

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

| Assets | | September 30, 2021 | | December 31, 2020 | | September 30, 2020 | |
|---------------------------|---|---------------------|------------|---------------------|------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | | |
| 1100 | Cash and cash equivalents | \$ 1,006,580 | 22 | \$ 1,119,884 | 22 | \$ 1,149,429 | 23 |
| 1136 | Current financial assets at amortized cost | 696,250 | 15 | 968,320 | 19 | 1,281,700 | 25 |
| 1150 | Notes receivable, net | - | - | - | - | 27 | - |
| 1170 | Accounts receivable, net | 67,920 | 1 | 99,780 | 2 | 76,776 | 2 |
| 1200 | Other receivables | 1,536 | - | 1,129 | - | 1,011 | - |
| 1210 | Other receivables - related parties | 2,706 | - | 2,943 | - | 2,700 | - |
| 1220 | Current income tax assets | 38,666 | 1 | 47,660 | 1 | 37,627 | 1 |
| 130X | Inventories | 8,225 | - | 6,633 | - | 8,979 | - |
| 1470 | Other current assets | 24,115 | 1 | 22,796 | - | 24,803 | - |
| 11XX | Total current assets | <u>1,845,998</u> | <u>40</u> | <u>2,269,145</u> | <u>44</u> | <u>2,583,052</u> | <u>51</u> |
| Non-current assets | | | | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss | 264,173 | 6 | 264,278 | 5 | 233,623 | 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 | 756,078 | 16 | 788,353 | 15 | 440,114 | 9 |
| 1600 | Property, plant and equipment, net | 461,085 | 10 | 483,854 | 10 | 482,341 | 9 |
| 1755 | Right-of-use assets | 5,633 | - | 17,996 | - | 16,831 | - |
| 1760 | Investment property, net | 1,231,136 | 26 | 1,239,664 | 24 | 1,242,506 | 25 |
| 1780 | Intangible assets | 1,958 | - | 2,116 | - | 866 | - |
| 1840 | Deferred income tax assets | 70,675 | 2 | 43,395 | 1 | 49,345 | 1 |
| 1900 | Other non-current assets | 6,042 | - | 18,832 | 1 | 11,654 | - |
| 15XX | Total non-current assets | <u>2,802,089</u> | <u>60</u> | <u>2,863,797</u> | <u>56</u> | <u>2,482,787</u> | <u>49</u> |
| 1XXX | Total assets | <u>\$ 4,648,087</u> | <u>100</u> | <u>\$ 5,132,942</u> | <u>100</u> | <u>\$ 5,065,839</u> | <u>100</u> |

(Continued)

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

| Liabilities and Equity | | September 30, 2021 | | December 31, 2020 | | September 30, 2020 | |
|--|--|---------------------|------------|---------------------|------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | | |
| 2130 | Current contract liabilities | \$ 171,542 | 4 | \$ 130,158 | 3 | \$ 119,372 | 3 |
| 2170 | Accounts payable | 63,789 | 1 | 77,934 | 2 | 100,007 | 2 |
| 2200 | Other payables | 368,660 | 8 | 422,870 | 8 | 419,471 | 8 |
| 2220 | Other payables - related parties | - | - | 435 | - | - | - |
| 2230 | Income tax payable | 3,826 | - | 6,930 | - | - | - |
| 2280 | Current lease liabilities | 4,281 | - | 10,748 | - | 9,397 | - |
| 2300 | Other current liabilities | 55,390 | 1 | 64,981 | 1 | 66,690 | 1 |
| 21XX | Total current liabilities | <u>667,488</u> | <u>14</u> | <u>714,056</u> | <u>14</u> | <u>714,937</u> | <u>14</u> |
| Non-current liabilities | | | | | | | |
| 2550 | Non-current provisions | 489,284 | 11 | 504,032 | 10 | 508,387 | 10 |
| 2570 | Deferred income tax liabilities | 19,624 | - | 5,640 | - | 2,601 | - |
| 2580 | Non-current lease liabilities | 1,338 | - | 7,299 | - | 7,469 | - |
| 2600 | Other non-current liabilities | 77,713 | 2 | 85,759 | 2 | 82,655 | 2 |
| 25XX | Total non-current liabilities | <u>587,959</u> | <u>13</u> | <u>602,730</u> | <u>12</u> | <u>601,112</u> | <u>12</u> |
| 2XXX | Total Liabilities | <u>1,255,447</u> | <u>27</u> | <u>1,316,786</u> | <u>26</u> | <u>1,316,049</u> | <u>26</u> |
| Equity | | | | | | | |
| Equity attributable to shareholders of the parent | | | | | | | |
| Capital Stock | | | | | | | |
| 3110 | Common stock | 790,533 | 17 | 826,003 | 16 | 839,653 | 17 |
| Capital surplus | | | | | | | |
| 3200 | Capital surplus | 815,858 | 18 | 1,177,301 | 23 | 1,041,965 | 21 |
| Retained earnings | | | | | | | |
| 3310 | Legal reserve | 1,192,548 | 26 | 1,192,548 | 23 | 1,192,548 | 23 |
| 3320 | Special reserve | 185,920 | 4 | 129,240 | 2 | 129,240 | 2 |
| 3350 | Unappropriated earnings | 802,801 | 17 | 891,491 | 17 | 884,214 | 17 |
| Other equity interest | | | | | | | |
| 3400 | Other equity interest | (233,864) | (5) | (185,920) | (3) | (163,824) | (3) |
| 3500 | Treasury shares | (161,156) | (4) | (214,507) | (4) | (174,006) | (3) |
| 31XX | Equity attributable to shareholders of the parent | <u>3,392,640</u> | <u>73</u> | <u>3,816,156</u> | <u>74</u> | <u>3,749,790</u> | <u>74</u> |
| 3XXX | Total equity | <u>3,392,640</u> | <u>73</u> | <u>3,816,156</u> | <u>74</u> | <u>3,749,790</u> | <u>74</u> |
| Significant contingent liabilities and unrecognized contract commitments | | | | | | | |
| 3X2X | Total liabilities and equity | <u>\$ 4,648,087</u> | <u>100</u> | <u>\$ 5,132,942</u> | <u>100</u> | <u>\$ 5,065,839</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, 2021 AND 2020
(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 | | | |
|---|---------------------------------|-----------|------------------|-------------|--------------------------------|-------------|-------------------|-------------|
| | 2021 | | 2020 | | 2021 | | 2020 | |
| | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 4000 Net revenue | \$ 370,706 | 100 | \$ 432,148 | 100 | \$ 1,168,549 | 100 | \$ 1,203,789 | 100 |
| 5000 Operating costs | (36,462) | (10) | (56,076) | (13) | (119,344) | (10) | (144,624) | (12) |
| 5900 Gross profit | <u>334,244</u> | <u>90</u> | <u>376,072</u> | <u>87</u> | <u>1,049,205</u> | <u>90</u> | <u>1,059,165</u> | <u>88</u> |
| Operating expenses | | | | | | | | |
| 6100 Sales and marketing expenses | (141,188) | (38) | (167,443) | (39) | (475,400) | (41) | (493,553) | (41) |
| 6200 General and administrative expenses | (26,919) | (7) | (29,047) | (7) | (87,578) | (8) | (84,183) | (7) |
| 6300 Research and development expenses | (110,933) | (30) | (108,838) | (25) | (340,517) | (29) | (307,014) | (25) |
| 6000 Total operating expenses | (279,040) | (75) | (305,328) | (71) | (903,495) | (78) | (884,750) | (73) |
| 6900 Operating income | <u>55,204</u> | <u>15</u> | <u>70,744</u> | <u>16</u> | <u>145,710</u> | <u>12</u> | <u>174,415</u> | <u>15</u> |
| Non-operating income and expenses | | | | | | | | |
| 7100 Interest income | 577 | - | 4,692 | 1 | 1,508 | - | 21,911 | 2 |
| 7010 Other income | 32,904 | 9 | 21,115 | 5 | 87,119 | 7 | 63,339 | 5 |
| 7020 Other gains and losses | (16,274) | (4) | (15,741) | (3) | (39,453) | (3) | (37,491) | (3) |
| 7050 Finance costs | (21) | - | (74) | - | (130) | - | (163) | - |
| 7060 Share of (loss) gain of associates and joint ventures accounted for using equity method | (4,411) | (1) | (11,876) | (3) | (17,144) | (1) | 2,309 | - |
| 7000 Total non-operating income and expenses | <u>12,775</u> | <u>4</u> | <u>(1,884)</u> | <u>-</u> | <u>31,900</u> | <u>3</u> | <u>49,905</u> | <u>4</u> |
| 7900 Income before income tax | <u>67,979</u> | <u>19</u> | <u>68,860</u> | <u>16</u> | <u>177,610</u> | <u>15</u> | <u>224,320</u> | <u>19</u> |
| 7950 Income tax expense | (11,116) | (3) | (16,821) | (4) | (31,875) | (3) | (46,128) | (4) |
| 8200 Net income | <u>\$ 56,863</u> | <u>16</u> | <u>\$ 52,039</u> | <u>12</u> | <u>\$ 145,735</u> | <u>12</u> | <u>\$ 178,192</u> | <u>15</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 | \$ 8,564 | 2 | (\$ 15,153) | (3) | (\$ 32,293) | (3) | (\$ 26,849) | (2) |
| 8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method | (458) | - | (4,377) | (1) | (15,651) | (1) | (7,735) | (1) |
| 8360 Components of other comprehensive income that will be reclassified to profit or loss subsequently | <u>8,106</u> | <u>2</u> | <u>(19,530)</u> | <u>(4)</u> | <u>(47,944)</u> | <u>(4)</u> | <u>(34,584)</u> | <u>(3)</u> |
| 8500 Total comprehensive income | <u>\$ 64,969</u> | <u>18</u> | <u>\$ 32,509</u> | <u>8</u> | <u>\$ 97,791</u> | <u>8</u> | <u>\$ 143,608</u> | <u>12</u> |
| Net income, attributable to: | | | | | | | | |
| 8610 Shareholders of the parent | <u>\$ 56,863</u> | <u>16</u> | <u>\$ 52,039</u> | <u>12</u> | <u>\$ 145,735</u> | <u>12</u> | <u>\$ 178,192</u> | <u>15</u> |
| Total comprehensive income, attributable to: | | | | | | | | |
| 8710 Shareholders of the parent | <u>\$ 64,969</u> | <u>18</u> | <u>\$ 32,509</u> | <u>8</u> | <u>\$ 97,791</u> | <u>8</u> | <u>\$ 143,608</u> | <u>12</u> |
| Earnings per share | | | | | | | | |
| 9750 Basic earnings per share | <u>\$ 0.73</u> | | <u>\$ 0.63</u> | | <u>\$ 1.85</u> | | <u>\$ 2.12</u> | |
| 9850 Diluted earnings per share | <u>\$ 0.72</u> | | <u>\$ 0.61</u> | | <u>\$ 1.81</u> | | <u>\$ 2.08</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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

| | Equity attributable to shareholders 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>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> |
| <u>Nine months ended September 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 nine months ended September 30, 2021 | - | - | - | - | 145,735 | - | - | - | 145,735 |
| Other comprehensive income for the nine months ended September 30, 2021 | - | - | - | - | - | (47,944) | - | - | (47,944) |
| Total comprehensive income for the nine months ended September 30, 2021 | - | - | - | - | 145,735 | (47,944) | - | - | 97,791 |
| Distribution of 2020 earnings | | | | | | | | | |
| Special reserve | - | - | - | 56,680 | (56,680) | - | - | - | - |
| Cash dividends | - | - | - | - | (177,745) | - | - | - | (177,745) |
| Purchase of treasury share | - | - | - | - | - | - | - | (364,306) | (364,306) |
| Retirement of treasury share | (40,000) | (377,657) | - | - | - | - | - | 417,657 | - |
| Employee stock options exercised | 4,530 | 15,694 | - | - | - | - | - | - | 20,224 |
| Change in net equity of associates accounted for using equity method | - | 520 | - | - | - | - | - | - | 520 |
| Balance at September 30, 2021 | <u>\$ 790,533</u> | <u>\$ 815,858</u> | <u>\$ 1,192,548</u> | <u>\$ 185,920</u> | <u>\$ 802,801</u> | <u>(\$ 221,630)</u> | <u>(\$ 12,234)</u> | <u>(\$ 161,156)</u> | <u>\$ 3,392,640</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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(Reviewed, not audited)

| | <u>Nine months ended September 30</u> | |
|---|---------------------------------------|-------------------|
| | <u>2021</u> | <u>2020</u> |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Profit before tax | \$ 177,610 | \$ 224,320 |
| Adjustments | | |
| Adjustments to reconcile profit (loss) | | |
| Loss on financial assets at fair value through profit or loss | 870 | 1,350 |
| Depreciation expense | 24,399 | 24,479 |
| Amortization expense | 2,182 | 150 |
| Interest income | (1,508) | (21,911) |
| Dividend income | (14,194) | - |
| Interest expense | 130 | 163 |
| Loss on scrapping of property, plant, and equipment | 3,199 | - |
| Gain on disposal of property, plant, and equipment | - | (354) |
| Share of loss (profit) of associates and joint ventures accounted for using equity method | 17,144 | (2,309) |
| Overdue other payables transferred to revenue | (13,688) | - |
| Gain on lease modification | (49) | - |
| loss on liquidate of subsidiary | 11,993 | - |
| Changes in operating assets and liabilities | | |
| Changes in operating assets | | |
| Financial assets mandatorily measured at fair value through profit or loss | (5,127) | (6,175) |
| Notes receivable | - | (27) |
| Accounts receivable | 26,227 | 29,836 |
| Other receivables | (613) | 477 |
| Other receivables-related parties | 162 | 3,138 |
| Inventories | (1,592) | (1,561) |
| Other current assets | 4,991 | (12,987) |
| Other non-current assets | - | (1,769) |
| Changes in operating liabilities | | |
| Current contract liabilities | 41,403 | 57,664 |
| Accounts payable | (10,952) | (6,837) |
| Other payables | (28,996) | (35,105) |
| Other payables-related parties | (435) | (3,335) |
| Other current liabilities | (4,145) | 5,757 |
| Provisions | (14,748) | 169 |
| Other non-current liabilities | (543) | (349) |
| Cash inflow generated from operations | 213,720 | 254,784 |
| Interest received | 1,714 | 23,625 |
| Dividends received | 14,194 | - |
| Interest paid | (130) | (163) |
| Dividends paid | (177,745) | (305,331) |
| Income tax paid | (40,981) | (70,018) |
| Net cash flows from (used in) operating activities | <u>10,772</u> | <u>(97,103)</u> |

(Continued)

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

| | Nine months ended September 30 | |
|---|--------------------------------|--------------|
| | 2021 | 2020 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Proceeds from disposal of financial assets at amortized cost | \$ 271,440 | \$ 256,864 |
| Acquisition of property, plant, and equipment | (6,810) | (8,622) |
| Proceeds from disposal of property, plant, and equipment | - | 1,048 |
| Acquisition of intangible assets | (2,024) | (1,016) |
| Decrease (increase) in refundable deposits | 5,523 | (2,023) |
| Net cash flows from investing activities | 268,129 | 246,251 |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| Decrease in deposits received | (6,758) | - |
| Repayment of the principal portion of lease liabilities | (5,701) | (6,700) |
| Exercise of employee stock options | 20,224 | 26,546 |
| Acquisition of treasury shares | (364,306) | (298,638) |
| Net cash flows used in financing activities | (356,541) | (278,792) |
| Effects of changes in exchange rates of foreign currency holdings | (35,664) | (20,249) |
| Net decrease in cash and cash equivalents | (113,304) | (149,893) |
| Cash and cash equivalents at beginning of period | 1,119,884 | 1,299,322 |
| Cash and cash equivalents at end of period | \$ 1,006,580 | \$ 1,149,429 |

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