MEDIATEK INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the second quarter of year 2014

	For the second	d quarter of year 2	014				
				Unit: M	Iillions of New Tai	wan dollars	
	2Q Comparison			Sequential Comparison			
	2Q 2014	2Q 2013	YOY%	2Q 2014	1Q 2014	QOQ%	
Net Sales	54,133	33,276	63%	54,133	46,005	18%	
Operating costs	(27,309)	(18,891)	45%	(27,309)	(23,779)	15%	
Gross profit	26,824	14,385	86%	26,824	22,226	21%	
Operating expenses							
Selling expenses	(2,072)	(1,101)	88%	(2,072)	(1,134)	83%	
Administrative expenses	(1,589)	(880)	81%	(1,589)	(1,363)	17%	
Research and development expenses	(10,403)	(6,516)	60%	(10,403)	(8,915)	17%	
Total operating expenses	(14,063)	(8,497)	66%	(14,063)	(11,413)	23%	
Operating income	12,760	5,888	117%	12,760	10,813	18%	
Non-operating income and expenses	1,393	1,256	11%	1,393	688	102%	
Profit before tax	14,153	7,143	98%	14,153	11,501	23%	
Income tax expense	(1,605)	(427)	276%	(1,605)	(1,362)	18%	
Profit	12,549	6,716	87%	12,549	10,139	24%	
Net other comprehensive income	(3,104)	1,270	-344%	(3,104)	1,118	-378%	
Total comprehensive income	9,444	7,987	18%	9,444	11,257	-16%	
Profit attributable to	 :						
Owners of the parent	12,558	6,723		12,558	10,147		
Non-controlling interests	(10)	(7)		(10)	(8)		
•	12,549	6,716	•	12,549	10,139		
			;				
Earnings Per Share (NTD)	8.03	5.01		8.03	6.82		
- · · · · · · · · · · · · · · · · · · ·			;				

Note: Numbers do not add up due to rounding.

MEDIATEK INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30, 2014 and 2013

		Unit: Mill			
	2014	% to sales	2013	% to sales	YOY%
Net Sales	100,138	100%	57,250	100%	75%
Operating costs	(51,089)	-51%	(32,775)	-57%	56%
Gross profit	49,049	49%	24,475	43%	100%
Operating expenses					
Selling expenses	(3,206)	-3%	(1,951)	-3%	64%
Administrative expenses	(2,952)	-3%	(1,542)	-3%	91%
Research and development expenses	(19,318)	-19%	(12,007)	-21%	61%
Total operating expenses	(25,476)	-25%	(15,500)	-27%	64%
Operating income	23,573	24%	8,975	16%	163%
Non-operating income and expenses	2,081	2%	2,090	3%	0%
Profit before tax	25,654	26%	11,065	19%	132%
Income tax expense	(2,966)	-3%	(613)	-1%	384%
Profit	22,688	23%	10,452	18%	117%
Net other comprehensive income	(1,986)	-2%	4,525	8%	-144%
Total comprehensive income	20,701	21%	14,977	26%	38%
Profit attributable to					
Owners of the parent	22,706		10,464		
Non-controlling interests	(18)		(12)		
5	22,688	=	10,452		
Earnings Per Share (NTD)	14.89		7.80		

Note: Numbers do not add up due to rounding.

MEDIATEK INC. CONSOLIDATED BALANCE SHEETS

June 30, 2014 and 2013

Unit: Millions of New Taiwan dollars

Current assets 190,138 59% 107,225 45% 77% Cash and cash equivalents 190,138 59% 107,225 45% 77% Financial assets at fair value through profit or loss-current 2,014 1% 2,011 1% 0% Available-for-sale financial assets-current 3,448 1% 3,147 1% 10% Held-to-maturity financial assets-current 521 0% 251 0% 107% Bond investments for which no active market exists-current 311 0% 114 0% 173% Trade receivables 12,983 4% 10,389 5% 25% Inventories,net 19,326 6% 10,956 5% 76% Other current assets 7,652 2% 7,008 29 9% Other current assets 7,652 2% 7,008 2% 9% Non-current assets 9,918 3% 67,469 29% 85% Property, plant and equipment 15,180 5% 11,541<		2014	%	2013	%	YOY%
Financial assets at fair value through profit or loss-current 2,014 1% 2,011 1% 0% Available-for-sale financial assets-current 3,448 1% 3,147 19% 10% Held-to-maturity financial assets-current 521 0% 251 0% 107% Bond investments for which no active market exists-current 311 0% 114 0% 173% Trade receivables 12,983 4% 10,389 5% 25% Inventories,net 19,326 6% 10,956 5% 76% Other current assets 7,652 2% 7,08 2% 9% Total current assets 236,392 73% 141,102 59% 68% Non-current assets 9,918 3% 67,469 29% 85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 2049 4% Other assets 2,879 10%	Current assets					
Available-for-sale financial assets-current 3,448 1% 3,147 1% 10% Held-to-maturity financial assets-current 521 0% 251 0% 107% Bond investments for which no active market exists-current 311 0% 114 0% 173% Total current assets 12,983 4% 10,389 5% 25% Inventories, net 19,326 6% 10,956 5% 76% Other current assets 7,652 2% 7,008 2% 9% Total current assets 2,6392 73% 141,102 5% 68% Non-current assets 8,745 11,253 5% 68% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 2,879 19% 2,049 1% 40% Other assets 2,879 19% 2,049 1% 40% Total non-current assets 37,465 27% 96,252 41% 9%	Cash and cash equivalents	190,138	59%	107,225	45%	77%
Held-to-maturity financial assets-current S21 0% 173	Financial assets at fair value through profit or loss-current	2,014	1%	2,011	1%	0%
Bond investments for which no active market exists-current 311 0% 114 0% 173 Trade receivables 12,983 4% 10,389 5% 25% Inventories,net 19,326 6% 10,956 5% 76% Other current assets 236,392 73% 141,102 59% 68% Non-current assets 236,392 73% 141,102 59% 68% Non-current assets 59,488 13% 67,469 29% -85% Property, plant and equipment 15,180 5% 11,253 5% 35% Property, plant and equipment 15,180 5% 11,253 5% 35% Property, plant and equipment 15,180 5% 11,253 5% 35% Other assets 2,879 19% 2,049 1% 24% Other carrent assets 3,340 10% 23,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 11%	Available-for-sale financial assets-current	3,448	1%	3,147	1%	10%
Trade receivables 12,983 4% 10,389 5% 25% Inventories,net 19,326 6% 10,956 5% 76% Other current assets 7,652 2% 7,088 2% 9% Non-current assets 236,3392 73% 141,02 59% 68% Non-current assets 8 8 67,469 29% -85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 28% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,887 10% 237,353 10% 36% Current Liabilities 31,4046 10% 16,114 7% 111 Trade paybles 31,843 6% 10,843 5% 70% Other current liabilities 10,751 <td>Held-to-maturity financial assets-current</td> <td>521</td> <td>0%</td> <td>251</td> <td>0%</td> <td>107%</td>	Held-to-maturity financial assets-current	521	0%	251	0%	107%
Inventories,net 19,326 6% 10,956 5% 76% Other current assets 7,652 2% 7,008 2% 9% Total current assets 236,392 73% 141,102 59% 68% Non-current assets 8 3 67,469 29% 85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 49% Total non-current assets 87,465 27% 96,252 4% -9% Total assets 323,857 10% 23,733 10% 36% Current Liabilities 34,406 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 17,751 33 56,858 24 90% Total urgent liabilities 1,7	Bond investments for which no active market exists-current	311	0%	114	0%	173%
Other current assets 7,652 2% 7,008 2% 9% Total current assets 236,392 73% 141,102 59% 68% Non-current assets 3 9,918 3% 67,469 29% 85% Funds and investments 9,918 3% 67,469 29% 85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 32,385 100% 237,353 100 36% Total assets 332,857 100% 237,353 100 36% Current Liabilities 34,046 10% 16,114 7% 111% Total current liabilities 34,046 10% 16,114 7% 111% Total current liabilities 18,439 6% 10,832 24% 90%	Trade receivables	12,983	4%	10,389	5%	25%
Total current assets 236,392 73% 141,102 59% 68% Non-current assets Funds and investments 9,918 3% 67,469 29% -85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 111% Tade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total non-current liabilities 1,789 1% 2,143 1% -16% Total isbilities 109,540 34% 59,000 25% 86%	Inventories,net	19,326	6%	10,956	5%	76%
Non-current assets Funds and investments 9,918 3% 67,469 29% -85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,887 100% 237,353 100% 36% Current Liabilities 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 109,540 34% 59,000 25% 86% Equity 5 10,40 34% 59,000 25% 86% Equity 5 10,40 34% 59,000 25% <td< td=""><td>Other current assets</td><td>7,652</td><td>2%</td><td>7,008</td><td>2%</td><td>9%</td></td<>	Other current assets	7,652	2%	7,008	2%	9%
Funds and investments 9,918 3% 67,469 29% -85% Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 1,789 1% 2,143 1% -16% Total liabilities 1,789 1% 2,143 1% -16% Equity 5 2,243 15 5,5266 17% 2,94 2,94 <t< td=""><td>Total current assets</td><td>236,392</td><td>73%</td><td>141,102</td><td>59%</td><td>68%</td></t<>	Total current assets	236,392	73%	141,102	59%	68%
Property, plant and equipment 15,180 5% 11,253 5% 35% Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 1,789 1% 2,143 1% -16% Total liabilities 1,789 1% 2,143 1% -16% Capital surplu	Non-current assets					
Intangible assets 59,488 18% 15,481 6% 284% Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities Short-term borrowings 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 1,789 1% 2,143 1% -16% Total liabilities 1,789 1% 2,143 1% -16% Capital surplus 88,090 27% 68,252 29%	Funds and investments	9,918	3%	67,469	29%	-85%
Other assets 2,879 1% 2,049 1% 40% Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 1,789 1% 2,143 1% -16% Total sibilities 1,789 1% 2,143 1% -16% Total liabilities 15,710 5% 13,494 6% 16 Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve	Property, plant and equipment	15,180	5%	11,253	5%	35%
Total non-current assets 87,465 27% 96,252 41% -9% Total assets 323,857 100% 237,353 100% 36% Current Liabilities 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 1,789 1% 2,143 1% -16% Total liabilities 1,789 1% 2,143 1% -16% Equity 50,000 25% 86% 20 25% 86% Equity 15,710 5% 13,494 6% 16% 16% 16% 16% 16% 16% 16% 16% 25% 26% 26%	Intangible assets	59,488	18%	15,481	6%	284%
Total assets 323,857 100% 237,353 100% 36% Current Liabilities Short-term borrowings 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 19,540 34% 59,000 25% 86% Total liabilities 15,710 5% 13,494 6% 16% Equity 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% <	Other assets	2,879	1%	2,049	1%	40%
Current Liabilities Short-term borrowings 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 109,540 34% 59,000 25% 86% Equity 5hare capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0	Total non-current assets	87,465	27%	96,252	41%	-9%
Short-term borrowings 34,046 10% 16,114 7% 111% Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 109,540 34% 59,000 25% 86% Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% <td< td=""><td>Total assets</td><td>323,857</td><td>100%</td><td>237,353</td><td>100%</td><td>36%</td></td<>	Total assets	323,857	100%	237,353	100%	36%
Trade paybles 18,439 6% 10,873 5% 70% Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 109,540 34% 59,000 25% 86% Equity 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Total	Current Liabilities					
Other current liabilities 55,266 17% 29,871 12% 85% Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total liabilities 109,540 34% 59,000 25% 86% Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4%	Short-term borrowings	34,046	10%	16,114	7%	111%
Total current liabilities 107,751 33% 56,858 24% 90% Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 109,540 34% 59,000 25% 86% Equity 50,000 25% 86% 16% <td>Trade paybles</td> <td>18,439</td> <td>6%</td> <td>10,873</td> <td>5%</td> <td>70%</td>	Trade paybles	18,439	6%	10,873	5%	70%
Non-current liabilities 1,789 1% 2,143 1% -16% Total non-current liabilities 109,540 34% 59,000 25% 86% Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Other current liabilities	55,266	17%	29,871	12%	85%
Total non-current liabilities 1,789 1% 2,143 1% -16% Total liabilities 109,540 34% 59,000 25% 86% Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Total current liabilities	107,751	33%	56,858	24%	90%
Total liabilities 109,540 34% 59,000 25% 86% Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Non-current liabilities					
Equity Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Total non-current liabilities	1,789	1%	2,143	1%	-16%
Share capital 15,710 5% 13,494 6% 16% Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Total liabilities	109,540	34%	59,000	25%	86%
Capital surplus 88,090 27% 68,252 29% 29% Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Equity					
Legal & special reserve 28,288 9% 29,714 12% -5% Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Share capital	15,710	5%	13,494	6%	16%
Undistributed earnings 85,147 26% 67,572 28% 26% Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Capital surplus	88,090	27%	68,252	29%	29%
Other equity (2,899) -1% (660) 0% -339% Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Legal & special reserve	28,288	9%	29,714	12%	-5%
Treasury shares (56) 0% (56) 0% 0% Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Undistributed earnings	85,147	26%	67,572	28%	26%
Equity attributable to owners of the parent 214,280 66% 178,315 75% 20% Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Other equity	(2,899)	-1%	(660)	0%	-339%
Non-controlling interests 37 0% 38 0% -4% Total equity 214,317 66% 178,353 75% 20%	Treasury shares	(56)	0%	(56)	0%	0%
Total equity 214,317 66% 178,353 75% 20%	Equity attributable to owners of the parent	214,280	66%	178,315	75%	20%
	Non-controlling interests	37	0%	38	0%	-4%
Total liabilities and equity 323,857 100% 237,353 100% 36%	Total equity	214,317	66%	178,353	75%	20%
	Total liabilities and equity	323,857	100%	237,353	100%	36%

Note: Numbers do not add up due to rounding.

$\label{eq:mediatek} \begin{array}{c} \text{MEDIATEK INC.} \\ \text{CONSOLIDATED STATEMENTS OF CASH FLOWS} \end{array}$

For the years ended June 30, 2014 and 2013

Cilit.	Millions of New Ta	
	2014	2013
Cash flows from operating activities:		
Profit before tax from continuing operations	25,654	11,065
Adjustments for:		
The profit or loss items which did not affect cash flows:	- CO	500
Depreciation	607	609
Amortization	694	291
Bad debt provision (reversal)	55	(80)
Losses on financial assets and liabilities at fair value through profit or loss	32	2
Interest expenses	196	51
Interest income	(1,428)	(834)
Dividend income	(117)	(69)
Share-based payment expenses	38	39
Share of profit of associates accounted for using the equity method	(627)	(1,301)
Losses on disposal of property, plant and equipment	1	1
(Gain) loss on disposal of investments	(702)	34
Impairment of financial assets	263	450
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	722	(1,444)
Trade receivables	(1,364)	(4,049)
Other receivables	(296)	1,601
Inventories	(6,170)	2,898
Prepayments	(825)	331
Other current assets	(345)	(124)
Trade payables	4,713	1,337
Trade payables to related parties	(348)	430
Other payables	3,781	1,558
Other current liabilities	(105)	221
Long-term payables	(15)	(10)
Accrued pension liabilities	21	4
Non-current liabilities-others	24	5
Cash generated from operating activities	2.	3
Interest received	1,364	571
Dividend received	201	69
Interest paid	(180)	(43)
Income tax paid	(3,662)	(633)
Net cash provided by operating activities	22.184	12.978
Cash flows from investing activities:	22,104	12,776
9	(200)	(002)
Acquisition of available-for-sale financial assets	(300)	(882)
Proceeds from disposal of available-for-sale financial assets	(200)	1,189
Acquisition of bond investment for which no active market exists	(300)	(0)
Proceeds from disposal of bond investment for which no active market exists	102	0
Acquisition of held-to-maturity financial assets	0	(41)
Proceeds from disposal of held-to-maturity financial assets	256	0
Acquisition of financial assets measured at cost	(1,101)	(146)
Proceeds from disposal of financial assets measured at cost	932	0
Proceeds from capital return of finacial assets measured at cost	19	116
Acquisition of investments accounted for using the equity method	(125)	(80)
Net cash inflows from acquisition of subsidiaries	33,097	0
Acquisition of property, plant and equipment	(1,290)	(849)
Proceeds from disposal of property, plant and equipment	68	7
Decrease in refundable deposits	12	34
Acquisition of intangible assets	(192)	(20)
Decrease (increase) in long-term prepaid rent	4	(4)
Net cash provided by (used in) investing activities	31,204	(677)
Cash flows from financing activities :		
Increase in short-term borrowings	5,028	7,007
Decrease in long-term borrowings	(651)	0
Increase in deposits received	44	18
Proceeds from exercise of employee stock options	62	0
(Decrease) increase in non-controlling interests	(0)	13
	4,483	7,039
Net cash provided by financing activities	(731)	2,018
Net cash provided by financing activities Effect of changes in exchange rate on cash and cash equivalents	(/) ! !	_,010
Effect of changes in exchange rate on cash and cash equivaleats		21 358
Effect of changes in exchange rate on cash and cash equivalents Net increase in cash and cash equivalents	57,140	
Effect of changes in exchange rate on cash and cash equivaleats		21,358 85,867 107,225