

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

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	2Q 2016	2Q 2015	YOY%	2Q 2016	1Q 2016	QOQ%
Net Sales	72,527	47,044	54%	72,527	55,905	30%
Operating costs	(46,974)	(25,448)	85%	(46,974)	(34,598)	36%
Gross profit	25,553	21,596	18%	25,553	21,307	20%
Operating expenses						
Selling expenses	(3,211)	(1,655)	94%	(3,211)	(1,996)	61%
Administrative expenses	(1,632)	(2,178)	-25%	(1,632)	(1,491)	9%
Research and development expenses	(13,641)	(10,897)	25%	(13,641)	(13,417)	2%
Total operating expenses	(18,484)	(14,730)	25%	(18,484)	(16,904)	9%
Operating income	7,069	6,866	3%	7,069	4,403	61%
Non-operating income and expenses	682	541	26%	682	875	-22%
Net income before income tax	7,751	7,407	5%	7,751	5,278	47%
Income tax expense	(1,162)	(1,030)	13%	(1,162)	(805)	44%
Net income	6,590	6,377	3%	6,590	4,473	47%
Net other comprehensive income	(1,379)	(379)	263%	(1,379)	(1,772)	22%
Total comprehensive income	5,210	5,998	-13%	5,210	2,701	93%
Net income (loss) attributable to :						
Owners of the parent	6,500	6,350		6,500	4,363	
Non-controlling interests	90	27		90	110	
	6,590	6,377		6,590	4,473	
Basic Earnings Per Share (NTD)	4.16	4.06		4.16	2.79	

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended June 30, 2016 and 2015

Unit: Millions of New Taiwan dollars

	2016	% to sales	2015	% to sales	YOY%
Net Sales	128,433	100%	94,580	100%	36%
Operating costs	(81,572)	-64%	(50,485)	-54%	62%
Gross profit	46,861	36%	44,095	46%	6%
Operating expenses					
Selling expenses	(5,206)	-4%	(3,823)	-4%	36%
Administrative expenses	(3,123)	-2%	(3,985)	-4%	-22%
Research and development expenses	(27,059)	-21%	(21,748)	-23%	24%
Total operating expenses	(35,388)	-27%	(29,557)	-31%	20%
Operating income	11,472	9%	14,538	15%	-21%
Non-operating income and expenses	1,557	1%	1,011	1%	54%
Net income before income tax	13,030	10%	15,549	16%	-16%
Income tax expense	(1,967)	-2%	(1,921)	-2%	2%
Net income	11,063	8%	13,628	14%	-19%
Net other comprehensive income	(3,151)	-2%	(1,721)	-2%	83%
Total comprehensive income	7,912	6%	11,908	12%	-34%
Net income (loss) attributable to :					
Owners of the parent	10,863		13,576		
Non-controlling interests	200		53		
	11,063		13,628		
Basic Earnings Per Share (NTD)	6.95		8.68		

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2016 and 2015

	Unit: Millions of New Taiwan dollars				
	2016	%	2015	%	YOY%
Current assets					
Cash and cash equivalents	159,214	42%	195,824	53%	-19%
Financial assets at fair value through profit or loss-current	4,743	1%	669	0%	610%
Available-for-sale financial assets-current	6,027	2%	5,522	2%	9%
Held-to-maturity financial assets-current	1,177	0%	355	0%	232%
Debt instrument investments for which no active market exists-current	923	0%	754	0%	22%
Trade receivables, net	21,014	6%	12,250	3%	72%
Inventories, net	34,014	9%	33,654	9%	1%
Other current assets	11,342	3%	7,113	2%	59%
Total current assets	238,454	63%	256,141	69%	-7%
Non-current assets					
Funds and investments	22,953	6%	19,769	5%	16%
Property, plant and equipment	36,981	10%	28,300	8%	31%
Intangible assets	73,806	20%	63,907	17%	15%
Other assets	4,165	1%	3,239	1%	29%
Total non-current assets	137,905	37%	115,214	31%	20%
Total assets	376,360	100%	371,355	100%	1%
Current Liabilities					
Short-term borrowings	60,849	16%	57,491	16%	6%
Trade payables	30,106	8%	18,806	5%	60%
Other current liabilities	58,099	16%	67,397	18%	-14%
Total current liabilities	149,054	40%	143,694	38%	4%
Non-current liabilities					
Total non-current liabilities	3,723	1%	2,224	0%	67%
Total liabilities	152,777	41%	145,918	39%	5%
Equity					
Share capital	15,716	4%	15,716	4%	0%
Capital surplus	88,185	24%	88,191	24%	0%
Legal & special reserve	34,628	9%	32,032	9%	8%
Undistributed earnings	79,540	21%	83,824	23%	-5%
Other equity	4,797	1%	4,875	1%	-2%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	222,811	59%	224,582	61%	-1%
Non-controlling interests	772	0%	856	0%	-10%
Total equity	223,583	59%	225,438	61%	-1%
Total liabilities and equity	376,360	100%	371,355	100%	1%

Note: Numbers do not add up due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2016 and 2015

Unit: Millions of New Taiwan dollars

	2016	2015
Cash flows from operating activities :		
Profit before tax from continuing operations	13,030	15,549
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	1,470	837
Amortization	1,906	1,336
Bad debt provision	(177)	(28)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	36	(56)
Interest expenses	261	255
Interest income	(1,265)	(1,623)
Dividend income	(210)	(298)
Share-based payment expenses	19	33
Share of profit of associates accounted for using the equity method	(195)	(219)
Losses on disposal of property, plant and equipment	4	6
Losses (Gains) on disposal of investments	71	(419)
Impairment of financial assets	71	851
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	1,111	2,555
Trade receivables	(3,591)	417
Other receivables	(118)	2,019
Inventories	(8,457)	(11,021)
Prepayments	(318)	(454)
Other current assets	(175)	(166)
Other non-current assets-others	78	0
Trade payables	13,231	4,090
Trade payables to related parties	415	27
Other payables	2,635	(5,129)
Other current liabilities	910	308
Long-term payables	(29)	(21)
Net defined benefit liabilities	(0)	9
Non-current liabilities-others	4	(9)
Cash generated from operating activities		
Interest received	1,106	1,722
Dividend received	210	378
Interest paid	(271)	(190)
Income tax paid	(1,590)	(6,205)
Net cash provided by operating activities	<u>20,169</u>	<u>4,554</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(3,101)	(3,457)
Proceeds from disposal of available-for-sale financial assets	3,174	1,873
Acquisition of debt instrument investments for which no active market exists	(1,369)	(1,331)
Proceeds from disposal of debt instrument investments for which no active market exists	320	1,497
Acquisition of held-to-maturity financial assets	0	(1,255)
Proceeds from redemption of held-to-maturity financial assets	319	0
Acquisition of financial assets measured at cost	(627)	(379)
Proceeds from disposal of financial assets measured at cost	0	24
Proceeds from capital return of financial assets measured at cost	0	28
Acquisition of investments accounted for using the equity method	(1,630)	(285)
Proceeds from capital return of investments accounted for using the equity method	12	21
Net cash outflow from acquisition of subsidiaries	(2,406)	(1,105)
Acquisition of property, plant and equipment	(4,039)	(5,976)
Proceeds from disposal of property, plant and equipment	57	4
(Increase) decrease in refundable deposits	(66)	3
Acquisition of intangible assets	(232)	(1,767)
Acquisition of investment property	(1)	0
Decrease (increase) in long-term prepaid rent	9	(30)
Net cash used in investing activities	<u>(9,580)</u>	<u>(12,136)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	11,302	11,330
Proceeds from long-term borrowings	290	0
Increase (decrease) in deposits received	10	(3)
Proceeds from exercise of employee stock options	0	30
Acquisition of subsidiaries	(14,184)	0
Change in non-controlling interests	39	134
Net cash (used) provided by financing activities	<u>(2,543)</u>	<u>11,491</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(1,396)</u>	<u>(883)</u>
Net increase in cash and cash equivalents	6,650	3,027
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>159,929</u>	<u>195,824</u>
Reconciliation of the balances of cash and cash equivalents at the end of the period:		
Cash and cash equivalents on the consolidated balance sheets	159,214	195,824
Cash and cash equivalents included in non-current assets held for sale	716	0
Cash and cash equivalents at the end of the period	<u>159,929</u>	<u>195,824</u>
Note: Numbers do not add up due to rounding.		