

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

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	3Q 2019	3Q 2018 (Note 2)	YOY%	3Q 2019	2Q 2019	QOQ%
Net Sales	67,224	67,030	0.3%	67,224	61,567	9.2%
Operating costs	(38,934)	(41,206)	-5.5%	(38,934)	(35,777)	8.8%
Gross profit	28,290	25,825	9.5%	28,290	25,790	9.7%
Operating expenses						
Selling expenses	(3,024)	(2,908)	4.0%	(3,024)	(2,574)	17.5%
Administrative expenses	(1,647)	(1,716)	-4.1%	(1,647)	(1,665)	-1.1%
Research and development expenses	(16,590)	(14,890)	11.4%	(16,590)	(15,407)	7.7%
Total operating expenses	(21,261)	(19,515)	8.9%	(21,261)	(19,647)	8.2%
Operating income	7,029	6,310	11.4%	7,029	6,143	14.4%
Non-operating income and expenses	918	1,203	-23.7%	918	1,877	-51.1%
Net income before income tax	7,947	7,513	5.8%	7,947	8,021	-0.9%
Income tax expense	(1,045)	(779)	34.0%	(1,045)	(1,518)	-31.2%
Net income	6,902	6,733	2.5%	6,902	6,503	6.1%
Net other comprehensive income (loss)	16,360	4,910	233.2%	16,360	9,076	80.2%
Total comprehensive income	23,262	11,643	99.8%	23,262	15,579	49.3%
Net income (loss) attributable to :						
Owners of the parent	6,871	6,739		6,871	6,430	
Non-controlling interests	32	(5)		32	73	
	6,902	6,733		6,902	6,503	
Basic Earnings Per Share (NTD)	4.38	4.30		4.38	4.11	

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 September 30, 2019 and 2018

Unit: Millions of New Taiwan dollars

	<u>2019</u>	<u>% to sales</u>	<u>2018 (Note 2)</u>	<u>% to sales</u>	<u>YOY%</u>
Net Sales	181,513	100.0%	177,165	100.0%	2.5%
Operating costs	(105,960)	-58.4%	(109,143)	-61.6%	-2.9%
Gross profit	<u>75,553</u>	<u>41.6%</u>	<u>68,022</u>	<u>38.4%</u>	<u>11.1%</u>
Operating expenses					
Selling expenses	(7,741)	-4.3%	(8,005)	-4.5%	-3.3%
Administrative expenses	(4,867)	-2.7%	(5,207)	-2.9%	-6.5%
Research and development expenses	(46,604)	-25.7%	(42,478)	-24.0%	9.7%
Total operating expenses	<u>(59,212)</u>	<u>-32.6%</u>	<u>(55,690)</u>	<u>-31.4%</u>	<u>6.3%</u>
Operating income	16,341	9.0%	12,332	7.0%	32.5%
Non-operating income and expenses	3,631	2.0%	6,867	3.9%	-47.1%
Net income before income tax	19,972	11.0%	19,198	10.8%	4.0%
Income tax expense	(3,151)	-1.7%	(2,491)	-1.4%	26.5%
Net income	16,821	9.3%	16,707	9.4%	0.7%
Net other comprehensive income (loss)	34,613	19.1%	1,563	0.9%	2114.8%
Total comprehensive income	<u>51,434</u>	<u>28.3%</u>	<u>18,270</u>	<u>10.3%</u>	<u>181.5%</u>
Net income (loss) attributable to :					
Owners of the parent	16,706		16,637		
Non-controlling interests	115		70		
	<u>16,821</u>		<u>16,707</u>		
Basic Earnings Per Share (NTD)	<u>10.66</u>		<u>10.63</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.

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

Unit: Millions of New Taiwan dollars

	2019	%	2018 (Note 2)	%	YOY%
Current assets					
Cash and cash equivalents	155,972	34.4%	147,951	35.0%	5.4%
Financial assets at fair value through profit or loss-current	7,316	1.6%	5,402	1.3%	35.4%
Financial assets at fair value through other comprehensive income-current	42,237	9.3%	14,578	3.4%	189.7%
Financial assets measured at amortized cost-current	261	0.1%	2,578	0.6%	-89.9%
Trade receivables, net	30,450	6.7%	32,998	7.8%	-7.7%
Inventories, net	31,028	6.8%	38,008	9.0%	-18.4%
Other current assets	10,967	2.4%	13,579	3.2%	-19.2%
Total current assets	278,231	61.3%	255,095	60.3%	9.1%
Non-current assets					
Funds and investments	56,446	12.4%	49,894	11.8%	13.1%
Property, plant and equipment	38,265	8.4%	37,422	8.9%	2.3%
Intangible assets	71,884	15.8%	74,093	17.5%	-3.0%
Other assets	9,065	2.0%	6,239	1.5%	45.3%
Total non-current assets	175,660	38.7%	167,648	39.7%	4.8%
Total assets	453,891	100.0%	422,744	100.0%	7.4%
Current Liabilities					
Short-term borrowings	54,701	12.1%	63,891	15.1%	-14.4%
Trade payables	23,101	5.1%	25,277	6.0%	-8.6%
Other current liabilities	50,719	11.2%	55,923	13.2%	-9.3%
Total current liabilities	128,522	28.3%	145,090	34.3%	-11.4%
Non-current liabilities					
Total non-current liabilities	12,539	2.8%	5,737	1.4%	118.6%
Total liabilities	141,061	31.1%	150,827	35.7%	-6.5%
Equity					
Share capital	15,899	3.5%	15,915	3.8%	-0.1%
Capital surplus	82,275	18.1%	87,216	20.6%	-5.7%
Legal reserve	41,508	9.1%	39,432	9.3%	5.3%
Undistributed earnings	118,256	26.1%	103,997	24.6%	13.7%
Other equity	53,393	11.8%	23,977	5.7%	122.7%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	311,275	68.6%	270,481	64.0%	15.1%
Non-controlling interests	1,555	0.3%	1,436	0.3%	8.3%
Total equity	312,830	68.9%	271,917	64.3%	15.0%
Total liabilities and equity	453,891	100.0%	422,744	100.0%	7.4%

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 September 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	19,972	19,198
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	3,143	2,799
Amortization	3,063	2,661
Expected credit gains	(20)	(145)
Gains on financial assets and liabilities at fair value through profit or loss	(139)	(293)
Interest expenses	1,273	1,296
Gains on derecognition of financial assets measured at amortized cost	(114)	(26)
Interest income	(3,161)	(2,828)
Dividend income	(256)	(565)
Share-based payment expenses	1,699	503
Share of profit of associates accounted for using the equity method	21	(393)
Losses on disposal of property, plant and equipment	14	6
Properties, plants and equipment transferred to expenses	3	2
Losses on disposal of intangible assets	23	-
Gains on disposal of non-current assets held for sale	(813)	(3,460)
Losses on disposal of investments	16	6
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	(4,317)	1,309
Notes receivable	(10)	(1)
Trade receivables	(1,433)	(7,614)
Trade receivables from related parties	2	-
Other receivables	(814)	(1,241)
Inventories	(66)	(11,521)
Prepayments	(635)	(776)
Other current assets	(309)	604
Contract liabilities	1,013	504
Trade payables	8,239	4,685
Trade payables to related parties	239	396
Other payables	(2,394)	(2,268)
Other payables to related parties	2	0
Other current liabilities	57	8,780
Net defined benefit liabilities	(10)	6
Non-current liabilities-others	(101)	199
Cash generated from operating activities		
Interest received	2,706	2,615
Dividend received	350	1,025
Interest paid	(1,261)	(1,291)
Income tax paid	(2,963)	(2,555)
Net cash provided by operating activities	<u>23,018</u>	<u>11,639</u>
Cash flows from investing activities :		
Acquisition of financial asset at fair value through other comprehensive income	(2,536)	(1,729)
Proceeds from disposal of financial asset at fair value through other comprehensive income	8,094	11,739
Proceeds from capital return of financial asset at fair value through other comprehensive income	-	231
Acquisition of financial assets measured at amortized cost	(796)	(7,965)
Proceeds from redemption of financial assets measured at amortized cost	3,029	7,203
Acquisition of investments accounted for using the equity method	(140)	(604)
Proceeds from disposal of investments accounted for using the equity method	8	-
Proceeds from disposal of non-current assets held for sale	-	4,730
Acquisition of property, plant and equipment	(4,166)	(3,724)
Proceeds from disposal of property, plant and equipment	8	6
Decrease in refundable deposits	8	54
Acquisition of intangible assets	(2,129)	(1,773)
Decrease in long-term prepaid rent	-	7
Net cash provided by investing activities	<u>1,380</u>	<u>8,176</u>
Cash flows from financing activities :		
Increase in short-term borrowings	3,402	(613)
Repayment of long-term borrowings	(46)	(46)
Increase in deposits received	387	28
Cash payment for the principal portion of the lease liabilities	(286)	-
Proceeds from exercise of employee stock options	49	6
Cash dividends	(14,162)	(15,698)
Acquisition of ownership interests in subsidiaries	(526)	(1,586)
Disposal of ownership interests in subsidiaries (without losing control)	2	-
Change in non-controlling interests	(12)	152
Net cash provided by financing activities	<u>(11,192)</u>	<u>(17,756)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(404)</u>	<u>554</u>
Net increase in cash and cash equivalents	12,802	2,613
Cash and cash equivalents at the beginning of the year	143,170	145,338
Cash and cash equivalents at the end of the year	<u>155,972</u>	<u>147,951</u>

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