

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

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	3Q 2018	3Q 2017	YOY%	3Q 2018	2Q 2018	QOQ%
Net Sales	67,030	63,651	5.3%	67,030	60,481	10.8%
Operating costs	(41,206)	(40,469)	1.8%	(41,206)	(37,369)	10.3%
Gross profit	25,825	23,182	11.4%	25,825	23,113	11.7%
Operating expenses						
Selling expenses	(2,908)	(2,332)	24.7%	(2,908)	(2,934)	-0.9%
Administrative expenses	(1,716)	(1,693)	1.4%	(1,716)	(1,814)	-5.4%
Research and development expenses	(14,890)	(14,199)	4.9%	(14,890)	(14,272)	4.3%
Total operating expenses	(19,515)	(18,223)	7.1%	(19,515)	(19,020)	2.6%
Operating income	6,310	4,959	27.2%	6,310	4,092	54.2%
Non-operating income and expenses	1,342	662	102.7%	1,342	4,665	-71.2%
Net income before income tax	7,652	5,621	36.1%	7,652	8,757	-12.6%
Income tax expense	(779)	(560)	39.1%	(779)	(1,260)	-38.1%
Net income	6,872	5,061	35.8%	6,872	7,498	-8.3%
Net other comprehensive income	4,771	4,906	-2.8%	4,771	(4,499)	206.1%
Total comprehensive income	11,643	9,967	16.8%	11,643	2,999	288.2%
Net income (loss) attributable to :						
Owners of the parent	6,877	5,102		6,877	7,438	
Non-controlling interests	(5)	(41)		(5)	59	
	6,872	5,061		6,872	7,498	
Basic Earnings Per Share (NTD)	4.39	3.26		4.39	4.75	

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the periods ended September 30, 2018 and 2017

Unit: Millions of New Taiwan dollars

	2018	% to sales	2017	% to sales	YOY%
Net Sales	177,165	100.0%	177,813	100.0%	-0.4%
Operating costs	(109,143)	-61.6%	(115,511)	-65.0%	-5.5%
Gross profit	68,022	38.4%	62,302	35.0%	9.2%
Operating expenses					
Selling expenses	(8,005)	-4.5%	(7,415)	-4.2%	8.0%
Administrative expenses	(5,207)	-2.9%	(5,045)	-2.8%	3.2%
Research and development expenses	(42,478)	-24.0%	(41,312)	-23.2%	2.8%
Total operating expenses	(55,690)	-31.4%	(53,773)	-30.2%	3.6%
Operating income	12,332	7.0%	8,529	4.8%	44.6%
Non-operating income and expenses	7,190	4.1%	7,973	4.5%	-9.8%
Net income before income tax	19,522	11.0%	16,502	9.3%	18.3%
Income tax expense	(2,491)	-1.4%	(2,592)	-1.5%	-3.9%
Net income	17,030	9.6%	13,910	7.8%	22.4%
Net other comprehensive income	1,239	0.7%	11,911	6.7%	-89.6%
Total comprehensive income	18,270	10.3%	25,821	14.5%	-29.2%
Net income (loss) attributable to :					
Owners of the parent	16,961		14,172		
Non-controlling interests	70		(262)		
	17,030		13,910		
Basic Earnings Per Share (NTD)	10.84		9.06		

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED BALANCE SHEETS  
As of September 30, 2018 and 2017

Unit: Millions of New Taiwan dollars

	2018	%	2017	%	YOY%
Current assets					
Cash and cash equivalents	147,951	35.0%	129,462	33.0%	14.3%
Financial assets at fair value through profit or loss-current	5,402	1.3%	753	0.2%	617.1%
Financial assets at fair value through other comprehensive income-curren	14,578	3.5%	0	0.0%	-
Available-for-sale financial assets-current	0	0.0%	17,865	4.6%	-100.0%
Financial assets measured at amortized cost-current	2,578	0.0%	0	0.0%	-
Debt instrument investments for which no active market exists-current	0	0.0%	778	0.2%	-100.0%
Trade receivables, net	32,998	7.8%	21,771	5.5%	51.6%
Inventories, net	38,008	9.0%	36,146	9.2%	5.2%
Other current assets	13,579	3.2%	16,817	4.3%	-19.3%
Total current assets	255,095	60.4%	223,593	57.0%	14.1%
Non-current assets					
Funds and investments	49,424	11.7%	50,123	12.8%	-1.4%
Property, plant and equipment	37,422	8.9%	36,731	9.4%	1.9%
Intangible assets	74,093	17.5%	77,045	19.6%	-3.8%
Other assets	6,239	1.5%	4,989	1.3%	25.1%
Total non-current assets	167,179	39.6%	168,887	43.0%	-1.0%
Total assets	422,274	100.0%	392,481	100.0%	7.6%
Current Liabilities					
Short-term borrowings	63,891	15.1%	63,230	16.1%	1.0%
Trade payables	25,277	6.0%	27,943	7.1%	-9.5%
Other current liabilities	55,923	13.2%	36,390	9.3%	53.7%
Total current liabilities	145,090	34.4%	127,563	32.5%	13.7%
Non-current liabilities					
Total non-current liabilities	5,267	1.2%	7,018	1.8%	-24.9%
Total liabilities	150,358	35.6%	134,581	34.3%	11.7%
Equity					
Share capital	15,915	3.8%	15,819	4.0%	0.6%
Capital surplus	87,216	20.7%	88,537	22.6%	-1.5%
Legal reserve	39,432	9.3%	36,998	9.4%	6.6%
Undistributed earnings	104,448	24.7%	90,450	23.0%	15.5%
Other equity	23,526	5.6%	24,695	6.3%	-4.7%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	270,481	64.1%	256,443	65.3%	5.5%
Non-controlling interests	1,436	0.3%	1,457	0.4%	-1.5%
Total equity	271,917	64.4%	257,900	65.7%	5.4%
Total liabilities and equity	422,274	100.0%	392,481	100.0%	7.6%

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the periods ended September 30, 2018 and 2017

Unit: Millions of New Taiwan dollars

	2018	2017
Cash flows from operating activities :		
Profit before tax from continuing operations	19,522	16,502
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	2,799	2,611
Amortization	2,661	2,737
Expected credit gains	(145)	(83)
Gains on financial assets and liabilities at fair value through profit or loss	(617)	(139)
Interest expenses	1,296	650
Gains on derecognition of financial assets measured at amortized cost	(26)	-
Interest income	(2,828)	(1,845)
Dividend income	(565)	(547)
Share-based payment expenses	503	680
Share of profit of associates accounted for using the equity method	(393)	5
Losses on disposal of property, plant and equipment	6	25
Properties, plants and equipment transferred to expense	2	2
Gains on disposal of non-current assets held for sale	(3,460)	(5,124)
Losses (Gains) on disposal of investments	6	(8)
Gains on disposal of investments accounted for using the equity method	-	(1,476)
Impairment of financial assets	-	416
Impairment of non-financial assets	23	-
Others	-	200
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,309	1,306
Notes receivable	(1)	(1)
Trade receivables	(7,614)	(1,110)
Other receivables	(1,241)	(566)
Inventories	(11,521)	(617)
Prepayments	(776)	(255)
Other current assets	604	187
Contract liabilities	504	-
Trade payables	4,685	(3,306)
Trade payables to related parties	396	(183)
Other payables	(2,268)	(2,965)
Other payables to related parties	0	-
Other current liabilities	8,780	(168)
Net defined benefit liabilities	6	5
Non-current liabilities-others	199	39
Cash generated from operating activities		
Interest received	2,615	2,215
Dividend received	1,025	547
Interest paid	(1,291)	(646)
Income tax paid	(2,555)	(4,478)
Net cash provided by operating activities	11,639	4,609
Cash flows from investing activities :		
Acquisition of financial asset at fair value through other comprehensive income	(1,729)	-
Proceeds from disposal of financial asset at fair value through other comprehensive income	11,739	-
Proceeds from capital return of financial asset at fair value through other comprehensive in	231	-
Acquisition of financial assets measured at amortized cost	(7,965)	-
Proceeds from redemption of financial assets measured at amortized cost	7,203	-
Acquisition of available-for-sale financial assets	-	(3,754)
Proceeds from disposal of available-for-sale financial assets	-	4,421
Acquisition of debt instrument investments for which no active market exists	-	(1,633)
Proceeds from disposal of debt instrument investments for which no active market exists	-	1,944
Acquisition of financial assets measured at cost	-	(6,782)
Proceeds from capital return of financial assets measured at cost	-	28
Acquisition of investments accounted for using the equity method	(604)	(939)
Proceeds from disposal of investments accounted for using the equity method	-	1
Net cash outflow from acquisition of subsidiaries	-	(1,057)
Proceeds from disposal of non-current assets held for sale	4,730	5,771
Acquisition of property, plant and equipment	(3,724)	(3,029)
Proceeds from disposal of property, plant and equipment	6	5
Decrease in refundable deposits	54	3
Acquisition of intangible assets	(1,773)	(1,682)
Proceeds from disposal of intangible assets	-	1
Decrease in long-term lease receivables	-	212
Decrease (increase) in long-term prepaid rent	7	(20)
Net cash provided by (used in) investing activities	8,176	(6,511)
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(613)	10,173
Repayment of long-term borrowings	(46)	(28)
Increase (decrease) in deposits received	28	(2)
Proceeds from exercise of employee stock options	6	-
Cash dividends	(15,698)	(14,923)
Acquisition of ownership interests in subsidiaries	(1,586)	(2,109)
Disposal of ownership interests in subsidiaries (without losing control)	-	81
Change in non-controlling interests	152	1,615
Net cash used in financing activities	(17,756)	(5,191)
Effect of changes in exchange rate on cash and cash equivalents	554	(4,006)
Net increase (decrease) in cash and cash equivalents	2,613	(11,099)
Cash and cash equivalents at the beginning of the year	145,338	140,561
Cash and cash equivalents at the end of the year	147,951	129,462

Note: Sums may not equal totals due to rounding.