,281	5%	4,795	5%	11,006	12%
Professional Policy   Professional Policy	Other receivables - related parties, Net	6,652	0%	1,080	0%	14,083	1%	5,572	516%	(7,431)	-53%
Transmiss	Inventories, Net	315,753	22%	369,684	25%	254,379	15%	(53,931)	-15%	61,374	24%
Property Plant and Equipment   Property Plant   Property Plant and Equipment   Property Pla	Other Current Assets	51,352	4%	26,747	2%	64,915	4%	24,605	92%	(13,563)	-21%
Profession Asset Curried A Cord - concurrent   17,112   15	Total Current Assets	1,183,715	83%	1,211,363	83%	1,483,778	88%	(27,648)	-2%	(300,063)	-20%
Lang-tern Equily Investments   10,713   15	Long-term Equity Investments										
Advance pyments for investments 727.75 28 29.24 2 20.25 28 20.26 28 10.50 28 10.50 28 11.45 248 27.75 28 20.26 28 20.26 28 20.26 28 28 20.26 28 28 28 28 28 28 28 28 28 28 28 28 28	Financial Assets Carried at Cost - concurrent	17,012	1%	15,048	1%	21,726	1%	1,964	13%	(4,714)	-22%
Total Long-term Equity Investments	Long-term Equity Investments	10,713	1%	14,199	1%	-	-	(3,486)	-25%	10,713	100%
Property, Plant and Equipment	Advance payments for investments			•		4,854	0%	-		(4,854)	-100%
Property, Plant and Equipment	Total Long-term Equity Investments	27,725	2%_	29,247	2%	26,580	2%	(1,522)	5%	1,145	4%
Les: Accumulated depreciation         (128,80)         9%         (124,297)         9%         (136,548)         8%         (4,500)         4%         7,745         4.8%           Les: Accumulated inpariment loss         (5,170)         9%         (5,170)         0%         (5,170)         0%         (5,170)         0%         0.50         98         12%         (4,600)         7.8%           Property, Plant and Equipment, Net         143,712         10%         140,714         10%         126,848         8%         2,998         2%         17,228         14%           Intragible and Other assets         77,386         5%         73,483         3%         14,100         2%         3,903         5%         35,784         8%           INTRAL ASSETS         1,432,538         10%         1,454,807         0%         1,676,441         0%         122,209         2%         245,509         1,55         3,55         3,55         3,55         3,50	Property, Plant and Equipment					**	· · ·	•			
Less   Accumulated impairment loss   C5,170   0%   C5,17	Property, Plant and Equipment	275,896	19%	269,378	19%	261,810	16%	6,518	2%	14,086	5%
Construction in progress and prepayments for equipment	Less: Accumulated depreciation	(128,803)	-9%	(124,297)	-9%	(136,548)	-8%	(4,506)	4%	7,745	-6%
Property, Plant and Equipment, Net	Less: Accumulated impairment loss	(5,170)	0%	(5,170)	0%	(5,170)	0%	0	0%	. 0	0%
Total Assers	construction in progress and prepayments for equipment	1,789	0%	803	0%	6,392	0%	986	123%	(4,603)	-72%
Comment Liabilities   Comment Liabilities	Property, Plant and Equipment, Net	143,712	10%	140,714	10%	126,484	8%	2,998	2%	17,228	14%
Current Liabilities at fair value through profit or loss - current   128   0%   0%   128   10%	Intangible and Other assets	77,386	5%	73,483	5%	41,602	2%	3,903	5%	35,784	86%
Current Liabilities   Financial liabilities at fair value through profit or loss - current   128   0%	TOTAL ASSETS	1,432,538	100%	1,454,807	100%	1,678,444	100%	(22,269)	-2%	(245,906)	-15%
Financial liabilities at fair value through profit or loss - current         128         0%         - 438         0%         128         10%         (310)         - 71%           Notes Payable         43,662         3%         79,924         5%         83,585         5%         (36,562)         46%         (40,22)         - 48%           Income Tax Payable         43,662         3%         79,924         5%         62,016         4%         9,609         3%         (47,26)         - 48%           Accrued Expenses         104,872         7%         113,603         8%         92,977         6%         (87,31)         - 8%         11,785         13%           Other Current Liabilities         67,053         5%         83,616         6%         22,225         1%         (16,553)         - 20%         44,828         20%           Other Current Liabilities         37,537         3%         41,947         3%         58,125         3%         (4,10)         -17%         (12,615)         -5%           Other Current Liabilities         37,537         3%         41,947         3%         58,125         3%         (4,10)         -17%         (12,615)         -5%           Other Current Liabilities         37,537<	LIABILITIES :										
Notes Payable         1,043         0%	Current Liabilities										
Accounts Payable         43,362         3%         79,924         5%         83,585         5%         (36,562)         -46%         (40,223)         -48%           Income Tax Payable         34,254         2%         24,645         2%         60,016         4%         9,609         39%         (27,762)         -45%           Accrued Expenses         104,872         7%         113,603         8%         92,977         6%         (8,731)         -8%         11,895         13%           Other Current Liabilities         67,053         5%         83,616         6%         22,225         1%         (16,563)         -2%         44,828         202%           Other Lurint Liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -17%         (12,615)         -5%           Other Liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -11%         02,588         -35%           Total Liabilities         70,981         5%         70,981         4%         30,209         19%         56,529         -16%         33,203         -15%           SHAREHOLDERS' EQUITY:         70,981	Financial liabilities at fair value through profit or loss - current	128	0%	-	-	438	0%	128	100%	(310)	-71%
Income Tax Payable	Notes Payable	=	-		-	1,043	0%	-	-	(1,043)	-100%
Accrued Expenses         104,872         7%         113,603         8%         92,977         6%         (8,731)         -8%         11,895         13,895           Other Current Liabilities         67,053         5%         83,616         6%         22,225         1%         (16,563)         -20%         44,828         202%           Total Current Liabilities         249,669         17%         301,788         21%         262,284         16%         (52,119)         -17%         (12,615)         -5%           Other liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -1%         (20,588)         -35%           Total Liabilities         287,206         20%         343,735         24%         320,409         19%         (56,529)         -16%         (33,203)         -10%           SHAREHOLDERS' EQUITY:	Accounts Payable	43,362	3%	79,924	5%	83,585	5%	(36,562)	-46%	(40,223)	-48%
Other Current Liabilities         67,053         5%         83,616         6%         22,225         1%         (16,563)         -20%         44,828         202%           Total Current Liabilities         249,669         17%         301,788         21%         262,284         16%         (52,119)         -17%         (12,615)         -5%           Other liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -11%         (20,588)         -35%           Total Liabilities         287,206         20%         343,735         24%         320,409         19%         (56,529)         -16%         (33,203)         -10%           SHAREHOLDERS' EQUITY:             709,811         49%         709,811         42%	Income Tax Payable	34,254	2%	24,645	2%	62,016	4%	9,609	39%	(27,762)	-45%
Total Current Liabilities         249,669         17%         301,788         21%         262,284         16%         (52,119)         -17%         (12,615)         -5%           Other liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -11%         (20,588)         -35%           Total Liabilities         287,206         20%         343,735         24%         320,409         19%         (56,529)         -16%         (33,203)         -10%           SHAREHOLDERS' EQUITY:	Accrued Expenses	104,872	7%	113,603	8%	92,977	6%	(8,731)	-8%	11,895	13%
Other liabilities         37,537         3%         41,947         3%         58,125         3%         (4,410)         -11%         (20,588)         -35%           Total Liabilities         287,206         20%         343,735         24%         320,409         19%         (56,529)         -16%         (33,203)         -10%           SHAREHOLDERS' EQUITY:	Other Current Liabilities	67,053	5%	83,616	6%	22,225	1%	(16,563)	-20%	44,828	202%
Total Liabilities         287,206         20%         343,735         24%         320,409         19%         (56,529)         -16%         (33,203)         -10%           SHÅREHOLDERS' EQUITY:           Capital Stock         709,811         50%         709,811         49%         709,811         42%	Total Current Liabilities	249,669	17%	301,788	21%	262,284	16%	(52,119)	17%	(12,615)	-5%
SHAREHOLDERS' EQUITY:         0%           Capital Stock         709,811         50%         709,811         49%         709,811         42%         -         -         -         -         -           Capital Surplus         1,101         0%         1,101         0%         1,101         0%         -         -         -         -         -           Retained Earnings         539,689         38%         501,636         34%         645,077         38%         38,053         8%         (105,388)         -16%           Others-Cumulative Translation Adjustments         (7,811)         -1%         (4,018)         0%         2,046         0%         (3,793)         94%         (9,857)         -482%           Treasury stock         (97,458)         -7%         (97,458)         -7%         -         -         -         -         -         (97,458)         -100%           Total Shareholders' Equity         1,145,332         8%         1,111,072         76%         1,358,035         81%         34,260         3%         (212,703)         -16%	Other liabilities	. 37,537	3%	41,947	3%	58,125	3%	(4,410)	11%	(20,588)	35%
Capital Stock         709,811         50%         709,811         49%         709,811         42%         -	Total Liabilities	287,206	20%	343,735	24%	320,409	19%	(56,529)	16%	(33,203)	-10%
Capital Surplus         1,101         0%         1,101         0%         1,101         0%	SHAREHOLDERS' EQUITY:				0%						
Retained Earnings         539,689         38%         501,636         34%         645,077         38%         38,053         8%         (105,388)         -16%           Others-Cumulative Translation Adjustments         (7,811)         -1%         (4,018)         0%         2,046         0%         (3,793)         94%         (9,857)         -482%           Treasury stock         (97,458)         -7%         (97,458)         -7%         -         -         -         -         -         (97,458)         -100%           Total Shareholders' Equity         1,145,332         8%         1,111,072         76%         1,358,035         81%         34,260         3%         (212,703)         -16%	Capital Stock	709,811	50%	709,811	49%	709,811	42%	•	-	-	-
Others-Cumulative Translation Adjustments         (7,811)         -1%         (4,018)         0%         2,046         0%         (3,793)         94%         (9,857)         -482%           Treasury stock         (97,458)         -7%         (97,458)         -7%         -         -         -         -         -         -         (97,458)         -100%           Total Shareholders' Equity         1,145,332         80%         1,111,072         76%         1,358,035         81%         34,260         3%         (212,703)         -16%	Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	-	-	-
Treasury stock         (97,458)         -7%         (97,458)         -7%            (97,458)         - 100%           Total Shareholders' Equity         1,145,332         80%         1,111,072         76%         1,358,035         81%         34,260         3%         (212,703)         -16%	Retained Earnings	539,689	38%	501,636	34%	645,077	38%	38,053	8%	(105,388)	-16%
Total Shareholders' Equity 1,145,332 80% 1,111,072 76% 1,358,035 81% 34,260 3% (212,703) -16%	Others-Cumulative Translation Adjustments	(7,811)	-1%	(4,018)	0%	2,046	0%	(3,793)	94%	(9,857)	-482%
	Treasury stock	(97,458)	7%	(97,458)	-7%		<u> </u>	-		(97,458)	-100%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY 1,432,538 100% 1,454,807 100% 1,678,444 100% (22,269) -2% (245,906) -15%	Total Shareholders' Equity	1,145,332	80%	1,111,072	_76%	1,358,035	81%	34,260			-16%
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,432,538	100%	1,454,807	100%	1,678,444	100%	(22,269)		(245,906)	-15%



#### CIPHERLAB CO.,LTD.

#### Condensed Income Statements (Unconsolidated)

## For the Three Months Ended March 31,2009 , December 31 and March 31 2008

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

	Q1 2009		Q4 2008		Q1 2008		QoQ		YoY	
Net Sales	291,691	100%		100%	308,468	100%	(86,667)	-23%	(16,777)	-5%
Cost of Goods Sold	(169,413)	-58%	(167,588)	-44%	(133,677)	-43%	(1,825)	1%	(35,736)	27%
Gross Profit	122,278	42%	210,770	56%	174,791	57%	(88,492)	-42%	(52,513)	-30%
Unrealized Profit	(21,007)	-7%	(25,451)	-7%	(40,317)	-13%	4,444	-17%	19,310	-48%
Realized Profit	25,451	9%	45,155	12%	50,085	16%	(19,704)	-44%	(24,634)	-49%
Realized Gross Profit	126,722	43%	230,474	61%	184,559	60%	(103,752)	-45%	(57,837)	-31%
Operating Expenses	(80,435)	-28%	(97,204)	-26%	(60,369)	-20%	16,769	-17%	(20,066)	33%
Sales and Marketing Expenses	(31,525)	-11%	(44,404)	-12%	(26,254)	-9%	12,879	-29%	(5,271)	20%
General and Administrative Expenses	(20,387)	-7%	(21,449)	-6%	(17,590)	-6%	1,062	-5%	(2,797)	16%
Research and Development Expenses	(28,523)	-10%	(31,351)	-8%	(16,525)	-5%	2,828	-9%	(11,998)	73%
Operating Income	46,287	16%	133,270	35%	124,190	40%	(86,983)	-65%	(77,903)	-63%
Non-operating Income	14,427	5%	25,587	7%	11,596	4%	(11,160)	-44%	2,831	24%
Interest income	503	0%	1,286	0%	2,353	1%	(783)	-61%	(1,850)	-79%
Dividend income	=	-	319	0%	-	-	(319)	-100%	-	-
Valuation gain on financial assets and liabilities, net	310	0%	876	0%	-	-	(566)	-65%	310	100%
Reversal of Bad Debt Expenses	-	-	14,260	4%	9,144	3%	(14,260)	-100%	(9,144)	-100%
Exchange gain, net	13,180	5%	7,849	2%	· · ·	. <b>-</b>	5,331	68%	13,180	100%
Miscellaneous income	434	0%	997	0%	99 .	0%	(563)	-56%	335	338%
Non-operating Expenses and Losses	(15,106)	-5%	(59,966)	-16%	(62,510)	-20%	44,860	-75%	47,404	-76%
Valuation loss on financial assets and liabilities, net	(128)	0%	-	-	(28,900)	-9%	(128)	-100%	28,772	-100%
Investment loss recognized under equity method	(14,978)	-5%	(49,194)	-13%	(14,071)	-5%	34,216	-70%	(907)	6%
Exchange loss, net	-	-	-	-	(19,539)	-6%	-	_	19,539	-100%
Provision for loss on inventories and loss on disposal of inventories	<u>-</u>		(10,772)	-3%	-		10,772	-100%		
Income Before Income Tax	45,608	16%	98,891	26%	73,276	24%	(53,283)	-54%	(27,668)	-38%
Income Tax	(7,555)	-3%	(23,621)	-6%	(19,300)	-6%	16,066	-68%	11,745	-61%
Net Income	38,053	13%	75,270	20%	: 53,976	17%	(37,217)	-49%	(15,923)	-30%
•										
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.66		1.43	:	1.03	=	(0.77)	_	(0.37)	
Basic Earnings Per Share After Income Tax	0.55		1.09		0.76		(0.54)	_	(0.21)	
		-				_		_		



## CIPHERLAB CO.,LTD.

# Condensed Statement of Cash Flows (Unconsolidated) FOR THE THREE MONTHS ENDED March 31,2009 AND 2008

(In Thousands of New Taiwan Dollars)

_	Q1 2009	Q1 2008
Cash Flows from Operating Activities:		
Net Income	38,053	53,976
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Valuation loss (gain) on financial assets and liability	(182)	28,900
Loss(Reversal) on Decline in Market Value of inventories and loss on disposal of inventories	6,235	(4,784)
Investment Loss Recognized by Equity Method	14,978	14,071
Depreciation	6,101	4,941
Amortization	3,230	1,482
Bad Debt Expenses(Reversal)	3,301	(9,144)
Net changes in operating assets and liabilities		
Financial Assets at Fair Value through Profit or Loss	-	25,037
Changes in Others assets and liabilities	(52,679)	69,856
Net Cash Provided from Operating Activities	19,037	184,335
Cash Flows from Investing Activities:	•	
Increase in Advance payments for investments	_	(6,469)
Acquisition of Properties, Plant and Equipment	(15,467)	(9,952)
Acquisition of investments accounted for by equity method	(90,368)	
Increase in Others	47,094	17,581
Net Cash (Used by)Provided from Investing Activities	(58,741)	1,160
Cash Flows from Financing Activities:		
Increase in Others	· (97)	
Net Cash Used by Financing Activities	(97)	
Net Increase(Decrease) in Cash and Cash Equivalents	(20 901)	105 405
Cash and Cash Equivalents at Beginning of Period	(39,801)	185,495
Cash and Cash Equivalents at Beginning of Period  Cash and Cash Equivalents at End of Period	293,557	353,407
Cash and Cash Equivalents at End of Letton =	253,756	538,902