

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the second quarter of year 2014

Unit: Millions of New Taiwan 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: Millions of New Taiwan dollars

	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)		
	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

	2014	%	2013	%	YOY%
Current assets					
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	2%	9%
Total current assets	<u>236,392</u>	<u>73%</u>	<u>141,102</u>	<u>59%</u>	<u>68%</u>
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	<u>87,465</u>	<u>27%</u>	<u>96,252</u>	<u>41%</u>	<u>-9%</u>
Total assets	<u>323,857</u>	<u>100%</u>	<u>237,353</u>	<u>100%</u>	<u>36%</u>
Current Liabilities					
Short-term borrowings	34,046	10%	16,114	7%	111%
Trade payables	18,439	6%	10,873	5%	70%
Other current liabilities	55,266	17%	29,871	12%	85%
Total current liabilities	<u>107,751</u>	<u>33%</u>	<u>56,858</u>	<u>24%</u>	<u>90%</u>
Non-current liabilities					
Total non-current liabilities	<u>1,789</u>	<u>1%</u>	<u>2,143</u>	<u>1%</u>	<u>-16%</u>
Total liabilities	<u>109,540</u>	<u>34%</u>	<u>59,000</u>	<u>25%</u>	<u>86%</u>
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	<u>214,280</u>	<u>66%</u>	<u>178,315</u>	<u>75%</u>	<u>20%</u>
Non-controlling interests	<u>37</u>	<u>0%</u>	<u>38</u>	<u>0%</u>	<u>-4%</u>
Total equity	<u>214,317</u>	<u>66%</u>	<u>178,353</u>	<u>75%</u>	<u>20%</u>
Total liabilities and equity	<u>323,857</u>	<u>100%</u>	<u>237,353</u>	<u>100%</u>	<u>36%</u>

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2014 and 2013

Unit: Millions of New Taiwan dollars

	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:		
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		
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	<u>22,184</u>	<u>12,978</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(300)	(882)
Proceeds from disposal of available-for-sale financial assets	21	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 financial 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	<u>31,204</u>	<u>(677)</u>
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
Net cash provided by financing activities	<u>4,483</u>	<u>7,039</u>
Effect of changes in exchange rate on cash and cash equivalents	(731)	2,018
Net increase in cash and cash equivalents	<u>57,140</u>	<u>21,358</u>
Cash and cash equivalents at the beginning of the period	<u>132,998</u>	<u>85,867</u>
Cash and cash equivalents at the end of the period	<u><u>190,138</u></u>	<u><u>107,225</u></u>

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