

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED MARCH 31

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2020 and 2019 are reviewed, not audited)

Assets	March 31, 2020		December 31, 2019		March 31, 2019		
	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets							
1100	Cash and cash equivalents	\$ 1,147,506	21	\$ 1,299,322	24	\$ 657,411	13
1136	Current financial assets at amortized cost	1,683,435	30	1,549,724	28	2,179,227	42
1170	Accounts receivable, net	95,883	2	107,358	2	88,065	2
1200	Other receivables	2,958	-	3,205	-	4,053	-
1210	Other receivables - related parties	5,215	-	5,849	-	5,744	-
1220	Current income tax assets	34,402	1	34,257	1	4,587	-
130X	Inventories	6,862	-	7,418	-	6,570	-
1470	Other current assets	16,146	-	11,837	-	12,468	-
11XX	Total current assets	<u>2,992,407</u>	<u>54</u>	<u>3,018,970</u>	<u>55</u>	<u>2,958,125</u>	<u>57</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	234,415	4	233,172	4	218,302	4
1517	Non-current financial assets at fair value through other comprehensive income	507	-	507	-	1,032	-
1550	Investments accounted for using equity method	463,239	9	442,522	8	106,064	2
1600	Property, plant and equipment, net	485,561	9	483,900	9	500,234	10
1755	Right-of-use assets	21,541	-	10,536	-	6,650	-
1760	Investment property, net	1,248,191	23	1,251,034	23	1,358,986	26
1840	Deferred income tax assets	49,280	1	46,193	1	44,334	1
1900	Other non-current assets	7,876	-	7,877	-	8,849	-
15XX	Total non-current assets	<u>2,510,610</u>	<u>46</u>	<u>2,475,741</u>	<u>45</u>	<u>2,244,451</u>	<u>43</u>
1XXX	Total assets	<u>\$ 5,503,017</u>	<u>100</u>	<u>\$ 5,494,711</u>	<u>100</u>	<u>\$ 5,202,576</u>	<u>100</u>

(Continued)

CYBERLINK CORP. AND SUBSIDIARIES
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YEARS ENDED MARCH 31

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2020 and 2019 are reviewed, not audited)

Liabilities and Equity		March 31, 2020		December 31, 2019		March 31, 2019	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2130	Current contract liabilities	\$ 80,903	1	\$ 61,708	1	\$ 43,360	1
2170	Accounts payable	92,729	2	107,519	2	154,106	3
2200	Other payables	413,211	8	459,181	9	440,178	9
2220	Other payables - related parties	2,210	-	3,436	-	1,859	-
2230	Income tax payable	3,815	-	18,617	-	16,737	-
2280	Current lease liabilities	9,284	-	5,267	-	5,704	-
2300	Other current liabilities	63,947	1	61,121	1	72,687	1
21XX	Total current liabilities	<u>666,099</u>	<u>12</u>	<u>716,849</u>	<u>13</u>	<u>734,631</u>	<u>14</u>
Non-current liabilities							
2550	Non-current provisions	516,247	9	508,218	9	509,136	10
2570	Deferred income tax liabilities	1,880	-	747	-	1,014	-
2580	Non-current lease liabilities	12,275	-	5,295	-	961	-
2600	Other non-current liabilities	82,972	2	83,015	2	75,676	1
25XX	Total non-current liabilities	<u>613,374</u>	<u>11</u>	<u>597,275</u>	<u>11</u>	<u>586,787</u>	<u>11</u>
2XXX	Total liabilities	<u>1,279,473</u>	<u>23</u>	<u>1,314,124</u>	<u>24</u>	<u>1,321,418</u>	<u>25</u>
Equity							
Equity attributable to shareholders of the parent							
Capital Stock							
3110	Common stock	848,790	15	845,992	15	835,852	16
Capital surplus							
3200	Capital surplus	1,141,825	21	1,130,694	21	861,962	16
Retained earnings							
3310	Legal reserve	1,154,554	21	1,154,554	21	1,121,671	22
3320	Special reserve	88,831	2	88,831	1	72,904	1
3350	Unappropriated earnings	1,166,543	21	1,089,756	20	1,074,933	21
Other equity interest							
3400	Other equity interest	(116,849)	(2)	(129,240)	(2)	(86,164)	(1)
3500	Treasury shares	(60,150)	(1)	-	-	-	-
31XX	Equity attributable to shareholders of the parent	<u>4,223,544</u>	<u>77</u>	<u>4,180,587</u>	<u>76</u>	<u>3,881,158</u>	<u>75</u>
3XXX	Total equity	<u>4,223,544</u>	<u>77</u>	<u>4,180,587</u>	<u>76</u>	<u>3,881,158</u>	<u>75</u>
Significant contingent liabilities and unrecognized contract commitments							
Significant events after the balance sheet date							
3X2X	Total liabilities and equity	<u>\$ 5,503,017</u>	<u>100</u>	<u>\$ 5,494,711</u>	<u>100</u>	<u>\$ 5,202,576</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

Items	Three months ended March 31			
	2020		2019	
	AMOUNT	%	AMOUNT	%
4000 Net revenue	\$ 356,754	100	\$ 327,333	100
5000 Operating costs	(42,015)	(12)	(33,592)	(10)
5900 Gross profit	<u>314,739</u>	<u>88</u>	<u>293,741</u>	<u>90</u>
Operating expenses				
6100 Sales and marketing expenses	(148,347)	(41)	(125,479)	(38)
6200 General and administrative expenses	(27,576)	(8)	(25,660)	(8)
6300 Research and development expenses	(95,414)	(27)	(88,190)	(27)
6000 Total operating expenses	<u>(271,337)</u>	<u>(76)</u>	<u>(239,329)</u>	<u>(73)</u>
6900 Operating income	<u>43,402</u>	<u>12</u>	<u>54,412</u>	<u>17</u>
Non-operating income and expenses				
7010 Other income	30,954	9	42,188	13
7020 Other gains and losses	3,796	1	6,193	2
7050 Finance costs	(40)	-	(34)	-
7060 Share of income (loss) of associates and joint ventures accounted for using equity method	17,488	5	(24,888)	(8)
7000 Total non-operating income and expenses	<u>52,198</u>	<u>15</u>	<u>23,459</u>	<u>7</u>
7900 Income before income tax	95,600	27	77,871	24
7950 Income tax expense	(18,813)	(5)	(19,088)	(6)
8200 Net income	<u>\$ 76,787</u>	<u>22</u>	<u>\$ 58,783</u>	<u>18</u>
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss subsequently				
8361 Exchange differences arising on translation of foreign operations	\$ 10,052	3	\$ 2,085	1
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method	2,339	-	582	-
8360 Components of other comprehensive income that will be reclassified to profit or loss subsequently	<u>12,391</u>	<u>3</u>	<u>2,667</u>	<u>1</u>
8500 Total comprehensive income	<u>\$ 89,178</u>	<u>25</u>	<u>\$ 61,450</u>	<u>19</u>
Net income, attributable to:				
8610 Shareholders of the parent	<u>\$ 76,787</u>	<u>22</u>	<u>\$ 58,783</u>	<u>18</u>
Total comprehensive income, attributable to:				
8710 Shareholders of the parent	<u>\$ 89,178</u>	<u>25</u>	<u>\$ 61,450</u>	<u>19</u>
Earnings per share				
9750 Basic earnings per share	<u>\$ 0.91</u>		<u>\$ 0.70</u>	
9850 Diluted earnings per share	<u>\$ 0.89</u>		<u>\$ 0.69</u>	

The accompanying notes are an integral part of these consolidated financial statements.

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)
(Review, not audit)

	Equity attributable to shareholders of the parent								
	Retained Earnings				Other equity interest				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized losses on financial assets measured at fair value through other comprehensive income	Treasury stocks	Total
<u>Three months ended March 31, 2019</u>									
Balance at January 1, 2019	\$ 849,321	\$ 940,029	\$ 1,121,671	\$ 72,904	\$ 1,016,150	(\$ 77,314)	(\$ 11,517)	(\$ 70,724)	\$ 3,840,520
Net income for the three months ended March 31, 2019	-	-	-	-	58,783	-	-	-	58,783
Other comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	2,667	-	-	2,667
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	58,783	2,667	-	-	61,450
Purchase of treasury share	-	-	-	-	-	-	-	(24,807)	(24,807)
Retirement of treasury share	(13,940)	(81,591)	-	-	-	-	-	95,531	-
Share-based payment transactions	-	911	-	-	-	-	-	-	911
Employee stock options exercised	471	1,809	-	-	-	-	-	-	2,280
Change in net equity of associates accounted for using equity method	-	804	-	-	-	-	-	-	804
Balance at March 31, 2019	<u>\$ 835,852</u>	<u>\$ 861,962</u>	<u>\$ 1,121,671</u>	<u>\$ 72,904</u>	<u>\$ 1,074,933</u>	<u>(\$ 74,647)</u>	<u>(\$ 11,517)</u>	<u>\$ -</u>	<u>\$ 3,881,158</u>
<u>Three months ended March 31, 2020</u>									
Balance at January 1, 2020	\$ 845,992	\$ 1,130,694	\$ 1,154,554	\$ 88,831	\$ 1,089,756	(\$ 117,204)	(\$ 12,036)	\$ -	\$ 4,180,587
Net income for the three months ended March 31, 2020	-	-	-	-	76,787	-	-	-	76,787
Other comprehensive income for the three months ended March 31, 2020	-	-	-	-	-	12,391	-	-	12,391
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	76,787	12,391	-	-	89,178
Purchase of treasury share	-	-	-	-	-	-	-	(60,150)	(60,150)
Employee stock options exercised	2,798	10,241	-	-	-	-	-	-	13,039
Change in net equity of associates accounted for using equity method	-	890	-	-	-	-	-	-	890
Balance at March 31, 2020	<u>\$ 848,790</u>	<u>\$ 1,141,825</u>	<u>\$ 1,154,554</u>	<u>\$ 88,831</u>	<u>\$ 1,166,543</u>	<u>(\$ 104,813)</u>	<u>(\$ 12,036)</u>	<u>(\$ 60,150)</u>	<u>\$ 4,223,544</u>

The accompanying notes are an integral part of these consolidated financial statements.

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars)
(Review, not audited)

	Three months ended March 31	
	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 95,600	\$ 77,871
Adjustments		
Adjustments to reconcile profit (loss)		
Gain on financial assets at fair value through profit or loss	-	(5,139)
Depreciation expense	8,055	7,726
Interest income	(9,841)	(14,470)
Interest expense	40	34
Employees' stock option cost	-	911
Share of (income) loss of associates and joint ventures accounted for using equity method	(17,488)	24,888
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets mandatorily measured at fair value through profit or loss	-	(28,829)
Accounts receivable	12,153	34,323
Other receivables	111	675
Other receivable-related parties	642	(1,333)
Inventories	556	710
Other current assets	(4,301)	6,057
Other non-current assets	-	917
Changes in operating liabilities		
Current contract liabilities	19,193	23,513
Accounts payable	(15,437)	3,812
Other payables	(48,090)	(49,425)
Other payables-related parties	(1,254)	812
Other current liabilities	2,285	(11,172)
Provisions	8,029	11,005
Other non-current liabilities	(119)	(99)
Cash inflow generated from operations	50,134	82,787
Interest received	9,979	14,172
Interest paid	(40)	(34)
Income tax paid	(35,344)	(22,632)
Net cash flows from operating activities	<u>24,729</u>	<u>74,293</u>

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CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31
(Expressed in thousands of New Taiwan dollars)
(Review, not audited)

	Three months ended March 31	
	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at amortized cost	(\$ 131,961)	(\$ 190,382)
Acquisition of property, plant, and equipment	(3,073)	(463)
Decrease (increase) in refundable deposits	61	(569)
Net cash flows used in investing activities	(134,973)	(191,414)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in deposits received	-	285
Repayment of the principal portion of lease liabilities	(2,144)	(1,418)
Excercise of employee stock options	13,039	2,280
Acquisition of treasury shares	(60,150)	(24,807)
Net cash flows used in financing activities	(49,255)	(23,660)
Effects of changes in exchange rates of foreign currency holdings	7,683	493
Net decrease in cash and cash equivalents	(151,816)	(140,288)
Cash and cash equivalents at beginning of period	1,299,322	797,699
Cash and cash equivalents at end of period	\$ 1,147,506	\$ 657,411

The accompanying notes are an integral part of these consolidated financial statements.