

**CYBERLINK CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022**  
(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

Assets		June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		June 30, 2022 (Reviewed)	
		Amount	%	Amount	%	Amount	%
<b>Current assets</b>							
1100	Cash and cash equivalents	\$ 756,786	13	\$ 1,743,889	30	\$ 952,787	22
1110	Current financial assets at fair value through profit or loss	20,309	-	20,193	1	80,082	2
1136	Current financial assets at amortized cost	1,370,160	23	122,840	2	1,069,920	25
1140	Current contract assets	13,733	-	13,154	-	-	-
1170	Accounts receivable, net	89,093	2	119,289	2	76,096	2
1200	Other receivables	4,386	-	3,838	-	3,181	-
1210	Other receivables - related parties	2,156	-	2,577	-	2,139	-
1220	Current income tax assets	2,167	-	17,974	-	16,572	1
130X	Inventories	4,284	-	6,088	-	5,271	-
1470	Other current assets	21,806	-	13,834	-	12,873	-
11XX	<b>Total current assets</b>	<u>2,284,880</u>	<u>38</u>	<u>2,063,676</u>	<u>35</u>	<u>2,218,921</u>	<u>52</u>
<b>Non-current assets</b>							
1510	Non-current financial assets at fair value through profit or loss	290,370	5	280,625	5	323,379	8
1517	Non-current financial assets at fair value through other comprehensive income	248	-	248	-	248	-
1550	Investments accounted for using equity method	1,778,944	29	1,746,287	30	-	-
1600	Property, plant and equipment, net	429,170	7	437,460	8	431,991	10
1755	Right-of-use assets	8,072	-	10,879	-	5,019	-
1760	Investment property, net	1,221,095	20	1,226,913	21	1,232,732	29
1780	Intangible assets	589	-	2,250	-	963	-
1840	Deferred income tax assets	49,843	1	49,102	1	45,561	1
1900	Other non-current assets	20,244	-	6,801	-	6,790	-
15XX	<b>Total non-current assets</b>	<u>3,798,575</u>	<u>62</u>	<u>3,760,565</u>	<u>65</u>	<u>2,046,683</u>	<u>48</u>
1XXX	<b>Total assets</b>	<u>\$ 6,083,455</u>	<u>100</u>	<u>\$ 5,824,241</u>	<u>100</u>	<u>\$ 4,265,604</u>	<u>100</u>

(Continue on next page)

**CYBERLINK CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022**  
(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

Liabilities and Equity		June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		June 30, 2022 (Reviewed)	
		Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>							
2130	Current contract liabilities	\$ 366,443	6	\$ 258,117	4	\$ 197,837	5
2170	Accounts payable	64,748	1	54,967	1	61,900	2
2200	Other payables	535,317	9	343,211	6	530,653	12
2220	Other payables - related parties	-	-	-	-	72	-
2230	Income tax payable	2,479	-	2,730	-	3,713	-
2280	Current lease liabilities	4,293	-	5,512	-	3,793	-
2300	Other current liabilities	41,423	1	42,844	1	43,262	1
21XX	<b>Total current liabilities</b>	<u>1,014,703</u>	<u>17</u>	<u>707,381</u>	<u>12</u>	<u>841,230</u>	<u>20</u>
<b>Non-current liabilities</b>							
2550	Non-current provisions	372,612	6	389,716	7	523,102	12
2570	Deferred income tax liabilities	9,921	-	8,451	-	16,427	-
2580	Non-current lease liabilities	4,077	-	5,761	-	1,383	-
2600	Other non-current liabilities	63,325	1	63,190	1	76,436	2
25XX	<b>Total non-current liabilities</b>	<u>449,935</u>	<u>7</u>	<u>467,118</u>	<u>8</u>	<u>617,348</u>	<u>14</u>
2XXX	<b>Total Liabilities</b>	<u>1,464,638</u>	<u>24</u>	<u>1,174,499</u>	<u>20</u>	<u>1,458,578</u>	<u>34</u>
<b>Equity</b>							
Equity attributable to shareholders of the parent							
Capital Stock							
3110	Common stock	789,418	13	789,418	13	788,308	19
Capital surplus							
3200	Capital surplus	2,488,941	40	2,468,920	43	717,658	16
Retained earnings							
3310	Legal reserve	1,092,794	18	1,092,794	19	1,092,794	26
3320	Special reserve	170,301	3	242,407	4	242,407	6
3350	Unappropriated earnings	233,240	4	226,504	4	180,800	4
Other equity interest							
3400	Other equity interest	( 155,877 )	( 2 )	( 170,301 )	( 3 )	( 214,941 )	( 5 )
31XX	<b>Equity attributable to shareholders of the parent</b>	<u>4,618,817</u>	<u>76</u>	<u>4,649,742</u>	<u>80</u>	<u>2,807,026</u>	<u>66</u>
3XXX	<b>Total equity</b>	<u>4,618,817</u>	<u>76</u>	<u>4,649,742</u>	<u>80</u>	<u>2,807,026</u>	<u>66</u>
Significant contingent liabilities and unrecognized contract commitments							
3X2X	<b>Total liabilities and equity</b>	<u>\$ 6,083,455</u>	<u>100</u>	<u>\$ 5,824,241</u>	<u>100</u>	<u>\$ 4,265,604</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 Six Months Ended June 30, 2023 and 2022**

(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars, except for Earnings per share

Items	Three months ended June 30				Six months ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Net revenue	\$ 445,663	100	\$ 441,999	100	\$ 876,353	100	\$ 823,419	100
5000 Operating costs	( 66,762 )	( 15 )	( 58,497 )	( 13 )	( 131,847 )	( 15 )	( 114,828 )	( 14 )
5900 Gross profit	<u>378,901</u>	<u>85</u>	<u>383,502</u>	<u>87</u>	<u>744,506</u>	<u>85</u>	<u>708,591</u>	<u>86</u>
Operating expenses								
6100 Sales and marketing expenses	( 171,291 )	( 39 )	( 156,000 )	( 35 )	( 345,632 )	( 40 )	( 302,028 )	( 36 )
6200 General and administrative expenses	( 28,509 )	( 6 )	( 29,571 )	( 7 )	( 56,131 )	( 6 )	( 55,066 )	( 7 )
6300 Research and development expenses	( 139,260 )	( 31 )	( 135,253 )	( 31 )	( 269,394 )	( 31 )	( 269,930 )	( 33 )
6000 Total operating expenses	( 339,060 )	( 76 )	( 320,824 )	( 73 )	( 671,157 )	( 77 )	( 627,024 )	( 76 )
6900 Operating income	<u>39,841</u>	<u>9</u>	<u>62,678</u>	<u>14</u>	<u>73,349</u>	<u>8</u>	<u>81,567</u>	<u>10</u>
Non-operating income and expenses								
7100 Interest income	21,016	5	2,644	1	37,212	4	3,319	1
7010 Other income	15,783	4	17,820	4	34,159	4	35,435	4
7020 Other gains and losses	19,132	4	40,808	9	14,593	2	55,108	7
7050 Finance costs	( 39 )	-	( 18 )	-	( 81 )	-	( 33 )	-
7000 Total non-operating income and expenses	<u>55,892</u>	<u>13</u>	<u>61,254</u>	<u>14</u>	<u>85,883</u>	<u>10</u>	<u>93,829</u>	<u>12</u>
7900 <b>Income before income tax</b>	<u>95,733</u>	<u>22</u>	<u>123,932</u>	<u>28</u>	<u>159,232</u>	<u>18</u>	<u>175,396</u>	<u>22</u>
7950 Income tax expense	( 34,245 )	( 8 )	( 23,008 )	( 5 )	( 43,036 )	( 5 )	( 31,956 )	( 4 )
8200 <b>Net income</b>	<u>\$ 61,488</u>	<u>14</u>	<u>\$ 100,924</u>	<u>23</u>	<u>\$ 116,196</u>	<u>13</u>	<u>\$ 143,440</u>	<u>18</u>
<b>Other comprehensive income (loss)</b>								
<b>Components of other comprehensive income that will be reclassified to profit or loss subsequently</b>								
8361 Exchange differences arising on translation of foreign operations	\$ 760	-	\$ 9,293	2	( \$ 8,527 )	( 1 )	\$ 27,466	3
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>37,713</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>22,951</u>	<u>3</u>	<u>-</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss subsequently	<u>38,473</u>	<u>8</u>	<u>9,293</u>	<u>2</u>	<u>14,424</u>	<u>2</u>	<u>27,466</u>	<u>3</u>
8300 <b>Other comprehensive income (net)</b>	<u>\$ 38,473</u>	<u>8</u>	<u>\$ 9,293</u>	<u>2</u>	<u>\$ 14,424</u>	<u>2</u>	<u>\$ 27,466</u>	<u>3</u>
8500 <b>Total comprehensive income</b>	<u>\$ 99,961</u>	<u>22</u>	<u>\$ 110,217</u>	<u>25</u>	<u>\$ 130,620</u>	<u>15</u>	<u>\$ 170,906</u>	<u>21</u>
Net income, attributable to:								
8610 Shareholders of the parent	<u>\$ 61,488</u>	<u>14</u>	<u>\$ 100,924</u>	<u>23</u>	<u>\$ 116,196</u>	<u>13</u>	<u>\$ 143,440</u>	<u>18</u>
Total comprehensive income, attributable to:								
8710 Shareholders of the parent	<u>\$ 99,961</u>	<u>22</u>	<u>\$ 110,217</u>	<u>25</u>	<u>\$ 130,620</u>	<u>15</u>	<u>\$ 170,906</u>	<u>21</u>
Earnings per share								
9750 Basic earnings per share	<u>\$ 0.78</u>		<u>\$ 1.28</u>		<u>\$ 1.47</u>		<u>\$ 1.83</u>	
9850 Diluted earnings per share	<u>\$ 0.77</u>		<u>\$ 1.28</u>		<u>\$ 1.46</u>		<u>\$ 1.83</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, 2023 and 2022  
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Retained Earnings					Other equity interest		
	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	Total
<u>Six months ended June 30, 2022</u>								
Balance at January 1, 2022	\$ 773,533	\$ 703,016	\$1,192,548	\$ 185,920	\$ 93,847	(\$ 230,112)	(\$ 12,295)	\$2,706,457
Net income for the six months ended June 30, 2022	-	-	-	-	143,440	-	-	143,440
Other comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	27,466	-	27,466
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	143,440	27,466	-	170,906
Appropriation of 2021 earnings:								
Special reserve	-	-	-	56,487	( 56,487 )	-	-	-
Employee stock options exercised	14,775	50,234	-	-	-	-	-	65,009
Cash dividends from legal reserve	-	-	( 99,754 )	-	-	-	-	( 99,754 )
Cash dividends from capital surplus	-	( 35,592 )	-	-	-	-	-	( 35,592 )
Balance at June 30, 2022	<u>\$ 788,308</u>	<u>\$ 717,658</u>	<u>\$1,092,794</u>	<u>\$ 242,407</u>	<u>\$ 180,800</u>	<u>(\$ 202,646)</u>	<u>(\$ 12,295)</u>	<u>\$2,807,026</u>
<u>Six months ended June 30, 2023</u>								
Balance at January 1, 2023	\$ 789,418	\$ 2,468,920	\$1,092,794	\$ 242,407	\$ 226,504	(\$ 158,006)	(\$ 12,295)	\$4,649,742
Net income for the six months ended June 30, 2023	-	-	-	-	116,196	-	-	116,196
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	14,424	-	14,424
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	116,196	14,424	-	130,620
Appropriation of 2022 earnings:								
Special reserve	-	-	-	( 72,106 )	72,106	-	-	-
Cash dividends	-	-	-	-	( 181,566 )	-	-	( 181,566 )
Share-based payment transactions	-	10,315	-	-	-	-	-	10,315
Change in net equity of associates accounted for using the equity method	-	9,706	-	-	-	-	-	9,706
Balance at June 30, 2023	<u>\$ 789,418</u>	<u>\$ 2,488,941</u>	<u>\$1,092,794</u>	<u>\$ 170,301</u>	<u>\$ 233,240</u>	<u>(\$ 143,582)</u>	<u>(\$ 12,295)</u>	<u>\$4,618,817</u>

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

CYBERLINK CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Six Months Ended June 30, 2023 and 2022  
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	<u>Six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities</u>		
Net income before income tax	\$ 159,232	\$ 175,396
Adjustments		
Adjustments to reconcile profit (loss)		
Gains on financial assets at fair value through profit or loss	( 2,247 )	( 27,142 )
Depreciation expense	14,126	14,482
Amortization expense	1,661	1,488
Interest income	( 37,212 )	( 3,319 )
Interest expense	81	33
Employees' stock option cost	10,314	-
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets mandatorily measured at fair value through profit or loss	( 4,377 )	( 85,270 )
Accounts receivable	28,757	( 2,125 )
Current contract assets	( 579 )	-
Other receivables	( 35 )	( 36 )
Other receivables-related parties	362	442
Inventories	1,804	( 56 )
Other current assets	( 8,368 )	6,819
Other non-current assets	( 12,299 )	-
Changes in operating liabilities		
Current contract liabilities	108,333	9,493
Accounts payable	10,249	7,489
Other payables	11,194	28,689
Other payables-related parties	-	72
Other current liabilities	1,166	( 5,936 )
Provisions	( 17,104 )	30,928
Other non-current liabilities	( 200 )	( 247 )
Cash inflow generated from operations	264,858	151,200
Interest received	36,701	2,162
Interest paid	( 81 )	( 33 )
Income tax paid	( 42,414 )	( 35,866 )
Income tax refunded	14,607	27,026
Net cash flows from operating activities	<u>273,671</u>	<u>144,489</u>

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CYBERLINK CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Six Months Ended June 30, 2023 and 2022  
(Reviewed, not audited)

Unit: Amounts expressed in thousands of New Taiwan Dollars

	<u>Six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>
<u>Cash flows from investing activities</u>		
Acquisition of financial assets at amortized cost	( \$ 1,401,300 )	( \$ 1,069,920 )
Proceeds from disposal of financial assets at amortized cost	155,700	697,000
Acquisition of property, plant, and equipment	( 7,404 )	( 7,094 )
Acquisition of intangible assets	-	( 394 )
Increase in refundable deposits	( 1,142 )	( 2,522 )
Net cash flows used in investing activities	( 1,254,146 )	( 382,930 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (decrease) in deposits received	335	( 582 )
Repayment of the principal portion of lease liabilities	( 2,903 )	( 2,140 )
Exercise of employee stock options exercised	-	65,009
Net cash flows from (used in) financing activities	( 2,568 )	62,287
Effects of changes in exchange rates	( 4,060 )	26,062
Net increase (decrease) in cash and cash equivalents	( 987,103 )	( 150,092 )
Cash and cash equivalents at beginning of period	1,743,889	1,102,879
Cash and cash equivalents at end of period	<u>\$ 756,786</u>	<u>\$ 952,787</u>

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