

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

*Unit: Millions of New Taiwan dollars*

	Yearly Comparison			Sequential Comparison		
	2Q 2020	2Q 2019	YOY%	2Q 2020	1Q 2020	QOQ%
Net Sales	67,603	61,567	9.8%	67,603	60,863	11.1%
Operating costs	(38,197)	(35,777)	6.8%	(38,197)	(34,626)	10.3%
Gross profit	29,407	25,790	14.0%	29,407	26,237	12.1%
Operating expenses						
Selling expenses	(2,730)	(2,574)	6.1%	(2,730)	(3,556)	-23.2%
Administrative expenses	(1,844)	(1,665)	10.7%	(1,844)	(1,542)	19.6%
Research and development expenses	(17,416)	(15,407)	13.0%	(17,416)	(15,336)	13.6%
Total operating expenses	(21,991)	(19,647)	11.9%	(21,991)	(20,435)	7.6%
Operating income	7,416	6,143	20.7%	7,416	5,802	27.8%
Non-operating income and expenses	1,113	1,877	-40.7%	1,113	928	20.0%
Net income before income tax	8,529	8,021	6.3%	8,529	6,730	26.7%
Income tax expense	(1,219)	(1,518)	-19.7%	(1,219)	(926)	31.6%
Net income	7,310	6,503	12.4%	7,310	5,804	25.9%
Net other comprehensive income (loss)	4,353	9,076	-52.0%	4,353	7,350	-40.8%
Total comprehensive income	11,664	15,579	-25.1%	11,664	13,154	-11.3%
Net income (loss) attributable to :						
Owners of the parent	7,204	6,430		7,204	5,715	
Non-controlling interests	106	73		106	89	
	7,310	6,503		7,310	5,804	
Basic Earnings Per Share (NTD)	4.58	4.11		4.58	3.64	

Note1: Sums may not equal totals due to rounding.

**MEDIATEK INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the periods ended June 30, 2020 and 2019

*Unit: Millions of New Taiwan dollars*

	2020	% to sales	2019	% to sales	YOY%
Net Sales	128,466	100.0%	114,289	100.0%	12.4%
Operating costs	(72,822)	-56.7%	(67,026)	-58.6%	8.6%
Gross profit	55,644	43.3%	47,263	41.4%	17.7%
Operating expenses					
Selling expenses	(6,287)	-4.9%	(4,717)	-4.1%	33.3%
Administrative expenses	(3,387)	-2.6%	(3,220)	-2.8%	5.2%
Research and development expenses	(32,752)	-25.5%	(30,014)	-26.3%	9.1%
Total operating expenses	(42,426)	-33.0%	(37,951)	-33.2%	11.8%
Operating income	13,218	10.3%	9,312	8.1%	41.9%
Non-operating income and expenses	2,041	1.6%	2,713	2.4%	-24.8%
Net income before income tax	15,259	11.9%	12,025	10.5%	26.9%
Income tax expense	(2,144)	-1.7%	(2,106)	-1.8%	1.8%
Net income	13,115	10.2%	9,919	8.7%	32.2%
Net other comprehensive income (loss)	11,703	9.1%	18,253	16.0%	-35.9%
Total comprehensive income	24,818	19.3%	28,172	24.6%	-11.9%
Net income (loss) attributable to :					
Owners of the parent	12,919		9,836		
Non-controlling interests	196		83		
	13,115		9,919		
Basic Earnings Per Share (NTD)	8.22		6.28		

Note1: Sums may not equal totals due to rounding.

**MEDIATEK INC.**  
**CONSOLIDATED BALANCE SHEETS**  
As of June 30, 2020 and 2019

*Unit: Millions of New Taiwan dollars*

	2020	%	2019	%	YOY%
Current assets					
Cash and cash equivalents	168,938	35.0%	174,061	38.5%	-2.9%
Financial assets at fair value through profit or loss-current	7,003	1.5%	6,574	1.5%	6.5%
Financial assets at fair value through other comprehensive income-current	11,217	2.3%	33,711	7.5%	-66.7%
Financial assets measured at amortized cost-current	0	0.0%	1,177	0.3%	-100.0%
Trade receivables, net	36,101	7.5%	27,915	6.2%	29.3%
Inventories, net	36,812	7.6%	31,096	6.9%	18.4%
Other current assets	7,189	1.5%	8,343	1.8%	-13.8%
Total current assets	<u>267,260</u>	<u>55.3%</u>	<u>282,876</u>	<u>62.6%</u>	<u>-5.5%</u>
Non-current assets					
Funds and investments	90,066	18.7%	48,718	10.8%	84.9%
Property, plant and equipment	38,275	7.9%	38,791	8.6%	-1.3%
Intangible assets	78,296	16.2%	72,765	16.1%	7.6%
Other assets	8,984	1.9%	8,888	2.0%	1.1%
Total non-current assets	<u>215,622</u>	<u>44.7%</u>	<u>169,163</u>	<u>37.4%</u>	<u>27.5%</u>
Total assets	<u>482,882</u>	<u>100.0%</u>	<u>452,039</u>	<u>100.0%</u>	<u>6.8%</u>
Current Liabilities					
Short-term borrowings	42,557	8.8%	67,802	15.0%	-37.2%
Trade payables	26,698	5.5%	20,905	4.6%	27.7%
Other current liabilities	73,712	15.3%	63,982	14.2%	15.2%
Total current liabilities	<u>142,967</u>	<u>29.6%</u>	<u>152,690</u>	<u>33.8%</u>	<u>-6.4%</u>
Non-current liabilities					
Total non-current liabilities	<u>16,159</u>	<u>3.3%</u>	<u>10,843</u>	<u>2.4%</u>	<u>49.0%</u>
Total liabilities	<u>159,126</u>	<u>33.0%</u>	<u>163,532</u>	<u>36.2%</u>	<u>-2.7%</u>
Equity					
Share capital	15,889	3.3%	15,875	3.5%	0.1%
Capital surplus	74,038	15.3%	80,883	17.9%	-8.5%
Legal reserve	44,583	9.2%	41,508	9.2%	7.4%
Undistributed earnings	137,933	28.6%	108,922	24.1%	26.6%
Other equity	49,268	10.2%	39,897	8.8%	23.5%
Treasury shares	(110)	0.0%	(56)	0.0%	-95.8%
Equity attributable to owners of the parent	<u>321,600</u>	<u>66.6%</u>	<u>287,028</u>	<u>63.5%</u>	<u>12.0%</u>
Non-controlling interests	2,155	0.4%	1,479	0.3%	45.7%
Total equity	<u>323,756</u>	<u>67.0%</u>	<u>288,507</u>	<u>63.8%</u>	<u>12.2%</u>
Total liabilities and equity	<u>482,882</u>	<u>100.0%</u>	<u>452,039</u>	<u>100.0%</u>	<u>6.8%</u>

Note1: Sums may not equal totals due to rounding.

**MEDIATEK INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the periods ended June 30, 2020 and 2019

*Unit: Millions of New Taiwan dollars*

	2020	2019
Cash flows from operating activities :		
Profit before tax from continuing operations	15,259	12,025
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	2,259	2,094
Amortization	2,353	2,034
Expected credit losses (gains)	63	(20)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	116	(167)
Interest expenses	469	918
Gains on derecognition of financial assets measured at amortized cost	(5)	(78)
Interest income	(1,619)	(2,012)
Dividend income	(387)	(74)
Share-based payment expenses	482	765
Share of profit of associates and joint ventures accounted for using the equity method	(214)	(55)
Losses on disposal of property, plant and equipment	1	15
Property, plant and equipment transferred to expenses	0	3
Losses on disposal of intangible assets	0	0
Gains on disposal of non-current assets held for sale	-	(813)
Losses on disposal of investments	30	16
Others	(1)	0
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	636	(3,115)
Notes receivables	2	(2)
Trade receivables	(9,457)	1,122
Trade receivables from related parties	5	2
Other receivables	1,327	1,743
Inventories	(9,177)	(142)
Prepayments	(222)	(719)
Other current assets	22	(195)
Contract liabilities	(383)	1,197
Trade payables	4,158	6,184
Trade payables to related parties	306	95
Other payables	(544)	(1,966)
Other payables to related parties	(6)	(0)
Other current liabilities	2,718	(2,070)
Net defined benefit liabilities	(6)	(11)
Non-current liabilities-others	(339)	(194)
Cash generated from operating activities:		
Interest received	2,593	1,615
Dividend received	375	160
Interest paid	(506)	(888)
Income tax paid	(1,203)	(1,643)
Net cash provided by operating activities	<u>9,108</u>	<u>15,826</u>
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(1,738)	(2,054)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,759	4,400
Proceeds from capital return of financial assets at fair value through other comprehensive income	40	-
Acquisition of financial assets measured at amortized cost	(2,761)	(554)
Proceeds from redemption of financial assets measured at amortized cost	256	1,716
Acquisition of investments accounted for using the equity method	(1,186)	(140)
Proceeds from disposal of investments accounted for using the equity method	-	8
Acquisition of property, plant and equipment	(1,847)	(2,943)
Proceeds from disposal of property, plant and equipment	0	4
Increase in refundable deposits	(114)	(0)
Acquisition of right-of-use assets	(2)	-
Acquisition of intangible assets	(3,708)	(1,948)
Net cash used in investing activities	<u>(1,300)</u>	<u>(1,511)</u>
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(14,622)	16,479
Repayment of long-term borrowings	(18)	(32)
(Decrease) increase in deposits received	(42)	313
Cash payment for the principal portion of the lease liabilities	(308)	(170)
Proceeds from exercise of employee stock options	18	-
Treasury stock acquired	(54)	-
Cash dividends	(13)	(0)
Acquisition of ownership interests in subsidiaries	-	(526)
Change in non-controlling interests	761	(12)
Net cash (used in) provided by financing activities	<u>(14,278)</u>	<u>16,052</u>
Effect of changes in exchange rate on cash and cash equivalents	(2,136)	523
Net (decrease) increase in cash and cash equivalents	(8,607)	30,891
Cash and cash equivalents at the beginning of the period	177,545	143,170
Cash and cash equivalents at the end of the period	<u>168,938</u>	<u>174,061</u>

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