

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the First quarter of year 2020

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	1Q 2020	1Q 2019	YOY%	1Q 2020	4Q 2019	QOQ%
Net Sales	60,863	52,722	15.4%	60,863	64,708	-5.9%
Operating costs	(34,626)	(31,249)	10.8%	(34,626)	(37,216)	-7.0%
Gross profit	26,237	21,473	22.2%	26,237	27,492	-4.6%
Operating expenses						
Selling expenses	(3,556)	(2,143)	66.0%	(3,556)	(3,197)	11.2%
Administrative expenses	(1,542)	(1,555)	-0.8%	(1,542)	(1,672)	-7.7%
Research and development expenses	(15,336)	(14,607)	5.0%	(15,336)	(16,397)	-6.5%
Total operating expenses	(20,435)	(18,304)	11.6%	(20,435)	(21,266)	-3.9%
Operating income	5,802	3,169	83.1%	5,802	6,226	-6.8%
Non-operating income and expenses	928	836	11.0%	928	829	11.9%
Net income before income tax	6,730	4,005	68.1%	6,730	7,055	-4.6%
Income tax expense	(926)	(589)	57.3%	(926)	(672)	37.7%
Net income	5,804	3,416	69.9%	5,804	6,383	-9.1%
Net other comprehensive income (loss)	7,350	9,177	-19.9%	7,350	(4,792)	
Total comprehensive income	13,154	12,593	4.5%	13,154	1,591	726.6%
Net income (loss) attributable to :						
Owners of the parent	5,715	3,406		5,715	6,326	
Non-controlling interests	89	10		89	57	
	5,804	3,416		5,804	6,383	
Basic Earnings Per Share (NTD)	3.64	2.17		3.64	4.03	

Note1: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended March 31, 2020 and 2019

Unit: Millions of New Taiwan dollars

	2020	% to sales	2019	% to sales	YOY%
Net Sales	60,863	100.0%	52,722	100.0%	15.4%
Operating costs	(34,626)	-56.9%	(31,249)	-59.3%	10.8%
Gross profit	<u>26,237</u>	<u>43.1%</u>	<u>21,473</u>	<u>40.7%</u>	<u>22.2%</u>
Operating expenses					
Selling expenses	(3,556)	-5.8%	(2,143)	-4.1%	66.0%
Administrative expenses	(1,542)	-2.5%	(1,555)	-2.9%	-0.8%
Research and development expenses	(15,336)	-25.2%	(14,607)	-27.7%	5.0%
Total operating expenses	<u>(20,435)</u>	<u>-33.6%</u>	<u>(18,304)</u>	<u>-34.7%</u>	<u>11.6%</u>
Operating income	5,802	9.5%	3,169	6.0%	83.1%
Non-operating income and expenses	928	1.5%	836	1.6%	11.0%
Net income before income tax	6,730	11.1%	4,005	7.6%	68.1%
Income tax expense	(926)	-1.5%	(589)	-1.1%	57.3%
Net income	5,804	9.5%	3,416	6.5%	69.9%
Net other comprehensive income (loss)	7,350	12.1%	9,177	17.4%	-19.9%
Total comprehensive income	<u>13,154</u>	<u>21.6%</u>	<u>12,593</u>	<u>23.9%</u>	<u>4.5%</u>
Net income (loss) attributable to :					
Owners of the parent	5,715		3,406		
Non-controlling interests	89		10		
	<u>5,804</u>		<u>3,416</u>		
Basic Earnings Per Share (NTD)	<u>3.64</u>		<u>2.17</u>		

Note1: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2020 and 2019

Unit: Millions of New Taiwan dollars

	2020	%	2019	%	YOY%
Current assets					
Cash and cash equivalents	174,839	37.4%	151,479	36.2%	15.4%
Financial assets at fair value through profit or loss-current	6,596	1.4%	5,749	1.4%	14.7%
Financial assets at fair value through other comprehensive income-current	16,879	3.6%	27,740	6.6%	-39.2%
Financial assets measured at amortized cost-current	256	0.1%	2,618	0.6%	-90.2%
Trade receivables, net	25,376	5.4%	25,312	6.0%	0.3%
Inventories, net	32,669	7.0%	30,122	7.2%	8.5%
Other current assets	8,661	1.9%	10,485	2.5%	-17.4%
Total current assets	<u>265,277</u>	<u>56.7%</u>	<u>253,504</u>	<u>60.5%</u>	<u>4.6%</u>
Non-current assets					
Funds and investments	81,096	17.3%	45,294	10.8%	79.0%
Property, plant and equipment	38,485	8.2%	38,284	9.1%	0.5%
Intangible assets	74,186	15.9%	72,929	17.4%	1.7%
Other assets	8,772	1.9%	8,721	2.1%	0.6%
Total non-current assets	<u>202,538</u>	<u>43.3%</u>	<u>165,229</u>	<u>39.5%</u>	<u>22.6%</u>
Total assets	<u>467,814</u>	<u>100.0%</u>	<u>418,733</u>	<u>100.0%</u>	<u>11.7%</u>
Current Liabilities					
Short-term borrowings	52,139	11.1%	58,555	14.0%	-11.0%
Trade payables	23,202	5.0%	19,975	4.8%	16.2%
Other current liabilities	49,074	10.5%	42,989	10.3%	14.2%
Total current liabilities	<u>124,415</u>	<u>26.6%</u>	<u>121,518</u>	<u>29.0%</u>	<u>2.4%</u>
Non-current liabilities					
Total non-current liabilities	<u>14,851</u>	<u>3.2%</u>	<u>9,912</u>	<u>2.4%</u>	<u>49.8%</u>
Total liabilities	<u>139,266</u>	<u>29.8%</u>	<u>131,430</u>	<u>31.4%</u>	<u>6.0%</u>
Equity					
Share capital	15,900	3.4%	15,937	3.8%	-0.2%
Capital surplus	82,760	17.7%	85,573	20.4%	-3.3%
Legal reserve	41,508	8.9%	39,432	9.4%	5.3%
Undistributed earnings	138,662	29.6%	113,272	27.1%	22.4%
Other equity	47,703	10.2%	31,737	7.6%	50.3%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	<u>326,477</u>	<u>69.8%</u>	<u>285,895</u>	<u>68.3%</u>	<u>14.2%</u>
Non-controlling interests	2,071	0.4%	1,408	0.3%	47.0%
Total equity	<u>328,548</u>	<u>70.2%</u>	<u>287,303</u>	<u>68.6%</u>	<u>14.4%</u>
Total liabilities and equity	<u>467,814</u>	<u>100.0%</u>	<u>418,733</u>	<u>100.0%</u>	<u>11.7%</u>

Note1: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended March 31, 2020 and 2019

Unit: Millions of New Taiwan dollars

	2020	2019
Cash flows from operating activities :		
Profit before tax from continuing operations	6,730	4,005
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	1,126	1,028
Amortization	977	987
Expected credit gains	(11)	(23)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	177	(61)
Interest expenses	298	449
Gains on derecognition of financial assets measured at amortized cost	-	(5)
Interest income	(1,004)	(1,021)
Dividend income	(259)	(36)
Share-based payment expenses	270	370
Share of profit of associates accounted for using the equity method	55	32
Losses on disposal of property, plant and equipment	0	0
Property, plant and equipment transferred to expenses	0	2
Losses on disposal of intangible assets	0	-
Losses on disposal of investments	-	16
Others	(1)	0
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	560	(2,387)
Notes receivables	1	1
Trade receivables	1,502	3,683
Trade receivables from related parties	1	(1)
Other receivables	1,177	1,442
Inventories	(5,057)	850
Prepayments	(169)	(261)
Other current assets	(73)	(53)
Contract liabilities	(609)	828
Trade payables	709	2,333
Trade payables to related parties	153	(52)
Other payables	(3,477)	(5,934)
Other payables to related parties	(10)	4
Other current liabilities	(1,319)	(4,301)
Net defined benefit liabilities	(6)	(3)
Non-current liabilities-others	30	(6)
Cash generated from operating activities:		
Interest received	371	759
Dividend received	248	36
Interest paid	(322)	(421)
Income tax paid	(138)	(571)
Net cash provided by operating activities	<u>1,931</u>	<u>1,691</u>
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(1,401)	(1,599)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,117	2,252
Proceeds from capital return of financial assets at fair value through other comprehensive income	41	-
Acquisition of financial assets measured at amortized cost	(1,442)	(101)
Proceeds from redemption of financial assets measured at amortized cost	-	474
Acquisition of investments accounted for using the equity method	(1,210)	-
Proceeds from disposal of investments accounted for using the equity method	-	8
Acquisition of property, plant and equipment	(900)	(1,113)
Proceeds from disposal of property, plant and equipment	-	1
Increase in refundable deposits	(82)	(13)
Acquisition of intangible assets	(560)	(1,517)
Net cash provided by (used in) investing activities	<u>562</u>	<u>(1,608)</u>
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(5,141)	7,426
Repayment of long-term borrowings	-	(14)
(Decrease) increase in deposits received	(49)	392
Cash payment for the principal portion of the lease liabilities	(149)	(65)
Proceeds from exercise of employee stock options	18	-
Cash dividends	-	(0)
Change in non-controlling interests	705	-
Net cash (used in) provided by financing activities	<u>(4,615)</u>	<u>7,739</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(584)</u>	<u>486</u>
Net (decrease) increase in cash and cash equivalents	<u>(2,706)</u>	<u>8,309</u>
Cash and cash equivalents at the beginning of the period	<u>177,545</u>	<u>143,170</u>
Cash and cash equivalents at the end of the period	<u><u>174,839</u></u>	<u><u>151,479</u></u>

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