

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Second quarter of year 2019

Unit: Millions of New Taiwan dollars

| | Yearly Comparison | | | Sequential Comparison | | |
|---------------------------------------|-------------------|------------------|--------|-----------------------|----------|--------|
| | 2Q 2019 | 2Q 2018 (Note 2) | YOY% | 2Q 2019 | 1Q 2019 | QOQ% |
| Net Sales | 61,567 | 60,481 | 1.8% | 61,567 | 52,722 | 16.8% |
| Operating costs | (35,777) | (37,369) | -4.3% | (35,777) | (31,249) | 14.5% |
| Gross profit | 25,790 | 23,113 | 11.6% | 25,790 | 21,473 | 20.1% |
| Operating expenses | | | | | | |
| Selling expenses | (2,574) | (2,934) | -12.3% | (2,574) | (2,143) | 20.1% |
| Administrative expenses | (1,665) | (1,814) | -8.2% | (1,665) | (1,555) | 7.1% |
| Research and development expenses | (15,407) | (14,272) | 8.0% | (15,407) | (14,607) | 5.5% |
| Total operating expenses | (19,647) | (19,020) | 3.3% | (19,647) | (18,304) | 7.3% |
| Operating income | 6,143 | 4,092 | 50.1% | 6,143 | 3,169 | 93.9% |
| Non-operating income and expenses | 1,877 | 4,606 | -59.2% | 1,877 | 836 | 124.5% |
| Net income before income tax | 8,021 | 8,699 | -7.8% | 8,021 | 4,005 | 100.3% |
| Income tax expense | (1,518) | (1,260) | 20.5% | (1,518) | (589) | 157.8% |
| Net income | 6,503 | 7,439 | -12.6% | 6,503 | 3,416 | 90.4% |
| Net other comprehensive income (loss) | 9,076 | (4,440) | | 9,076 | 9,177 | -1.1% |
| Total comprehensive income | 15,579 | 2,999 | 419.5% | 15,579 | 12,593 | 23.7% |
| Net income (loss) attributable to : | | | | | | |
| Owners of the parent | 6,430 | 7,380 | | 6,430 | 3,406 | |
| Non-controlling interests | 73 | 59 | | 73 | 10 | |
| | 6,503 | 7,439 | | 6,503 | 3,416 | |
| Basic Earnings Per Share (NTD) | 4.11 | 4.72 | | 4.11 | 2.17 | |

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended June 30, 2019 and 2018

Unit: Millions of New Taiwan dollars

| | 2019 | % to sales | 2018 (Note 2) | % to sales | YOY% |
|---------------------------------------|----------|------------|---------------|------------|---------|
| Net Sales | 114,289 | 100.0% | 110,135 | 100.0% | 3.8% |
| Operating costs | (67,026) | -58.6% | (67,938) | -61.7% | -1.3% |
| Gross profit | 47,263 | 41.4% | 42,197 | 38.3% | 12.0% |
| Operating expenses | | | | | |
| Selling expenses | (4,717) | -4.1% | (5,097) | -4.6% | -7.5% |
| Administrative expenses | (3,220) | -2.8% | (3,490) | -3.2% | -7.7% |
| Research and development expenses | (30,014) | -26.3% | (27,588) | -25.0% | 8.8% |
| Total operating expenses | (37,951) | -33.2% | (36,176) | -32.8% | 4.9% |
| Operating income | 9,312 | 8.1% | 6,022 | 5.5% | 54.6% |
| Non-operating income and expenses | 2,713 | 2.4% | 5,664 | 5.1% | -52.1% |
| Net income before income tax | 12,025 | 10.5% | 11,686 | 10.6% | 2.9% |
| Income tax expense | (2,106) | -1.8% | (1,712) | -1.6% | 23.0% |
| Net income | 9,919 | 8.7% | 9,973 | 9.1% | -0.5% |
| Net other comprehensive income (loss) | 18,253 | 16.0% | (3,347) | -3.0% | -645.3% |
| Total comprehensive income | 28,172 | 24.6% | 6,626 | 6.0% | 325.2% |
| Net income (loss) attributable to : | | | | | |
| Owners of the parent | 9,836 | | 9,899 | | |
| Non-controlling interests | 83 | | 75 | | |
| | 9,919 | | 9,973 | | |
| Basic Earnings Per Share (NTD) | 6.28 | | 6.33 | | |

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2019 and 2018

Unit: Millions of New Taiwan dollars

| | 2019 | % | 2018 (Note 2) | % | YOY% |
|---|---------|--------|---------------|--------|--------|
| Current assets | | | | | |
| Cash and cash equivalents | 174,061 | 38.5% | 171,373 | 38.7% | 1.6% |
| Financial assets at fair value through profit or loss-current | 6,574 | 1.5% | 4,115 | 0.9% | 59.7% |
| Financial assets at fair value through other comprehensive income-current | 33,711 | 7.5% | 14,762 | 3.3% | 128.4% |
| Financial assets measured at amortized cost-current | 1,177 | 0.3% | 1,742 | 0.4% | -32.4% |
| Trade receivables, net | 27,915 | 6.2% | 31,956 | 7.2% | -12.6% |
| Inventories, net | 31,096 | 6.9% | 36,875 | 8.3% | -15.7% |
| Other current assets | 8,343 | 1.8% | 17,345 | 3.9% | -51.9% |
| Total current assets | 282,876 | 62.6% | 278,168 | 62.8% | 1.7% |
| Non-current assets | | | | | |
| Funds and investments | 48,718 | 10.8% | 46,210 | 10.4% | 5.4% |
| Property, plant and equipment | 38,791 | 8.6% | 37,499 | 8.5% | 3.4% |
| Intangible assets | 72,765 | 16.1% | 74,805 | 16.9% | -2.7% |
| Other assets | 8,888 | 2.0% | 6,011 | 1.4% | 47.9% |
| Total non-current assets | 169,163 | 37.4% | 164,526 | 37.2% | 2.8% |
| Total assets | 452,039 | 100.0% | 442,693 | 100.0% | 2.1% |
| Current Liabilities | | | | | |
| Short-term borrowings | 67,802 | 15.0% | 79,288 | 17.9% | -14.5% |
| Trade payables | 20,905 | 4.6% | 28,740 | 6.5% | -27.3% |
| Other current liabilities | 63,982 | 14.2% | 69,075 | 15.6% | -7.4% |
| Total current liabilities | 152,690 | 33.8% | 177,103 | 40.0% | -13.8% |
| Non-current liabilities | | | | | |
| Total non-current liabilities | 10,843 | 2.4% | 5,706 | 1.3% | 90.0% |
| Total liabilities | 163,532 | 36.2% | 182,809 | 41.3% | -10.5% |
| Equity | | | | | |
| Share capital | 15,875 | 3.5% | 15,793 | 3.6% | 0.5% |
| Capital surplus | 80,883 | 17.9% | 84,284 | 19.0% | -4.0% |
| Legal reserve | 41,508 | 9.2% | 39,432 | 8.9% | 5.3% |
| Undistributed earnings | 108,922 | 24.1% | 97,182 | 22.0% | 12.1% |
| Other equity | 39,897 | 8.8% | 21,872 | 4.9% | 82.4% |
| Treasury shares | (56) | 0.0% | (56) | 0.0% | - |
| Equity attributable to owners of the parent | 287,028 | 63.5% | 258,506 | 58.4% | 11.0% |
| Non-controlling interests | 1,479 | 0.3% | 1,379 | 0.3% | 7.3% |
| Total equity | 288,507 | 63.8% | 259,884 | 58.7% | 11.0% |
| Total liabilities and equity | 452,039 | 100.0% | 442,693 | 100.0% | 2.1% |

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect financial position as of December 31, 2018.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended June 30, 2019 and 2018

Unit: Millions of New Taiwan dollars

| | 2019 | 2018 (Note 2) |
|--|-----------------------|-----------------------|
| Cash flows from operating activities : | | |
| Profit before tax from continuing operations | 12,025 | 11,686 |
| Adjustments for : | | |
| The profit or loss items which did not affect cash flows: | | |
| Depreciation | 2,094 | 1,875 |
| Amortization | 2,034 | 1,738 |
| Expected credit (gains) losses | (20) | 12 |
| Gains on financial assets and liabilities at fair value through profit or loss | (98) | (334) |
| Interest expenses | 918 | 848 |
| Gains on derecognition of financial assets measured at amortized cost | (78) | (26) |
| Interest income | (2,193) | (1,814) |
| Dividend income | (74) | (110) |
| Share-based payment expenses | 765 | 227 |
| Share of profit of associates accounted for using the equity method | (55) | (406) |
| Losses on disposal of property, plant and equipment | 15 | 3 |
| Properties, plants and equipment transferred to expenses | 3 | 1 |
| Losses on disposal of intangible assets | - | - |
| Gains on disposal of non-current assets held for sale | (813) | (3,460) |
| Losses on disposal of investments | 16 | 5 |
| Impairment of non-financial assets | - | 23 |
| Others | 0 | - |
| Changes in operating assets and liabilities: | | |
| Financial assets mandatorily measured at fair value through profit or loss | (3,115) | 2,609 |
| Notes receivable | (2) | 2 |
| Trade receivables | 1,122 | (6,728) |
| Trade receivables from related parties | 2 | (2) |
| Other receivables | 1,743 | (483) |
| Inventories | (142) | (10,388) |
| Prepayments | (719) | (833) |
| Other current assets | (195) | 691 |
| Contract liabilities | 1,197 | 265 |
| Trade payables | 6,184 | 8,155 |
| Trade payables to related parties | 95 | 394 |
| Other payables | (1,966) | (2,766) |
| Other payables to related parties | (0) | 22 |
| Other current liabilities | (2,070) | 5,394 |
| Net defined benefit liabilities | (11) | 4 |
| Non-current liabilities-others | (194) | 516 |
| Cash generated from operating activities | | |
| Interest received | 1,728 | 1,743 |
| Dividend received | 160 | 562 |
| Interest paid | (888) | (815) |
| Income tax paid | (1,643) | (1,070) |
| Net cash provided by operating activities | <u>15,826</u> | <u>7,539</u> |
| Cash flows from investing activities : | | |
| Acquisition of financial asset at fair value through other comprehensive income | (2,054) | (1,417) |
| Proceeds from disposal of financial asset at fair value through other comprehensive income | 4,400 | 10,123 |
| Proceeds from capital return of financial asset at fair value through other comprehensive income | - | 9 |
| Acquisition of financial assets measured at amortized cost | (554) | (7,037) |
| Proceeds from redemption of financial assets measured at amortized cost | 1,716 | 7,156 |
| Acquisition of investments accounted for using the equity method | (140) | (559) |
| Proceeds from disposal of investments accounted for using the equity method | 8 | - |
| Acquisition of property, plant and equipment | (2,943) | (2,495) |
| Proceeds from disposal of property, plant and equipment | 4 | 4 |
| (Increase) decrease in refundable deposits | (0) | 43 |
| Acquisition of intangible assets | (1,948) | (1,569) |
| Decrease in long-term prepaid rent | - | 1 |
| Net cash (used in) provided by investing activities | <u>(1,511)</u> | <u>4,260</u> |
| Cash flows from financing activities : | | |
| Increase in short-term borrowings | 16,479 | 14,609 |
| Repayment of long-term borrowings | (32) | (18) |
| Increase in deposits received | 313 | 21 |
| Cash payment for the principal portion of the lease liabilities | (170) | - |
| Proceeds from exercise of employee stock options | - | 6 |
| Cash dividends | (0) | 0 |
| Acquisition of ownership interests in subsidiaries | (526) | (1,586) |
| Change in non-controlling interests | (12) | 117 |
| Net cash provided by financing activities | <u>16,052</u> | <u>13,150</u> |
| Effect of changes in exchange rate on cash and cash equivalents | <u>523</u> | <u>1,085</u> |
| Net increase in cash and cash equivalents | <u>30,891</u> | <u>26,034</u> |
| Cash and cash equivalents at the beginning of the year | <u>143,170</u> | <u>145,338</u> |
| Cash and cash equivalents at the end of the year | <u><u>174,061</u></u> | <u><u>171,373</u></u> |

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.