

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the first quarter of year 2018

*Unit: Millions of New Taiwan dollars*

	Yearly Comparison			Sequential Comparison		
	1Q 2018	1Q 2017	YOY%	1Q 2018	4Q 2017	QOQ%
Net Sales	49,654	56,083	-11.5%	49,654	60,403	-17.8%
Operating costs	(30,569)	(37,293)	-18.0%	(30,569)	(37,819)	-19.2%
Gross profit	19,085	18,790	1.6%	19,085	22,584	-15.5%
Operating expenses						
Selling expenses	(2,163)	(2,368)	-8.7%	(2,163)	(3,050)	-29.1%
Administrative expenses	(1,676)	(1,720)	-2.6%	(1,676)	(2,385)	-29.7%
Research and development expenses	(13,316)	(13,489)	-1.3%	(13,316)	(15,859)	-16.0%
Total operating expenses	(17,155)	(17,578)	-2.4%	(17,155)	(21,294)	-19.4%
Operating income	1,929	1,212	59.2%	1,929	1,290	49.6%
Non-operating income and expenses	1,183	6,289	-81.2%	1,183	9,445	-87.5%
Net income before income tax	3,113	7,501	-58.5%	3,113	10,735	-71.0%
Income tax expense	(452)	(862)	-47.5%	(452)	(575)	-21.4%
Net income	2,660	6,639	-59.9%	2,660	10,160	-73.8%
Net other comprehensive income	967	(703)	237.5%	967	(6,648)	-
Total comprehensive income	3,627	5,936	-38.9%	3,627	3,512	3.3%
Net income (loss) attributable to :						
Owners of the parent	2,645	6,702		2,645	10,160	
Non-controlling interests	15	(63)		15	(0)	
	2,660	6,639		2,660	10,160	
Basic Earnings Per Share (NTD)	1.69	4.29		1.69	6.50	

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the periods ended March 31, 2018 and 2017

*Unit: Millions of New Taiwan dollars*

	2018	% to sales	2017	% to sales	YOY%
Net Sales	49,654	100.0%	56,083	100.0%	-11.5%
Operating costs	(30,569)	-61.6%	(37,293)	-66.5%	-18.0%
Gross profit	19,085	38.4%	18,790	33.5%	1.6%
Operating expenses					
Selling expenses	(2,163)	-4.4%	(2,368)	-4.2%	-8.7%
Administrative expenses	(1,676)	-3.4%	(1,720)	-3.1%	-2.6%
Research and development expenses	(13,316)	-26.8%	(13,489)	-24.1%	-1.3%
Total operating expenses	(17,155)	-34.5%	(17,578)	-31.3%	-2.4%
Operating income	1,929	3.9%	1,212	2.2%	59.2%
Non-operating income and expenses	1,183	2.4%	6,289	11.2%	-81.2%
Net income before income tax	3,113	6.3%	7,501	13.4%	-58.5%
Income tax expense	(452)	-0.9%	(862)	-1.5%	-47.5%
Net income	2,660	5.4%	6,639	11.8%	-59.9%
Net other comprehensive income	967	1.9%	(703)	-1.3%	-
Total comprehensive income	3,627	7.3%	5,936	10.6%	-38.9%
Net income (loss) attributable to :					
Owners of the parent	2,645		6,702		
Non-controlling interests	15		(63)		
	2,660		6,639		
Basic Earnings Per Share (NTD)	1.69		4.29		

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED BALANCE SHEETS  
As of March 31, 2018 and 2017

	Unit: Millions of New Taiwan dollars				
	2018	%	2017	%	YOY%
Current assets					
Cash and cash equivalents	140,617	34.0%	139,149	35.6%	1.1%
Financial assets at fair value through profit or loss-current	3,821	0.9%	533	0.1%	617.2%
Financial assets at fair value through other comprehensive income-current	20,772	5.0%	0	0.0%	-
Available-for-sale financial assets-current	0	0.0%	11,160	2.9%	-100.0%
Financial assets measured at amortized cost-current	24	0.0%	0	0.0%	-
Debt instrument investments for which no active market exists-current	0	0.0%	1,323	0.3%	-100.0%
Trade receivables, net	25,839	6.3%	18,288	4.7%	41.3%
Inventories, net	33,320	8.1%	37,621	9.6%	-11.4%
Other current assets	15,896	3.8%	23,456	6.0%	-32.2%
Total current assets	240,289	58.1%	231,530	59.2%	3.8%
Non-current assets					
Funds and investments	54,311	13.1%	40,899	10.5%	32.8%
Property, plant and equipment	37,891	9.2%	35,754	9.1%	6.0%
Intangible assets	75,286	18.2%	78,106	20.0%	-3.6%
Other assets	5,584	1.4%	4,616	1.2%	21.0%
Total non-current assets	173,073	41.9%	159,375	40.8%	8.6%
Total assets	413,362	100.0%	390,905	100.0%	5.7%
Current Liabilities					
Short-term borrowings	62,700	15.2%	60,828	15.6%	3.1%
Trade payables	28,581	6.9%	31,297	8.0%	-8.7%
Other current liabilities	42,235	10.2%	37,515	9.6%	12.6%
Total current liabilities	133,516	32.3%	129,640	33.2%	3.0%
Non-current liabilities					
Total non-current liabilities	5,832	1.4%	6,301	1.6%	-7.5%
Total liabilities	139,347	33.7%	135,942	34.8%	2.5%
Equity					
Share capital	15,815	3.8%	15,821	4.0%	0.0%
Capital surplus	88,207	21.3%	90,931	23.3%	-3.0%
Legal & special reserve	36,998	9.0%	34,628	8.9%	6.8%
Undistributed earnings	105,703	25.6%	99,027	25.3%	6.7%
Other equity	25,937	6.3%	11,804	3.0%	119.7%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	272,605	65.9%	252,155	64.5%	8.1%
Non-controlling interests	1,410	0.3%	2,808	0.7%	-49.8%
Total equity	274,015	66.3%	254,963	65.2%	7.5%
Total liabilities and equity	413,362	100.0%	390,905	100.0%	5.7%

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the periods ended March 31, 2018 and 2017

	Unit: Millions of New Taiwan dollars	
	2018	2017
<b>Cash flows from operating activities :</b>		
Profit before tax from continuing operations	3,113	7,501
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	939	846
Amortization	834	893
Expected credit gains	(109)	(91)
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(511)	(24)
Interest expenses	407	160
Gains on derecognition of financial assets measured at amortized cost	(26)	0
Interest income	(797)	(513)
Dividend income	(23)	(16)
Share-based payment expenses	113	207
Share of profit of associates accounted for using the equity method	(423)	(27)
Losses on disposal of property, plant and equipment	1	2
Properties, plants and equipment transferred to expense	1	0
Gains on disposal of non-current assets held for sale	0	(5,124)
(Gains) losses on disposal of investments	5	45
Gains on disposal of investments accounted for using the equity method	0	(1,487)
Impairment of financial assets	0	333
Impairment of non-financial assets	23	0
Others	0	200
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,488	1,059
Notes receivable	1	1
Trade receivables	(798)	2,376
Other receivables	1,704	244
Inventories	(6,715)	(2,254)
Prepayments	(334)	(108)
Other current assets	(639)	(1,133)
Contract liabilities	(174)	0
Trade payables	5,020	36
Trade payables to related parties	51	(186)
Other payables	(6,092)	(4,440)
Other current liabilities	742	136
Long-term payables	0	0
Net defined benefit liabilities	2	2
Non-current liabilities-others	272	41
Cash generated from operating activities		
Interest received	784	398
Dividend received	23	16
Interest paid	(381)	(163)
Income tax paid	(166)	(113)
Net cash used in operating activities	<u>(1,663)</u>	<u>(1,183)</u>
<b>Cash flows from investing activities :</b>		
Acquisition of financial asset at fair value through other comprehensive income	(745)	0
Proceeds from disposal of financial asset at fair value through other comprehensive income	8,750	0
Proceeds from capital return of financial asset at fair value through other comprehensive income	9	0
Acquisition of financial assets measured at amortized cost	(6,041)	0
Proceeds from redemption of financial assets measured at amortized cost	754	0
Acquisition of available-for-sale financial assets	0	(1,449)
Proceeds from disposal of available-for-sale financial assets	0	1,799
Acquisition of debt instrument investments for which no active market exists	0	(1,305)
Proceeds from disposal of debt instrument investments for which no active market exists	0	1,397
Acquisition of financial assets measured at cost	0	(2,202)
Proceeds from capital return of financial assets measured at cost	0	2
Acquisition of investments accounted for using the equity method	(546)	(895)
Net cash outflow from acquisition of subsidiaries	0	(1,057)
Acquisition of property, plant and equipment	(1,728)	(581)
Proceeds from disposal of property, plant and equipment	3	1
Decrease in refundable deposits	46	22
Acquisition of intangible assets	(1,397)	(1,411)
Decrease in long-term lease receivables	0	212
(Increase) decrease in long-term prepaid rent	(1)	8
Net cash used in investing activities	<u>(896)</u>	<u>(5,459)</u>
<b>Cash flows from financing activities :</b>		
Increase in short-term borrowings	(1,287)	7,748
Increase increase in deposits received	1	(4)
Proceeds from exercise of employee stock options	5	0
Acquisition of subsidiaries	0	82
Change in non-controlling interests	0	1,876
Net cash (used in) provided by financing activities	<u>(1,281)</u>	<u>9,702</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(881)</u>	<u>(4,472)</u>
Net decrease in cash and cash equivalents	<u>(4,721)</u>	<u>(1,412)</u>
Cash and cash equivalents at the beginning of the year	<u>145,338</u>	<u>140,561</u>
Cash and cash equivalents at the end of the year	<u>140,617</u>	<u>139,149</u>