

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

*Unit: Millions of New Taiwan dollars*

	Yearly Comparison			Sequential Comparison		
	4Q 2016	4Q 2015	YOY%	4Q 2016	3Q 2016	QOQ%
Net Sales	68,675	61,713	11%	68,675	78,403	-12%
Operating costs	(44,963)	(37,932)	19%	(44,963)	(50,787)	-11%
Gross profit	23,713	23,780	0%	23,713	27,617	-14%
Operating expenses						
Selling expenses	(3,675)	(3,599)	2%	(3,675)	(3,532)	4%
Administrative expenses	(2,021)	(996)	103%	(2,021)	(1,871)	8%
Research and development expenses	(14,035)	(15,437)	-9%	(14,035)	(14,592)	-4%
Total operating expenses	(19,731)	(20,033)	-2%	(19,731)	(19,995)	-1%
Operating income	3,981	3,748	6%	3,981	7,622	-48%
Non-operating income and expenses	1,586	997	59%	1,586	993	60%
Net income before income tax	5,568	4,745	17%	5,568	8,615	-35%
Income tax expense	(430)	(564)	-24%	(430)	(785)	-45%
Net income	5,138	4,181	23%	5,138	7,830	-34%
Net other comprehensive income	11,295	(119)	9601%	11,295	(2,452)	561%
Total comprehensive income	16,432	4,062	305%	16,432	5,378	206%
Net income (loss) attributable to :						
Owners of the parent	5,046	4,428		5,046	7,792	
Non-controlling interests	92	(248)		92	38	
	5,138	4,181		5,138	7,830	
Basic Earnings Per Share (NTD)	3.23	2.83		3.23	4.98	

Note: Numbers do not add up due to rounding.

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

*Unit: Millions of New Taiwan dollars*

	2016	% to sales	2015	% to sales	YOY%
Net Sales	275,512	100%	213,255	100%	29%
Operating costs	(177,322)	-64%	(121,076)	-57%	46%
Gross profit	98,190	36%	92,180	43%	7%
Operating expenses					
Selling expenses	(12,414)	-5%	(9,326)	-4%	33%
Administrative expenses	(7,015)	-3%	(7,417)	-4%	-5%
Research and development expenses	(55,685)	-20%	(49,529)	-23%	12%
Total operating expenses	(75,114)	-28%	(66,272)	-31%	13%
Operating income	23,076	8%	25,908	12%	-11%
Non-operating income and expenses	4,137	2%	3,461	2%	20%
Net income before income tax	27,213	10%	29,368	14%	-7%
Income tax expense	(3,182)	-1%	(3,600)	-2%	-12%
Net income	24,031	9%	25,769	12%	-7%
Net other comprehensive income	5,691	2%	1,595	1%	257%
Total comprehensive income	29,722	11%	27,364	13%	9%
Net income (loss) attributable to :					
Owners of the parent	23,701		25,958		
Non-controlling interests	330		(190)		
	24,031		25,769		
Basic Earnings Per Share (NTD)	15.16		16.60		

Note: Numbers do not add up due to rounding.

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

	Unit: Millions of New Taiwan dollars				
	2016	%	2015	%	YOY%
Current assets					
Cash and cash equivalents	140,561	38%	153,280	44%	-8%
Financial assets at fair value through profit or loss-current	1,971	1%	3,836	1%	-49%
Available-for-sale financial assets-current	9,429	3%	7,763	2%	21%
Held-to-maturity financial assets-current	0	0%	1,257	0%	-100%
Debt instrument investments for which no active market exists-current	1,505	0%	761	0%	98%
Trade receivables, net	20,481	6%	16,195	4%	26%
Inventories, net	33,923	9%	24,130	7%	41%
Other current assets	12,408	2%	7,650	3%	62%
Total current assets	220,278	59%	214,873	61%	3%
Non-current assets					
Funds and investments	36,971	11%	22,814	7%	62%
Property, plant and equipment	36,858	10%	34,390	10%	7%
Intangible assets	72,015	19%	75,431	21%	-5%
Other assets	4,591	1%	3,742	1%	23%
Total non-current assets	150,434	41%	136,376	39%	10%
Total assets	370,712	100%	351,250	100%	6%
Current Liabilities					
Short-term borrowings	54,524	15%	49,123	14%	11%
Trade payables	24,630	6%	16,156	4%	52%
Other current liabilities	40,174	11%	35,987	11%	12%
Total current liabilities	119,328	32%	101,266	29%	18%
Non-current liabilities					
Total non-current liabilities	4,721	1%	2,896	1%	63%
Total liabilities	124,049	33%	104,163	30%	19%
Equity					
Share capital	15,821	4%	15,716	4%	1%
Capital surplus	89,815	24%	88,354	25%	2%
Legal & special reserve	34,628	10%	32,032	9%	8%
Undistributed earnings	92,324	25%	96,476	27%	-4%
Other equity	12,246	3%	7,905	2%	55%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	244,779	66%	240,428	68%	2%
Non-controlling interests	1,884	1%	6,659	2%	-72%
Total equity	246,663	67%	247,087	70%	0%
Total liabilities and equity	370,712	100%	351,250	100%	6%

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

Unit: Millions of New Taiwan dollars

	2016	2015
<b>Cash flows from operating activities :</b>		
Profit before tax from continuing operations	27,213	29,368
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	3,061	2,077
Amortization	3,835	3,057
Bad debt (reversal) provision	(126)	184
Losses on financial assets and liabilities at fair value through profit or loss	150	136
Interest expenses	559	545
Interest income	(2,518)	(2,817)
Dividend income	(398)	(479)
Share-based payment expenses	307	37
Share of profit of associates accounted for using the equity method	(666)	(658)
Losses on disposal of property, plant and equipment	16	13
Losses on disposal of intangible assets	1	-
Losses (Gains) on disposal of investments	(195)	(1,395)
Impairment of financial assets	71	851
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	2,506	(2,072)
Notes receivable	(3)	-
Trade receivables	(3,085)	(866)
Other receivables	(2,176)	2,075
Inventories	(8,168)	792
Prepayments	716	162
Other current assets	731	(489)
Other non-current assets-others	78	(16)
Trade payables	8,005	226
Trade payables to related parties	289	(37)
Other payables	2,491	(4,248)
Other current liabilities	65	1,289
Long-term payables	(56)	(36)
Net defined benefit liabilities	13	11
Non-current liabilities-others	101	9
Cash generated from operating activities		
Interest received	1,928	3,134
Dividend received	592	787
Interest paid	(562)	(534)
Income tax paid	(2,229)	(7,733)
Net cash provided by operating activities	<u>32,548</u>	<u>23,376</u>
<b>Cash flows from investing activities :</b>		
Acquisition of available-for-sale financial assets	(7,600)	(10,826)
Proceeds from disposal of available-for-sale financial assets	7,860	6,943
Acquisition of debt instrument investments for which no active market exists	(2,582)	(2,079)
Proceeds from disposal of debt instrument investments for which no active market exists	787	2,251
Acquisition of held-to-maturity financial assets	-	(1,773)
Proceeds from redemption of held-to-maturity financial assets	1,491	674
Acquisition of financial assets measured at cost	(2,216)	(1,518)
Proceeds from disposal of financial assets measured at cost	0	34
Proceeds from capital return of financial assets measured at cost	38	36
Acquisition of investments accounted for using the equity method	(4,612)	(481)
Proceeds from disposal of investments accounted for using the equity method	-	280
Proceeds from capital return of investments accounted for using the equity method	-	22
Net cash outflow from acquisition of subsidiaries	(2,406)	(14,922)
Acquisition of property, plant and equipment	(6,671)	(9,368)
Proceeds from disposal of property, plant and equipment	68	21
Increase in refundable deposits	(67)	(18)
Acquisition of intangible assets	(367)	(2,025)
Acquisition of investment property	(1)	-
Increase in long-term lease receivables	(210)	-
Decrease (increase) in long-term prepaid rent	16	(31)
Net cash used in investing activities	<u>(16,470)</u>	<u>(32,781)</u>
<b>Cash flows from financing activities :</b>		
Increase in short-term borrowings	5,456	2,395
Proceeds from long-term borrowings	124	-
Increase in deposits received	8	15
Proceeds from exercise of employee stock options	-	30
Cash dividends	(17,202)	(34,403)
Acquisition of subsidiaries	(14,184)	(266)
Change in non-controlling interests	988	219
Net cash used in financing activities	<u>(24,810)</u>	<u>(32,010)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(3,198)</u>	<u>1,897</u>
Net decrease in cash and cash equivalents	<u>(11,931)</u>	<u>(39,518)</u>
Cash and cash equivalents at the beginning of the period	<u>153,280</u>	<u>192,798</u>
Cash and cash equivalents at the end of the period	<u><u>141,349</u></u>	<u><u>153,280</u></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	140,561	153,280
Cash and cash equivalents included in non-current assets held for sale	788	-
Cash and cash equivalents at the end of the period	<u><u>141,349</u></u>	<u><u>153,280</u></u>

Note: Numbers do not add up due to rounding.