

The logo for Goodix, featuring the word "GOODIX" in a bold, sans-serif font. The "i" is lowercase and has a red dot. The background is a blue-tinted cityscape with a prominent curved skyscraper in the foreground.

GOODIX



2021 Interim Report Summary

Shenzhen Goodix Technology Co., Ltd.

603160.SH

I. Corporate Information

1. Company Profile

StockName	Goodix	Stock Code	603160
Stock Exchange	Shanghai Stock Exchange		
Contact Information			
	Board Secretary	Representative of Securities Affairs	
Name	Li Wang	Xiaohua Cheng	
Address	Floor 9, Phase B, Building 4, Shenzhen Software Industry Base, Nanshan District, Shenzhen, China	Floor 9, Phase B, Building 4, Shenzhen Software Industry Base, Nanshan District, Shenzhen, China	
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Fax	0755 - 33338830	0755 - 33338830	
Email	ir@goodix.com	ir@goodix.com	

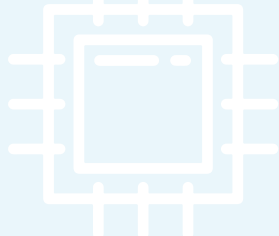
2. The Main Business

Shenzhen Goodix Technology Co., Ltd. ("Goodix" for short) is an integrated solution provider for applications based on IC design and software development offering industry-leading software and hardware semiconductor solutions for smart devices, IoT applications, and automotive electronics. Goodix serves hundreds of millions of global consumers with quality products and solutions via renowned brands including OPPO, vivo, Xiaomi, Samsung, Google, Amazon, Dell, HP, LG, OnePlus, Nokia, and ASUS. The company is recognized as a leading IC design and solution provider that empowers a connected, intelligent world.

Since its founding, Goodix has been dedicated to its mission, 'Enrich Your Life Through Innovation'. It prioritizes the needs of consumers and markets, concentrates on the design and R&D of industry-leading software and hardware semiconductor solutions, and keeps challenging itself. Goodix now spans across four product categories: biometric authentication, human-interface, IoT, and voice and audio solutions.

The strategic development goal of Goodix is to center around sensing, processing, connectivity, and security, to create an integrated platform for chip design and software/hardware product technologies, building more innovative technologies and product portfolios, while relentlessly pursuing increasing business scope within smart devices, IoT applications, and automotive electronics. As a result, the business aims to become a world-leading comprehensive IC design company that delivers unique value to global clients and consumers.

As an IC design house, Goodix adopts the fabless model and focuses on the design, research, and development of semiconductor solutions that are driven by market demands, while outsourcing wafer fabrication, packaging, and testing to professional vendors. The products Goodix offer are sold both directly as well as via agents and distributors to module makers, integrated solution providers, and device manufacturers.



3. 1H21 Announces Interim Results

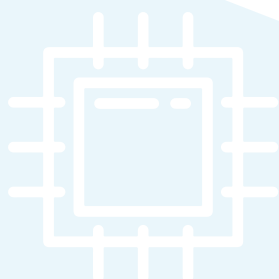
Shenzhen Goodix Technology Co., Ltd. Announces Interim Results

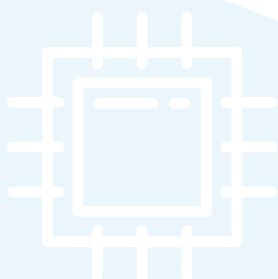
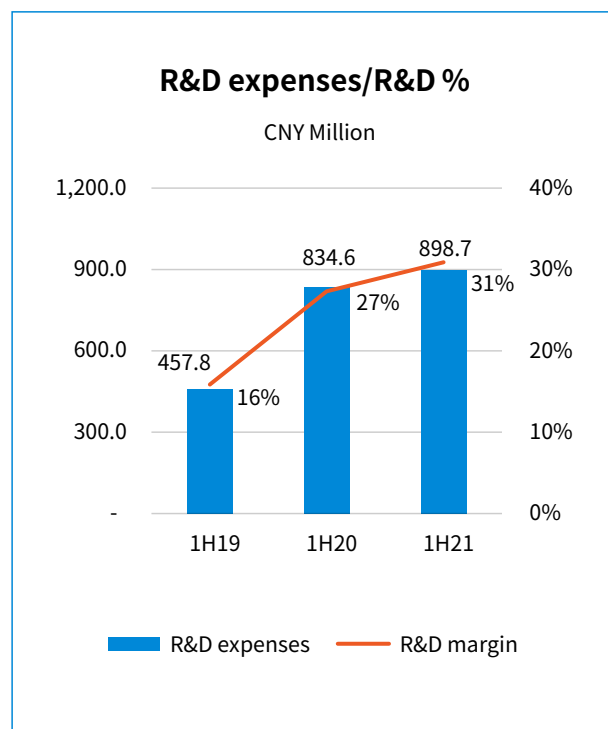
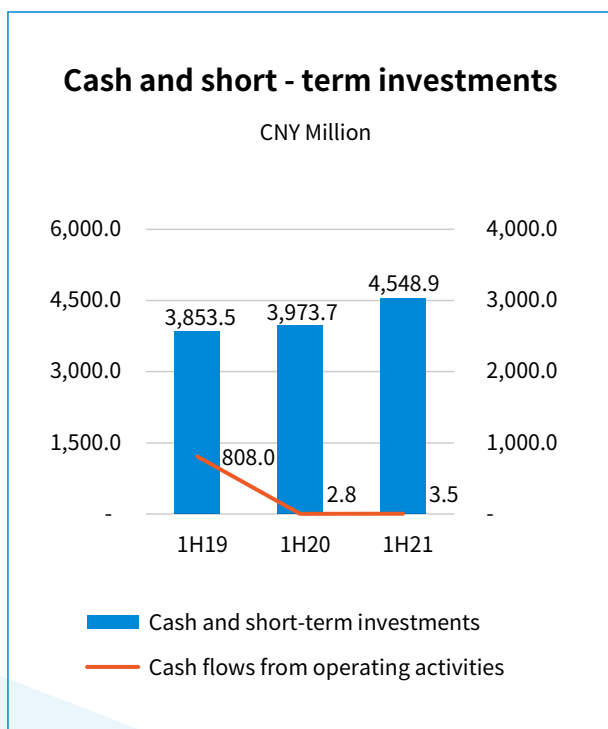
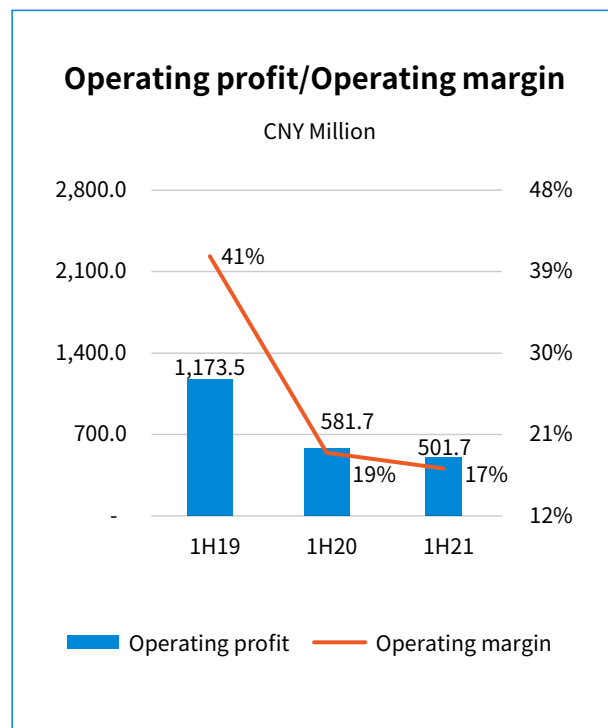
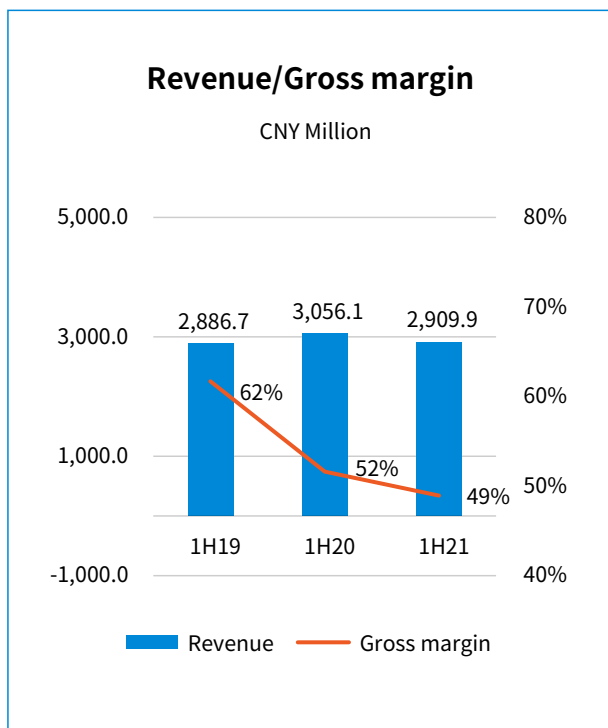
Shenzhen, China, August 27, 2021 -- Goodix Technology (603160. SH), an integrated solution provider for applications based on IC design and software development, today announced the audited consolidated results for the first half year of 2021 (“1H21”) ended June 30, 2021.

- **Total Revenue** was RMB 2.91 billion, a decrease of 4.78% year-over-year;
- **Gross Profit** was RMB 501.7 million in 1H21, down from RMB 581.7 million in 1H20, a decrease of 14% year-over-year;
- **Gross Margin** was 49% in 1H21 vs. 52% in 1H20;
- **Net Profit** was RMB 420.5 million, a decrease of 29.6% compared with RMB 568.9 million in 1H20;
- **Basic EPS:** RMB 0.93 per share vs. RMB 1.32 per share in 1H20;
- **Diluted EPS:** RMB 0.92 per share vs. RMB 1.28 per share in 1H20.

4. Key Financial Results Within Past Three Years

December Fiscal Year End (All figures in Million CNY)	Jun-19 1H19	Jun-20 1H20	Jun-21 1H21
Revenue	2,886.7	3,056.1	2,909.9
Gross margin (%)	62%	52%	49%
Operating profit	1,173.5	581.7	501.7
Operating margin (%)	41%	19%	17%
Net profit	1,016.8	597.3	420.5
R&D expenses	457.8	834.6	898.7
R&D / Revenue (%)	16%	27%	31%
Cash and short-term investments	3,853.5	3,973.7	4,548.9
Total assets	6,919.4	8,443.7	9,949.5
Stockholders' equity	4,990.4	6,855.1	7,929.2
Debt ratio (%)	28%	19%	20%
Cash flows from operating activities	808.0	2.8	3.5





5. Analysis of key financials

(1) Revenue

During the first half of 2021, the company achieved a revenue of RMB 2.91 billion, a decrease of 4.78% compared with the first half of 2020 at RMB 3.06 billion. The decrease was largely due to the impact of upgrade in old and new products, the adjustment of product sales structure, and exchange rate fluctuations.

In terms of revenue, biometric authentication solutions accounted for 67.29%, a decrease of 7.85% compared with the same period last year. Human-interface solutions accounted for 17.90% of revenue, an increase of 1.22 percentage points from the same period last year. Other products accounted for 14.81% of revenue, an increase of 6.64% from the same period last year.

In the first half of 2021, gross profit reached RMB 1,424 million, a decrease of 10% when compared with the gross profit in the first half of 2020 at RMB 1,578 million. Gross margin reached 49% in the first half of 2021, down 3 percentage points from 52% in the same period of 2020. The company kept its gross margin in a reasonable range, maintaining relatively good profitability.

(2) Operating expenses

The company had operating expenses of RMB 1,143 million in the first half of 2021, a decrease of 1% compared with RMB 1,149 million in the first half of 2020.

- Of which, R&D expenses were RMB 899 million in the first half of 2021, an increase of 8% from RMB 835 million in the first half of 2020. R&D expenses accounted for 31% of the company's revenue, an increase of 4 percentage points from 27% in the first half of 2020. The main reason for the increase in R&D expenses is the company's forecasted strategic layout for sustainable development, maintaining continual investment for new technology research and its product development, proactively ensuring technological expansion and product coverage, to build a solid foundation for long term company growth.

- Sales and marketing expenses reached RMB 171 million in the first half of 2021, a decrease by 32% compared with RMB 253 million in the first half of 2020. Sales and marketing expenses accounted for 6% of revenue, this was mainly due to decreased technical service fees and promotion expenses from the products' maturity and market stability.
- G&A expenses were RMB 73 million in the first half of 2021, an increase of 18% compared to RMB 61 million in the first half of 2020. G&A expenses accounted for 2.5% of revenue, largely due to the increased management and operating expenses from the course of the company's rapid development and internationalization drive.

(3) Net profit

Affected by product updates, market competition, and various other factors, revenue decreased slightly in the first half of 2021, however, R&D expenses continued to increase, resulting in a net profit of RMB 421 million for the first half of 2021, a decrease of 29.6% compared to RMB 597 million in the first half of 2020.

Despite short-term performance fluctuations, the company maintains a strong focus on its long-term goals, investing in new technology and R&D, while the company gradually introduced innovative products with mass production underway, continually bringing new value and experience to the market and its clients.

(4) Cash flows

The net cash flow from operating activities in the early half of 2021 reached RMB 3.5 million, an increase of 25% from RMB 2.8 million compared to early 2020, this was largely due to a decrease in purchases made by the company for goods.

Net cash flow from investment activities was down RMB 556 million in the first half of 2021 and down RMB 1,283 million in the first half of 2020, an increase of 57% year-on-year, mainly due to a decrease in asset cash purchases in 2021.

Net cash flow from financing activities was down RMB 148 million during the first half of 2021 and



down RMB 0.3 million in the first half of 2020. The differences are mainly due to an increase in cash paid for debt repayment and share repurchases.

(5) Assets and liabilities

As of June 30, 2021, the company had assets totalling RMB 9,949 million, a net asset of RMB 7,929 million, a current ratio of 3.81 times the comparable ratios, and a debt ratio of 20%, which was equivalent to a healthy and expected level. Having good solvency, the company maintains sufficient expansion strength for its long-term development.

II. Management Discussion

1. Industry and Market

Goodix's products are primarily used within smart devices, IoT applications, and automotive electronics. Goodix continues to consolidate its market position in smart devices, while continually expanding the IoT and automotive electronics markets with even more innovative products and solutions.

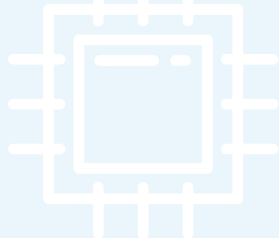
(1) Smart devices

The global demand for smartphones recovered in 2021, but overall market growth rate was restricted. IDC forecasted that in 2021, global smartphone shipments were expected to reach 1.38 billion units, with a year-on-year increase of 7.7%; with China and the United States being the world's two largest markets (5% and 3.5% respectively). As per the market recovery context, with the popularization of 5G networks and the cost optimization of 5G smartphones, the market share of these smartphones is set to continue to grow. In accordance with the data released by the China Academy of Information and Communications Technology (CAICT), there was an overall rapid growth in shipments of domestic smartphones during the first half of 2021, with cumulative shipments totaling 174 million units, a year-on-year increase of 13.7%; of which 128 million 5G smartphones, with a year-on-year increase of 100.9% accounted for its expanded share.

With an increasing trend for online education and working-from-home, demand in the global PC market has further expanded. According to the latest Canalys forecast data, unit sales in the global PC market (including desktops, laptops, and tablets) will increase by 8% in 2021, with total shipments expected to reach 496.8 million units. Affected by the COVID-19 pandemic, global business workforces and student groups still have a growing demand for PCs, and all product categories are set to grow. The global PC market maintained its growth momentum in the first two quarters of 2021. The shipments of desktops and laptops (including workstations) in the first quarter increased by 55% year-on-year to 82.7 million units; with shipments in the second quarter increasing by 13% year-on-year to 82.3 million units. In addition, laptops and mobile workstations shipments soared by 15% year-on-year to 66.7 million units.

(2) IoT applications

The Internet of Things (IoT) provides network functionality for various intelligent terminals, incorporating wide ranging- functions such as remote-control access and real-time tracking ability. With the advancement of 5G and AI technologies, IoT applications will cover one billion more terminals and devices enabling them to be noticed, controlled, and connected. These diverse sets of application fields and expandable markets will create favorable conditions for upstream companies engaged in self-developed chips. IDC predicted that by 2025, the global IoT market is expected to reach USD 1.1 trillion, with a compound annual growth rate of 11.4% from 2020 to 2025, by which time China's market share is forecasted to increase to 25.9%, becoming the largest IoT market in the world. In the wake of the continuous penetration of IoT and the ongoing expansion of smart home, smart driving, smart city, smart business and other application scenarios, the smart connectivity of things will bring greater convenience to people's way of life. Included among this is the rapid growth of smart cities and other niche areas, many applicable scenarios are being replicated and promoted to second, third, and even fourth-tier cities after having been implemented in first and second-tier cities.



In terms of wearable devices, the widespread application of IoT technology promotes the gradual penetration of wearable devices into people's lives. According to IDC's forecast, the global shipments of wearable devices have maintained rapid growth in recent years. The global market size of wearable devices is expected to reach around USD 578 million in 2021, and will reach approximately USD 1,968 million by 2026.

As for wireless transmission, the Bluetooth Special Interest Group (SIG) expects the annual shipment of Bluetooth devices to increase from 4 billion units in 2020 to more than 6 billion units by 2025. Increasing awareness from consumers worldwide in respect to health-related issues has also driven a demand for the growth of wearable devices with Bluetooth, and it is expected that the shipment of these devices will reach 205 million units in the year 2021.

(3) Automotive electronics

'Electrification, intelligence, and networking' are the main directions of technological evolution in the automotive industry. Since the end of 2020, impacted by the COVID-19 pandemic and other factors, combined with natural disasters at some automotive chip manufacturers sites, the 'chip shortage' phenomenon for automobiles has become serious, the automotive semiconductor market was confronted with a surplus, and became a market with rapid demand growth in the downstream field of semiconductors. IHS Markit forecasted that by 2026, the global automotive semiconductor market will reach USD 67.6 billion, with a compound annual growth rate (CAGR) of 10% from 2020 to 2026; China, as a major automotive market, also has a strong demand for automobile chips, and the domestic automotive semiconductor market is expected to reach USD 15.9 billion by 2030. This clearly demonstrates, with the development of domestic automotive chips, new opportunities will be ushered in. Additionally, in recent years, the accelerated application of innovative technologies such as automatic driving and Internet of Vehicle (IoV) has led to greater demand for egress 'human-computer interaction' technologies such as touch screen, fingerprint authentication, voice control, and machine vision.

2. Business Review and Outlook

(1) The biometric authentication product line

IDC forecast that global smartphone shipments are expected to reach 1.38 billion units in 2021, a year-on-year increase of 7.7%. There was an overall demand in the global smartphone market increase year-on-year in the first half of 2021, but the overall growth rate of the smartphone market was limited.

With the increase of penetration rate in smartphone OLED displays, the demand for optical in-display fingerprint sensors continues to increase, but the increasing maturity of the technology has intensified market competition. The ultra-thin optical IN-DISPLAY FINGERPRINT SENSOR™ developed by the company has been widely commercialized in the global smartphone market with improved ID design, adaptation characteristics, and space-saving engineering, with the market space expected to expand in the future.

Simultaneously, the side-key capacitive fingerprint sensor is fully recognized by customers for an improved overall design of the smartphone, and has essentially become the market standard configuration. In addition, affected by the COVID-19 epidemic, the demand for working-from-home and online education has increased, ensuring that PC applications will continue their strong demand from 2020, with expected growth in the future.

(2) The human-interface product line

In 2021, the penetration rate of global smartphones equipped with OLED display has further increased, and low-power LTPO Panel has become one of the flagship smartphone features, leading touch controller products to further improve performance and reduced power consumption.

The demand for work-from-home and online education will continue. According to Canalys, the global shipments of laptops will reach 236 million units in 2021, and tablets are expected to reach approximately 174 million units, which is larger, has a higher penetration rate of touch controller and includes multi-display interconnection becoming



key points for market demand. In addition, the penetration rate of touchscreen in other categories of smart devices has been continuously increasing, and market segments including smart home appliances are becoming more intelligent, effectively promoting the application of touchscreen. In addition as the global automotive market is recovering, the demands for electrification, intelligence, and networking are strong — therefore the company is expanding its human-interface products for a wider market audience.

(3) Voice and Audio Solutions

There is a high demand for audio performance improvements within smartphones, the number of models equipped with stereo continues to increase, and flagship smartphones of mainstream brands are also adopting stereo feature. These factors are driving the demand for Smart Audio Amplifiers to rise at fast speed. Smart Audio Amplifiers, with high sound quality and volume, not only offer a differentiated experience to mid-range and high-end smartphones, but are also adopted by even more smartphones through different price brackets.

Along with the development of the smart automotive operating system and IoV, in-vehicle infotainment systems have created higher demand for high-quality voice interaction solutions, such as in-vehicle voice calls and audio enhancement, enabling users to enjoy greater accuracy and clearer quality for their voice and audio experience. For this reason, the innovations are welcomed by a growing number of automotive manufacturers, and the market demand is increasing rapidly.

(4) IoT product line

With the development and improvement of new health sensors and Bluetooth LE technology, as well as the improvement of global public health awareness during the COVID-19 pandemic, wearable devices such as smart watches / bands, which mainly focus on health management and health monitoring functions, and product applications such as smart headsets will usher in a new round of market opportunities. According to IDC's statistics, shipments of the global wearable device market

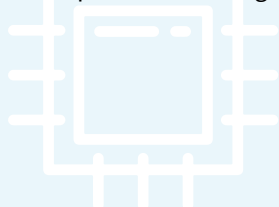
reached 105 million units in 2021 Q1, witnessing a year-on-year growth of 34%, which was mainly driven by Bluetooth headsets and smart watches; the ear headset market shipped about 65 million units in 2021 Q1, with a year-on-year growth of 45%, of which, China's Bluetooth headset market grew 70% year-on-year, with the intelligent process of Bluetooth headset acceleration, driving the rapid growth of earphone devices; furthermore, with over 26 million units of smart watches shipped, closing the market with a year-on-year growth of 54%.

3. Products

Goodix embraces more diverse products and solutions with new products achieving mass production and commercial use during the reporting period. Biometric authentication and human-interface products continue to be widely used in the smart devices market, the penetration rate in the automotive market has been increasing steadily, and the touch controller and fingerprint solutions for automotive market have been widely used in many domestic and internationally recognized automotive brands; shipments of health sensors and BLE products have increased significantly and have been highly recognized by important clients; the integration of voice and audio business has opened up the company's development space in the acoustic field, and those Smart Audio Amplifier products have safeguarded the company's global leading position in the shipment of Android devices.

(1) Biometric authentication solutions: the ultra-thin optical IN-DISPLAY FINGERPRINT SENSOR™ has gained large-scale commercialization, and capacitive fingerprint sensor pioneers within the market

In the first half of 2021, Goodix continued its leading position in the optical in-display fingerprint sensor market, maintaining the absolute market share lead in the domestic market. Although intensified competition led to a decline in unit price, the company's overall shipments grew significantly and its market share increased steadily. The company's new generation of ultra-thin optical IN-DISPLAY



FINGERPRINT SENSOR™ with more cost-effective performance is set to remain the preferred fingerprint solutions for flagship models for the future, with better ID adaptation characteristics and space-saving advantages, as well as new health detection features. Through superb product performance, service support and supply assurance, the company's optical in-display fingerprint products have been widely recognized by clients and their overseas market share has been further expanded as a direct result.

The company's leading side-key and ultra narrow side-key capacitive fingerprint solutions have won the favor of mainstream smart device brands and gained mass production. As a result, its market share has grown significantly year-on-year with stable supply assurance and good service quality. Notwithstanding, shipments of fingerprint solutions for PCs increased significantly year-on-year in the first half of 2021.

(2) Human-interface solutions: high performance forges optimal user experience and continues to win leading clients

In terms of touch controllers for smartphones, in the first half of 2021, in response to the rapidly-growing demand for flexible OLED displays and folding display models, the company's enhanced touch control solutions allowed for improved performance, boasted lower power consumption, and constructed a better controller experience for a higher frame rate. In terms of the touch controller for PC and tablet, relying on high performance, the company has successfully entered the Korean market for medium and large-sized laptop and tablet products; this aspect of the business grew rapidly, and the module products achieved large orders and significant commercial breakthrough, securing orders from global clients.

In terms of the automotive market segment, with a soaring market share of AEC - Q touch control solutions, and a successful trial-produced on leading domestic SUV models, that has unceasingly broken through best-selling models of famous brands, and is widely commercialized in mainstream automotives.

(3) VAS products: Goodix has maintained a leading position, while exploring more opportunities

Through the successful integration of the NXP VAS team, the company's domestic and international R&D and support teams have been integrated in short order, ensuring that R&D resources stay focused on research and innovation only, as the market continues to grow.

Goodix's voice, audio, and haptic driver solutions are widely used by global famous brand clients, such as Samsung, OPPO, Vivo, Xiaomi, and so on. Meanwhile, products continue to be updated and iterated, with the latest version of VoiceExperience solution adding a personal speaker-like function during video call mode, which has been successfully commercialized for the first time by top-tier clients. It is important to have a reliable and flexible supply chain to handle complex market changes. Subsequently, the company has effectively driven the market share of VAS products by implementing effective production and supply management system to ensure sufficient production capacity. During the reporting period, shipments of VAS products and solutions grew significantly, and the cooperation with major clients relating to solutions such as VoiceExperience and AudioCapture was further deepened.

In addition to application in the mobile device market, the product continues to expand its innovative application in the automotive electronics market. CarVoice solutions for in-vehicle audio have been successfully commercialized in multiple mainstream automotive models and Tier 1 infotainment manufacturers, continuing to drive innovation and design deployments for voice applications in the automotive electronics market.

(4) IoT products: a variety of products are commercialized on a large scale, fueling Goodix's sustainable development

Smart health wearables drove the growth of the AIoT market, with several of the company's IoT products achieving exponential growth in the first half of 2021.



Goodix 's world-leading health sensor series of products can detect heart rate, blood oxygen saturation (SpO2), ECG, and other detection functions. With the advantages of high precision, low power consumption, and a high integrative system, the solutions have obtained mass production in top-tier clients, and shipments for the first half of the year increased by more than 15 times year-on-year. With the advantages of high performance and low power consumption, Bluetooth LE solutions which are widely used in smart bands/watches, active stylus and other products, the shipment in the first half of the year increased nearly 5 times more when compared with that of the same period from the previous year. In the market, Bluetooth LE solutions have established strategic cooperation with a number of well-known ODM clients, and successfully entered the supply chain of first-tier smart device brands.

In terms of the TWS headset market, the multifunctional interactive sensor series of products pioneered by the company have been selected by various brands, and have been fully commercialized by OPPO, vivo, OnePlus, and other brands. In the first half of the year, shipments increased by more than 10 times year-on-year; in addition, the R&D of TWS SoC is progressing smoothly, with performance and power consumption reaching an industry-leading level, and it is expected to be introduced to the market in the second half of the year.

4. Clients and Market

Goodix mainly targets the smart devices market represented by smartphones, tablets, and laptops; the IoT market represented by smart wearable devices, TWS headsets, smart home devices, smart retail; and the automotive electronics market represented by in-vehicle infotainment systems and automotive access control systems.

Goodix's clients mainly include Samsung, Google, Dell, Amazon, Lenovo, OPPO, vivo, Xiaomi, and other major smart device brands at home and abroad, as well as well-known automotive brands like Buick, Hyundai, and Nissan. In the market and ecosystem that Goodix focuses on, close strategic relationships

have also been established with ecosystem partners and standardization organizations like Microsoft, Intel, Alipay, WeChat Pay, China UnionPay, and Bluetooth SIG. Goodix will continue to consolidate the foundation of cooperation with domestic and overseas clients, increase market share, and create more unique value for global clients and consumers.

5. Core Competitiveness

(1) A comprehensive IC design company with integrated software and hardware for multiple product lines

Goodix has always adhered to customer-centrism, creating system-level overall solutions integrating hardware, software, and algorithms to provide reliable one-stop service for clients, covering multi-disciplinary and multi-technical fields such as analog, RF, digital, system, back-end application, and building a robust technical moat.

Goodix is fully committed to the four core technology areas of 'sensing, processing, connectivity, and security' , and continues to lead innovation of the IC design industry. Goodix has matured with strong technology reserves in the field of optical in-display fingerprint sensor, capacitive fingerprint sensor, and touch controller, and is in a leading position for the industry; Goodix has a leading edge in ultra-thin optical in-display fingerprint solutions, and continues to iterate and upgrade to promote larger-scale commercialization; Goodix has mature solutions in ToF technology, which is deeply laid out in the optical field, and will continue to explore client opportunities for smart home, smartphone, AR and other markets; meanwhile, Goodix is actively expanding in the IoT field, and continues to promote multi-functional health sensors, multifunctional interactive sensors, Bluetooth LE, and other products, as well as other solutions, which are commercially available in the field of smart device, wearable devices, and smart home. In addition, the company will, in combination with the existing technological accumulation, launch TWS SoC solutions as soon as possible to provide clients with convenient and differentiated innovative solutions; moreover, NB-IoT products will be put into mass production this year, and with the safety



management and sensor technology, the company will expand application in the field of smart meters.

(2) Attach importance to talent acquisition and build an international first-class talent team

A high-grade, highly-educated, globalized R&D team is the driving force behind the company's continuous innovation. During the reporting period, the company's employees exceeded 2,200 around the globe, of which R&D personnel accounted for more than 90%, and master's degree and above accounted for 50%. In particular, the overseas R&D team has more than 500 people. The company has 24 R&D centers, technical support centers and representative offices around the world, covering four continents.

The company's talent layout has achieved the simultaneous convergence of global wisdom and local training. It has not only senior R&D and management talents who have worked, cultivated and been promoted in the company for a long time, but also simultaneously introduced senior management personnel with rich experience in international companies to further optimize company management talent systems. In terms of talent training, the company provides employees with a dual-channel promotion mechanism of management and technology, which is conducive to the cultivation of talents. In terms of talent incentives, the company uses restricted stocks, stock options, employee stock ownership plans and other long-term incentives to help employees and the company unite as a community that shares weal and woe, grows together, and strives to build a stable, professional, and high-quality corporate team.

(3) Expanding the strategic landscape with a global perspective

Goodix is rooted in China, with a global vision. In recent years, the company has continuously promoted the process of globalization. Through the R&D layout in China, the Asia-Pacific region, Europe, the United States and other places, it has built an innovative, globally integrated R&D network to attract top talents to join the company, thereby accelerating the company's product development

and innovation capabilities, improving and better providing differentiated innovative products and first-class services to customers around the world.

At the same time, continuous international mergers and acquisitions have accelerated the integration and improvement of the company's overall technology and shortened the company's new project research and development process. In 2020, the company integrated the VAS business and enriched the company's multimedia solution business. The new generation of audio amplifiers currently developed will further enhance market competitiveness and expand market share; the acquisition of the Dream Chip Technologies GmbH (DCT) team is highly compatible with the company's strategic layout and technical reserve requirements of the smart device and automotive electronics market.

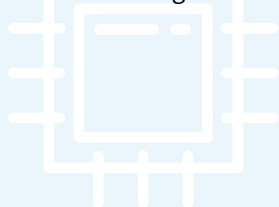
In the future, the company will continue to focus on the domestic and overseas market of smart devices, Internet of Things and automotive electronics, relying on the endogenous development of research and development, while accelerating the process of internationalization, actively looking for global high-quality targets, and integrating the world's top R&D forces and advantages through mergers and acquisitions. Patent resources, at the same time, on the basis of existing overseas customers, continue to vigorously explore overseas markets, serve more international customers, and gradually realize the strategic goal of becoming the world's leading comprehensive IC design company.

6. Employees

As of June 30, 2021, Goodix had a total of 2,200+ employees, compared to 1,900+ in June 30, 2020.

About Goodix

Goodix Technology (SH: 603160) is an integrated solution provider for applications based on IC design and software development offering industry-leading software and hardware semiconductor solutions for smart devices, IoT applications, and automotive electronics. Goodix serves hundreds of millions of



global consumers with quality products and solutions via renowned brands including OPPO, vivo, Xiaomi, Samsung, Google, Amazon, Dell, HP, LG, OnePlus, Nokia, and ASUS. The company is recognized as a leading IC design and solution provider that empowers a connected, intelligent world.

Standing among the global semiconductor industrial revolution with a solid foundation built upon the achievements and successes in human-interface and biometric authentication, Goodix will continue its dedication in research and development, striving to establish the comprehensive IC design blueprint for

smart devices, IoT applications, and automotive electronics, aiming to become a world-leading comprehensive IC design company and innovative technology team that delivers continuous surprises to global customers and consumers, offers long-term and differentiating values to the industry and the society, and provides excellent career development opportunities for Goodix's global talents.

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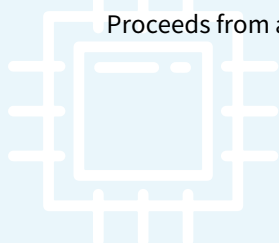
Email: zhouyue@goodix.com

Key Accounting Data and Financial Indicators

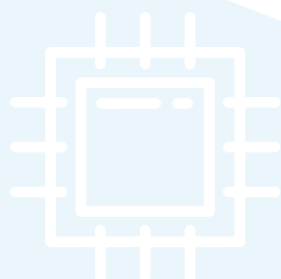
Shenzhen Goodix Technology Co., Ltd. Consolidated Income Statement

For the prior six months ending Jun 30, 2021 and Jun 30, 2020
(The currency of the statements is Chinese Yuan, 'CNY', unless otherwise indicated)

Items	30-Jun-21	30-Jun-20
1.Revenue	2,909,876,707.49	3,056,096,472.31
Less: Operating cost	1,485,818,239.30	1,478,297,751.01
Taxes and surcharges	16,654,864.62	18,787,451.47
Selling expenses	171,258,991.83	252,897,389.60
Administrative expenses	72,552,769.35	61,257,758.76
Research and development expenses	898,704,119.95	834,602,901.48
Finance expenses	-26,011,983.70	-19,300,158.49
Including: Interest expense	6,650,150.13	36,111.11
Interest income	41,907,183.22	16,177,565.23
Add: Other income	101,737,115.86	140,509,534.97
Investment income	16,751,321.68	29,598,646.54
Including: Investment income from joint ventures and affiliates	8,079,596.22	
earning from fair market value changes	124,916,829.50	8,298,644.56
Impairment of credit	-184,959.02	675,069.06
Impairment of assets	-32,993,666.42	-26,902,593.69
Proceeds from asset disposal	575,842.94	



2. Operating profits	501,702,190.68	581,732,679.92
Add: non-operating income	577,825.37	1,426,854.86
Less: non-operating expenses	684,410.62	59,890.54
3. Profit before tax	501,595,605.43	583,099,644.24
Less: income tax	81,095,387.32	-14,225,373.68
4. Net profit	420,500,218.11	597,325,017.92
Net profit contributed before the combination under common control		
I .Profit classified by continuity		
Continuous operating profit and loss	420,500,218.11	597,325,017.92
II .Profit classified by ownership		
Net profit attributable to owners of the parent company	420,502,458.17	597,323,329.62
Net profit attributable to minority shareholders	-2,240.06	1,688.30
5. Other comprehensive income after tax	-15,786,930.44	23,276,200.48
Other comprehensive income after tax attributable to owner of the parent company	-15,786,899.60	23,276,189.44
I .Comprehensive income not to be reclassified as profit or loss		
II .Comprehensive income to be reclassified as profit or loss	-15,786,899.60	23,276,189.44
i. Currency translation reserve	-15,786,899.60	23,276,189.44
Other comprehensive income after tax attributable to minority shareholders	-30.84	11.04
6. Total comprehensive income	404,713,287.67	620,601,218.40
Total comprehensive income attributable to owner of the parent company	404,715,558.57	620,599,519.06
Total comprehensive income attributable to minority shareholders	-2,270.90	1,699.34
7. Earning per share:		
I .Basic earnings per share	0.93	1.32
II .Diluted earning per share	0.92	1.28

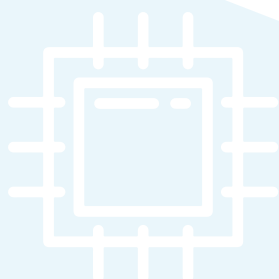


Consolidated Statement of Balance Sheet

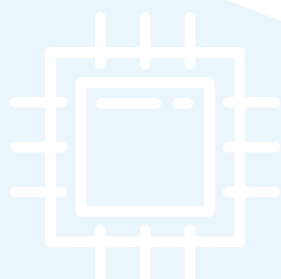
As of Jun 30, 2021 and Dec 31, 2020

(The currency of the statements is Chinese Yuan, 'CNY', unless otherwise indicated)

Assets	30-Jun-21	31-Dec-20
Current assets:		
Cash and cash equivalents	3,271,335,181.59	4,081,744,680.49
Financial assets held for trading	1,277,603,547.93	878,322,054.79
Notes receivables and trade receivables, net	688,149,414.52	703,891,220.99
Inventories	729,772,124.59	617,125,569.79
Prepayments	105,916,175.09	61,798,444.22
Other receivables	24,009,130.97	38,338,298.04
Current portion of non-current assets	52,971,542.46	53,465,642.46
Other current assets	225,506,926.86	153,547,694.18
Total current assets	6,375,264,044.01	6,588,233,604.96
Non-current assets:		
Long-term equity investments	90,137,909.88	83,109,694.18
Other non-current financial assets	565,682,278.60	374,485,997.56
Investment property	83,373,322.85	
Fixed assets	334,770,136.59	391,030,454.98
Construction in progress	66,529,729.58	67,871,394.87
Right-of-use assets	27,368,040.43	
Intangible assets	1,297,153,490.28	1,269,631,954.92
Development costs	81,766,492.57	
Goodwill	536,536,801.86	543,288,317.95
Long-term deferred expenses	16,560,004.68	16,735,944.99
Deferred tax assets	76,440,111.80	118,884,666.15
Other non-current assets	397,882,261.10	434,582,572.96
Total non-current assets	3,574,200,580.22	3,299,620,998.56
Total assets	9,949,464,624.23	9,887,854,603.52



Liabilities and Stockholders' Equity	30-Jun-21	31-Dec-20
Current liabilities:		
Short-term loans	434,773,264.37	425,327,979.45
Financial liabilities held for trading	463,626.00	
Notes payables and trade payables	437,003,967.15	386,926,303.79
Advances from customers	507,241.70	
Contract liability	6,923,895.36	3,795,250.64
Accrued payroll	121,149,918.20	269,441,244.97
Taxes payable	48,699,640.13	32,578,411.89
Other payables	577,074,261.22	679,236,083.75
Current portion of non-current liabilities	46,173,472.62	
Other current liabilities	868,489.35	447,538.84
Total current liabilities	1,673,637,776.10	1,797,752,813.33
Non-current liabilities:		
Long-term loans	270,000,000.00	
Lease liabilities	9,867,823.99	
Deferred income	12,663,067.74	16,148,670.53
Deferred tax liabilities	54,121,104.64	36,841,294.66
Total non-current liabilities	346,651,996.37	52,989,965.19
Total liabilities	2,020,289,772.47	1,850,742,778.52
Equity :		
Paid-in capital	457,897,406.00	457,724,035.00
Capital reserve	1,918,282,012.74	1,864,936,707.47
Less: treasury shares	622,403,840.60	259,898,049.30
Other comprehensive income	-155,239,880.49	-139,452,980.89
Surplus reserve	228,862,017.50	228,862,017.50
Undistributed earnings	6,101,777,472.71	5,884,938,160.42
Equity attributable to owners of the parent company	7,929,175,187.86	8,037,109,890.20
Equity attributable to minority shareholders	-336.10	1,934.80
Total Stockholders' equity	7,929,174,851.76	8,037,111,825.00
Total liabilities and Stockholders' equity	9,949,464,624.23	9,887,854,603.52



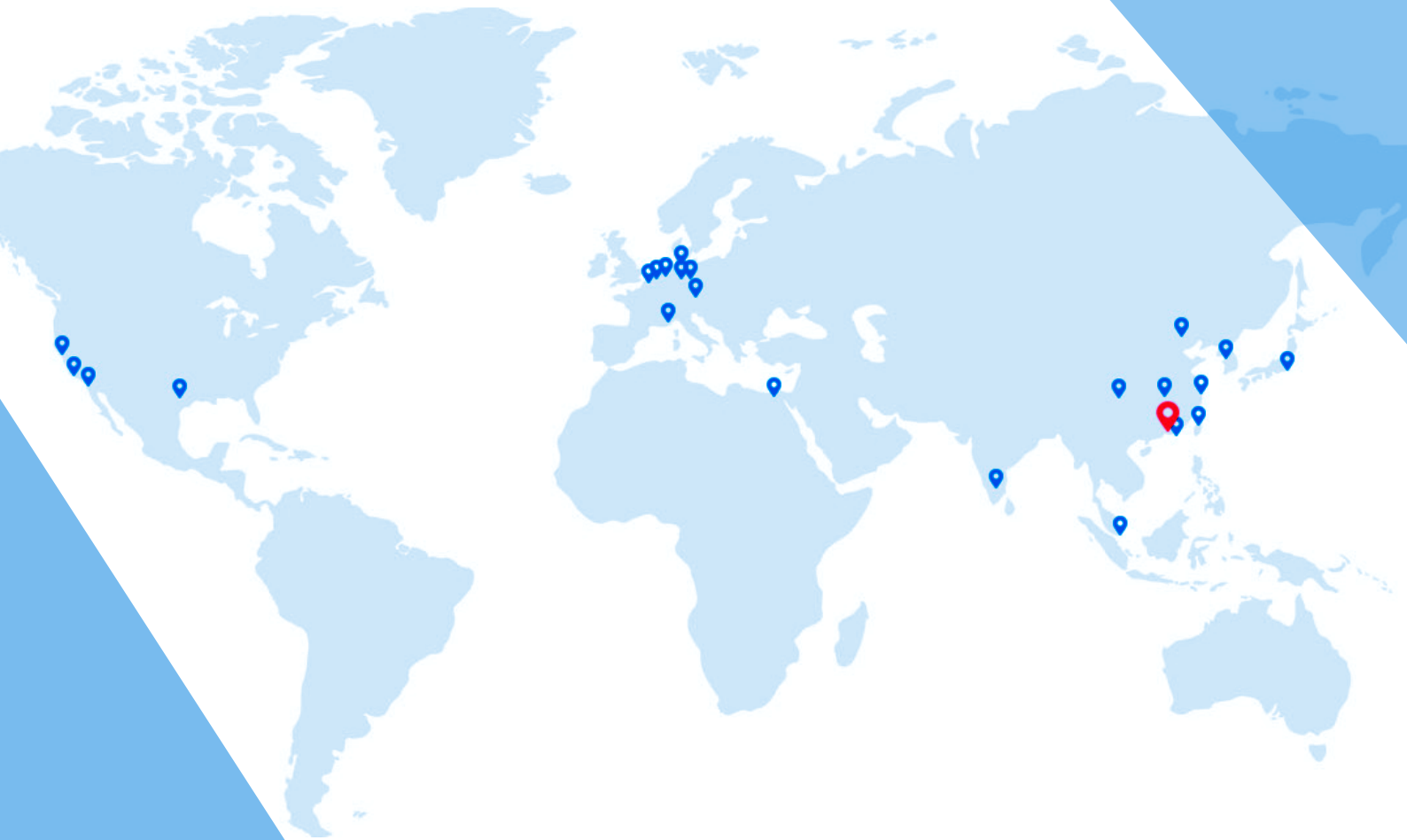
Consolidated Statement of Cash Flows

For the six months ended Jun 30,2021 and Jun 30,2020
(The currency of the statements is Chinese Yuan, 'CNY', unless otherwise indicated!)

Items	30-Jun-21	30-Jun-20
1. Cash flows from operating activities		
Cash received from sales and services	3,190,253,896.63	3,302,964,972.63
Taxes and surcharges refunds	144,781,443.73	197,792,283.50
Other cash received from operating activities	82,074,922.58	36,023,740.66
Total cash inflows from operating activities	3,417,110,262.94	3,536,780,996.79
Cash paid for goods and services	1,883,767,853.47	2,280,498,359.12
Cash paid for employees related expenses	853,812,355.34	543,757,370.34
Taxes and surcharges cash payments	199,320,079.79	259,498,003.33
Other cash payments related to operating activities	476,683,288.60	450,210,488.02
Total cash outflows from operating activities	3,413,583,577.20	3,533,964,220.81
Cash generated from operating activities	3,526,685.74	2,816,775.98
2. Cash flows from investing activities		
Cash received from withdraw of investments	2,711,160,000.00	4,600,000,000.00
Cash received from investment income	8,700,350.99	55,064,726.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	20,202.14	5,680.00
Cash received from other investment related activities		61,669,190.00
Total cash inflows from investing activities	2,719,880,553.13	4,716,739,596.27
Cash paid for fixed assets, intangible assets and other long-term assets	210,090,595.03	1,185,976,111.45
Cash payments for investments	3,066,238,699.90	4,813,354,827.55
Cash paid for other investment related activities		
Net cash payments for acquisitions of subsidiaries and other business units		
Total cash outflows from investing activities	3,276,329,294.93	5,999,330,939.00
Net cash used in investing activities	-556,448,741.80	-1,282,591,342.73
3. Cash flows from financing activities		
Cash received from investments by others including: investment from minority shareholders	166,744,305.27	117,579,856.80
Cash received from borrowings	584,651,338.44	250,000,000.00
Other cash received from other financing activities	80,234,684.07	4,063,468.57
Total cash inflows from financing activities	831,630,327.78	371,643,325.37
Cash repayments for debts	275,990,252.00	
Cash payments for distribution of dividends, profit and interest expenses	209,987,396.02	364,843,550.40
Other cash payments related to financing activities	493,552,279.21	7,117,263.21
Total cash outflows from financing activities	979,529,927.23	371,960,813.61
Net cash provided by financing activities	-147,899,599.45	-317,488.24
4. Effect of changes in exchange rate on cash and cash equivalents	-8,147,366.59	14,727,485.51
5. Net increase in cash and cash equivalents	-708,969,022.10	-1,265,364,569.48
Add: Cash and cash equivalents at the beginning of the year	2,077,754,848.53	3,509,545,051.96
6. Cash and cash equivalents at the end of the year	1,368,785,826.43	2,244,180,482.48



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