

MediaTek Inc.

2008 Annual General Shareholders' Meeting Minutes

- 1. Time:** 9:00 a.m., June 13, 2008
- 2. Place:** The Labor Recreational Center Auditorium
2 Hsin-an Road, Science-Based Industrial Park, Hsinchu,
Taiwan, R.O.C
- 3. Attendance:** Attending shareholders and proxy representing 826,952,194 shares accounted for 80.04% of the Company's total outstanding shares (deducting non-voting shares as in Article 179 of the Company Law)
- 4. Chairman:** Mr. Ming-Kai Tsai **Recorder:** Ms. Sophia Liang
- 5. Call Meeting to Order:** The aggregate shareholding of the presenting shareholders constituted a quorum.
- 6. Chairman's Address:** Omitted.
- 7. Reporting Items:**
- Report Item I: MediaTek's 2007 Business Report.
- Description: For MediaTek's 2007 Business Report, please refer to Attachment I.
- Resolved.
- Report Item II: The Supervisors have duly reviewed MediaTek's 2007 Business Report, Financial Statements and earnings allocation.
- Description: For Supervisors' Report, please refer to Attachment II.
- Resolved.
- 8. Acknowledgement Items:**
- Acknowledgement Item I: MediaTek's 2007 Business Report and Financial Statements are herewith submitted.
- Descriptions: (I) MediaTek's 2007 Financial Statements, including Balance

Sheets, Statements of Income, Statements of Changes in Shareholders' Equity, Statements of Cash Flows, were duly audited and certified by independent auditors Hsin-Min Hsu and Chien-Kuo Yang of Ernst & Young. The report duly issued by the independent auditors has been approved at the 16th meeting of the 4th Board of Directors.

(II) For 2007 independent auditors' report, Business Report and the aforementioned Financial Statements, please refer to Attachment III and Attachment IV .

Decision resolved.

Acknowledgement Item II: The distribution of MediaTek's 2007 profits is herewith submitted. Your acknowledgement shall be appreciated.

Descriptions: (I) The distribution of MediaTek's 2007 profits was adopted at the 16th meeting of the 4th Board of Directors.
(II) MediaTek's 2007 profit allocation proposal is as below:

Expressed in NT Dollars

Descriptions	Amount	Remarks
Net profit of 2007	\$33,592,701,905	
Less: 10% Legal reserve	3,359,270,191	
Plus: Reverse of Special reserve	0	
2007 Earnings Available for Distribution	30,233,431,714	
Plus: Unappropriated retained earnings of previous years	29,378,472,566	
Earnings Available for Distribution	59,611,904,280	
Distribution Items:		
1. Remuneration to Directors and Supervisors	75,583,579	0.25% of 2007 Earnings Available for Distribution
2. Dividend to common shareholders	19,880,306,854	Stock dividend of NT\$ 0.1 per share and cash dividend of NT\$19 per share
3. Employees' profit sharing	3,418,900,000	6.4% in stock and 93.6% in cash
Total Distribution	23,374,790,433	
Unappropriated Earnings	36,237,113,847	

- *: 1. MediaTek's retained earnings capitalization is rounded to the nearest number of ten New Taiwan Dollars.
2. For dividend distribution, the Board of Directors is authorized to determine the date of ex-right and ex-dividend as well as the date of cash dividend distribution.
3. In case of repurchase or disposal of MediaTek's shares or other reasons in the future which would affect the number of outstanding shares and lead to a change in share distribution rate to shareholders, it is proposed that the shareholders' meeting authorizes the Board of Directors with full powers to act accordingly.
4. Stock employees' profit sharing totals 21,890,000 shares and is priced at NT\$8,917,986,000 as calculated at the NT\$407.4 closing price averaged in December 2007. After the employees' profit sharing of NT\$3,200,000,000 in cash is added, the total employees' profit sharing comes to NT\$12,117,986,000 within the limit set forth in law.

Decision resolved.

9. Proposed Resolutions:

Proposed Item I: To procure R&D equipment and intangible assets, expand plant buildings, and investments, it is proposed that NT\$322,985,370 be allocated from 2007 Earnings Available for Distribution and converted into MediaTek's paid-in capital. Please resolve your decisions.

Descriptions: (I) To procure R&D equipment and intangible assets, expand plant buildings and investments, it is proposed that MediaTek's paid-in capital be increased by capitalizing the stock dividends to common shareholders of NT\$104,085,370 and employees' profit sharing (in stock) of NT\$218,900,000 allocated from 2007 Earnings Available for Distribution. The total amount of paid-in capital increase shall be NT\$322,985,370.

(II) The paid-in capital after earnings capitalization will be as follows:

Paid-in capital before capital increase	1,040,853,762 shares	NT\$10 per value	NT\$10,408,537,620
2007 capitalized shareholders stock dividend	10,408,537 shares	NT\$10 per value	NT\$ 104,085,370
2007 capitalized employees' profit sharing (in stock)	21,890,000 shares	NT\$10 per value	NT\$ 218,900,000
Subtotal	32,298,537 shares	NT\$10 per value	NT\$ 322,985,370
Paid-in capital after capital increase	1,073,152,299 shares	NT\$10 per value	NT\$ 10,731,522,990

(III) The total number of shares of paid-in capital increase shall be 32,298,537 shares at par value of NT\$10 per share, all in common shares. For distribution allocated from 2007 Earnings Available for Distribution, each common shareholder will be entitled to receive a stock dividend of 10 shares for each 1,000 shares held by such shareholders. If the stock dividends include fractional shares which are less than one full share, the shareholders concerned may arrange for pooling together their fractional shares to form one full share and register the same within 5 days after the record date. Beyond such time limit, the distribution will be made in the form of cash rounded to the nearest dollar amount at par value. Such fractional shares will be purchased by people arranged by the Chairman as authorized by the Board of Directors of MediaTek.

- (IV) The shareholders' rights and obligations are the same as those of the existing common shares.
- (V) If the capital augment proposal should be changed in line with practical requirements or as instructed by the authorities of the government, the Board of Directors is authorized to act as necessary.
- (VI) The Board of Directors is authorized to determine the ex-right date of new share allocation after being approved by the competent authorities of the government.
- (VII) The Board of Directors is authorized to determine usage of the earnings being capitalized.
- (VIII) The Board of Directors is authorized to determine the dividend payout ratio in case of future repurchase or disposal of MediaTek's shares or other reasons which could affect the number of outstanding shares and change on the dividend payout ratio to shareholders.

Decision resolved.

10. Special Motion : None.

11. Meeting Adjourned

Attachment I

MediaTek Inc.

2007 Business Report

MediaTek achieved a historical high in revenue and earnings per share in 2007. Consolidated revenue for this year totaled NT\$80.7 billion, growing by 43% over last year. Net income was NT\$33.6 billion, an increase of 49% from last year. Earnings per share reached NT\$32.59, soaring from NT\$21.93 of previous year. In the area of wireless handset chipsets, we continued upgrading our total solution for customers. Not only are we the industry leader in technology, our shipment volume grew at an accelerated pace and market share continued to expand. These factors propelled the Company to become one the top three suppliers of wireless handsets chipsets in the world. MediaTek's high definition digital TV chipsets business also commands its leading position with advanced highly integrated single chip. MediaTek ramped to become the second largest supplier in the world for DTV chipsets. Other products, such as GPS chipsets and blu-ray chipsets have also been successfully launched as one of the industry pioneers.

Last year, MediaTek was not only the winner of "Best Financially Managed Fabless Company Award" selected by FSA (Fabless Semiconductor Association) in consecutive years but also the winner of "Forbes FAB 50". In addition, MediaTek was the first and only company in Taiwan to have published 7 papers in the span of five years to IEEE ISSCC, the paramount indicator of IC design industry. Furthermore, MediaTek has received the "Distinguished Innovation Accomplishment Award" from the Ministry of Economic Affairs for the second time, the only company in Taiwan except TSMC to win this award twice. These results show that the ceaseless efforts of MediaTek in technology innovation are repeatedly recognized by professional institutions at home and overseas. In terms of social responsibility, MediaTek proactively supports education of technology in order to properly train students in technology and align them with global standards. Last year, MediaTek was conferred the "2007 Excellence in Corporate Social Responsibility Award" by Common Wealth Magazine and the "Corporate Social Responsibility Award" by Global Views Monthly.

MediaTek also participated aggressively in international mergers and acquisitions in year 2007. The Company acquired NuCORE Technology Inc., a US digital camera chipset design company. It purchased the Othello radio and SoftFone baseband chipset product lines as well as certain cellular handset baseband support operations of Analog Devices, Inc. These acquisitions allowed MediaTek to break through in critical technologies and helped speed up its globalization process. In addition, the acquisitions also facilitate services for first tier customers and recruitment of talented employees throughout the world. Nonetheless, the cross-border organizational structure and operational methods prompted the upgrading of international management know-how, which remains an important challenge for the Company in the near future and the long run.

Despite of its leadership position in the industry, MediaTek still faces the challenges of rapid technology advancement and accelerated replacement of semiconductor technologies. Product life cycle continues to compress, and acute price competition has made cost reduction increasingly important. In the future, MediaTek will face more sophisticated competitors and challenges. Under this tough environment, the Company still seeks perpetual breakthroughs and innovations. With abundance of intellectual property rights as its niche, the Company would be able to yield synergy and increase competitiveness to become a worldwide leader in the IC industry.

Last year marked the 10th anniversary of MediaTek. The product lines, organization, and employees of the Company have had significant changes over the years to accommodate the growing market. This is particularly true after the aforementioned mergers and acquisitions, which

upsized the number of overseas employees of the organization by more than 40%. To cope with these changes, the Company has redesigned its Corporate Identity System and defined the corporate mission and vision. Mission: Through constant innovation, MediaTek strives to provide the best IC products and services in order to fulfill people's potential needs of entertainment, communication, and information. Vision: Enhance and enrich people's life.

Looking into the future, the digital home and wireless communication industries have great growth potential and opportunities. In broadening the product lines and deepening the technological development, MediaTek will take competition at a world-class level as a major global player. The Company will respond to the changes in the market with an international mindset and will continue to provide customers with the most competitive products and services. The Company will also work hard to maximize shareholders' value. Finally, I wish to express my gratitude to all our shareholders for your continued supports throughout the year.

Attachment II

Supervisors' Report

The Financial Statements of MediaTek Inc. in fiscal year 2007 have been duly audited by Ernst & Young and are believed to fairly represent the financial standing, operation results and cash flows of MediaTek Inc.. We, the Supervisors, have duly reviewed the Financial Statements along with the Business Report and proposal for profits distribution and hereby verify that they comply with the requirements of Company Law and relevant regulations. This Report is duly submitted in accordance with Article 219 of the Company Law, and we hereby submit this report.

To MediaTek Inc. 2008 Annual General Shareholders' Meeting

MediaTek Inc.

Supervisor: Paul Wang (MediaTek Capital Corp., representative)

Supervisor: Chung-Lang Liu (National Tsing Hua University, representative)

Supervisor: Yan-Kuin Su (National Cheng Kung University, representative)

April 23 , 2008

Attachment III

English Translation of a Report Originally Issued in Chinese Independent Auditors' Report

To the Board of Directors and Shareholders of MediaTek Inc.

We have audited the accompanying balance sheets of MediaTek Inc. as of December 31, 2007 and 2006, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (R.O.C.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MediaTek Inc. as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years ended December 31, 2007 and 2006, in conformity with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standard, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

As discussed in Note 3 to the financial statements, effective January 1, 2006, the Company adopted the R.O.C. Statement of Financial Accounting Standards No. 34 "Accounting for Financial Instruments" and the R.O.C. Statement of Financial Accounting Standards No. 36 "Disclosure and Presentation of Financial Instruments" to account for the related assets.

The Company has prepared consolidated financial statements as of December 31, 2007 and 2006 and for the years then ended. We have expressed an unqualified and a modified unqualified audit opinion on those consolidated financial statements, respectively.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 17, 2008
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.
BALANCE SHEETS
As of December 31, 2007 and 2006
(Amounts in thousand New Taiwan Dollars)

ASSETS		Notes	2007	2006	LIABILITIES AND SHAREHOLDERS' EQUITY		Notes	2007	2006
Current assets					Current liabilities				
Cash and cash equivalents	2, 4(1)		\$ 40,365,582	\$ 36,655,169	Financial liability at fair value through profit or loss-current	2, 4(2)	\$ 33,076	\$ 14,586	
Financial assets at fair value through profit or loss-current	2, 4(2)		2,389,876	2,704,102	Accounts payable		6,132,307	4,079,674	
Available for sale financial assets-current	2, 4(3)		2,460,927	-	Payables to related parties	5	507,395	201,052	
Held-to-maturity financial assets-current	2, 4(4)		501,574	-	Income tax payable	2, 4(19)	2,392,981	2,341,449	
Accounts receivable, net	2, 4(5)		5,334,044	3,856,794	Accrued expenses		1,683,398	1,971,445	
Receivables from related parties, net	5		138,557	207	Payables to contractors and equipment suppliers		195,338	160,161	
Other receivables	4(6)		702,220	238,142	Other current liabilities		341,396	311,311	
Inventories, net	2, 4(7)		9,504,676	3,494,063	Total current liabilities		11,285,891	9,079,678	
Prepayments and other current assets			625,530	205,490					
Deferred income tax assets-current	2, 4(19)		589,582	342,585					
Total current assets			62,612,568	47,496,552					
Funds and investments		2, 4(8), 5			Other liabilities				
Available-for-sale financial assets-noncurrent			1,358,655	628,110	Accrued pension liabilities	2, 4(11)	66,368	60,977	
Held-to-maturity financial assets-nocurrent			350,000	-	Deposits received		1,022	-	
Financial assets carried at cost-noncurrent			-	3,000	Total other liabilities		67,390	60,977	
Bond portfolios with no active market-noncurrent			1,000,000	1,000,000					
Investments accounted for using equity method			24,871,106	19,519,896	Total liabilities		11,353,281	9,140,655	
Total funds and investments			27,579,761	21,151,006					
Property, plant and equipment		2, 4(9)			Shareholders' equity				
Buildings and facilities			4,217,486	4,113,175	Capital				
Machinery and equipment			116,374	116,374	Common stock	4(12)	10,408,538	9,683,127	
Research and development equipment			1,650,064	1,095,679	Capital reserve				
Miscellaneous equipment			159,541	107,391	Additional paid-in capital	4(14)	2,090,759	69,689	
Total cost			6,143,465	5,432,619	Treasury stock transaction	4(14)	328,475	218,673	
Less : Accumulated depreciation			(1,202,639)	(689,706)	Donated assets	4(14)	1,260	1,260	
Add : Construction in progress			172,284	-	Long-term investment transaction	4(14)	119,349	114,787	
Prepayments for equipment			108,735	72,071	Total capital reserve		2,539,843	404,409	
Property, plant and equipment, net			5,221,845	4,814,984	Retained earnings				
					Legal reserve	4(13)	9,665,144	7,407,185	
Intangible assets		2, 4(10)			Special reserve	4(15)	-	714,649	
Software			683,544	278,270	Undistributed earnings	4(15)	62,971,175	47,175,664	
Patents, IPs and others			795,105	1,802,973	Other adjustments				
Total intangible assets			1,478,649	2,081,243	Cumulative translation adjustments	2, 4(8)	(400,047)	(483,510)	
					Unrealized gain on financial instruments	2, 4(8)	808,374	2,679,976	
Other assets					Treasury stock	2, 4(16)	(55,970)	(55,970)	
Refundable deposits			17,420	13,888	Total shareholders' equity		85,937,057	67,525,530	
Deferred income tax assets-noncurrent	2, 4(19)		380,095	1,108,512					
Total other assets			397,515	1,122,400					
Total assets			\$ 97,290,338	\$ 76,666,185	Total liabilities and shareholders' equity		\$ 97,290,338	\$ 76,666,185	

The accompanying notes are an integral part to these financial statements.

MEDIATEK INC.

STATEMENTS OF INCOME

For the years ended December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars, except earnings per share)

Description	Notes	2007	2006		
Gross sales		\$ 76,054,533	\$ 55,212,125		
Less : Sales returns and discounts		(1,275,954)	(2,270,520)		
Net sales	2, 4(17), 5	74,778,579	52,941,605		
Cost of goods sold	4(18), 5	(32,552,182)	(22,287,387)		
Gross profits		42,226,397	30,654,218		
Operating expenses	2, 4(18)				
Selling expenses		(1,453,268)	(967,116)		
Administrative expenses		(2,159,341)	(1,462,771)		
Research and development expenses		(7,187,028)	(4,408,762)		
Total operating expenses		(10,799,637)	(6,838,649)		
Operating income		31,426,760	23,815,569		
Non-operating income and gains					
Interest income		983,203	637,726		
Gain on equity investments, net	2, 4(8)	2,439,953	-		
Gain on disposal of property, plant and equipment	2	153	35,476		
Foreign exchange gain, net	2	58,510	115,926		
Reversal of bad debts	2	-	56,139		
Valuation gain on financial assets	2, 4(2)	-	27,064		
Others		91,727	33,915		
Total non-operating income and gains		3,573,546	906,246		
Non-operating expenses and losses					
Loss on equity investments, net	2, 4(8)	-	(28,589)		
Loss on disposal of property, plant and equipment	2	-	(18,691)		
Loss on disposal of investments	2	(1,803)	(2,202)		
Inventory loss provision	2	(53,799)	(276,213)		
Impairment loss	2, 4(8)	(3,000)	(12,000)		
Valuation loss on financial assets	2, 4(2)	(40,246)	-		
Valuation loss on financial liabilities	2, 4(2)	(33,076)	(14,586)		
Others		(35,452)	(3,348)		
Total non-operating expenses and losses		(167,376)	(355,629)		
Income from continuing operations before income taxes		34,832,930	24,366,186		
Income tax expense	2, 4(19)	(1,240,228)	(1,794,242)		
Income from continuing operations		33,592,702	22,571,944		
Cumulative effect of changes in accounting principles (net of tax benefit of NT\$12 thousand)	3	-	7,638		
Net income		\$ 33,592,702	\$ 22,579,582		
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(20)	Before tax	After tax	Before tax	After tax
Income from continuing operations		\$ 33.79	\$ 32.59	\$ 23.66	\$ 21.92
Cumulative effect of changes in accounting principles		-	-	0.01	0.01
Net income		\$ 33.79	\$ 32.59	\$ 23.67	\$ 21.93
Pro-forma data: (Assuming that the Company's shares owned by its subsidiary were not treated as treasury stock)	2, 4(20)	Before tax	After tax	Before tax	After tax
Basic Earnings Per Share (in New Taiwan Dollars)		Before tax	After tax	Before tax	After tax
Income from continuing operations		\$ 33.65	\$ 32.45	\$ 23.56	\$ 21.83
Cumulative effect of changes in accounting principles		-	-	0.01	0.01
Net income		\$ 33.65	\$ 32.45	\$ 23.57	\$ 21.84

The accompanying notes are an integral part to these financial statements.

MEDIATEK INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars)

Description	Common stock	Capital reserve	Retained earnings			Cumulative translation adjustments	Unrealized gain on financial instruments	Treasury stock	Total
			Legal reserve	Special reserve	Undistributed earnings				
Balance as of January 1, 2006	\$ 8,640,506	\$ 263,536	\$ 5,579,822	\$ 714,649	\$ 37,993,458	\$ (391,751)	\$ -	\$ (55,970)	\$ 52,744,250
Appropriation and distribution of 2005 earnings:									
Legal reserve	-	-	1,827,363	-	(1,827,363)	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(49,339)	-	-	-	(49,339)
Employees' bonuses	178,570	-	-	-	(1,152,067)	-	-	-	(973,497)
Shareholders' dividends	864,051	-	-	-	(10,368,607)	-	-	-	(9,504,556)
Net income for the year ended December 31, 2006	-	-	-	-	22,579,582	-	-	-	22,579,582
Unrealized gain on financial instruments	-	-	-	-	-	-	2,679,976	-	2,679,976
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	73,201	-	-	-	-	-	-	73,201
Adjustment arising from changes in percentage of ownership in investees	-	67,672	-	-	-	-	-	-	67,672
Cumulative translation adjustments	-	-	-	-	-	(91,759)	-	-	(91,759)
Balance as of December 31, 2006	9,683,127	404,409	7,407,185	714,649	47,175,664	(483,510)	2,679,976	(55,970)	67,525,530
Appropriation and distribution of 2006 earnings:									
Legal reserve	-	-	2,257,959	-	(2,257,959)	-	-	-	-
Reversal of special reserve	-	-	-	(714,649)	714,649	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(63,109)	-	-	-	(63,109)
Employees' bonuses	206,837	-	-	-	(1,181,926)	-	-	-	(975,089)
Shareholders' dividends	484,156	-	-	-	(15,008,846)	-	-	-	(14,524,690)
Share swap in investee by new issuance	34,418	2,021,070	-	-	-	-	-	-	2,055,488
Net income for the year ended December 31, 2007	-	-	-	-	33,592,702	-	-	-	33,592,702
Unrealized gain on financial instruments	-	-	-	-	-	-	(1,871,602)	-	(1,871,602)
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	109,802	-	-	-	-	-	-	109,802
Adjustment arising from changes in percentage of ownership in investees	-	4,562	-	-	-	-	-	-	4,562
Cumulative translation adjustments	-	-	-	-	-	83,463	-	-	83,463
Balance as of December 31, 2007	\$ 10,408,538	\$ 2,539,843	\$ 9,665,144	\$ -	\$ 62,971,175	\$ (400,047)	\$ 808,374	\$ (55,970)	\$ 85,937,057

The accompanying notes are an integral part to these financial statements.

MEDIATEK INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars)

Description	2007	2006
Cash flows from operating activities :		
Net income	\$ 33,592,702	\$ 22,579,582
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of changes in accounting principles	-	(7,638)
Depreciation	528,564	353,930
Amortization	1,301,851	1,118,686
Amortization of financial assets discount or premium	(10,402)	-
Bad debt loss provision (reversal)	129,252	(56,139)
Cash dividends from the equity investees	58,830	22,769
Inventory loss provision	53,799	276,213
Net (gain) loss on equity investments	(2,439,953)	28,589
Loss on disposal of investments	1,803	2,202
Net gain on disposal of property, plant and equipment	(153)	(16,785)
Impairment loss	3,000	12,000
Adjustment of Valuation on financial assets and liabilities	(6,627)	(71,553)
(Increase) decrease in accounts receivable	(1,606,502)	183,655
(Increase) decrease in receivables from related parties	(138,350)	50,215
(Increase) decrease in other receivables	(464,078)	21,104
Increase in inventories	(6,064,412)	(534,383)
(Increase) decrease in prepayments and other current assets	(420,040)	69,839
Decrease (increase) in deferred income tax assets	481,420	(4,308)
Increase in accounts payable	2,052,633	1,260,644
Increase (decrease) in payables to related parties	306,343	(1,937,279)
Increase in income taxes payable	51,532	1,431,802
Decrease in accrued expenses	(288,047)	(1,480,729)
Increase in other current liabilities	30,085	29,189
Increase in accrued pension liabilities	5,391	3,461
Net cash provided by operating activities	27,158,641	23,335,066
Cash flows from investing activities :		
Decrease in restricted deposits	-	24,000
Purchase of property, plant and equipment	(1,126,590)	(1,986,867)
Proceeds from disposal of property, plant and equipment	4,266	520,410
Decrease (increase) in financial assets at fair value through profit or loss	339,343	(1,368,531)
Increase in available-for-sale financial assets	(3,310,631)	(550,000)
Proceeds from disposal of available-for-sale financial assets	1,940	-
Increase in held-to-maturity financial assets	(854,876)	-
Increase in investments accounted for using equity method	(3,200,000)	(3,550,000)
Increase in intangible assets	(477,028)	(706,197)
Decrease (increase) in refundable deposits	(3,532)	58,819
Net cash used in investing activities	(8,627,108)	(7,558,366)
Cash flows from financing activities :		
Contingent consideration based on securities price	740,746	-
Increase in deposits received	1,022	-
Cash dividends	(14,524,690)	(9,504,556)
Directors' and supervisors' remuneration	(63,109)	(49,339)
Employees' bonuses	(975,089)	(973,497)
Net cash used in financing activities	(14,821,120)	(10,527,392)
Net increase in cash and cash equivalents	3,710,413	5,249,308
Cash and cash equivalents at the beginning of the year	36,655,169	31,405,861
Cash and cash equivalents at the end of the year	\$ 40,365,582	\$ 36,655,169
Supplemental disclosures of cash flow information :		
Income tax paid during the year	\$ 707,276	\$ 366,736
Activities partially effected cash flows :		
Purchase of property, plant and equipment	\$ 1,161,767	\$ 1,830,843
Add: (increase) decrease in payables to contractors and equipment suppliers	(35,177)	156,024
Cash paid for the purchase of property, plant and equipment	\$ 1,126,590	\$ 1,986,867
Non-cash activities :		
Stock dividends and employees' bonuses capitalized	\$ 690,993	\$ 1,042,621
Adjustment arising from changes in percentage of ownership in investees	\$ 4,562	\$ 67,672
Cumulative translation adjustments	\$ 83,463	\$ (91,759)
Change in unrealized gain on financial instruments	\$ (1,871,602)	\$ 2,679,976
Adjustment of cash dividends distributed to subsidiaries holding the Company's stock	\$ 109,802	\$ 73,201
Share swap in investee by new issuance	\$ 1,314,742	\$ -

The accompanying notes are an integral part to these financial statements.

Attachment IV

English Translation of a Report Originally Issued in Chinese Independent Auditors' Report

To the Board of Directors and Shareholders of MediaTek Inc.

We have audited the consolidated balance sheets of MediaTek Inc. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MediaTek Inc. and subsidiaries as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standard, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

As discussed in Note 3 to the financial statements, effective January 1, 2006, the Company and subsidiaries adopted the R.O.C. Statement of Financial Accounting Standards No. 34 "Accounting for Financial Instruments" and the Statement of Financial Accounting Standards No. 36 "Disclosure and Presentation of Financial Instruments" to account for the related assets.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 17, 2008
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars)

ASSETS		Notes	2007	2006	LIABILITIES AND SHAREHOLDERS' EQUITY		Notes	2007	2006
Current assets					Current liabilities				
Cash and cash equivalents	2, 4(1)		\$ 50,588,024	\$ 46,838,240	Short-term loans	4(11)	\$ 25,000	\$ -	
Financial assets at fair value through profit or loss-current	2, 4(2)		3,144,085	2,927,925	Financial liability at fair value through profit or loss-current	2, 4(2)	44,704	14,586	
Available for sale financial assets-current	2, 4(3)		6,276,611	3,097,254	Accounts payable		6,891,874	4,088,743	
Held-to-maturity financial assets-current	2, 4(4)		501,574	-	Payables to related parties	5	644,658	196,472	
Accounts receivable, net	2, 4(5)		7,077,379	3,856,794	Income tax payable	2, 4(23)	2,591,244	2,341,571	
Receivables from related parties, net	5		4,374	207	Accrued expenses		1,996,335	2,037,920	
Other receivables	2, 4(6)		731,389	336,449	Payables to contractors and equipment suppliers		198,852	162,559	
Inventories, net	2, 4(7)		10,540,372	3,494,063	Current portion of long-term liabilities	4(12)	2,223	-	
Prepayments and other current assets			702,189	210,352	Leased payable-current	4(13)	4,933	-	
Deferred income tax assets-current	2, 4(23)		594,462	335,144	Other current liabilities		321,057	315,974	
Restricted deposits-current	6		1,563	-	Total current liabilities		12,720,880	9,157,825	
Total current assets			80,162,022	61,096,428					
Funds and investments		2, 4(8)			Long-term liabilities				
Financial assets designated as at fair value through profit or loss-noncurrent			433,893	64,189	Long-term loans	4(12)	7,712	-	
Available-for-sale financial assets-noncurrent			3,779,870	3,329,893	Leased payable-noncurrent	4(13)	1,304	-	
Held-to-maturity financial assets-noncurrent			641,987	162,980	Total long-term liabilities		9,016	-	
Financial assets carried at cost-noncurrent			547,843	698,942					
Bond portfolios with no active market-noncurrent			1,000,000	1,000,000	Other liabilities				
Investments accounted for using equity method			1,243,367	2,091,768	Accrued pension liabilities	2, 4(14)	66,368	60,977	
Total funds and investments			7,646,960	7,347,772	Deposit received		1,022	-	
					Total other liabilities		67,390	60,977	
Property, plant and equipment		2, 4(9), 6			Total liabilities		12,797,286	9,218,802	
Land			12,041	-	Shareholders' equity				
Buildings and facilities			4,301,500	4,113,175	Capital				
Machinery and equipment			688,934	170,062	Common stock	4(15)	10,408,538	9,683,127	
Research and development equipment			1,769,967	1,243,879	Capital reserve				
Miscellaneous equipment			438,518	147,762	Additional paid-in capital	4(17)	2,090,759	69,689	
Total cost			7,210,960	5,674,878	Treasury stock transaction	4(17)	328,475	218,673	
Less : Accumulated depreciation			(1,628,117)	(744,832)	Donated assets	4(17)	1,260	1,260	
Add : Construction in progress			172,284	-	Long-term investment transaction	4(8),4(17)	119,349	114,787	
Prepayments for equipment			166,402	125,479	Total capital reserve		2,539,843	404,409	
Property, plant and equipment, net			5,921,529	5,055,525	Retained earnings				
					Legal reserve	4(16)	9,665,144	7,407,185	
Intangible assets					Special reserve	4(19)	-	714,649	
Software	2, 4(10)		708,953	295,425	Undistributed earnings	4(19)	62,971,175	47,175,664	
Goodwill	2		758,698	1,044	Other adjustments				
Patents, IPs and others	2, 4(10)		2,884,206	1,810,670	Cumulative translation adjustments	2	(400,047)	(483,510)	
Total intangible assets			4,351,857	2,107,139	Unrealized gain on financial instruments	2	808,374	2,679,976	
					Treasury stock	2, 4(20)	(55,970)	(55,970)	
Other assets					Total shareholders' equity attributable to shareholders of parent company		85,937,057	67,525,530	
Refundable deposits			368,577	25,351					
Deferred assets	2		43,349	3,605	Minority interests in subsidiaries		132,191	-	
Deferred income tax assets-noncurrent	2, 4(23)		369,137	1,108,512	Total shareholders' equity		86,069,248	67,525,530	
Restricted deposits-noncurrent	6		3,103	-					
Total other assets			784,166	1,137,468					
					Total liabilities and shareholders' equity				
Total assets			\$ 98,866,534	\$ 76,744,332			\$ 98,866,534	\$ 76,744,332	

The accompanying notes are an integral part to these financial statements.

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars, except earnings per share)

Description	Notes	2007		2006	
Gross sales		\$ 82,139,126		\$ 58,690,081	
Less : Sales returns and discounts		(1,467,357)		(2,292,796)	
Net sales	2, 4(21), 5	80,671,769		56,397,285	
Cost of goods sold	4(22), 5	(35,340,888)		(24,518,804)	
Gross profits		45,330,881		31,878,481	
Operating expenses	2, 4(22)				
Selling expenses		(1,647,098)		(1,047,741)	
Administrative expenses		(2,640,562)		(1,660,768)	
Research and development expenses		(9,154,041)		(5,904,793)	
Total operating expenses		(13,441,701)		(8,613,302)	
Operating income		31,889,180		23,265,179	
Non-operating income and gains					
Interest income		1,555,191		1,161,541	
Gain on equity investments, net	2, 4(8)	168,721		97,156	
Gain on disposal of property, plant and equipment	2	219		36,126	
Gain on disposal of investments	2	1,757,267		441,595	
Foreign exchange gain, net	2	-		115,234	
Reversal of bad debts	2	-		56,139	
Valuation gain on financial instruments	2	-		99,262	
Others	5	272,414		115,348	
Total non-operating income and gains		3,753,812		2,122,401	
Non-operating expenses and losses					
Interest expense		(65,426)		(6,826)	
Loss on disposal of property, plant and equipment	2	(2,858)		(21,066)	
Foreign exchange loss, net	2	(18,242)		-	
Inventory loss provision	2	(95,290)		(267,567)	
Impairment loss	2, 4(8)	(375,312)		(12,000)	
Valuation loss on financial assets	2, 4(2)	(5,026)		-	
Valuation loss on financial liabilities	2, 4(2)	(44,704)		(14,586)	
Others		(183,849)		(80,863)	
Total non-operating expenses and losses		(790,707)		(402,908)	
Income from continuing operations before income taxes		34,852,285		24,984,672	
Income tax expense	2, 4(23)	(1,462,151)		(1,838,776)	
Income from continuing operations		33,390,134		23,145,896	
Cumulative effect of changes in accounting principles (net of tax benefit of NT\$12 thousand)	3	-		9,314	
Consolidated net income		<u>\$ 33,390,134</u>		<u>\$ 23,155,210</u>	
Income Attributable to :					
Shareholders of the parent		\$ 33,592,702		\$ 22,579,582	
Minority interests		(202,568)		575,628	
Consolidated net income		<u>\$ 33,390,134</u>		<u>\$ 23,155,210</u>	
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(24)	Before tax	After tax	Before tax	After tax
Income from continuing operations		\$ 33.81	\$ 32.39	\$ 24.26	\$ 22.48
Cumulative effect of changes in accounting principles		-	-	0.01	0.01
Consolidated Net income		33.81	32.39	24.27	22.49
Net income(loss) attributable to minority interests		0.20	0.20	(0.58)	(0.56)
		<u>\$ 34.01</u>	<u>\$ 32.59</u>	<u>\$ 23.69</u>	<u>\$ 21.93</u>

The accompanying notes are an integral part to these financial statements.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2007 and 2006

(Amounts in thousand New Taiwan Dollars)

Description	Common stock	Capital reserve	Retained Earnings			Cumulative translation adjustments	Unrealized gain on financial instruments	Treasury stock	Total shareholder's equity attributable to shareholders of parent company	Minority interests in subsidiaries	Total shareholder's equity
			Legal reserve	Special reserve	Undistributed earnings						
Balance as of January 1, 2006	\$ 8,640,506	\$ 263,536	\$ 5,579,822	\$ 714,649	\$ 37,993,458	\$ (391,751)	\$ -	\$ (55,970)	\$ 52,744,250	\$ 2,707,711	\$ 55,451,961
Appropriation and distribution of 2005 earnings:											
Legal reserve	-	-	1,827,363	-	(1,827,363)	-	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(49,339)	-	-	-	(49,339)	-	(49,339)
Employees' bonuses	178,570	-	-	-	(1,152,067)	-	-	-	(973,497)	-	(973,497)
Shareholders' dividends	864,051	-	-	-	(10,368,607)	-	-	-	(9,504,556)	-	(9,504,556)
Net income attributable to parent company's shareholders for the year ended December 31, 2006	-	-	-	-	22,579,582	-	-	-	22,579,582	-	22,579,582
Unrealized gain on financial instruments	-	-	-	-	-	-	2,679,976	-	2,679,976	-	2,679,976
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	73,201	-	-	-	-	-	-	73,201	-	73,201
Adjustment arising from changes in percentage of ownership in investees	-	67,672	-	-	-	-	-	-	67,672	-	67,672
Cumulative translation adjustments	-	-	-	-	-	(91,759)	-	-	(91,759)	-	(91,759)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	(2,707,711)	(2,707,711)
Balance as of December 31, 2006	9,683,127	404,409	7,407,185	714,649	47,175,664	(483,510)	2,679,976	(55,970)	67,525,530	-	67,525,530
Appropriation and distribution of 2006 earnings:											
Legal reserve	-	-	2,257,959	-	(2,257,959)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(714,649)	714,649	-	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(63,109)	-	-	-	(63,109)	-	(63,109)
Employees' bonuses	206,837	-	-	-	(1,181,926)	-	-	-	(975,089)	-	(975,089)
Shareholders' dividends	484,156	-	-	-	(15,008,846)	-	-	-	(14,524,690)	-	(14,524,690)
Share swap in investee by new issuance	34,418	2,021,070	-	-	-	-	-	-	2,055,488	-	2,055,488
Net income attributable to parent company's shareholders for the year ended December 31, 2007	-	-	-	-	33,592,702	-	-	-	33,592,702	-	33,592,702
Unrealized gain on financial instruments	-	-	-	-	-	-	(1,871,602)	-	(1,871,602)	-	(1,871,602)
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	109,802	-	-	-	-	-	-	109,802	-	109,802
Adjustment arising from changes in percentage of ownership in investees	-	4,562	-	-	-	-	-	-	4,562	-	4,562
Cumulative translation adjustments	-	-	-	-	-	83,463	-	-	83,463	-	83,463
Increase in minority interest	-	-	-	-	-	-	-	-	-	132,191	132,191
Balance as of December 31, 2007	\$ 10,408,538	\$ 2,539,843	\$ 9,665,144	\$ -	\$ 62,971,175	\$ (400,047)	\$ 808,374	\$ (55,970)	\$ 85,937,057	\$ 132,191	\$ 86,069,248

The accompanying notes are an integral part to these financial statements.

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2007 and 2006
(Amounts in thousand New Taiwan Dollars)

Description	2007	2006
Cash flows from operating activities :		
Consolidated net income	\$ 33,390,134	\$ 23,155,210
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of changes in accounting principles	-	(9,314)
Depreciation	647,241	421,053
Amortization	1,458,916	1,180,911
Amortization of financial assets discount or premium	(10,402)	-
Bad debt loss provision (reversal)	129,646	(56,139)
Inventory loss provision	95,290	267,567
Cash dividends from the equity investees	58,830	22,716
Net gain on equity investments	(168,721)	(97,156)
Loss on valuation of financial assets and liabilities	(28,634)	(143,751)
Impairment loss	375,312	12,000
Gain on disposal of investment(include interest income)	(1,765,821)	(441,595)
Net loss (gain) on disposal of property, plant and equipment	2,639	(15,060)
(Increase) decrease in accounts receivable	(3,350,231)	815,021
(Increase) decrease in receivables from related parties	(4,167)	13,318
Increase in other receivables	(385,107)	(18,843)
Increase in inventories	(7,141,599)	(98,864)
Decrease in deferred income tax assets	480,057	150,237
(Increase) decrease in prepayments and other current assets	(491,837)	104,158
Increase in accounts payable	2,803,131	686,676
Increase (decrease) in payables to related parties	448,186	(2,056,587)
Increase in income taxes payable	249,673	1,428,319
Decrease in accrued expenses	(41,585)	(1,591,297)
Increase (decrease) in other current liabilities	5,083	(157,181)
Increase in accrued pension liabilities	5,391	37,344
Net cash provided by operating activities	<u>26,761,425</u>	<u>23,608,743</u>
Cash flows from investing activities :		
(Increase) decrease in restricted deposits	(4,666)	59,080
Purchase of property, plant and equipment	(1,696,126)	(612,880)
Proceeds from disposal of property, plant and equipment	5,987	521,003
Proceeds from disposal of group as held for sale	-	590,860
Increase in financial assets at fair value through profit or loss-current	(145,591)	(593,547)
Increase in financial assets designated as at fair value through profit or loss	(657,444)	(65,700)
Increase in available-for-sale financial asset-noncurrent	282,660	-
Increase in available-for-sale financial assets	(5,576,788)	(4,339,473)
Increase in available-for-sale financial asset refundable	14	-
Proceeds from disposal of available-for-sale financial assets	626,016	755,590
Increase in held-to-maturity financial assets	(984,648)	(162,980)
Disinvestment of financial assets carried at cost refundable	22,155	10,500
Increase in financial assets carried at cost	(105,265)	(9,674)
Proceeds from disposal of financial assets carried at cost	39,880	-
Increase in investments accounted for using equity method	1,844,705	(1,894,726)
Proceeds from disposal of investments accounted for using equity method	1,452,250	-
Increase in intangible assets and deferred assets	(3,520,633)	(450,513)
(Increase) decrease in refundable deposits	(343,226)	56,554
Net cash used in investing activities	<u>(8,760,720)</u>	<u>(6,135,906)</u>
Cash flows from financing activities :		
Increase in lease payable	6,237	-
Increase in short-term debts	25,000	-
Increase in long-term debts	9,935	-
Decrease in bonds payable	-	(921,672)
Decrease in deferred credits	-	(183,851)
Contingent consideration based on securities price	740,746	-
Increase (decrease) in deposits received	1,022	(7,437)
Cash dividends	(14,524,690)	(9,504,556)
Directors' and supervisors' remuneration	(63,109)	(49,339)
Employees' bonuses	(975,089)	(973,497)
Cash dividends distributed to subsidiaries holding the Company's stock	109,802	73,201
Increase (decrease) in minority interest	331,162	(2,620,977)
Net cash used in financing activities	<u>(14,338,984)</u>	<u>(14,188,128)</u>
Effect of exchange rate changes	88,063	(92,065)
Net increase in cash and cash equivalents	3,749,784	3,192,644
Cash and cash equivalents at the beginning of the year	46,838,240	43,645,596
Cash and cash equivalents at the end of the year	<u>\$ 50,588,024</u>	<u>\$ 46,838,240</u>
Supplemental disclosures of cash flow information :		
Interest paid during the year	<u>\$ 64,050</u>	<u>\$ 1,442</u>
Income tax paid during the year	<u>\$ 732,421</u>	<u>\$ 375,740</u>
Activities partially effected cash flows :		
Purchase of property, plant and equipment	\$ 1,732,419	\$ 458,857
Add: (increase) decrease in payables to contractors and equipment suppliers	(36,293)	154,023
Cash paid for the purchase of property, plant and equipment	<u>\$ 1,696,126</u>	<u>\$ 612,880</u>
Non-cash activities :		
Stock dividends and employees' bonuses capitalized	<u>\$ 690,993</u>	<u>\$ 1,042,621</u>
Change in unrealized gain on financial instruments	<u>\$ (1,871,602)</u>	<u>\$ 2,679,976</u>

The accompanying notes are an integral part to these financial statements.