



CIPHERLAB CO.,LTD.

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

	December 31,2009		September 30,2009		December 31,2008		QoQ		YoY	
Current assets										
Cash and Cash Equivalents	304,473	24%	204,126	18%	293,557	20%	100,347	49%	10,916	4%
Financial Assets at Fair Value through Profit or Loss	149,730	12%	149,682	13%	231,325	16%	48	0%	(81,595)	-35%
Notes Receivable, Net	4,870	0%	5,076	0%	7,774	1%	(206)	-4%	(2,904)	-37%
Accounts Receivable, Net	170,015	14%	145,029	13%	182,704	13%	24,986	17%	(12,689)	-7%
Accounts Receivable – related parties, Net	77,453	6%	77,069	7%	98,492	7%	384	0%	(21,039)	-21%
Other receivables , Net	38,968	3%	45,359	4%	6,797	0%	(6,391)	-14%	32,171	473%
Other receivables – related parties, Net	1,219	0%	1,284	0%	1,080	0%	(65)	-5%	139	13%
Inventories, Net	232,061	19%	249,992	22%	369,684	25%	(17,931)	-7%	(137,623)	-37%
Other Current Assets	15,168	1%	17,537	1%	19,950	1%	(2,369)	-14%	(4,782)	-24%
Total Current Assets	993,957	79%	895,154	78%	1,211,363	83%	98,803	11%	(217,406)	-18%
Long-term Equity Investments										
Financial Assets Carried at Cost - concurrent , Net	10,419	1%	17,012	2%	15,048	1%	(6,593)	-39%	(4,629)	-31%
Long-term Equity Investments	18,984	1%	15,856	1%	14,199	1%	3,128	20%	4,785	100%
Total Long-term Equity Investments	29,403	2%	32,868	3%	29,247	2%	(3,465)	-11%	156	1%
Property, Plant and Equipment										
Property, Plant and Equipment	291,039	23%	280,000	24%	269,378	19%	11,039	4%	21,661	8%
Less : Accumulated depreciation	(145,152)	-11%	(139,720)	-12%	(124,297)	-9%	(5,432)	4%	(20,855)	17%
Less : Accumulated impairment loss	0	0%	(5,170)	0%	(5,170)	0%	5,170	-100%	5,170	-100%
construction in progress and prepayments for equipment	4,510	0%	2,697	0%	803	0%	1,813	67%	3,707	462%
Property, Plant and Equipment, Net	150,397	12%	137,807	12%	140,714	10%	12,590	9%	9,683	7%
Intangible and Other assets	88,290	7%	87,134	7%	73,483	5%	1,156	1%	14,807	20%
TOTAL ASSETS	1,262,047	100%	1,152,963	100%	1,454,807	100%	109,084	9%	(192,760)	-13%
LIABILITIES :										
Current Liabilities										
Notes Payable	1,116	0%	1,146	0%	-	-	(30)	-3%	1,116	100%
Accounts Payable	81,072	6%	52,683	5%	79,924	6%	28,389	54%	1,148	1%
Income Tax Payable	15,177	1%	15,177	1%	24,645	2%	-	-	(9,468)	-38%
Accrued Expenses	116,835	9%	74,909	7%	113,603	8%	41,926	56%	3,232	3%
Other Current Liabilities	51,624	5%	51,496	4%	83,616	5%	128	0%	(31,992)	-38%
Total Current Liabilities	265,824	21%	195,411	17%	301,788	21%	70,413	36%	(35,964)	-12%
Other liabilities	31,994	3%	29,499	3%	41,947	3%	2,495	8%	(9,953)	-24%
Total Liabilities	297,818	24%	224,910	20%	343,735	24%	72,908	32%	(45,917)	-13%
SHAREHOLDERS' EQUITY :										
Capital Stock	709,811	56%	709,811	61%	709,811	49%	-	-	-	-
Capital Surplus	1,101	0%	1,101	0%	1,101	0%	-	-	-	-
Retained Earnings	357,972	28%	321,757	28%	501,636	34%	36,215	11%	(143,664)	-29%
Others-Cumulative Translation Adjustments	(7,197)	0%	(7,158)	-1%	(4,018)	0%	(39)	1%	(3,179)	79%
Treasury stock	(97,458)	-8%	(97,458)	-8%	(97,458)	-7%	-	-	-	-
Total Shareholders' Equity	964,229	76%	928,053	80%	1,111,072	76%	36,176	4%	(146,843)	-13%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,262,047	100%	1,152,963	100%	1,454,807	100%	109,084	9%	(192,760)	-13%



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)
For the Year Ended December 31,2009 and December 31,2008
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2009		2008		YoY	
Net Sales	1,104,257	100%	1,378,495	100%	(274,238)	-20%
Cost of Goods Sold	(603,447)	-55%	(644,465)	-47%	41,018	-6%
Gross Profit	500,810	45%	734,030	53%	(233,220)	-32%
Unrealized Profit	(16,281)	-1%	(25,451)	-2%	9,170	-36%
Realized Profit	25,451	2%	50,085	4%	(24,634)	-49%
Realized Gross Profit	509,980	46%	758,664	55%	(248,684)	-33%
Operating Expenses	(343,931)	-31%	(324,637)	-24%	(19,294)	6%
Sales and Marketing Expenses	(154,757)	-14%	(158,249)	-12%	3,492	-2%
General and Administrative Expenses	(65,656)	-6%	(79,021)	-6%	13,365	-17%
Research and Development Expenses	(123,518)	-11%	(87,367)	-6%	(36,151)	41%
Operating Income	166,049	15%	434,027	31%	(267,978)	-62%
Non-operating Income	9,190	1%	52,699	4%	(43,509)	-83%
Interest income	1,498	0%	7,927	1%	(6,429)	-81%
Dividend income	765	0%	3,039	0%	(2,274)	-75%
Valuation gain on financial assets and liabilities, net	539	0%	-	-	539	100%
Reversal of Bad Debt Expenses	-	-	32,540	2%	(32,540)	-100%
Exchange gain, net	-	-	5,969	1%	(5,969)	-100%
Gain on disposal of property, plant and equipment	147	0%	-	-	147	100%
Miscellaneous income	6,241	1%	1,746	0%	4,495	257%
Non-operating Expenses and Losses	(18,661)	-2%	(113,434)	-8%	94,773	-84%
Interest expense	(105)	0%	-	-	(105)	-100%
Valuation loss on financial assets and liabilities, net	-	-	(30,246)	-2%	30,246	-100%
Investment loss recognized under equity method	(10,292)	-1%	(83,188)	-6%	72,896	-88%
Exchange loss, net	(3,171)	0%	-	-	(3,171)	-100%
Miscellaneous expenses	(5,093)	-1%	-	-	(5,093)	-100%
Income Before Income Tax	156,578	14%	373,292	27%	(216,714)	-58%
Income Tax	(38,114)	-3%	(78,181)	-6%	40,067	-51%
Net Income	118,464	11%	295,111	21%	(176,647)	-60%
Earnings Per Share						
Basic Earnings Per Share Before Income Tax	2.27		5.30		(3.03)	
Basic Earnings Per Share After Income Tax	1.72		4.19		(2.47)	



CIPHERLAB CO.,LTD.

Condensed Income Statements (Unconsolidated)

For the Three Months Ended December 31,2009 ,September 30,2009 and December 31,2008

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

	Q4 2009		Q3 2009		Q4 2008		QoQ		YoY	
Net Sales	339,610	100%	275,689	100%	378,358	100%	63,921	23%	(38,748)	-10%
Cost of Goods Sold	(188,650)	-56%	(151,019)	-55%	(178,008)	-47%	(37,631)	25%	(10,642)	6%
Gross Profit	150,960	44%	124,670	45%	200,350	53%	26,290	21%	(49,390)	-25%
Unrealized Profit	(3,150)	-1%	(13,131)	-5%	19,704	5%	9,981	-76%	(22,854)	-116%
Realized Profit	-	-	13,551	5%	-	-	(13,551)	-100%	-	-
Realized Gross Profit	147,810	44%	125,090	45%	220,054	58%	22,720	18%	(72,244)	-33%
Operating Expenses	(104,205)	-31%	(88,564)	-32%	(97,204)	-26%	(15,641)	18%	(7,001)	7%
Sales and Marketing Expenses	(49,516)	-15%	(43,195)	-16%	(44,404)	-12%	(6,321)	15%	(5,112)	12%
General and Administrative Expenses	(19,452)	-6%	(14,964)	-5%	(21,449)	-6%	(4,488)	30%	1,997	-9%
Research and Development Expenses	(35,237)	-10%	(30,405)	-11%	(31,351)	-8%	(4,832)	16%	(3,886)	12%
Operating Income	43,605	13%	36,526	13%	122,850	32%	7,079	19%	(79,245)	-65%
Non-operating Income	5,813	2%	802	0%	22,479	6%	5,011	625%	(16,666)	-74%
Interest income	389	0%	227	0%	1,286	0%	162	71%	(897)	-70%
Dividend income	-	-	-	-	319	0%	-	-	(319)	-100%
Valuation gain on financial assets and liabilities, net	49	0%	59	0%	-	-	(10)	-17%	49	100%
Reversal of Bad Debt Expenses	-	-	-	-	14,260	4%	-	-	(14,260)	-100%
Exchange gain, net	-	-	-	-	5,969	2%	-	-	(5,969)	-100%
Gain on disposal of property,plant and equipment	(1)	0%	148	0%	-	-	(149)	-101%	(1)	-100%
Miscellaneous income	5,376	2%	368	0%	645	0%	5,008	1361%	4,731	733%
Non-operating Expenses and Losses	(2,007)	-1%	(6,052)	-2%	(46,438)	-12%	4,045	-67%	44,431	-96%
Interest expense	(89)	0%	-	-	-	-	(89)	-100%	(89)	-100%
Valuation loss on financial assets and liabilities, net	-	-	-	-	(30,246)	-8%	-	-	30,246	-100%
Investment loss recognized under equity method	4,123	1%	(779)	0%	(49,194)	-13%	4,902	-629%	53,317	-108%
Exchange loss, net	(948)	0%	(5,273)	-2%	1,880	0%	4,325	-82%	(2,828)	-150%
Miscellaneous expenses	(5,093)	-1%	-	-	31,122	8%	(5,093)	-100%	(36,215)	-116%
Income Before Income Tax	47,411	14%	31,276	11%	98,891	26%	16,135	52%	(51,480)	-52%
Income Tax	(11,196)	-3%	(6,343)	-2%	(23,621)	-6%	(4,853)	77%	12,425	-53%
Net Income	36,215	11%	24,933	9%	75,270	20%	11,282	45%	(39,055)	-52%
Earnings Per Share										
Basic Earnings Per Share Before Income Tax	0.69		0.45		1.43		0.24		(0.74)	
Basic Earnings Per Share After Income Tax	0.53		0.36		1.09		0.17		(0.56)	



CIPHERLAB CO.,LTD.

Condensed Statement of Cash Flows (Unconsolidated)
FOR THE YEAR ENDED December 31,2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
Cash Flows from Operating Activities :		
Net Income	118,464	295,111
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities :		
Valuation loss (gain) on financial assets and liability	(539)	30,246
Loss(Gain) on sale of investments	-	(1,478)
Loss(Reversal) on Decline in Market Value of inventories and loss on disposal of inventories	11,652	(25,903)
Investment Loss Recognized by Equity Method	10,292	83,188
Depreciation	23,906	20,027
Amortization	14,031	7,830
Bad Debt Expenses(Reversal)	2,648	(32,545)
Net changes in operating assets and liabilities		
Financial Assets at Fair Value through Profit or Loss	82,134	134,577
Changes in Others assets and liabilities	118,149	(29,092)
Net Cash Provided from Operating Activities	<u>380,737</u>	<u>481,961</u>
Cash Flows from Investing Activities :		
Acquisition of Properties, Plant and Equipment	(37,023)	(32,208)
Acquisition of investments accounted for by equity method	(94,811)	(35,325)
Increase in Others	24,238	7,659
Net Cash (Used by)Provided from Investing Activities	<u>(107,596)</u>	<u>(59,874)</u>
Cash Flows from Financing Activities :		
Cash bonus to directors, supervisors and employees	-	(15,474)
Cash dividends	(262,128)	(369,102)
Repurchase of Treasury Stock	-	(97,458)
Increase in Others	(97)	97
Net Cash Used by Financing Activities	<u>(262,225)</u>	<u>(481,937)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	10,916	(59,850)
Cash and Cash Equivalents at Beginning of Period	<u>293,557</u>	<u>353,407</u>
Cash and Cash Equivalents at End of Period	<u>304,473</u>	<u>293,557</u>