

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(The balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

Assets	September 30, 2020		December 31, 2019		September 30, 2019		
	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets							
1100	Cash and cash equivalents	\$ 1,149,429	23	\$ 1,299,322	24	\$ 1,327,278	24
1136	Current financial assets at amortized cost	1,281,700	25	1,549,724	28	1,355,637	25
1150	Notes receivable, net	27	-	-	-	-	-
1170	Accounts receivable, net	76,776	2	107,358	2	87,572	2
1200	Other receivables	1,011	-	3,205	-	218,026	4
1210	Other receivables - related parties	2,700	-	5,849	-	10,040	-
1220	Current income tax assets	37,627	1	34,257	1	4,615	-
130X	Inventories	8,979	-	7,418	-	9,948	-
1470	Other current assets	24,803	-	11,837	-	13,488	-
11XX	Total current assets	<u>2,583,052</u>	<u>51</u>	<u>3,018,970</u>	<u>55</u>	<u>3,026,604</u>	<u>55</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	233,623	5	233,172	4	236,613	4
1517	Non-current financial assets at fair value through other comprehensive income	507	-	507	-	1,034	-
1535	Non-current financial assets at amortized cost	5,000	-	-	-	-	-
1550	Investments accounted for using equity method	440,114	9	442,522	8	414,220	8
1600	Property, plant and equipment, net	482,341	9	483,900	9	503,536	9
1755	Right-of-use assets	16,831	-	10,536	-	3,929	-
1760	Investment property, net	1,242,506	25	1,251,034	23	1,238,687	23
1780	Intangible assets	866	-	-	-	-	-
1840	Deferred income tax assets	49,345	1	46,193	1	51,303	1
1900	Other non-current assets	11,654	-	7,877	-	7,126	-
15XX	Total non-current assets	<u>2,482,787</u>	<u>49</u>	<u>2,475,741</u>	<u>45</u>	<u>2,456,448</u>	<u>45</u>
1XXX	Total assets	<u>\$ 5,065,839</u>	<u>100</u>	<u>\$ 5,494,711</u>	<u>100</u>	<u>\$ 5,483,052</u>	<u>100</u>

(Continued)

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(The balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

Liabilities and Equity		September 30, 2020		December 31, 2019		September 30, 2019	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2130	Current contract liabilities	\$ 119,372	3	\$ 61,708	1	\$ 53,340	1
2170	Accounts payable	100,007	2	107,519	2	118,468	2
2200	Other payables	419,471	8	459,181	9	467,917	9
2220	Other payables - related parties	-	-	3,436	-	3,891	-
2230	Income tax payable	-	-	18,617	-	32,831	1
2280	Current lease liabilities	9,397	-	5,267	-	3,956	-
2300	Other current liabilities	66,690	1	61,121	1	65,768	1
21XX	Total current liabilities	<u>714,937</u>	<u>14</u>	<u>716,849</u>	<u>13</u>	<u>746,171</u>	<u>14</u>
Non-current liabilities							
2550	Non-current provisions	508,387	10	508,218	9	533,392	10
2570	Deferred income tax liabilities	2,601	-	747	-	1,022	-
2580	Non-current lease liabilities	7,469	-	5,295	-	-	-
2600	Other non-current liabilities	82,655	2	83,015	2	75,745	1
25XX	Total non-current liabilities	<u>601,112</u>	<u>12</u>	<u>597,275</u>	<u>11</u>	<u>610,159</u>	<u>11</u>
2XXX	Total Liabilities	<u>1,316,049</u>	<u>26</u>	<u>1,314,124</u>	<u>24</u>	<u>1,356,330</u>	<u>25</u>
Equity							
Equity attributable to shareholders of the parent							
Capital Stock							
3110	Common stock	839,653	17	845,992	15	842,041	15
Capital surplus							
3200	Capital surplus	1,041,965	21	1,130,694	21	1,110,404	20
Retained earnings							
3310	Legal reserve	1,192,548	23	1,154,554	21	1,154,554	21
3320	Special reserve	129,240	2	88,831	1	88,831	2
3350	Unappropriated earnings	884,214	17	1,089,756	20	1,004,386	18
Other equity interest							
3400	Other equity interest	(163,824)	(3)	(129,240)	(2)	(73,494)	(1)
3500	Treasury shares	(174,006)	(3)	-	-	-	-
31XX	Equity attributable to shareholders of the parent	<u>3,749,790</u>	<u>74</u>	<u>4,180,587</u>	<u>76</u>	<u>4,126,722</u>	<u>75</u>
3XXX	Total equity	<u>3,749,790</u>	<u>74</u>	<u>4,180,587</u>	<u>76</u>	<u>4,126,722</u>	<u>75</u>
Significant contingent liabilities and unrecognized contract commitments							
Significant events after the balance sheet date							
3X2X	Total liabilities and equity	<u>\$ 5,065,839</u>	<u>100</u>	<u>\$ 5,494,711</u>	<u>100</u>	<u>\$ 5,483,052</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
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(Reviewed, not audited)

Items	Three months ended September 30				Nine months ended September 30			
	2020		2019		2020		2019	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Net revenue	\$ 432,148	100	\$ 376,859	100	\$ 1,203,789	100	\$ 1,053,211	100
5000 Operating costs	(56,076)	(13)	(55,928)	(15)	(144,624)	(12)	(134,256)	(13)
5900 Gross profit	<u>376,072</u>	<u>87</u>	<u>320,931</u>	<u>85</u>	<u>1,059,165</u>	<u>88</u>	<u>918,955</u>	<u>87</u>
Operating expenses								
6100 Sales and marketing expenses	(167,443)	(39)	(136,488)	(36)	(493,553)	(41)	(381,278)	(36)
6200 General and administrative expenses	(29,047)	(7)	(30,414)	(8)	(84,183)	(7)	(85,572)	(8)
6300 Research and development expenses	(108,838)	(25)	(90,492)	(24)	(307,014)	(25)	(264,678)	(25)
6000 Total operating expenses	(305,328)	(71)	(257,394)	(68)	(884,750)	(73)	(731,528)	(69)
6900 Operating income	<u>70,744</u>	<u>16</u>	<u>63,537</u>	<u>17</u>	<u>174,415</u>	<u>15</u>	<u>187,427</u>	<u>18</u>
Non-operating income and expenses								
7100 Interest income	4,692	1	13,906	4	21,911	2	45,983	4
7010 Other income	21,115	5	39,261	10	63,339	5	99,385	10
7020 Other gains and losses	(15,741)	(3)	83,202	22	(37,491)	(3)	87,509	8
7050 Finance costs	(74)	-	(23)	-	(163)	-	(85)	-
7060 Share of (loss) gain of associates and joint ventures accounted for using equity method	(11,876)	(3)	(3,457)	(1)	2,309	-	(44,379)	(4)
7000 Total non-operating income and expenses	(1,884)	-	132,889	35	49,905	4	188,413	18
7900 Income before income tax	68,860	16	196,426	52	224,320	19	375,840	36
7950 Income tax expense	(16,821)	(4)	(54,296)	(14)	(46,128)	(4)	(88,038)	(9)
8200 Net income	<u>\$ 52,039</u>	<u>12</u>	<u>\$ 142,130</u>	<u>38</u>	<u>\$ 178,192</u>	<u>15</u>	<u>\$ 287,802</u>	<u>27</u>
Other comprehensive income (loss)								
Components of other comprehensive income that will be reclassified to profit or loss subsequently								
8361 Exchange differences arising on translation of foreign operations	(\$ 15,153)	(3)	(\$ 2,451)	(1)	(\$ 26,849)	(2)	\$ 14,552	2
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method	(4,377)	(1)	(632)	-	(7,735)	(1)	785	-
8360 Components of other comprehensive income that will be reclassified to profit or loss subsequently	(19,530)	(4)	(3,083)	(1)	(34,584)	(3)	15,337	2
8500 Total comprehensive income	<u>\$ 32,509</u>	<u>8</u>	<u>\$ 139,047</u>	<u>37</u>	<u>\$ 143,608</u>	<u>12</u>	<u>\$ 303,139</u>	<u>29</u>
Net income, attributable to:								
8610 Shareholders of the parent	<u>\$ 52,039</u>	<u>12</u>	<u>\$ 142,130</u>	<u>38</u>	<u>\$ 178,192</u>	<u>15</u>	<u>\$ 287,802</u>	<u>27</u>
Total comprehensive income, attributable to:								
8710 Shareholders of the parent	<u>\$ 32,509</u>	<u>8</u>	<u>\$ 139,047</u>	<u>37</u>	<u>\$ 143,608</u>	<u>12</u>	<u>\$ 303,139</u>	<u>29</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 0.63</u>		<u>\$ 1.69</u>		<u>\$ 2.12</u>		<u>\$ 3.44</u>	
9850 Diluted earnings per share	<u>\$ 0.61</u>		<u>\$ 1.66</u>		<u>\$ 2.08</u>		<u>\$ 3.36</u>	

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
 (Reviewed, not audited)

	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	Unrealised losses on financial assets measured at fair value through other comprehensive income	Treasury stocks	Total
<u>Nine months ended September 30, 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 nine months ended September 30, 2019	-	-	-	-	287,802	-	-	-	287,802
Other comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	15,337	-	-	15,337
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	287,802	15,337	-	-	303,139
Distribution of 2018 earnings									
Legal reserve	-	-	32,883	-	(32,883)	-	-	-	-
Special reserve	-	-	-	15,927	(15,927)	-	-	-	-
Cash dividends	-	-	-	-	(250,756)	-	-	-	(250,756)
Purchase of treasury share	-	-	-	-	-	-	-	(24,807)	(24,807)
Retirement of treasury share	(13,940)	(81,591)	-	-	-	-	-	95,531	-
Share-based payment transactions	-	2,399	-	-	-	-	-	-	2,399
Employee stock options exercised	6,660	24,949	-	-	-	-	-	-	31,609
Change in net equity of associates accounted for using equity method	-	224,618	-	-	-	-	-	-	224,618
Balance at September 30, 2019	<u>\$ 842,041</u>	<u>\$ 1,110,404</u>	<u>\$ 1,154,554</u>	<u>\$ 88,831</u>	<u>\$ 1,004,386</u>	<u>(\$ 61,977)</u>	<u>(\$ 11,517)</u>	<u>\$ -</u>	<u>\$ 4,126,722</u>
<u>Nine months ended September 30, 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 nine months ended September 30, 2020	-	-	-	-	178,192	-	-	-	178,192
Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	(34,584)	-	-	(34,584)
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	178,192	(34,584)	-	-	143,608
Distribution of 2019 earnings									
Legal reserve	-	-	37,994	-	(37,994)	-	-	-	-
Special reserve	-	-	-	40,409	(40,409)	-	-	-	-
Cash dividends	-	-	-	-	(305,331)	-	-	-	(305,331)
Purchase of treasury share	-	-	-	-	-	-	-	(298,638)	(298,638)
Retirement of treasury share	(12,050)	(112,582)	-	-	-	-	-	124,632	-
Employee stock options exercised	5,711	20,835	-	-	-	-	-	-	26,546
Change in net equity of associates accounted for using equity method	-	3,018	-	-	-	-	-	-	3,018
Balance at September 30, 2020	<u>\$ 839,653</u>	<u>\$ 1,041,965</u>	<u>\$ 1,192,548</u>	<u>\$ 129,240</u>	<u>\$ 884,214</u>	<u>(\$ 151,788)</u>	<u>(\$ 12,036)</u>	<u>(\$ 174,006)</u>	<u>\$ 3,749,790</u>

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

	Nine months ended September 30	
	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 224,320	\$ 375,840
Adjustments		
Adjustments to reconcile profit (loss)		
Loss (gain) on financial assets at fair value through profit or loss	1,350	(740)
Depreciation expense	24,479	22,760
Amortization expense	150	-
Interest income	(21,911)	(45,983)
Dividend income	-	(12,935)
Interest expense	163	85
Employees' stock option cost	-	2,399
Loss on scrapping of property, plant, and equipment	-	29
Gain on disposal of property, plant, and equipment	(354)	-
Share of (gain) loss of associates and joint ventures accounted for using equity method	(2,309)	44,379
Gain on disposal of non-current assets held for sale	-	(95,934)
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets mandatorily measured at fair value through profit or loss	(6,175)	(51,120)
Notes receivable	(27)	-
Accounts receivable	29,836	37,304
Other receivables	477	(2,118)
Other receivable-related parties	3,138	(5,606)
Inventories	(1,561)	(2,668)
Other current assets	(12,987)	5,148
Other non-current assets	(1,769)	2,815
Changes in operating liabilities		
Current contract liabilities	57,664	31,555
Accounts payable	(6,837)	(33,826)
Other payables	(35,105)	(25,160)
Other payables-related parties	(3,335)	2,842
Other current liabilities	5,757	(17,969)
Provisions	169	35,261
Other non-current liabilities	(349)	(299)
Cash inflow generated from operations	254,784	266,059
Interest received	23,625	46,541
Dividends received	-	11,973
Interest paid	(163)	(85)
Dividends paid	(305,331)	(250,756)
Income tax paid	(70,018)	(81,897)
Net cash flows used in operating activities	(97,103)	(8,165)

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CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

	Nine months ended September 30	
	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of financial assets at amortized cost	\$ 256,864	\$ 637,174
Acquisition of investments accounted for using equity method	-	(103,630)
Acquisition of property, plant, and equipment	(8,622)	(4,258)
Proceeds from disposal of property, plant, and equipment	1,048	-
Acquisition of intangible assets	(1,016)	-
Increase in refundable deposits	(2,023)	(550)
Net cash flows from investing activities	246,251	528,736
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in deposits received	-	290
Repayment of the principal portion of lease liabilities	(6,700)	(4,347)
Exercise of employee stock options	26,546	31,609
Acquisition of treasury shares	(298,638)	(24,807)
Net cash flows (used in) from financing activities	(278,792)	2,745
Effects of changes in exchange rates of foreign currency holdings	(20,249)	6,263
Net (decrease) increase in cash and cash equivalents	(149,893)	529,579
Cash and cash equivalents at beginning of period	1,299,322	797,699
Cash and cash equivalents at end of period	\$ 1,149,429	\$ 1,327,278

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