

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

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	3Q 2020	3Q 2019	YOY%	3Q 2020	2Q 2020	QOQ%
Net Sales	97,275	67,224	44.7%	97,275	67,603	43.9%
Operating costs	(54,246)	(38,934)	39.3%	(54,246)	(38,197)	42.0%
Gross profit	43,028	28,290	52.1%	43,028	29,407	46.3%
Operating expenses						
Selling expenses	(3,648)	(3,024)	20.6%	(3,648)	(2,730)	33.6%
Administrative expenses	(2,205)	(1,647)	33.9%	(2,205)	(1,844)	19.6%
Research and development expenses	(22,547)	(16,590)	35.9%	(22,547)	(17,416)	29.5%
Total operating expenses	(28,400)	(21,261)	33.6%	(28,400)	(21,991)	29.1%
Operating income	14,628	7,029	108.1%	14,628	7,416	97.3%
Non-operating income and expenses	804	918	-12.4%	804	1,113	-27.8%
Net income before income tax	15,432	7,947	94.2%	15,432	8,529	80.9%
Income tax expense	(2,066)	(1,045)	97.7%	(2,066)	(1,219)	69.5%
Net income	13,367	6,902	93.7%	13,367	7,310	82.8%
Net other comprehensive income (loss)	1,077	16,360	-93.4%	1,077	4,353	-75.3%
Total comprehensive income	14,443	23,262	-37.9%	14,443	11,664	23.8%
Net income (loss) attributable to :						
Owners of the parent	13,251	6,871		13,251	7,204	
Non-controlling interests	115	32		115	106	
	13,367	6,902		13,367	7,310	
Basic Earnings Per Share (NTD)	8.42	4.38		8.42	4.58	

Note1: Sums may not equal totals due to rounding.

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

Unit: Millions of New Taiwan dollars

	<u>2020</u>	<u>% to sales</u>	<u>2019</u>	<u>% to sales</u>	<u>YOY%</u>
Net Sales	225,741	100.0%	181,513	100.0%	24.4%
Operating costs	(127,069)	-56.3%	(105,960)	-58.4%	19.9%
Gross profit	<u>98,672</u>	<u>43.7%</u>	<u>75,553</u>	<u>41.6%</u>	<u>30.6%</u>
Operating expenses					
Selling expenses	(9,934)	-4.4%	(7,741)	-4.3%	28.3%
Administrative expenses	(5,591)	-2.5%	(4,867)	-2.7%	14.9%
Research and development expenses	<u>(55,300)</u>	<u>-24.5%</u>	<u>(46,604)</u>	<u>-25.7%</u>	<u>18.7%</u>
Total operating expenses	<u>(70,826)</u>	<u>-31.4%</u>	<u>(59,212)</u>	<u>-32.6%</u>	<u>19.6%</u>
Operating income	27,846	12.3%	16,341	9.0%	70.4%
Non-operating income and expenses	<u>2,845</u>	<u>1.3%</u>	<u>3,631</u>	<u>2.0%</u>	<u>-21.6%</u>
Net income before income tax	30,691	13.6%	19,972	11.0%	53.7%
Income tax expense	<u>(4,210)</u>	<u>-1.9%</u>	<u>(3,151)</u>	<u>-1.7%</u>	<u>33.6%</u>
Net income	26,481	11.7%	16,821	9.3%	57.4%
Net other comprehensive income (loss)	<u>12,780</u>	<u>5.7%</u>	<u>34,613</u>	<u>19.1%</u>	<u>-63.1%</u>
Total comprehensive income	<u><u>39,261</u></u>	<u><u>17.4%</u></u>	<u><u>51,434</u></u>	<u><u>28.3%</u></u>	<u><u>-23.7%</u></u>
Net income (loss) attributable to :					
Owners of the parent	26,170		16,706		
Non-controlling interests	<u>311</u>		<u>115</u>		
	<u><u>26,481</u></u>		<u><u>16,821</u></u>		
Basic Earnings Per Share (NTD)	<u><u>16.65</u></u>		<u><u>10.66</u></u>		

Note1: Sums may not equal totals due to rounding.

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

Unit: Millions of New Taiwan dollars

	2020	%	2019	%	YOY%
Current assets					
Cash and cash equivalents	170,041	34.7%	155,972	34.4%	9.0%
Financial assets at fair value through profit or loss-current	8,345	1.7%	7,316	1.6%	14.1%
Financial assets at fair value through other comprehensive income-current	5,925	1.2%	42,237	9.3%	-86.0%
Financial assets measured at amortized cost-current	0	0.0%	261	0.1%	-100.0%
Trade receivables, net	37,997	7.7%	30,450	6.7%	24.8%
Inventories, net	31,010	6.3%	31,028	6.8%	-0.1%
Other current assets	16,630	3.4%	10,967	2.4%	51.6%
Total current assets	<u>269,947</u>	<u>55.0%</u>	<u>278,231</u>	<u>61.3%</u>	<u>-3.0%</u>
Non-current assets					
Funds and investments	95,939	19.6%	56,446	12.4%	70.0%
Property, plant and equipment	38,306	7.8%	38,265	8.4%	0.1%
Intangible assets	77,105	15.7%	71,884	15.8%	7.3%
Other assets	9,369	1.9%	9,065	2.0%	3.4%
Total non-current assets	<u>220,720</u>	<u>45.0%</u>	<u>175,660</u>	<u>38.7%</u>	<u>25.7%</u>
Total assets	<u>490,666</u>	<u>100.0%</u>	<u>453,891</u>	<u>100.0%</u>	<u>8.1%</u>
Current Liabilities					
Short-term borrowings	30,626	6.2%	54,701	12.1%	-44.0%
Trade payables	29,288	6.0%	23,101	5.1%	26.8%
Other current liabilities	74,934	15.3%	50,719	11.2%	47.7%
Total current liabilities	<u>134,848</u>	<u>27.5%</u>	<u>128,522</u>	<u>28.3%</u>	<u>4.9%</u>
Non-current liabilities					
Total non-current liabilities	<u>14,514</u>	<u>3.0%</u>	<u>12,539</u>	<u>2.8%</u>	<u>15.8%</u>
Total liabilities	<u>149,362</u>	<u>30.4%</u>	<u>141,061</u>	<u>31.1%</u>	<u>5.9%</u>
Equity					
Share capital	15,902	3.2%	15,899	3.5%	0.0%
Capital surplus	76,345	15.6%	82,275	18.1%	-7.2%
Legal reserve	44,583	9.1%	41,508	9.1%	7.4%
Undistributed earnings	154,471	31.5%	118,256	26.1%	30.6%
Other equity	47,131	9.6%	53,393	11.8%	-11.7%
Treasury shares	(110)	0.0%	(56)	0.0%	-95.8%
Equity attributable to owners of the parent	<u>338,322</u>	<u>69.0%</u>	<u>311,275</u>	<u>68.6%</u>	<u>8.7%</u>
Non-controlling interests	2,982	0.6%	1,555	0.3%	91.8%
Total equity	<u>341,304</u>	<u>69.6%</u>	<u>312,830</u>	<u>68.9%</u>	<u>9.1%</u>
Total liabilities and equity	<u>490,666</u>	<u>100.0%</u>	<u>453,891</u>	<u>100.0%</u>	<u>8.1%</u>

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

Unit: Millions of New Taiwan dollars

	2020	2019
Cash flows from operating activities :		
Profit before tax from continuing operations	30,691	19,972
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	3,411	3,143
Amortization	3,922	3,063
Expected credit losses (gains)	3	(20)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	(26)	(139)
Interest expenses	547	1,273
Gains on derecognition of financial assets measured at amortized cost	(5)	(114)
Interest income	(2,054)	(3,161)
Dividend income	(604)	(256)
Share-based payment expenses	899	1,699
Share of profit of associates and joint ventures accounted for using the equity method	(316)	21
Losses on disposal of property, plant and equipment	9	14
Property, plant and equipment transferred to expenses	0	3
Losses on disposal of intangible assets	0	23
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	69	(4,317)
Notes receivables	(1)	(10)
Trade receivables	(13,843)	(1,433)
Trade receivables from related parties	4	2
Other receivables	(901)	(814)
Inventories	(5,633)	(66)
Prepayments	(136)	(635)
Other current assets	(224)	(309)
Contract liabilities	2,796	1,013
Trade payables	7,425	8,239
Trade payables to related parties	597	239
Other payables	6,016	(2,394)
Other payables to related parties	4	2
Other current liabilities	8,452	57
Net defined benefit liabilities	(7)	(10)
Non-current liabilities-others	(499)	(101)
Cash generated from operating activities:		
Interest received	3,273	2,706
Dividend received	599	350
Interest paid	(588)	(1,261)
Income tax paid	(2,964)	(2,963)
Net cash provided by operating activities	<u>40,947</u>	<u>23,018</u>
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(2,965)	(2,536)
Proceeds from disposal of financial assets at fair value through other comprehensive income	13,647	8,094
Proceeds from capital return of financial assets at fair value through other comprehensive income	1,122	-
Acquisition of financial assets measured at amortized cost	(7,127)	(796)
Proceeds from redemption of financial assets measured at amortized cost	509	3,029
Acquisition of investments accounted for using the equity method	(1,164)	(140)
Proceeds from disposal of investments accounted for using the equity method	-	8
Acquisition of property, plant and equipment	(3,460)	(4,166)
Proceeds from disposal of property, plant and equipment	3	8
(Increase) decrease in refundable deposits	(119)	8
Acquisition of right-of-use assets	(2)	-
Acquisition of intangible assets	(4,431)	(2,129)
Net cash (used in) provided by investing activities	<u>(3,987)</u>	<u>1,380</u>
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(25,837)	3,402
Repayment of long-term borrowings	(18)	(46)
(Decrease) increase in deposits received	(124)	387
Cash payment for the principal portion of the lease liabilities	(444)	(286)
Proceeds from exercise of employee stock options	503	49
Treasury stock acquired	(54)	-
Cash dividends	(16,589)	(14,162)
Acquisition of ownership interests in subsidiaries	-	(526)
Change in non-controlling interests	1,513	(12)
Net cash used in financing activities	<u>(39,681)</u>	<u>(11,192)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(3,469)</u>	<u>(404)</u>
Net (decrease) increase in cash and cash equivalents	(6,189)	12,802
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>171,356</u>	<u>155,972</u>
Reconciliation of the balances of cash and cash equivalents at the end of the year:		
Cash and cash equivalents on the consolidated balance sheets	170,041	155,972
Cash and cash equivalents included in non-current assets held for sale	1,315	-
Cash and cash equivalents at the end of the year	<u>171,356</u>	<u>155,972</u>

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