

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
 (The balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

Assets		June 30, 2021		December 31, 2020		June 30, 2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets							
1100	Cash and cash equivalents	\$ 1,193,938	24	\$ 1,119,884	22	\$ 1,159,699	21
1110	Current financial assets at fair value through profit or loss	60,143	1	-	-	-	-
1136	Current financial assets at amortized cost	696,500	14	968,320	19	1,665,152	30
1170	Accounts receivable, net	59,611	1	99,780	2	88,242	2
1200	Other receivables	1,188	-	1,129	-	4,851	-
1210	Other receivables - related parties	3,925	-	2,943	-	2,994	-
1220	Current income tax assets	35,505	1	47,660	1	39,358	1
130X	Inventories	6,647	-	6,633	-	7,412	-
1470	Other current assets	21,761	1	22,796	-	18,878	-
11XX	Total current assets	<u>2,079,218</u>	<u>42</u>	<u>2,269,145</u>	<u>44</u>	<u>2,986,586</u>	<u>54</u>
Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	286,136	6	264,278	5	247,019	5
1517	Non-current financial assets at fair value through other comprehensive income	309	-	309	-	507	-
1535	Non-current financial assets at amortized cost	5,000	-	5,000	-	5,000	-
1550	Investments accounted for using equity method	761,357	16	788,353	15	455,312	8
1600	Property, plant and equipment, net	465,527	10	483,854	10	484,000	9
1755	Right-of-use assets	6,681	-	17,996	-	19,153	-
1760	Investment property, net	1,233,979	25	1,239,664	24	1,245,349	23
1780	Intangible assets	2,057	-	2,116	-	482	-
1840	Deferred income tax assets	66,839	1	43,395	1	43,628	1
1900	Other non-current assets	11,416	-	18,832	1	12,110	-
15XX	Total non-current assets	<u>2,839,301</u>	<u>58</u>	<u>2,863,797</u>	<u>56</u>	<u>2,512,560</u>	<u>46</u>
1XXX	Total assets	<u>\$ 4,918,519</u>	<u>100</u>	<u>\$ 5,132,942</u>	<u>100</u>	<u>\$ 5,499,146</u>	<u>100</u>

(Continued)

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
 (The balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity		June 30, 2021		December 31, 2020		June 30, 2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2130	Current contract liabilities	\$ 168,037	3	\$ 130,158	3	\$ 113,481	2
2170	Accounts payable	70,293	2	77,934	2	101,679	2
2200	Other payables	368,198	8	422,870	8	720,821	13
2220	Other payables - related parties	-	-	435	-	-	-
2230	Income tax payable	1,959	-	6,930	-	5,983	-
2280	Current lease liabilities	4,265	-	10,748	-	9,348	-
2300	Other current liabilities	53,223	1	64,981	1	63,104	1
21XX	Total current liabilities	<u>665,975</u>	<u>14</u>	<u>714,056</u>	<u>14</u>	<u>1,014,416</u>	<u>18</u>
Non-current liabilities							
2550	Non-current provisions	493,893	10	504,032	10	512,643	9
2570	Deferred income tax liabilities	20,601	-	5,640	-	738	-
2580	Non-current lease liabilities	2,414	-	7,299	-	9,822	-
2600	Other non-current liabilities	77,894	2	85,759	2	82,752	2
25XX	Total non-current liabilities	<u>594,802</u>	<u>12</u>	<u>602,730</u>	<u>12</u>	<u>605,955</u>	<u>11</u>
2XXX	Total Liabilities	<u>1,260,777</u>	<u>26</u>	<u>1,316,786</u>	<u>26</u>	<u>1,620,371</u>	<u>29</u>
Equity							
Equity attributable to shareholders of the parent							
Capital Stock							
3110	Common stock	788,433	16	826,003	16	849,230	15
Capital surplus							
3200	Capital surplus	809,128	16	1,177,301	23	1,144,508	21
Retained earnings							
3310	Legal reserve	1,192,548	24	1,192,548	23	1,192,548	22
3320	Special reserve	129,240	3	129,240	2	129,240	2
3350	Unappropriated earnings	980,363	20	891,491	17	832,175	15
Other equity interest							
3400	Other equity interest	(241,970)	(5)	(185,920)	(3)	(144,294)	(2)
3500	Treasury shares	-	-	(214,507)	(4)	(124,632)	(2)
31XX	Equity attributable to shareholders of the parent	<u>3,657,742</u>	<u>74</u>	<u>3,816,156</u>	<u>74</u>	<u>3,878,775</u>	<u>71</u>
3XXX	Total equity	<u>3,657,742</u>	<u>74</u>	<u>3,816,156</u>	<u>74</u>	<u>3,878,775</u>	<u>71</u>
Significant contingent liabilities and unrecognized contract commitments							
Significant events after the balance sheet date							
3X2X	Total liabilities and equity	<u>\$ 4,918,519</u>	<u>100</u>	<u>\$ 5,132,942</u>	<u>100</u>	<u>\$ 5,499,146</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
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(Reviewed, not audited)

Items	Three months ended June 30				Six months ended June 30			
	2021		2020		2021		2020	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Net revenue	\$ 421,452	100	\$ 414,887	100	\$ 797,843	100	\$ 771,641	100
5000 Operating costs	(43,032)	(10)	(46,533)	(11)	(82,882)	(11)	(88,548)	(12)
5900 Gross profit	<u>378,420</u>	<u>90</u>	<u>368,354</u>	<u>89</u>	<u>714,961</u>	<u>89</u>	<u>683,093</u>	<u>88</u>
Operating expenses								
6100 Sales and marketing expenses	(159,789)	(38)	(177,763)	(43)	(334,212)	(42)	(326,110)	(42)
6200 General and administrative expenses	(30,453)	(7)	(27,560)	(7)	(60,659)	(7)	(55,136)	(7)
6300 Research and development expenses	(121,923)	(29)	(102,762)	(25)	(229,584)	(29)	(198,176)	(26)
6000 Total operating expenses	<u>(312,165)</u>	<u>(74)</u>	<u>(308,085)</u>	<u>(75)</u>	<u>(624,455)</u>	<u>(78)</u>	<u>(579,422)</u>	<u>(75)</u>
6900 Operating income	<u>66,255</u>	<u>16</u>	<u>60,269</u>	<u>14</u>	<u>90,506</u>	<u>11</u>	<u>103,671</u>	<u>13</u>
Non-operating income and expenses								
7100 Interest income	609	-	7,378	2	931	-	17,219	2
7010 Other income	33,084	8	21,111	5	54,215	7	42,224	6
7020 Other gains and losses	(13,833)	(3)	(25,546)	(6)	(23,179)	(3)	(21,750)	(3)
7050 Finance costs	(45)	-	(49)	-	(109)	-	(89)	-
7060 Share of (loss) gain of associates and joint ventures accounted for using equity method	<u>(11,935)</u>	<u>(3)</u>	<u>(3,303)</u>	<u>(1)</u>	<u>(12,733)</u>	<u>(1)</u>	<u>14,185</u>	<u>2</u>
7000 Total non-operating income and expenses	<u>7,880</u>	<u>2</u>	<u>(409)</u>	<u>-</u>	<u>19,125</u>	<u>3</u>	<u>51,789</u>	<u>7</u>
7900 Income before income tax	<u>74,135</u>	<u>18</u>	<u>59,860</u>	<u>14</u>	<u>109,631</u>	<u>14</u>	<u>155,460</u>	<u>20</u>
7950 Income tax expense	<u>(15,084)</u>	<u>(4)</u>	<u>(10,494)</u>	<u>(2)</u>	<u>(20,759)</u>	<u>(3)</u>	<u>(29,307)</u>	<u>(4)</u>
8200 Net income	<u>\$ 59,051</u>	<u>14</u>	<u>\$ 49,366</u>	<u>12</u>	<u>\$ 88,872</u>	<u>11</u>	<u>\$ 126,153</u>	<u>16</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	(\$ 22,536)	(5)	(\$ 21,748)	(5)	(\$ 40,857)	(5)	(\$ 11,696)	(2)
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>(15,426)</u>	<u>(4)</u>	<u>(5,697)</u>	<u>(2)</u>	<u>(15,193)</u>	<u>(2)</u>	<u>(3,358)</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss subsequently	<u>(37,962)</u>	<u>(9)</u>	<u>(27,445)</u>	<u>(7)</u>	<u>(56,050)</u>	<u>(7)</u>	<u>(15,054)</u>	<u>(2)</u>
8500 Total comprehensive income	<u>\$ 21,089</u>	<u>5</u>	<u>\$ 21,921</u>	<u>5</u>	<u>\$ 32,822</u>	<u>4</u>	<u>\$ 111,099</u>	<u>14</u>
Net income, attributable to:								
8610 Shareholders of the parent	<u>\$ 59,051</u>	<u>14</u>	<u>\$ 49,366</u>	<u>12</u>	<u>\$ 88,872</u>	<u>11</u>	<u>\$ 126,153</u>	<u>16</u>
Total comprehensive income, attributable to:								
8710 Shareholders of the parent	<u>\$ 21,089</u>	<u>5</u>	<u>\$ 21,921</u>	<u>5</u>	<u>\$ 32,822</u>	<u>4</u>	<u>\$ 111,099</u>	<u>14</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 0.75</u>		<u>\$ 0.59</u>		<u>\$ 1.12</u>		<u>\$ 1.50</u>	
9850 Diluted earnings per share	<u>\$ 0.73</u>		<u>\$ 0.58</u>		<u>\$ 1.10</u>		<u>\$ 1.47</u>	

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

	Equity attributable to owners of the parent								
	Retained Earnings					Other equity interest			Total
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Total Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stocks	
<u>Six months ended June 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 six months ended June 30, 2020	-	-	-	-	126,153	-	-	-	126,153
Other comprehensive income for the six months ended June 30, 2020	-	-	-	-	-	(15,054)	-	-	(15,054)
Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	126,153	(15,054)	-	-	111,099
Legal reserve	-	-	37,994	-	(37,994)	-	-	-	-
Special reserve	-	-	-	40,409	(40,409)	-	-	-	-
Cash dividends	-	-	-	-	(305,331)	-	-	-	(305,331)
Purchase of treasury share	-	-	-	-	-	-	-	(124,632)	(124,632)
Employee stock options exercised	3,238	11,851	-	-	-	-	-	-	15,089
Change in net equity of associates accounted for using equity method	-	1,963	-	-	-	-	-	-	1,963
Balance at June 30, 2020	<u>\$ 849,230</u>	<u>\$ 1,144,508</u>	<u>\$ 1,192,548</u>	<u>\$ 129,240</u>	<u>\$ 832,175</u>	<u>(\$ 132,258)</u>	<u>(\$ 12,036)</u>	<u>(\$ 124,632)</u>	<u>\$ 3,878,775</u>
<u>Six months ended June 30, 2021</u>									
Balance at January 1, 2021	\$ 826,003	\$ 1,177,301	\$ 1,192,548	\$ 129,240	\$ 891,491	(\$ 173,686)	(\$ 12,234)	(\$ 214,507)	\$ 3,816,156
Net income for the six months ended June 30, 2021	-	-	-	-	88,872	-	-	-	88,872
Other comprehensive income for the six months ended June 30, 2021	-	-	-	-	-	(56,050)	-	-	(56,050)
Total comprehensive income for the six months ended June 30, 2021	-	-	-	-	88,872	(56,050)	-	-	32,822
Purchase of treasury share	-	-	-	-	-	-	-	(203,150)	(203,150)
Retirement of treasury share	(40,000)	(377,657)	-	-	-	-	-	417,657	-
Employee stock options exercised	2,430	8,554	-	-	-	-	-	-	10,984
Change in net equity of associates accounted for using equity method	-	930	-	-	-	-	-	-	930
Balance at June 30, 2021	<u>\$ 788,433</u>	<u>\$ 809,128</u>	<u>\$ 1,192,548</u>	<u>\$ 129,240</u>	<u>\$ 980,363</u>	<u>(\$ 229,736)</u>	<u>(\$ 12,234)</u>	<u>\$ -</u>	<u>\$ 3,657,742</u>

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

CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

	<u>Six months ended June 30</u>	
	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 109,631	\$ 155,460
Adjustments		
Adjustments to reconcile profit (loss)		
Loss on financial assets at fair value through profit or loss	727	720
Depreciation expense	17,212	16,197
Amortization expense	1,266	44
Interest income	(931)	(17,219)
Interest expense	109	89
Loss on scrapping of property, plant, and equipment	1,944	-
Share of loss (profit) of associates and joint ventures accounted for using equity method	12,733	(14,185)
Gain on lease modification	(49)	-
Overdue other payables transferred to revenue	(13,736)	-
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets mandatorily measured at fair value through profit or loss	(86,909)	(16,307)
Accounts receivable	35,132	18,632
Other receivables	(246)	(2,084)
Other receivables-related parties	(1,049)	2,848
Inventories	(14)	6
Other current assets	7,564	(7,051)
Other non-current assets	-	(3,923)
Changes in operating liabilities		
Current contract liabilities	37,896	51,773
Accounts payable	(4,780)	(5,446)
Other payables	(30,492)	(41,578)
Other payables-related parties	(435)	(3,396)
Other current liabilities	(6,928)	2,204
Provisions	(10,139)	4,425
Other non-current liabilities	(361)	(239)
Cash inflow generated from operations	68,145	140,970
Interest received	1,118	17,656
Interest paid	(109)	(89)
Income tax paid	(23,334)	(44,835)
Net cash flows from operating activities	<u>45,820</u>	<u>113,702</u>

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CYBERLINK CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

	Six months ended June 30	
	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of financial assets at amortized cost	\$ 271,200	\$ -
Acquisition of financial assets at amortized cost	-	(122,878)
Acquisition of property, plant, and equipment	(4,839)	(6,795)
Acquisition of intangible assets	(1,207)	(526)
Increase in refundable deposits	-	(332)
Decrease in refundable deposits	34	-
Net cash flows from (used in) investing activities	265,188	(130,531)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in deposits received	(6,843)	-
Repayment of the principal portion of lease liabilities	(4,668)	(4,361)
Exercise of employee stock options	10,984	15,089
Acquisition of treasury shares	(203,150)	(124,632)
Net cash flows used in financing activities	(203,677)	(113,904)
Effects of changes in exchange rates of foreign currency holdings	(33,277)	(8,890)
Net increase (decrease) in cash and cash equivalents	74,054	(139,623)
Cash and cash equivalents at beginning of period	1,119,884	1,299,322
Cash and cash equivalents at end of period	\$ 1,193,938	\$ 1,159,699

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