

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the fourth quarter of year 2015

Unit: Millions of New Taiwan dollars

	2Q Comparison			Sequential Comparison		
	4Q 2015	4Q 2014	YOY%	4Q 2015	3Q 2015	QOQ%
Net Sales	61,713	55,453	11%	61,713	56,962	8%
Operating costs	(37,932)	(28,868)	31%	(37,932)	(32,658)	16%
Gross profit	23,780	26,585	-11%	23,780	24,304	-2%
Operating expenses						
Selling expenses	(3,483)	(2,646)	32%	(3,483)	(1,974)	76%
Administrative expenses	(1,925)	(1,584)	21%	(1,925)	(1,969)	-2%
Research and development expenses	(14,625)	(12,481)	17%	(14,625)	(12,740)	15%
Total operating expenses	(20,033)	(16,711)	20%	(20,033)	(16,682)	20%
Operating income	3,748	9,874	-62%	3,748	7,622	-51%
Non-operating income and expenses	997	1,908	-48%	997	1,452	-31%
Net income before income tax	4,745	11,782	-60%	4,745	9,074	-48%
Income tax expense	(564)	(1,372)	-59%	(564)	(1,114)	-49%
Net income	4,181	10,410	-60%	4,181	7,960	-47%
Net other comprehensive income	(119)	5,792	-102%	(119)	3,434	103%
Total comprehensive income	4,062	16,202	-75%	4,062	11,394	-64%
Net income (loss) attributable to :						
Owners of the parent	4,428	10,393		4,428	7,954	
Non-controlling interests	(248)	17		(248)	5	
	4,181	10,410		4,181	7,960	
Basic Earnings Per Share (NTD)	2.83	6.65		2.83	5.09	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended December 31, 2015 and 2014

Unit: Millions of New Taiwan dollars

	2015	% to sales	2014	% to sales	YOY%
Net Sales	213,255	100%	213,063	100%	0%
Operating costs	(121,076)	-57%	(109,194)	-51%	11%
Gross profit	92,180	43%	103,869	49%	-11%
Operating expenses					
Selling expenses	(9,326)	-4%	(7,373)	-4%	26%
Administrative expenses	(7,417)	-4%	(5,917)	-3%	25%
Research and development expenses	(49,529)	-23%	(43,337)	-20%	14%
Total operating expenses	(66,272)	-31%	(56,627)	-27%	17%
Operating income	25,908	12%	47,241	22%	-45%
Non-operating income and expenses	3,461	2%	5,109	3%	-32%
Net income before income tax	29,368	14%	52,350	25%	-44%
Income tax expense	(3,600)	-2%	(5,951)	-3%	-40%
Net income	25,769	12%	46,399	22%	-44%
Net other comprehensive income	1,595	1%	7,269	3%	-78%
Total comprehensive income	27,364	13%	53,668	25%	-49%
Net income (loss) attributable to :					
Owners of the parent	25,958		46,398		
Non-controlling interests	(190)		1		
	25,769		46,399		
Basic Earnings Per Share (NTD)	16.60		30.04		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2015 and 2014

	Unit: Millions of New Taiwan dollars				
	2015	%	2014	%	YOY%
Current assets					
Cash and cash equivalents	153,280	44%	192,798	55%	-20%
Financial assets at fair value through profit or loss-current	3,836	1%	3,547	1%	8%
Available-for-sale financial assets-current	7,763	2%	7,575	2%	2%
Held-to-maturity financial assets-current	1,257	0%	288	0%	336%
Debt instrument investments for which no active market exists-current	761	0%	1,086	0%	-30%
Trade receivables, net	16,195	4%	12,552	4%	29%
Inventories, net	24,130	7%	22,341	6%	8%
Other current assets	7,650	3%	8,367	3%	-9%
Total current assets	214,873	61%	248,555	71%	-14%
Non-current assets					
Funds and investments	22,814	7%	15,001	4%	52%
Property, plant and equipment	34,390	10%	23,295	7%	48%
Intangible assets	75,431	21%	60,758	17%	24%
Other assets	3,742	1%	3,511	1%	7%
Total non-current assets	136,376	39%	102,564	29%	33%
Total assets	351,250	100%	351,119	100%	0%
Current Liabilities					
Short-term borrowings	49,123	14%	46,161	13%	6%
Trade payables	16,156	4%	14,605	4%	11%
Other current liabilities	35,987	11%	40,854	12%	-12%
Total current liabilities	101,266	29%	101,620	29%	0%
Non-current liabilities					
Total non-current liabilities	2,896	1%	1,893	1%	53%
Total liabilities	104,163	30%	103,513	30%	1%
Equity					
Share capital	15,716	5%	15,715	4%	0%
Capital surplus	88,354	25%	88,048	25%	0%
Legal & special reserve	32,032	9%	28,288	8%	13%
Undistributed earnings	96,476	27%	108,567	31%	-11%
Other equity	7,905	2%	6,606	2%	20%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	240,428	68%	247,168	70%	-3%
Non-controlling interests	6,659	2%	438	0%	1422%
Total equity	247,087	70%	247,606	70%	0%
Total liabilities and equity	351,250	100%	351,119	100%	0%

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

Unit: Millions of New Taiwan dollars

	2015	2014
Cash flows from operating activities :		
Profit before tax from continuing operations	29,368	52,350
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	2,077	1,313
Amortization	3,057	1,453
Bad debt provision	184	27
Losses on financial assets and liabilities at fair value through profit or loss	136	40
Interest expenses	545	479
Interest income	(2,817)	(3,125)
Dividend income	(479)	(239)
Share-based payment expenses	37	64
Share of profit of associates accounted for using the equity method	(658)	(984)
Losses on disposal of property, plant and equipment	13	3
Gains on disposal of investments	(1,395)	(929)
Impairment of financial assets	851	263
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(2,072)	(3,784)
Trade receivables	(866)	(483)
Other receivables	2,075	(840)
Inventories	792	(8,836)
Prepayments	162	(712)
Other current assets	(489)	(309)
Other non-current assets-others	(16)	0
Trade payables	226	1,883
Trade payables to related parties	(37)	(1,457)
Other payables	(4,248)	11,673
Other current liabilities	1,289	(731)
Long-term payables	(36)	(25)
Net defined benefit liabilities	11	62
Non-current liabilities-others	9	39
Cash generated from operating activities		
Interest received	3,134	2,752
Dividend received	787	355
Interest paid	(534)	(485)
Income tax paid	(7,733)	(5,489)
Net cash provided by operating activities	<u>23,376</u>	<u>44,330</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(10,826)	(4,344)
Proceeds from disposal of available-for-sale financial assets	6,943	828
Acquisition of debt instrument investments for which no active market exists	(2,079)	(1,924)
Proceeds from disposal of debt instrument investments for which no active market exists	2,251	960
Acquisition of held-to-maturity financial assets	(1,773)	0
Proceeds from redemption of held-to-maturity financial assets	674	824
Acquisition of financial assets measured at cost	(1,518)	(1,857)
Proceeds from disposal of financial assets measured at cost	34	936
Proceeds from capital return of financial assets measured at cost	36	42
Acquisition of investments accounted for using the equity method	(481)	(205)
Proceeds from disposal of investments accounted for using the equity method	280	0
Proceeds from capital return of investments accounted for using the equity method	22	0
Net cash (outflow) inflow from acquisition of subsidiaries	(14,922)	33,097
Acquisition of property, plant and equipment	(9,368)	(9,828)
Proceeds from disposal of property, plant and equipment	21	106
Increase in refundable deposits	(18)	(35)
Acquisition of intangible assets	(2,025)	(796)
Increase in long-term prepaid rent	(31)	(1)
Net cash (used in) provided by investing activities	<u>(32,781)</u>	<u>17,802</u>
Cash flows from financing activities :		
Increase in short-term borrowings	2,395	17,109
Decrease in long-term borrowings	0	(651)
Increase in deposits received	15	50
Proceeds from exercise of employee stock options	30	223
Cash dividends	(34,403)	(23,448)
Acquisition of subsidiaries	(266)	0
Change in non-controlling interests	219	560
Net cash used in financing activities	<u>(32,010)</u>	<u>(6,157)</u>
Effect of changes in exchange rate on cash and cash equivalents	1,897	3,825
Net (decrease) increase in cash and cash equivalents	<u>(39,518)</u>	<u>59,800</u>
Cash and cash equivalents at the beginning of the period	192,798	132,998
Cash and cash equivalents at the end of the period	<u>153,280</u>	<u>192,798</u>

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