

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the first quarter of year 2016

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	1Q 2016	1Q 2015	YOY%	1Q 2016	4Q 2015	QOQ%
Net Sales	55,905	47,536	18%	55,905	61,713	-9%
Operating costs	(34,598)	(25,038)	38%	(34,598)	(37,932)	-9%
Gross profit	21,307	22,499	-5%	21,307	23,780	-10%
Operating expenses						
Selling expenses	(1,996)	(2,169)	-8%	(1,996)	(3,483)	-43%
Administrative expenses	(1,491)	(1,807)	-17%	(1,491)	(1,925)	-23%
Research and development expenses	(13,417)	(10,851)	24%	(13,417)	(14,625)	-8%
Total operating expenses	(16,904)	(14,827)	14%	(16,904)	(20,033)	-16%
Operating income	4,403	7,672	-43%	4,403	3,748	17%
Non-operating income and expenses	875	470	86%	875	997	-12%
Net income before income tax	5,278	8,142	-35%	5,278	4,745	11%
Income tax expense	(805)	(891)	-10%	(805)	(564)	43%
Net income	4,473	7,251	-38%	4,473	4,181	7%
Net other comprehensive income	(1,772)	(1,341)	32%	(1,772)	(119)	-1390%
Total comprehensive income	2,701	5,910	-54%	2,701	4,062	-33%
Net income (loss) attributable to :						
Owners of the parent	4,363	7,226		4,363	4,428	
Non-controlling interests	110	25		110	(248)	
	4,473	7,251		4,473	4,181	
Basic Earnings Per Share (NTD)	2.79	4.62		2.79	2.83	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended March 31, 2016 and 2015

Unit: Millions of New Taiwan dollars

	2016	% to sales	2015	% to sales	YOY%
Net Sales	55,905	100%	47,536	100%	18%
Operating costs	(34,598)	-62%	(25,038)	-53%	38%
Gross profit	21,307	38%	22,499	47%	-5%
Operating expenses					
Selling expenses	(1,996)	-3%	(2,169)	-4%	-8%
Administrative expenses	(1,491)	-3%	(1,807)	-4%	-17%
Research and development expenses	(13,417)	-24%	(10,851)	-23%	24%
Total operating expenses	(16,904)	-30%	(14,827)	-31%	14%
Operating income	4,403	8%	7,672	16%	-43%
Non-operating income and expenses	875	1%	470	1%	86%
Net income before income tax	5,278	9%	8,142	17%	-35%
Income tax expense	(805)	-1%	(891)	-2%	-10%
Net income	4,473	8%	7,251	15%	-38%
Net other comprehensive income	(1,772)	-3%	(1,341)	-3%	32%
Total comprehensive income	2,701	5%	5,910	12%	-54%
Net income (loss) attributable to :					
Owners of the parent	4,363		7,226		
Non-controlling interests	110		25		
	4,473		7,251		
Basic Earnings Per Share (NTD)	2.79		4.62		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2016 and 2015

	Unit: Millions of New Taiwan dollars				
	2016	%	2015	%	YOY%
Current assets					
Cash and cash equivalents	155,963	44%	196,143	54%	-20%
Financial assets at fair value through profit or loss-current	5,617	1%	1,654	0%	240%
Available-for-sale financial assets-current	8,574	2%	6,378	2%	34%
Held-to-maturity financial assets-current	1,254	0%	283	0%	344%
Debt instrument investments for which no active market exists-current	1,314	0%	493	0%	166%
Trade receivables, net	15,598	4%	13,347	4%	17%
Inventories, net	27,027	8%	28,085	8%	-4%
Other current assets	7,250	3%	6,380	1%	14%
Total current assets	222,597	62%	252,763	69%	-12%
Non-current assets					
Funds and investments	20,433	6%	17,236	5%	19%
Property, plant and equipment	35,531	10%	27,334	8%	30%
Intangible assets	74,587	21%	63,007	17%	18%
Other assets	3,857	1%	3,494	1%	10%
Total non-current assets	134,408	38%	111,070	31%	21%
Total assets	357,005	100%	363,834	100%	-2%
Current Liabilities					
Short-term borrowings	48,026	13%	50,934	14%	-6%
Trade payables	23,023	6%	19,650	5%	17%
Other current liabilities	32,994	10%	37,575	10%	-12%
Total current liabilities	104,042	29%	108,158	29%	-4%
Non-current liabilities					
Total non-current liabilities	3,126	1%	2,055	1%	52%
Total liabilities	107,168	30%	110,214	30%	-3%
Equity					
Share capital	15,716	4%	15,716	4%	0%
Capital surplus	88,321	25%	88,133	24%	0%
Legal & special reserve	32,032	9%	28,288	8%	13%
Undistributed earnings	100,839	28%	115,792	32%	-13%
Other equity	6,129	2%	5,269	2%	16%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	242,982	68%	253,142	70%	-4%
Non-controlling interests	6,855	2%	478	0%	1335%
Total equity	249,837	70%	253,620	70%	-1%
Total liabilities and equity	357,005	100%	363,834	100%	-2%

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31, 2016 and 2015

Unit: Millions of New Taiwan dollars

	2016	2015
Cash flows from operating activities :		
Profit before tax from continuing operations	5,278	8,142
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	726	414
Amortization	933	640
Bad debt (reversal) provision	(228)	44
Gains on financial assets and liabilities at fair value through profit or loss	(11)	(78)
Interest expenses	134	155
Interest income	(618)	(816)
Dividend income	(103)	(48)
Share-based payment expenses	11	17
Share of profit of associates accounted for using the equity method	(128)	(78)
Losses on disposal of property, plant and equipment	3	0
Gains on disposal of investments	(18)	(10)
Impairment of financial assets	5	56
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	268	1,770
Trade receivables	679	(888)
Other receivables	312	2,350
Inventories	(2,879)	(5,643)
Prepayments	(154)	(137)
Other current assets	345	(127)
Other non-current assets-others	78	0
Trade payables	6,901	5,190
Trade payables to related parties	(34)	(145)
Other payables	(3,338)	(4,986)
Other current liabilities	(520)	(166)
Long-term payables	(15)	(10)
Net defined benefit liabilities	1	14
Non-current liabilities-others	13	(12)
Cash generated from operating activities		
Interest received	580	695
Dividend received	115	63
Interest paid	(146)	(133)
Income tax paid	(233)	(274)
Net cash provided by operating activities	<u>7,958</u>	<u>6,000</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(984)	(1,384)
Proceeds from disposal of available-for-sale financial assets	597	856
Acquisition of debt instrument investments for which no active market exists	(893)	(691)
Proceeds from disposal of debt instrument investments for which no active market exists	328	1,064
Acquisition of held-to-maturity financial assets	0	(753)
Acquisition of financial assets measured at cost	(362)	(75)
Proceeds from disposal of financial assets measured at cost	0	24
Proceeds from capital return of financial assets measured at cost	0	7
Acquisition of investments accounted for using the equity method	(48)	(40)
Proceeds from capital return of investments accounted for using the equity method	0	21
Acquisition of property, plant and equipment	(1,874)	(4,511)
Proceeds from disposal of property, plant and equipment	56	3
(Increase) decrease in refundable deposits	(51)	9
Acquisition of intangible assets	(122)	(1,452)
Acquisition of investment property	(1)	0
Decrease (increase) in long-term prepaid rent	4	(33)
Net cash used in investing activities	<u>(3,351)</u>	<u>(6,955)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	66	4,773
Decrease in deposits received	(0)	(2)
Proceeds from exercise of employee stock options	0	28
Change in non-controlling interests	41	59
Net cash provided by financing activities	<u>107</u>	<u>4,859</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(2,031)</u>	<u>(558)</u>
Net increase in cash and cash equivalents	2,683	3,346
Cash and cash equivalents at the beginning of the period	153,280	192,798
Cash and cash equivalents at the end of the period	<u>155,963</u>	<u>196,143</u>

Note: Numbers do not add up due to rounding.