

MEDiatek INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Fourth quarter of year 2019

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	4Q 2019	4Q 2018 (Note 2)	YOY%	4Q 2019	3Q 2019	QOQ%
Net Sales	64,708	60,892	6.3%	64,708	67,224	-3.7%
Operating costs	(37,216)	(37,190)	0.1%	(37,216)	(38,934)	-4.4%
Gross profit	27,492	23,702	16.0%	27,492	28,290	-2.8%
Operating expenses						
Selling expenses	(3,197)	(3,222)	-0.8%	(3,197)	(3,024)	5.7%
Administrative expenses	(1,672)	(1,559)	7.2%	(1,672)	(1,647)	1.5%
Research and development expenses	(16,397)	(15,070)	8.8%	(16,397)	(16,590)	-1.2%
Total operating expenses	(21,266)	(19,851)	7.1%	(21,266)	(21,261)	0.0%
Operating income	6,226	3,851	61.7%	6,226	7,029	-11.4%
Non-operating income and expenses	829	642	29.0%	829	918	-9.7%
Net income before income tax	7,055	4,493	57.0%	7,055	7,947	-11.2%
Income tax expense	(672)	(418)	60.9%	(672)	(1,045)	-35.7%
Net income	6,383	4,076	56.6%	6,383	6,902	-7.5%
Net other comprehensive income (loss)	(4,792)	(1,484)		(4,792)	16,360	
Total comprehensive income	1,591	2,591	-38.6%	1,591	23,262	-93.2%
Net income (loss) attributable to :						
Owners of the parent	6,326	4,123		6,326	6,871	
Non-controlling interests	57	(48)		57	32	
	6,383	4,076		6,383	6,902	
Basic Earnings Per Share (NTD)	4.03	2.63		4.03	4.38	

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 December 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	2019	% to sales	2018	% to sales	YOY%
Net Sales	246,222	100.0%	238,057	100.0%	3.4%
Operating costs	(143,176)	-58.1%	(146,334)	-61.5%	-2.2%
Gross profit	103,046	41.9%	91,724	38.5%	12.3%
Operating expenses					
Selling expenses	(10,938)	-4.4%	(11,227)	-4.7%	-2.6%
Administrative expenses	(6,538)	-2.7%	(6,766)	-2.8%	-3.4%
Research and development expenses	(63,001)	-25.6%	(57,549)	-24.2%	9.5%
Total operating expenses	(80,478)	-32.7%	(75,541)	-31.7%	6.5%
Operating income	22,567	9.2%	16,182	6.8%	39.5%
Non-operating income and expenses	4,460	1.8%	7,509	3.2%	-40.6%
Net income before income tax	27,027	11.0%	23,691	10.0%	14.1%
Income tax expense	(3,823)	-1.6%	(2,909)	-1.2%	31.4%
Net income	23,204	9.4%	20,782	8.7%	11.7%
Net other comprehensive income (loss)	29,821	12.1%	79	0.0%	37849.9%
Total comprehensive income	53,025	21.5%	20,861	8.8%	154.2%
Net income (loss) attributable to :					
Owners of the parent	23,033		20,760		
Non-controlling interests	172		22		
	23,204		20,782		
Basic Earnings Per Share (NTD)	14.69		13.26		

Note1: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	2019	%	2018	%	YOY%
Current assets					
Cash and cash equivalents	177,545	38.7%	143,170	35.5%	24.0%
Financial assets at fair value through profit or loss-current	6,343	1.4%	5,027	1.2%	26.2%
Financial assets at fair value through other comprehensive income-current	19,027	4.1%	13,468	3.3%	41.3%
Financial assets measured at amortized cost-current	259	0.1%	3,006	0.7%	-91.4%
Trade receivables, net	26,837	5.9%	28,939	7.2%	-7.3%
Inventories, net	27,615	6.0%	30,980	7.7%	-10.9%
Other current assets	9,103	2.0%	11,448	2.8%	-20.5%
Total current assets	266,729	58.1%	236,038	58.6%	13.0%
Non-current assets					
Funds and investments	73,278	16.0%	49,262	12.2%	48.8%
Property, plant and equipment	38,890	8.5%	37,604	9.3%	3.4%
Intangible assets	70,917	15.5%	73,789	18.3%	-3.9%
Other assets	8,888	1.9%	6,145	1.5%	44.6%
Total non-current assets	191,973	41.9%	166,799	41.4%	15.1%
Total assets	458,702	100.0%	402,836	100.0%	13.9%
Current Liabilities					
Short-term borrowings	57,255	12.5%	51,057	12.7%	12.1%
Trade payables	22,314	4.9%	17,687	4.4%	26.2%
Other current liabilities	51,530	11.2%	53,848	13.4%	-4.3%
Total current liabilities	131,098	28.6%	122,592	30.4%	6.9%
Non-current liabilities					
Total non-current liabilities	13,204	2.9%	5,918	1.5%	123.1%
Total liabilities	144,302	31.5%	128,510	31.9%	12.3%
Equity					
Share capital	15,900	3.5%	15,915	4.0%	-0.1%
Capital surplus	82,392	18.0%	85,237	21.2%	-3.3%
Legal reserve	41,508	9.0%	39,432	9.8%	5.3%
Undistributed earnings	127,730	27.8%	108,578	27.0%	17.6%
Other equity	45,276	9.9%	23,841	5.9%	89.9%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	312,750	68.2%	272,946	67.8%	14.6%
Non-controlling interests	1,649	0.4%	1,380	0.3%	19.5%
Total equity	314,400	68.5%	274,326	68.1%	14.6%
Total liabilities and equity	458,702	100.0%	402,836	100.0%	13.9%

Note1: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended December 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	2019	2018
Cash flows from operating activities :		
Profit before tax from continuing operations	27,027	23,691
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	4,258	3,705
Amortization	4,128	3,866
Expected credit gains	(16)	(229)
Gains on financial assets and liabilities at fair value through profit or loss	(121)	(307)
Interest expenses	1,629	1,724
Gains on derecognition of financial assets measured at amortized cost	(113)	(26)
Interest income	(4,198)	(3,901)
Dividend income	(389)	(740)
Share-based payment expenses	2,019	171
Share of profit or loss of associates accounted for using the equity method	73	(361)
Losses on disposal of property, plant and equipment	14	19
Property, plant 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
Losses on disposal of investments accounted for using the equity method	-	9
Impairment of non-financial assets	46	23
Others	0	-
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(4,003)	1,018
Notes receivables	0	(0)
Trade receivables	1,967	(3,487)
Trade receivables from related parties	2	(7)
Other receivables	590	(112)
Inventories	3,390	(4,551)
Prepayments	(68)	(443)
Other current assets	96	817
Contract liabilities	1,185	80
Trade payables	7,561	(2,653)
Trade payables to related parties	202	133
Other payables	(1,538)	(1,298)
Other payables to related parties	20	0
Other current liabilities	625	6,001
Net defined benefit liabilities	(9)	(3)
Non-current liabilities-others	(136)	284
Cash generated from operating activities:		
Interest received	3,120	3,856
Dividend received	693	1,116
Interest paid	(1,607)	(1,740)
Income tax paid	(3,073)	(2,859)
Net cash provided by operating activities	<u>42,606</u>	<u>20,343</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,860)	(2,568)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,815	13,391
Proceeds from capital return of financial assets at fair value through other comprehensive income	175	270
Acquisition of financial assets measured at amortized cost	(2,350)	(8,551)
Proceeds from redemption of financial assets measured at amortized cost	3,017	7,261
Acquisition of investments accounted for using the equity method	(135)	(686)
Proceeds from disposal of investments accounted for using the equity method	8	1
Net cash outflow from disposal of subsidiaries	-	(31)
Proceeds from capital return of investments accounted for using the equity method	127	-
Proceeds from disposal of non-current assets held for sale	-	4,730
Acquisition of property, plant and equipment	(5,616)	(4,653)
Proceeds from disposal of property, plant and equipment	17	18
Decrease in refundable deposits	18	31
Acquisition of intangible assets	(2,332)	(2,151)
Decrease in long-term prepaid rent	-	7
Net cash provided by investing activities	<u>2,882</u>	<u>7,069</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	6,691	(13,569)
Repayment of long-term borrowings	(78)	(92)
Increase in deposits received	377	9
Cash payment for the principal portion of the lease liabilities	(424)	-
Proceeds from exercise of employee stock options	167	6
Cash dividends	(14,162)	(15,630)
Acquisition of ownership interests in subsidiaries	(979)	(1,586)
Disposal of ownership interests in subsidiaries (without losing control)	2	-
Change in non-controlling interests	(12)	275
Net cash used in financing activities	<u>(8,417)</u>	<u>(30,587)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(2,697)</u>	<u>1,006</u>
Net increase (decrease) in cash and cash equivalents	34,375	(2,168)
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>177,545</u>	<u>143,170</u>

Note1: Sums may not equal totals due to rounding.