

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

*Unit: Millions of New Taiwan dollars*

	Yearly Comparison			Sequential Comparison		
	4Q 2018	4Q 2017	YOY%	4Q 2018	3Q 2018	QOQ%
Net Sales	60,892	60,403	0.8%	60,892	67,030	-9.2%
Operating costs	(37,190)	(37,819)	-1.7%	(37,190)	(41,206)	-9.7%
Gross profit	23,702	22,584	4.9%	23,702	25,825	-8.2%
Operating expenses						
Selling expenses	(3,222)	(3,050)	5.6%	(3,222)	(2,908)	10.8%
Administrative expenses	(1,559)	(2,385)	-34.6%	(1,559)	(1,716)	-9.2%
Research and development expenses	(15,070)	(15,859)	-5.0%	(15,070)	(14,890)	1.2%
Total operating expenses	(19,851)	(21,294)	-6.8%	(19,851)	(19,515)	1.7%
Operating income	3,851	1,290	198.5%	3,851	6,310	-39.0%
Non-operating income and expenses	319	9,445	-96.6%	319	1,342	-76.2%
Net income before income tax	4,170	10,735	-61.2%	4,170	7,652	-45.5%
Income tax expense	(418)	(575)	-27.4%	(418)	(779)	-46.4%
Net income	3,752	10,160	-63.1%	3,752	6,872	-45.4%
Net other comprehensive income	(1,161)	(6,648)	82.5%	(1,161)	4,771	-124.3%
Total comprehensive income	2,591	3,512	-26.2%	2,591	11,643	-77.7%
Net income (loss) attributable to :						
Owners of the parent	3,800	10,160		3,800	6,877	
Non-controlling interests	(48)	(0)		(48)	(5)	
	3,752	10,160		3,752	6,872	
Basic Earnings Per Share (NTD)	2.42	6.50		2.42	4.39	

Note: Sums may not equal totals due to rounding.

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

*Unit: Millions of New Taiwan dollars*

	2018	% to sales	2017	% to sales	YOY%
Net Sales	238,057	100.0%	238,216	100.0%	-0.1%
Operating costs	(146,334)	-61.5%	(153,330)	-64.4%	-4.6%
Gross profit	91,724	38.5%	84,886	35.6%	8.1%
Operating expenses					
Selling expenses	(11,227)	-4.7%	(10,465)	-4.4%	7.3%
Administrative expenses	(6,766)	-2.8%	(7,431)	-3.1%	-9.0%
Research and development expenses	(57,549)	-24.2%	(57,171)	-24.0%	0.7%
Total operating expenses	(75,541)	-31.7%	(75,067)	-31.5%	0.6%
Operating income	16,182	6.8%	9,819	4.1%	64.8%
Non-operating income and expenses	7,509	3.2%	17,418	7.3%	-56.9%
Net income before income tax	23,691	10.0%	27,237	11.4%	-13.0%
Income tax expense	(2,909)	-1.2%	(3,167)	-1.3%	-8.2%
Net income	20,782	8.7%	24,070	10.1%	-13.7%
Net other comprehensive income	79	0.0%	5,263	2.2%	-98.5%
Total comprehensive income	20,861	8.8%	29,333	12.3%	-28.9%
Net income (loss) attributable to :					
Owners of the parent	20,760		24,333		
Non-controlling interests	22		(263)		
	20,782		24,070		
Basic Earnings Per Share (NTD)	13.26		15.56		

Note: Sums may not equal totals due to rounding.

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

*Unit: Millions of New Taiwan dollars*

	2018	%	2017	%	YOY%
Current assets					
Cash and cash equivalents	143,170	35.5%	145,338	36.8%	-1.5%
Financial assets at fair value through profit or loss-current	5,027	1.2%	725	0.2%	593.8%
Financial assets at fair value through other comprehensive income-current	13,468	3.3%	0	0.0%	-
Available-for-sale financial assets-current	0	0.0%	23,292	5.9%	-100.0%
Financial assets measured at amortized cost-current	3,006	0.0%	0	0.0%	-
Debt instrument investments for which no active market exists-current	0	0.0%	765	0.2%	-100.0%
Trade receivables, net	28,939	7.2%	16,895	4.3%	71.3%
Inventories, net	30,980	7.7%	26,540	6.7%	16.7%
Other current assets	11,448	2.8%	25,109	6.4%	-54.4%
Total current assets	236,038	58.6%	238,664	60.4%	-1.1%
Non-current assets					
Funds and investments	49,262	12.2%	37,772	9.6%	30.4%
Property, plant and equipment	37,604	9.3%	36,939	9.4%	1.8%
Intangible assets	73,789	18.3%	76,029	19.3%	-2.9%
Other assets	6,145	1.5%	5,410	1.4%	13.6%
Total non-current assets	166,799	41.4%	156,150	39.6%	6.8%
Total assets	402,836	100.0%	394,814	100.0%	2.0%
Current Liabilities					
Short-term borrowings	51,057	12.7%	64,316	16.3%	-20.6%
Trade payables	17,687	4.4%	23,584	6.0%	-25.0%
Other current liabilities	53,848	13.4%	39,357	10.0%	36.8%
Total current liabilities	122,592	30.4%	127,257	32.2%	-3.7%
Non-current liabilities					
Total non-current liabilities	5,918	1.5%	6,358	1.6%	-6.9%
Total liabilities	128,510	31.9%	133,615	33.8%	-3.8%
Equity					
Share capital	15,915	4.0%	15,814	4.0%	0.6%
Capital surplus	85,237	21.2%	88,211	22.3%	-3.4%
Legal reserve	39,432	9.8%	36,998	9.4%	6.6%
Undistributed earnings	108,578	27.0%	100,629	25.5%	7.9%
Other equity	23,841	5.9%	18,215	4.6%	30.9%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	272,946	67.8%	259,812	65.8%	5.1%
Non-controlling interests	1,380	0.3%	1,387	0.4%	-0.6%
Total equity	274,326	68.1%	261,199	66.2%	5.0%
Total liabilities and equity	402,836	100.0%	394,814	100.0%	2.0%

Note: Sums may not equal totals due to rounding.

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

*Unit: Millions of New Taiwan dollars*

	2018	2017
Cash flows from operating activities :		
Profit before tax from continuing operations	23,691	27,237
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	3,705	3,558
Amortization	3,866	3,652
Expected credit (gains) losses	(229)	53
Gains on financial assets and liabilities at fair value through profit or loss	(307)	(97)
Interest expenses	1,724	939
Gains on derecognition of financial assets measured at amortized cost	(26)	-
Interest income	(3,901)	(2,554)
Dividend income	(740)	(580)
Share-based payment expenses	171	619
Share of profit of associates accounted for using the equity method	(361)	(72)
Losses on disposal of property, plant and equipment	19	31
Properties, plants and equipment transferred to expense	2	3
Losses on disposal of intangible assets	-	0
Gains on disposal of non-current assets held for sale	(3,460)	(5,124)
Losses (Gains) on disposal of investments	6	(8,844)
Losses (Gains) on disposal of investments accounted for using the equity method	9	(1,496)
Impairment of financial assets	-	416
Impairment of non-financial assets	23	-
Others	-	193
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,018	1,294
Notes receivable	(0)	-
Trade receivables	(3,487)	3,550
Trade receivables from related parties	(7)	-
Other receivables	(112)	(427)
Inventories	(4,551)	8,626
Prepayments	(443)	151
Other current assets	817	(181)
Contract liabilities	80	-
Trade payables	(2,653)	(7,293)
Trade payables to related parties	133	(352)
Other payables	(1,298)	739
Other payables to related parties	0	-
Other current liabilities	6,001	(502)
Net defined benefit liabilities	(3)	9
Non-current liabilities-others	284	74
Cash generated from operating activities		
Interest received	3,856	2,543
Dividend received	1,116	671
Interest paid	(1,740)	(887)
Income tax paid	(2,859)	(4,601)
Net cash provided by operating activities	<u>20,343</u>	<u>21,348</u>
Cash flows from investing activities :		
Acquisition of financial asset at fair value through other comprehensive income	(2,568)	-
Proceeds from disposal of financial asset at fair value through other comprehensive income	13,391	-
Proceeds from capital return of financial asset at fair value through other comprehensive income	270	-
Acquisition of financial assets measured at amortized cost	(8,551)	-
Proceeds from redemption of financial assets measured at amortized cost	7,261	-
Acquisition of available-for-sale financial assets	-	(5,988)
Proceeds from disposal of available-for-sale financial assets	-	6,459
Acquisition of debt instrument investments for which no active market exists	-	(1,613)
Proceeds from disposal of debt instrument investments for which no active market exists	-	1,916
Acquisition of financial assets measured at cost	-	(7,557)
Proceeds from disposal of financial assets measured at cost	-	203
Proceeds from capital return of financial assets measured at cost	-	29
Acquisition of investments accounted for using the equity method	(686)	(925)
Proceeds from disposal of investments accounted for using the equity method	1	1
Increase in prepayments for investments	-	(160)
Net cash outflow from acquisition of subsidiaries	-	(1,057)
Net cash outflows from disposal of subsidiaries	(31)	-
Proceeds from disposal of non-current assets held for sale	4,730	5,684
Acquisition of property, plant and equipment	(4,653)	(4,053)
Proceeds from disposal of property, plant and equipment	18	8
Decrease in refundable deposits	31	12
Acquisition of intangible assets	(2,151)	(1,796)
Proceeds from disposal of intangible assets	-	0
Acquisition of investment property	-	(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	<u>7,069</u>	<u>(8,647)</u>
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(13,569)	11,598
Repayment of long-term borrowings	(92)	(46)
Increase in deposits received	9	2
Proceeds from exercise of employee stock options	6	6
Cash dividends	(15,630)	(14,912)
Disposal of ownership interests in subsidiaries (without losing control)	-	81
Acquisition of ownership interests in subsidiaries	(1,586)	(2,109)
Change in non-controlling interests	275	1,596
Net cash used in financing activities	<u>(30,587)</u>	<u>(3,784)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>1,006</u>	<u>(4,140)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,168)</u>	<u>4,778</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><u>143,170</u></u>	<u><u>145,338</u></u>

Note: Sums may not equal totals due to rounding.