



# **Handbook for the 2013 Annual Meeting of Shareholders**

(TRANSLATION)

**Meeting Date: June 21, 2013**

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**MediaTek Inc.**  
**Procedure for the 2013 Annual Meeting of Shareholders**

1. Call the meeting to order
2. Chairman takes chair
3. Chairman's opening remarks
4. Report Items
5. Acknowledgements
6. Proposed Resolutions
7. Special Motions
8. Meeting Adjourned

**MediaTek Inc.**  
**Year 2013**  
**Agenda of Annual Meeting of Shareholders**

**Time:** 9:00 a.m., June 21, 2013 (Friday)

**Venue:** International Convention Center, MediaTek  
No. 1, Du-Shing Road One, Science-Based Industrial Park, Hsin-Chu City, Taiwan,  
R.O.C.

**Agenda:**

1. Call the meeting to order
2. Chairman's opening remarks
3. Report Items
  - (1). 2012 Business Report
  - (2). Supervisors' Review Report on the 2012 Financial Statements
4. Acknowledgements
  - (1). Adoption of the 2012 Business Report and Financial Statements
  - (2). Adoption of the Proposal for Distribution of 2012 Profits
5. Proposed Resolutions
  - (1). Amendment to the Company's "Operating Procedures of Outward Loans to Others" and "Operating Procedures of Endorsement/Guarantee"
  - (2). Review and approval of the cash distribution from capital reserve
6. Special Motions
7. Meeting Adjourned

## Report Items

### Report item (1)

Proposed by the Board of Directors

Subject: MediaTek's 2012 Business Report. Please resolve your decision.

Descriptions: MediaTek's 2012 Business Report is attached as page 8, Attachment 1.

### Report item (2)

Proposed by the Board of Directors

Subject: The Supervisors have duly reviewed MediaTek's 2012 Business Report, Financial Statements, and earnings allocation. Please accept the above-mentioned Business Report and Financial Statements.

Descriptions: The 2012 Supervisors' Review Report is attached as page 9, Attachment 2.

## Acknowledgements

### Acknowledgement item (1)

Proposed by the Board of Directors

Subject: Adoption of the 2012 Business Report and Financial Statements

Descriptions:

- (1). MediaTek's 2012 Financial Statements, including the balance sheets, income statement, statements of changes in shareholders' equity, and statements of cash flows, were audited by independent auditors Shao-Pin Kuo and Hsin-Min Hsu of Ernst & Young. The report issued by the independent auditors has been approved at the 7<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors.
- (2). For the 2012 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements, please refer to page 8, Attachment 1, page 10-14, Attachment 3, and page 15-19, Attachment 4.

Resolution:

### Acknowledgement item (2)

Proposed by the Board of Directors

Subject: Adoption of the Proposal for Distribution of 2012 Profits

Descriptions:

- (1). The Board has adopted a Proposal for Distribution of 2012 Profits.
- (2). Please refer to the 2012 profit distribution table below:

Descriptions	Amount (NTD)	Remarks
Unappropriated retained earnings	\$46,852,359,369	
Plus: Net profit for 2012	15,687,528,020	
Earnings available for distribution	62,539,887,389	
Distribution items:		
Legal reserve	1,568,752,802	
Special reserve	2,862,112,735	
Dividend to common shareholders	674,690,207	Cash dividend of NT\$0.5 per share; No stock dividend.
	5,105,555,744	
Unappropriated retained earnings	57,434,331,645	

**Note:**

1. After expensing employee cash bonuses of NT\$895,875,051 and there is no difference with the estimated employee cash bonuses.
2. Remuneration to Directors and Supervisors was NT\$28,141,659. There is a difference of NT\$3,720,816 with the estimated Directors' compensation. The estimate was calculated based on 0.2169457% of the distributable earnings while the actual compensation was calculated based on 0.25% of the distributable earnings. The difference will be considered as a change in the accounting estimate and booked in the financial report of the following fiscal year after being approved in the annual shareholders' meeting.
3. The Company adopted IFRSs for the first time in compliance with Letter Jin-Guan-Zi No. 1010012865 issued on April 6, 2012 by the Financial Supervisory Commission; the Company's unappropriated retained earnings as of the date of transition, January 1, 2012, and December 31, 2012, were reduced by NT\$136,728,389 and NT\$326,070,313, respectively. In addition, no entry was made in the special reserve category due to of the transfer of retained earnings as adopted in IFRS Standard No. 1 ("First-time Adoption of IFRS").
4. The Board of Directors is authorized to determine the cash dividend payout date.
5. If the outstanding shares are impacted due to the Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, it is proposed the Board of Directors be authorized by the Annual Meeting of Shareholders to adjust the cash payout ratio.

Chairman: Ming-Kai Tsai

President: Ching-Jiang Hsieh

Chief Financial Officer: David Ku

Resolution:

## Proposed Resolutions

### Proposal (1)

Proposed by the Board of Directors

Subject: Amendment to the Company's "Operating Procedures of Outward Loans to Others" and "Operating Procedures of Endorsement/Guarantee". Please proceed to discuss.

Descriptions:

- (1). The Company plans to amend "Operating Procedures of Outward Loans to Others" and "Operating Procedures of Endorsement/Guarantee", in accordance with guidelines announced by the Financial Supervisory Commission of Executive Yuan on July 6<sup>th</sup>, 2012 (Regulation No. 1010029874). The Company's amendments have been approved at the 7<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors.
- (2). For the comparison table of articles being amended, please refer to page 20, Attachment 5, and page 21, Attachment 6.

Resolution:

### Proposal (2)

Proposed by the Board of Directors

Subject: Review and approval of the cash distribution from capital reserve. Please proceed to discuss.

Descriptions:

- (1). The Company plans to distribute cash of NT\$11,469,733,519 from the capital reserve in excess of par value to the register of shareholders on the record date and the expected cash per share is NT\$8.5. Cash payment shall be rounded to one NTD (amounts less than one NTD shall be ignored).
- (2). If the outstanding shares are impacted due to the Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, it is proposed the Board of Directors be authorized by the Annual Meeting of Shareholders to adjust the cash payout ratio.
- (3). Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to determine the record date and payment date for the cash distribution from capital reserve.

Resolution:

## Special Motions

## Meeting Adjourned

# Attachment



## Attachment 1

# MediaTek Inc. 2012 Business Report

Dear Shareholders:

2012 was a year of both challenges and opportunities for MediaTek and indeed the entire IC design industry. Demand from emerging markets experienced rapid changes; penetration of smartphones increased sharply while the popularity of new applications, such as tablets, continued to expand. Consumer electronics manufacturers relentlessly launched new products that incorporated upgraded end-product specifications, simultaneously stimulating market demand and resulting in fierce market competition. MediaTek — in order not only to succeed in these competitive conditions, but to thrive — continued to launch smartphone products that met the demands of the market by utilizing our in-depth understanding of the emerging markets, solid technology and execution capabilities. Thanks to our employees' dedication, MediaTek achieved a net consolidated revenue of NT\$99.3 billion and an earnings per share of NT\$12.9 for the fiscal year of 2012.

To respond to the increasingly heated demand for smartphones from consumers in emerging markets, MediaTek launched a series of solutions with high performance-cost ratio, supporting WCDMA, TD-SCDMA, and EDGE smartphones in 2012. The specifications and performance of the new series captured the attention of the market and helped contribute to a substantial year-on-year growth in shipments. Moreover, our smartphone platform was included in Wi-Fi alliance's Wi-Fi Certified Passpoint™ program test bed as the sole mobile benchmark platform. Our unwavering commitments in other product lines also resulted in us launching pioneering products that further strengthened our product mix, such as the world's first 120Hz Smart TV supported single chip, the world's first Bluetooth 4.0 and 802.11ac Wireless mobile combo chip for mobile devices, the world's first 802.11ac dual-band concurrent Wi-Fi router platform for home use and so on.

In addition to our achievements in product development, MediaTek received high praise from institutions both in Taiwan and overseas in 2012. Chairman Mr. Ming-Kai Tsai was awarded the first "Academician of ITRI (Industrial Technology Research Institute), R.O.C." and included in the Harvard Business Review's list of "The 100 Best-Performing CEOs in the World". Moreover, MediaTek was awarded the "Outstanding Asia-Pacific Semiconductor Company Award" by GSA (Global Semiconductor Alliance) and published 2 research papers at the ISSCC, setting yet another new industry record in Taiwan for consecutively published research papers.

In a move that will pave the way for long-term strategic development and enhance overall competitiveness of the Company, in 2012, MediaTek announced a plan to merge with MStar Semiconductor Inc. (Cayman), and also acquired the Swedish company Coresonic AB, a global leader in Digital Signal Processor (DSP) technology. These critical initiatives were taken in order to strengthen MediaTek's product mix and technology as well as acquire top R&D teams and talents around the world, thereby intensively integrating valuable resources over the mid to long term which will shore up MediaTek's competitiveness on a global scale.

As we go forward, the smartphone conversion trend is expected to expand beyond China and into other emerging markets while tablets continue to be one of the new applications with great growth potential. Moving beyond 3G toward 4G technology, MediaTek is well-positioned to continue to expand and enhance the width and depth of product lines and work closely with customers to win market opportunities and create win-win results. MediaTek is confident in the future growth of the company and in generating fruitful results for our shareholders, customers, and employees. Once again, we would like to thank you — our shareholders — for your continued support and generosity.

Chairman: Ming-Kai Tsai

President: Ching-Jiang Hsieh

Chief Financial Officer: David Ku

**Attachment 2**

**MediaTek Inc.  
Supervisors' Report**

The Financial Statements of MediaTek Inc. in fiscal year 2012 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. 2013 Annual General Shareholders' Meeting

MediaTek Inc.

Supervisor: Paul Wang

Supervisor: Chung-Lang Liu (MediaTek Capital Corp., representative)

Supervisor: Ming-Je Tang (National Taiwan University, representative)

March 29, 2013

## Independent Auditors' Report

(English translation of a report originally issued in Chinese)

To the Board of Directors and Shareholders  
of MediaTek Inc.

We have audited the accompanying balance sheets of MediaTek Inc. as of December 31, 2012 and 2011, 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, 2012 and 2011, 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 standards, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

The Company has prepared consolidated financial statements as of December 31, 2012 and 2011 and for the years then ended. We have expressed an unqualified opinion on those consolidated financial statements.

Ernst & Young  
CERTIFIED PUBLIC ACCOUNTANTS  
March 29, 2013  
Taipei, Taiwan  
Republic of China

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### 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.

## MEDIATEK INC.

## BALANCE SHEETS

As of December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	2012	2011	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2012	2011
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	2, 4(1)	\$ 28,288,474	\$ 27,137,268	Short-term loans	4(14)	\$ 2,179,150	\$ -
Held-for-trading financial assets-current	2, 4(2)	111	-	Held-for-trading financial liabilities-current	2, 4(2)	2,592	-
Financial assets designated as at fair value through profit or loss-current	2, 4(3)	50,129	393,510	Accounts payable		6,550,078	6,696,357
Available-for-sale financial assets-current	2, 4(4), 4(11)	2,646,087	1,627,536	Payables to related parties	5	116,392	119,190
Bond portfolios with no active market-current	2, 4(10)	-	1,000,000	Income tax payable	2, 4(24)	878,403	470,032
Accounts receivable, net	2, 4(5)	2,945,188	3,200,385	Accrued expenses	2, 4(20)	10,406,921	12,856,882
Receivables from related parties, net	5	31,712	61,418	Payables to contractors and equipment suppliers		21,664	-
Other receivables	4(5), 4(6), 4(10), 5	3,559,885	2,156,836	Other current liabilities		565,046	598,081
Inventories, net	2, 4(7)	10,589,234	6,278,630	Total current liabilities		20,720,246	20,740,542
Prepayments		329,269	305,418	<b>Other liabilities</b>			
Other current assets		395,881	265,275	Accrued pension liabilities	2, 4(15)	220,083	190,538
Deferred income tax assets-current	2, 4(24)	351,407	72,475	Deposits received	5	29,579	5,969
Restricted assets-current	6	111,984	9,947	Deferred income tax liabilities-noncurrent	2, 4(24)	1,156,864	821,539
Total current assets		49,299,361	42,508,698	Total other liabilities		1,406,526	1,018,046
<b>Funds and investments</b>				Total liabilities		22,126,772	21,758,588
Available-for-sale financial assets-noncurrent	2, 4(8)	1,965,084	1,592,572	<b>Shareholders' equity</b>			
Investments accounted for using the equity method	2, 4(11)	133,170,053	79,575,986	Capital	4(11), 4(16)		
Total funds and investments		135,135,137	81,168,558	Common stock		13,493,702	11,475,108
<b>Property, plant and equipment</b>	2, 4(12), 5			Capital collected in advance		102	83
Land		888,722	888,722	Capital reserve	2, 4(18)		
Buildings and facilities		5,752,531	5,768,329	Additional paid-in capital in excess of par		78,042,994	23,161,573
Machinery and equipment		57,536	98,833	Treasury stock transaction		1,011,446	941,301
Computer and telecommunication equipment		895,247	798,950	Donated assets		1,260	1,260
Testing equipment		2,072,827	2,014,374	Long-term investment transaction	4(11)	170,123	225,366
Miscellaneous equipment		158,006	158,006	Employee stock option	4(11), 4(19)	326,043	276,382
Total cost		9,824,869	9,727,214	Total capital reserve		79,551,866	24,605,882
Less : Accumulated depreciation		(3,772,863)	(3,325,826)	Retained earnings	4(17), 4(20)		
Add : Construction in progress		154,015	54,736	Legal reserve		23,072,429	21,710,122
Prepayments for equipment		76,131	46,995	Special reserve		2,210,312	4,198,121
Property, plant and equipment, net		6,282,152	6,503,119	Undistributed earnings		62,539,888	56,554,982
<b>Intangible assets</b>	2, 4(13)			Other adjustments			
Patents		21,470	121,990	Cumulative translation adjustments	2	(5,762,265)	(2,253,504)
Software		114,799	126,410	Net loss not recognized as pension cost		(10,503)	-
Goodwill		6,817,211	6,817,211	Unrealized gain (loss) on financial instruments	2, 4(11)	700,343	43,192
Deferred pension cost	2, 4(15)	441	-	Treasury stock	2, 4(21)	(55,970)	(55,970)
IPs and others		86,507	649,016	Total shareholders' equity		175,739,904	116,278,016
Total intangible assets		7,040,428	7,714,627				
<b>Other assets</b>				<b>Total liabilities and shareholders' equity</b>		\$ 197,866,676	\$ 138,036,604
Refundable deposits		109,598	141,602				
Total other assets		109,598	141,602				
<b>Total assets</b>		\$ 197,866,676	\$ 138,036,604				

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

## MEDIATEK INC.

## STATEMENTS OF INCOME

For the years ended December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2012	2011
<b>Gross sales</b>		\$ 74,081,400	\$ 57,285,540
Less : Sales returns		(24,264)	(26,338)
Sales discounts		(10,583,107)	(3,416,836)
Net sales	2, 4(22), 5	63,474,029	53,842,366
<b>Cost of goods sold</b>	4(7), 4(23), 5	(40,770,355)	(31,773,236)
<b>Gross profits</b>		22,703,674	22,069,130
<b>Operating expenses</b>	2, 4(23), 5		
Selling expenses		(2,253,862)	(2,065,159)
General and administrative expenses		(1,548,150)	(1,715,355)
Research and development expenses		(13,051,340)	(13,448,835)
Total operating expenses		(16,853,352)	(17,229,349)
<b>Operating income</b>		5,850,322	4,839,781
<b>Non-operating income and gains</b>			
Interest income	10	305,217	397,139
Gain on equity investments, net	2, 4(11)	9,389,978	8,662,095
Dividend income		47,768	2,922
Gain on disposal of investments	2, 4(11)	692,391	-
Foreign exchange gain, net	2	51,617	19,498
Valuation gain on financial assets	2, 4(2), 10	23,221	-
Others	5	187,280	175,774
Total non-operating income and gains		10,697,472	9,257,428
<b>Non-operating expenses and losses</b>			
Interest expenses	10	(1,734)	(4,524)
Loss on disposal of property, plant and equipment	2	(1,298)	(14,847)
Loss on disposal of investments	2	-	(7,890)
Impairment loss	2, 4(4)	(84,998)	-
Valuation loss on financial liabilities	2, 4(2), 10	(2,592)	(58,295)
Others		(1,302)	(53,105)
Total non-operating expenses and losses		(91,924)	(138,661)
<b>Income from continuing operations before income tax</b>		16,455,870	13,958,548
<b>Income tax expense</b>	2, 4(24)	(768,342)	(335,478)
<b>Net income</b>		\$ 15,687,528	\$ 13,623,070
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(25)	Before tax    After tax	Before tax    After tax
Net income		\$ 13.53    \$ 12.90	\$ 12.65    \$ 12.35
<b>Pro-forma data: (Assuming that the Company's shares owned by its subsidiary were not treated as treasury stock)</b>			
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(25)		
Net income		\$ 13.50    \$ 12.87	\$ 12.71    \$ 12.40
Diluted Earnings Per Share (in New Taiwan Dollars)	2, 4(25)		
Net income		\$ 13.46    \$ 12.83	\$ 12.51    \$ 12.21

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

**MEDIATEK INC.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the years ended December 31, 2012 and 2011**  
(Amounts in thousands of New Taiwan Dollars)

Description	Capital			Retained earnings			Cumulative translation adjustments	Net loss not recognized as pension cost	Unrealized gain (loss) on financial instruments	Treasury stock	Total
	Common stock	Capital collected in advance	Capital reserve	Legal reserve	Special reserve	Undistributed earnings					
Balance as of January 1, 2011	\$ 10,999,317	\$ 365	\$ 12,259,404	\$ 18,613,978	\$ 355,131	\$ 73,739,007	\$ (4,380,730)	\$ -	\$ 182,608	\$ (55,970)	\$ 111,713,110
Appropriation and distribution of 2010 earnings:											
Legal reserve	-	-	-	3,096,144	-	(3,096,144)	-	-	-	-	-
Special reserve	-	-	-	-	3,842,990	(3,842,990)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(21,999,457)	-	-	-	-	(21,999,457)
Net income for the year ended December 31, 2011	-	-	-	-	-	13,623,070	-	-	-	-	13,623,070
Shares issued to acquire new entities	555,336	-	12,259,039	-	-	-	-	-	-	-	12,814,375
Treasury stock acquired	-	-	-	-	-	-	-	-	-	(2,109,914)	(2,109,914)
Treasury stock retired	(80,000)	-	(161,410)	-	-	(1,868,504)	-	-	-	2,109,914	-
Employee stock option distributed to subsidiaries' employees	-	-	88,803	-	-	-	-	-	-	-	88,803
Issuance of stock from exercising employee stock options	455	(282)	3,321	-	-	-	-	-	-	-	3,494
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	155,881	-	-	-	-	-	-	-	155,881
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	-	(139,416)	-	(139,416)
Adjustment arising from changes in the percentage of ownership in investees	-	-	844	-	-	-	-	-	-	-	844
Cumulative translation adjustments	-	-	-	-	-	-	2,127,226	-	-	-	2,127,226
Balance as of December 31, 2011	\$ 11,475,108	\$ 83	\$ 24,605,882	\$ 21,710,122	\$ 4,198,121	\$ 56,554,982	\$ (2,253,504)	\$ -	\$ 43,192	\$ (55,970)	\$ 116,278,016
Appropriation and distribution of 2011 earnings:											
Legal reserve	-	-	-	1,362,307	-	(1,362,307)	-	-	-	-	-
Special reserve	-	-	-	-	(1,987,809)	1,987,809	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,328,124)	-	-	-	-	(10,328,124)
Net income for the year ended December 31, 2012	-	-	-	-	-	15,687,528	-	-	-	-	15,687,528
Shares issued to acquire new entities	2,017,679	-	54,880,856	-	-	-	-	-	-	-	56,898,535
Employee stock option distributed to subsidiaries' employees	-	-	49,661	-	-	-	-	-	-	-	49,661
Issuance of stock from exercising employee stock options	915	19	576	-	-	-	-	-	-	-	1,510
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	70,145	-	-	-	-	-	-	-	70,145
Disposal of investments accounted for using the equity method	-	-	(86,357)	-	-	-	-	-	-	-	(86,357)
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	-	657,151	-	657,151
Adjustment arising from changes in the percentage of ownership in investees	-	-	31,103	-	-	-	-	-	-	-	31,103
Net loss not recognized as pension cost	-	-	-	-	-	-	-	(10,503)	-	-	(10,503)
Cumulative translation adjustments	-	-	-	-	-	-	(3,508,761)	-	-	-	(3,508,761)
Balance as of December 31, 2012	\$ 13,493,702	\$ 102	\$ 79,551,866	\$ 23,072,429	\$ 2,210,312	\$ 62,539,888	\$ (5,762,265)	\$ (10,503)	\$ 700,343	\$ (55,970)	\$ 175,739,904

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

## MEDIATEK INC.

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

Description	2012	2011
<b>Cash flows from operating activities :</b>		
Net income	\$ 15,687,528	\$ 13,623,070
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	617,824	678,986
Amortization	1,753,083	1,027,349
Bad debt reversal	(90,204)	(87,757)
Allowance for sales returns and discounts	1,558,024	-
Amortization of financial assets discount or premium	-	(85)
Cash dividends from equity investees	2,741,603	166,503
Gain on recovery in market value and obsolescence of inventories	(1,201,731)	(588,362)
Net loss on disposal of property, plant and equipment	1,298	14,847
Net loss on disposal of intangible assets (included in other losses)	-	74
Net gain on equity investments	(9,389,978)	(8,662,095)
Adjustment of valuation on financial assets and liabilities	(3,993)	69,128
Loss on impairment of financial assets	84,998	-
(Gain) loss on disposal of investments	(692,391)	7,890
Deferred income tax	56,393	160,984
Employees' bonuses	895,875	1,714,243
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	349,855	585,210
Accounts receivable	(1,504,221)	(126,761)
Receivables from related parties	29,706	(16,253)
Other receivables	(111,451)	(186,844)
Inventories	(3,108,873)	752,424
Prepayments	(23,851)	1,675,866
Other current assets	(106,263)	226,838
Deferred pension cost	(441)	-
Accounts payable	(146,279)	752,243
Payables to related parties	(2,798)	(259,218)
Income tax payable	408,371	(470,319)
Accrued expenses	(3,345,836)	(3,360,721)
Other current liabilities	(33,035)	205,013
Accrued pension liabilities	19,042	83,311
Net cash provided by operating activities	4,442,255	7,985,564
<b>Cash flows from investing activities :</b>		
Increase in restricted deposits	(102,037)	(30)
Increase in available-for-sale financial assets	(296,804)	(1,190,681)
Proceeds from disposal of available-for-sale financial assets	41,896	1,822,490
Purchase of investments accounted for using the equity method	(2,999,635)	-
Proceeds from disposal of investments accounted for using the equity method	1,528,400	-
Proceeds from equity investees' capital return	8,108,258	-
Purchase of property, plant and equipment	(431,187)	(454,463)
Increase in intangible assets	(1,048,090)	(117,203)
Decrease in refundable deposits	32,004	22,975
Net cash provided by investing activities	4,832,805	83,088
<b>Cash flows from financing activities :</b>		
Increase in short-term loans	2,179,150	-
Proceeds from exercise of employee stock options	1,510	3,494
Increase in deposits received	23,610	5,093
Cash dividends	(10,328,124)	(21,999,457)
Treasury stock repurchased	-	(2,109,914)
Net cash used in financing activities	(8,123,854)	(24,100,784)
Net increase (decrease) in cash and cash equivalents	1,151,206	(16,032,132)
Cash and cash equivalents at the beginning of the year	27,137,268	43,169,400
Cash and cash equivalents at the end of the year	\$ 28,288,474	\$ 27,137,268
<b>Supplemental disclosures of cash flow information :</b>		
Income tax paid during the year	\$ 303,578	\$ 644,813
Interest paid during the year	\$ 1,734	\$ 4,524
<b>Activities partially affected cash flows :</b>		
Purchase of property, plant and equipment	\$ (452,851)	\$ (454,463)
Increase in payables to contractors and equipment suppliers	21,664	-
Cash paid for the purchase of property, plant and equipment	\$ (431,187)	\$ (454,463)
<b>Non-cash activities :</b>		
Change in unrealized gain (loss) on financial instruments	\$ 657,151	\$ (139,416)
Cumulative translation adjustments	\$ (3,508,761)	\$ 2,127,226
Adjustments arising from changes in the percentage of ownership in investees	\$ 31,103	\$ 844
Adjustment of shareholders' equity from disposal of investments accounted for using the equity method	\$ (86,357)	\$ -
Adjustments of cash dividends distributed to subsidiaries holding the Company's stock	\$ 70,145	\$ 155,881
Shares issued to acquire new entities	\$ 56,898,535	\$ 12,814,375
Available-for-sale financial assets reclassified from investments accounted for using the equity method	\$ 560,270	\$ -

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

## Independent Auditors' Report: MediaTek Inc. & Subsidiaries

(English translation of a report originally issued in Chinese)

To the Board of Directors and Shareholders  
of MediaTek Inc.

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MediaTek Inc. and its subsidiaries as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

Ernst & Young  
CERTIFIED PUBLIC ACCOUNTANTS  
March 29, 2013  
Taipei, Taiwan  
Republic of China

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#### 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, 2012 and 2011**  
(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	2012	2011	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2012	2011
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	2, 4(1)	\$ 85,867,210	\$ 85,821,438	Short-term loans	4(18)	\$ 8,880,430	\$ 4,089,150
Held-for-trading financial assets-current	2, 4(2)	244	66	Held-for-trading financial liabilities-current	2, 4(2)	2,638	-
Financial assets designated as at fair value through profit or loss-current	2, 4(3)	629,668	1,617,350	Accounts payable		8,044,063	8,062,967
Available-for-sale financial assets-current	2, 4(4), 4(12), 4(14)	3,779,013	2,545,354	Payables to related parties	5	1,003,337	958,936
Held-to-maturity financial assets-current	2, 4(5)	-	48,126	Income tax payable	2, 4(28)	1,053,591	681,003
Bond portfolios with no active market-current	2, 4(13)	-	1,000,000	Accrued expenses	2, 4(24)	13,139,736	15,714,455
Accounts receivable, net	2, 4(6)	6,584,610	7,360,317	Payables to contractors and equipment suppliers		60,894	76,861
Receivables from related parties, net	5	-	23,567	Other payables		41,260	74,260
Other receivables	4(6), 4(7), 4(13), 5	5,135,613	3,027,004	Current portion of long-term payables	4(19)	29,136	18,081
Inventories, net	2, 4(8)	13,867,311	9,392,282	Other current liabilities		610,139	752,407
Prepayments		1,141,033	689,987	Deferred income tax liabilities-current	2, 4(28)	8,123	-
Other current assets		426,062	282,585	Total current liabilities		32,873,347	30,428,120
Deferred income tax assets-current	2, 4(28)	526,731	220,940				
Restricted assets-current	6	113,598	13,112	<b>Long-term liabilities</b>			
Total current assets		118,071,093	112,042,128	Long-term payables	4(19)	113,630	147,662
<b>Funds and investments</b>				<b>Other liabilities</b>			
Financial assets designated as at fair value through profit or loss-noncurrent	2, 4(9)	1,484,505	1,739,337	Accrued pension liabilities	2, 4(17)	220,083	190,538
Available-for-sale financial assets-noncurrent	2, 4(10)	3,206,895	2,810,668	Deposits received	5	30,233	6,176
Held-to-maturity financial assets-noncurrent	2, 4(11)	796,860	828,422	Deferred income tax liabilities-noncurrent	2, 4(28)	1,156,875	590,934
Financial assets carried at cost-noncurrent	2, 4(12)	2,469,373	2,203,872	Other liabilities-others		74,675	49,351
Investments accounted for using the equity method	2, 4(12), 4(14)	57,162,699	1,834,664	Total other liabilities		1,481,866	836,999
Total funds and investments		65,120,332	9,416,963	Total liabilities		34,468,843	31,412,781
<b>Property, plant and equipment</b>	2, 4(15)			<b>Shareholders' equity</b>			
Land		1,273,869	1,055,184	Equity attributable to shareholders of the parent			
Buildings and facilities		6,789,307	6,135,210	Capital	4(14), 4(20)	13,493,702	11,475,108
Machinery and equipment		125,761	159,305	Common stock		102	83
Computer and telecommunication equipment		2,071,672	1,952,134	Capital collected in advance	2, 4(22)	78,042,994	23,161,573
Testing equipment		3,013,052	2,817,023	Treasury stock transaction		1,011,446	941,301
Miscellaneous equipment		1,141,325	1,126,343	Donated assets		1,260	1,260
Total cost		14,414,986	13,245,199	Long-term investment transaction	4(14)	170,123	225,366
Less : Accumulated depreciation		(5,848,890)	(4,963,794)	Employee stock option	4(23)	326,043	276,382
Add : Construction in progress		2,054,361	1,452,404	Total capital reserve		79,551,866	24,605,882
Prepayments for equipment		87,132	76,242				
Property, plant and equipment, net		10,707,589	9,810,051	Retained earnings	4(21), 4(24)		
<b>Intangible assets</b>	2, 4(16)			Legal reserve		23,072,429	21,710,122
Trademarks		14,939	27,448	Special reserve		2,210,312	4,198,121
Patents		548,129	256,844	Undistributed earnings		62,539,888	56,554,982
Software		176,262	279,424	Other adjustments			
Goodwill		13,949,611	13,428,387	Cumulative translation adjustments	2	(5,762,265)	(2,253,504)
Deferred pension cost	2, 4(17)	441	-	Net loss not recognized as pension cost		(10,503)	-
IPs and others		1,152,854	2,158,556	Unrealized gain (loss) on financial instruments	2	700,343	43,192
Total intangible assets		15,842,236	16,150,659	Treasury stock	2, 4(25)	(55,970)	(55,970)
<b>Other assets</b>				Total shareholders' equity attributable to parent company		175,739,904	116,278,016
Refundable deposits		206,393	265,431	Minority interests		34,209	50,311
Deferred charges	2	24,905	51,379	Total shareholders' equity		175,774,113	116,328,327
Deferred income tax assets-noncurrent	2, 4(28)	266,785	-				
Restricted assets-noncurrent	6	400	671	<b>Total liabilities and shareholders' equity</b>		\$ 210,242,956	\$ 147,741,108
Other assets-others	2, 4(17)	3,223	3,826				
Total other assets		501,706	321,307				
<b>Total assets</b>		\$ 210,242,956	\$ 147,741,108				

The accompanying notes are an integral part of the consolidated financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

**MEDIATEK INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the years ended December 31, 2012 and 2011**

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2012		2011	
<b>Gross sales</b>		\$	112,014,739	\$	91,480,134
Less : Sales returns			(44,482)		(44,450)
Sales discounts			(12,707,097)		(4,578,190)
Net sales	2, 4(26), 5		99,263,160		86,857,494
<b>Cost of goods sold</b>	4(8), 4(27), 5		(58,200,706)		(47,513,337)
<b>Gross profits</b>			41,062,454		39,344,157
<b>Operating expenses</b>	2, 4(27), 5				
Selling expenses			(3,109,276)		(2,860,530)
General and administrative expenses			(3,064,310)		(2,954,996)
Research and development expenses			(22,383,562)		(21,183,903)
Total operating expenses			(28,557,148)		(26,999,429)
<b>Operating income</b>			12,505,306		12,344,728
<b>Non-operating income and gains</b>					
Interest income	10		1,730,158		1,016,367
Gain on equity investments, net	2, 4(14)		1,074,451		124,047
Dividend income			148,878		46,115
Gain on disposal of investments	2, 4(14)		829,865		66,760
Foreign exchange gain, net	2		119,544		332,656
Valuation gain on financial assets	2, 4(2), 10		79,251		-
Others	5		609,123		384,580
Total non-operating income and gains			4,591,270		1,970,525
<b>Non-operating expenses and losses</b>					
Interest expenses	10		(109,458)		(9,378)
Loss on disposal of property, plant and equipment	2		(10,000)		(15,409)
Impairment loss	2, 4(4), 4(12)		(349,450)		-
Valuation loss on financial assets	2, 4(2), 10		-		(87,215)
Valuation loss on financial liabilities	2, 4(2), 10		(2,638)		-
Others			(5,473)		-
Total non-operating expenses and losses			(477,019)		(112,002)
<b>Income from continuing operations before income tax</b>			16,619,557		14,203,251
<b>Income tax expense</b>	2, 4(28)		(971,244)		(587,448)
<b>Consolidated net income</b>		\$	15,648,313	\$	13,615,803
<b>Income Attributable to :</b>					
Shareholders of the parent		\$	15,687,528	\$	13,623,070
Minority interests			(39,215)		(7,267)
Consolidated net income		\$	15,648,313	\$	13,615,803
<b>Basic Earnings Per Share (in New Taiwan Dollars)</b>	2, 4(29)	Before tax	After tax	Before tax	After tax
Consolidated net income		\$ 13.66	\$ 12.87	\$ 12.87	\$ 12.34
Net income attributable to minority interests		0.03	0.03	0.01	0.01
Net income attributable to the parent		\$ 13.69	\$ 12.90	\$ 12.88	\$ 12.35
<b>Diluted Earnings Per Share (in New Taiwan Dollars)</b>	2, 4(29)				
Consolidated net income		\$ 13.60	\$ 12.80	\$ 12.73	\$ 12.20
Net income attributable to minority interests		0.03	0.03	0.01	0.01
Net income attributable to the parent		\$ 13.63	\$ 12.83	\$ 12.74	\$ 12.21

The accompanying notes are an integral part of the consolidated financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

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, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

Description	Capital			Retained earnings			Cumulative translation adjustments	Net loss not recognized as pension cost	Unrealized gain (loss) on financial instruments	Treasury stock	Total shareholders' equity attributable to parent company	Minority interests	Total shareholders' equity
	Common stock	Capital collected in advance	Capital reserve	Legal reserve	Special reserve	Undistributed earnings							
Balance as of January 1, 2011	\$ 10,999,317	\$ 365	\$ 12,259,404	\$ 18,613,978	\$ 355,131	\$ 73,739,007	\$ (4,380,730)	\$ -	\$ 182,608	\$ (55,970)	\$ 111,713,110	\$ 225	\$ 111,713,335
Appropriation and distribution of 2010 earnings:													
Legal reserve	-	-	-	3,096,144	-	(3,096,144)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	3,842,990	(3,842,990)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(21,999,457)	-	-	-	-	(21,999,457)	-	(21,999,457)
Net income attributable to parent company for the year ended													
December 31, 2011	-	-	-	-	-	13,623,070	-	-	-	-	13,623,070	-	13,623,070
Unrealized gain (loss) on financial instruments									(139,416)		(139,416)		(139,416)
Shares issued to acquire new entities	555,336		12,259,039								12,814,375		12,814,375
Treasury stock acquired	-	-	-	-	-	-	-	-	-	(2,109,914)	(2,109,914)	-	(2,109,914)
Treasury stock retired	(80,000)		(161,410)			(1,868,504)				2,109,914	-		-
Employee stock option distributed to subsidiaries' employees	-	-	88,803	-	-	-	-	-	-	-	88,803	-	88,803
Issuance of stock from exercising employee stock options	455	(282)	3,321	-	-	-	-	-	-	-	3,494	-	3,494
The effects of subsidiaries' shareholding of the Company's stock													
recorded as treasury stock	-	-	155,881	-	-	-	-	-	-	-	155,881	-	155,881
Adjustment arising from changes in the percentage of ownership in investees	-	-	844	-	-	-	-	-	-	-	844	-	844
Cumulative translation adjustments							2,127,226				2,127,226		2,127,226
Increase in minority interests												50,086	50,086
Balance as of December 31, 2011	\$ 11,475,108	\$ 83	\$ 24,605,882	\$ 21,710,122	\$ 4,198,121	\$ 56,554,982	\$ (2,253,504)	\$ -	\$ 43,192	\$ (55,970)	\$ 116,278,016	\$ 50,311	\$ 116,328,327
Appropriation and distribution of 2011 earnings:													
Legal reserve	-	-	-	1,362,307	-	(1,362,307)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(1,987,809)	1,987,809	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,328,124)	-	-	-	-	(10,328,124)	-	(10,328,124)
Net income attributable to parent company for the year ended													
December 31, 2012	-	-	-	-	-	15,687,528	-	-	-	-	15,687,528	-	15,687,528
Shares issued to acquire new entities	2,017,679		54,880,856								56,898,535		56,898,535
Employee stock option distributed to subsidiaries' employees	-	-	49,661	-	-	-	-	-	-	-	49,661	-	49,661
Issuance of stock from exercising employee stock options	915	19	576	-	-	-	-	-	-	-	1,510	-	1,510
The effects of subsidiaries' shareholding of the Company's stock													
recorded as treasury stock	-	-	70,145	-	-	-	-	-	-	-	70,145	-	70,145
Disposal of equity investments accounted for using the equity method	-	-	(86,357)	-	-	-	-	-	-	-	(86,357)	-	(86,357)
Unrealized gain (loss) on financial instruments									657,151		657,151		657,151
Adjustment arising from changes in the percentage of ownership in investees			31,103								31,103		31,103
Net loss not recognized as pension cost								(10,503)			(10,503)		(10,503)
Cumulative translation adjustments							(3,508,761)				(3,508,761)		(3,508,761)
Decrease in minority interests												(16,102)	(16,102)
Balance as of December 31, 2012	\$ 13,493,702	\$ 102	\$ 79,551,866	\$ 23,072,429	\$ 2,210,312	\$ 62,539,888	\$ (5,762,265)	\$ (10,503)	\$ 700,343	\$ (55,970)	\$ 175,739,904	\$ 34,209	\$ 175,774,113

The accompanying notes are an integral part of the consolidated financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

**MEDIATEK INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2012 and 2011**  
(Amounts in thousands of New Taiwan Dollars)

Description	2012	2011
<b>Cash flows from operating activities :</b>		
Consolidated net income	\$ 15,648,313	\$ 13,615,803
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,217,273	1,179,541
Amortization	2,479,182	1,549,783
Bad debt reversal	(81,003)	(62,871)
Provision (reversal) of sales returns and discounts	1,723,571	(152,716)
Employee stock options distributed	49,661	88,803
Amortization of financial assets discount or premium	376	2,524
Gain on recovery in market value and obsolescence of inventories	(1,548,304)	(1,202,475)
Net gain on equity investments	(1,074,451)	(124,047)
Net loss on disposal of property, plant and equipment	10,000	15,409
Net loss on disposal of intangible assets (included in other losses)	-	74
Gain on disposal of investments	(829,865)	(66,760)
Adjustment of valuation on financial assets and liabilities	(57,383)	95,474
Loss on impairment of financial assets	349,450	-
Cash dividends from equity investees	-	166,506
Deferred income tax	1,488	186,387
Employees' bonuses	895,875	1,714,243
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	1,227,038	(577,460)
Accounts receivable	(1,264,043)	(50,626)
Receivables from related parties	23,567	(23,567)
Other receivables	(704,808)	(292,975)
Inventories	(2,914,583)	2,587,862
Prepayments	(450,832)	1,479,973
Other current assets	(119,134)	258,227
Deferred pension cost	(441)	-
Accounts payable	22,548	175,012
Payables to related parties	75,504	(70,224)
Income tax payable	371,647	(408,335)
Accrued expenses	(3,468,973)	(3,675,369)
Other payables	(33,000)	48,656
Current portion of long-term payables	10,924	2,953
Other current liabilities	(167,602)	119,852
Long-term payables	(34,032)	(5,126)
Accrued pension liabilities	19,645	83,490
Other liabilities-others	25,324	49,351
Net cash provided by operating activities	<u>11,402,932</u>	<u>16,707,372</u>
<b>Cash flows from investing activities :</b>		
(Increase) decrease in restricted assets	(100,215)	16,604
Increase in available-for-sale financial assets	(403,716)	(4,546,205)
Proceeds from disposal of available-for-sale financial assets	234,448	6,432,441
Increase in held-to-maturity financial assets	(319,768)	(876,548)
Proceeds from disposal of held-to-maturity financial assets	372,684	-
Increase in financial assets carried at cost	(948,441)	(1,058,547)
Proceeds from disposal of financial assets carried at cost	44,749	5,735
Proceeds from disposal of investments accounted for using the equity method	1,528,400	-
Increase in investments accounted for using the equity method	(278,382)	(201,769)
Net cash (outflows) inflows from acquisition of subsidiaries	(938,022)	4,040,514
Proceeds from equity investees' capital return	1,457	-
Increase in prepayment for long-term investments	-	(15,145)
Purchase of property, plant and equipment	(2,268,459)	(2,584,699)
Proceeds from disposal of property, plant and equipment	2,799	2,198
Decrease in refundable deposits	59,038	10,248
Increase in intangible assets and deferred charges	(1,163,784)	(209,200)
Net cash (used in) provide by investing activities	<u>(4,177,212)</u>	<u>1,015,627</u>
<b>Cash flows from financing activities :</b>		
Increase in short-term loans	4,791,280	3,975,608
Increase in deposits received	24,057	5,176
Proceeds from exercise of employee stock options	1,510	3,494
Cash dividends	(10,328,124)	(21,999,457)
Cash dividends distributed to subsidiaries holding the Company's stock	70,145	155,881
Treasury stock repurchased	-	(2,109,914)
Change in minority interests	20,097	52,343
Net cash used in financing activities	<u>(5,421,035)</u>	<u>(19,916,869)</u>
Effect of exchange rate	(1,758,913)	2,087,951
Net increase (decrease) in cash and cash equivalents	45,772	(105,919)
Cash and cash equivalents at the beginning of the year	85,821,438	85,927,357
Cash and cash equivalents at the end of the year	<u>\$ 85,867,210</u>	<u>\$ 85,821,438</u>
<b>Supplemental disclosures of cash flow information :</b>		
Interest paid during the year	\$ 112,970	\$ 4,811
Income tax paid during the year	\$ 560,388	\$ 939,988
<b>Activities partially affected cash flows :</b>		
Purchase of property, plant and equipment	\$ (2,252,492)	\$ (2,577,504)
Add: decrease in payables to contractors and equipment suppliers	(15,967)	(7,195)
Cash paid for the purchase of property, plant and equipment	<u>\$ (2,268,459)</u>	<u>\$ (2,584,699)</u>
<b>Non-cash activities :</b>		
Shares issued to acquire new entities	\$ 56,898,535	\$ 12,814,375
Change in unrealized gain (loss) on financial instruments	\$ 657,151	\$ (139,416)
Adjustment of shareholders' equity from disposal of investments accounted for using the equity method	\$ (86,357)	\$ -
Available-for-sales financial assets reclassified from investments accounted for using the equity method	\$ 560,270	\$ -

The accompanying notes are an integral part of the consolidated financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

## Comparison of the Original Text and the Amended Text in “Operating Procedures of Outward Loans to Others”

	Original Text	Amended Text	Amendment Remarks
Article I	These Procedures were amended per Order No. Taiwan-Finance-Securities-VI-0990011375 of the Securities and Futures Commission, Ministry of Finance and other laws and regulations duly promulgated on March 19, 2010.	<del>These Procedures were amended per Order No. Taiwan-Finance-Securities-VI-1010029874 of the Financial Supervisory Commission and other laws and regulations duly promulgated on July 6, 2012.</del>	This text was amended in accordance with the latest laws and regulations
Article I-I-I	The top ten vendors or customers that are having business relationship with the Company (ranked by sales, purchasing, or service transaction amount between the parties during the period of twelve months prior to the time of lending.)	The top ten vendors or customers that are having business relationship with the Company (ranked by sales, purchasing, or service transaction amount between the parties during the period of twelve months prior to the time of lending.)	Revised for clarification purposes.
Article II	The total amount for lending purpose and the maximum amount lendable to a company: I. Omitted. II. The restriction stipulated in the preceding paragraph (i.e., total amount lendable to any one borrower shall be no more than 30% of the borrower’s net worth) will not apply to offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company.	The total amount for lending purpose and the maximum amount lendable to a company: I. Omitted. II. <del>The restriction in the preceding paragraph “total amount lendable to any one borrower shall be no more than 30% of the borrower’s net worth” shall not apply to inter-company loans of funds between foreign companies in which the public company holds, directly or indirectly, 100% of the voting shares. However, the provisions stated in the preceding paragraph and in Article IV concerning the limit of the total amount, the quota for individual borrowers, and the durations of loans shall still apply.</del> III. <del>In these Procedures, “the Company’s net worth” means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</del>	Amended in accordance with the latest amendment of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced on July 6, 2012.
Article VI	Procedures for public disclosure: I. Omitted. II. The Company shall disclose and report such event within two days from its occurrence whenever the loans of funds balance reaches one of the following levels: (I) to (III) Omitted.	Procedures for public disclosure: I. Omitted. II. The Company shall disclose and report such event <u>within two days commencing immediately from the date of occurrence</u> , whenever the loans of funds balance reaches one of the following levels: (I) to (III) Omitted. III. <u>In these Procedures, “date of occurrence” means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</u>	Amended in accordance with the latest amendment of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced on July 6, 2012.
Article XI-II	Procedures to deal with overdue credits: (I) Omitted. (II) The Company shall, <u>in accordance with generally accepted accounting principles</u> , evaluate the situation of loan rendering, make adequate allowance for bad debt, disclosure appropriate information on the financial statements, and provide the related data to CPA for the auditing procedures.	Procedures to deal with overdue credits: (I) Omitted. (II) The Company shall evaluate the <u>status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.</u>	Amended in accordance with the latest amendment of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced on July 6, 2012.
Article XIII	These Procedures were passed in the Shareholders’ Regular Meeting of June 21, 1999. First Update in Shareholders’ Regular Meeting of June 3, 2002. Second Update in Shareholders’ Regular Meeting of May 16, 2003. Third Update in Shareholders’ Regular Meeting of June 10, 2009. Fourth Update in Shareholders’ Regular Meeting of June 15, 2011.	These Procedures were passed in the Shareholders’ Regular Meeting of June 21, 1999. First Update in Shareholders’ Regular Meeting of June 3, 2002. Second Update in Shareholders’ Regular Meeting of May 16, 2003. Third Update in Shareholders’ Regular Meeting of June 10, 2009. Fourth Update in Shareholders’ Regular Meeting of June 15, 2011. <u>Fifth Update in Shareholders’ Regular Meeting of June 21, 2013.</u>	Amendment date added.

## Comparison of the Original Text and the Amended Text in “Operating Procedures of Endorsement/Guarantee”

	Original Text	Amended Text	Amendment Remarks
Article I	These Procedures were amended per order No. Taiwan-Finance-Securities-VI-0990011375 of the Securities and Futures Commission, Ministry of Finance and other laws and regulations duly promulgated on March 19, 2010.	<u>These Procedures were amended per Order No. Taiwan-Finance-Securities-VI-1010029874 of the Financial Supervisory Commission and other laws and regulations duly promulgated on July 6, 2012.</u>	This text was amended in accordance with the latest laws and regulations
Article II	The party to whom the Company may provide endorsement/guarantee includes the following: I. Omitted. II. Any subsidiary of the Company. III. The Company may render endorsement/guarantee free of the restriction set forth in the preceding paragraph, if the Company renders endorsement/guarantee to investees based on pro rata co-investment of investors.	The party to whom the Company may provide endorsement/guarantee includes the following: I. Omitted. II. Any subsidiary of the Company. III. <u>Where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.</u>	Revised for clarification purposes.
Article IV	Limitation and authority of endorsement/guarantee: I. The amount of endorsement/guarantee rendered by the Company to other firms and to a single enterprise is subject to the following: (I) to (III) Omitted. (IV) The Company shall not render endorsement/guarantee to subsidiaries whose paid-in capital is less than 50 percent. (V) The Company shall not render endorsement/guarantee until it is consented and resolved by the board of directors. The board of directors may delegate the chairman to facilitate execution within pre-determined limited credit, NT\$300,000,000. Such endorsement/guarantee shall be ratified by the board of directors and then submit to the shareholders' meeting for acknowledgement retrospectively. (VI) In the event that the above limits have to be exceeded to accommodate business needs, the Company must obtain consent from the board of directors, and, besides, over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The board of directors should also revise the Procedures and has it ratified at the Shareholders' Meeting. If the revised Procedures are not ratified at the Shareholders' Meeting, the board of directors should furnish a plan containing a timetable to withdraw the excess portion. (VII) In the event that, due to changes of circumstances, the party to whom the Company provided endorsement/guarantee no longer satisfies the criteria set forth in Article 2 herein, or the amount of endorsement/guarantee exceeds the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to modify the total amount or the amount over the limitation of endorsement/guarantee, and withdraw these portions within the duration of contract or the specific period. The proposed corrective actions should be submitted to all supervisors and implemented within	Limitation and authority of endorsement/guarantee: I. The amount of endorsement/guarantee rendered by the Company to other firms and to a single enterprise is subject to the following: (I) to (III) Omitted. (IV) The Company shall not render endorsement/guarantee to a subsidiary whose <u>net worth is lower than 50 percent of its paid-in capital. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u> II. The Company shall not render endorsement/guarantee until the matter is agreed upon and resolved by the board of directors. The board of directors may delegate the chairman to facilitate execution within the pre-determined limited credit, NT\$300,000,000. Such endorsement/guarantee shall be ratified by the board of directors and then submit to the shareholders' meeting for acknowledgement retrospectively. III. In the event that the above limits have to be exceeded to accommodate business needs, the Company must obtain consent from the board of directors, and, in addition, over half of all directors must jointly endorse the potential loss that may be brought about by such an excess of limits. The board of directors shall also revise the Procedures and have it ratified at the Shareholders' Meeting. If the revised Procedures are not ratified at the Shareholders' Meeting, the board of directors shall furnish a plan containing a timetable to withdraw the excess portion. IV. In the event that, due to changes of circumstances, the party to whom the Company provided endorsement/guarantee no longer satisfies the criteria set forth in Article II herein, or the amount of endorsement/guarantee exceeds the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to modify the total amount or the amount over the limitation of endorsement/guarantee, and withdraw these portions within the duration of	Amended in accordance with the latest amendment of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced on July 6, 2012.

	<p>specified timeframe.</p> <p>II. The Company's subsidiaries shall not render endorsement/guarantee to others.</p>	<p>contract or the specific period. The proposed corrective actions shall be submitted to all supervisors and implemented within specified timeframe.</p> <p>V. <u>In these Procedures, "the Company's net worth" means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>VI. The Company's subsidiaries shall not render endorsement/guarantee to others.</p>	
Article VII	<p>I. The Company shall announce and report the previous month's balance of endorsements/guarantees balance of itself by the 10th day of each month.</p> <p>II. Other than public announcement which shall be issued on a monthly basis, the Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days from its occurrence:</p> <p>(I) to (II) Omitted.</p> <p>(III) The aggregate amount of all endorsements/guarantees for, long-term investment in, and balance of loans to, a single enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(IV) Omitted.</p>	<p>I. The Company shall announce and report the previous month's balance of endorsements/guarantees balance of itself by the 10th day of each month.</p> <p>II. Other than public announcement which shall be issued on a monthly basis, the Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event <u>within two days commencing immediately from the date of occurrence:</u></p> <p>(I) to (II) Omitted.</p> <p>(III) The aggregate amount of all endorsements/guarantees for, <u>investment of a long-term nature in,</u> and balance of loans to, a single enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(IV) Omitted.</p> <p>III. <u>In these Procedures, "date of occurrence" means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</u></p>	Amended in accordance with the latest amendment of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" announced on July 6, 2012.
Article XI	These Procedures were passed in the Shareholders' Regular Meeting of June 21, 1999. First Update in Shareholders' Regular Meeting of May 16, 2003. Second Update in Shareholders' Regular Meeting of June 10, 2009. Third Update in Shareholders' Regular Meeting of June 15, 2011.	These Procedures were passed in the Shareholders' Regular Meeting of June 21, 1999. First Update in Shareholders' Regular Meeting of May 16, 2003. Second Update in Shareholders' Regular Meeting of June 10, 2009. Third Update in Shareholders' Regular Meeting of June 15, 2011. <u>Fourth Update in Shareholders' Regular Meeting of June 21, 2013.</u>	Amendment date added.

# Appendix



## Appendix 1

# MediaTek Inc. Articles of Incorporation

Effective after approval at the 2012 shareholder's meeting

## Section One – General Provisions

### Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be MediaTek Inc. (in English).

### Article 2

The scope of business of the Corporation shall be as follows:

- CC01080: Electronic parts and components manufacture.
- F401010: Manufacture and export business.
- I301010: Information & software services.
- I501010: Product design.
- F401021: Restrained Telecom Radio Frequency Equipments and Materials Import.
- F601010: Intellectual Property

1. Researching, developing, producing, manufacturing, and selling the following products:

- (1). Multimedia integrated circuits (ICs);
- (2). PC peripheral ICs;
- (3). High-end consumer electronic ICs;
- (4). Other Application-Specific ICs;
- (5). Patents or IC layout copyright licensing related to the abovementioned ICs.

2. Providing hardware and software design, development, testing, maintenance and technology consulting services for the abovementioned products.

3. Conducting import and export trade for the abovementioned products.

### Article 2-1

When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's reinvestment shall not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Law.

### Article 3

The Company is headquartered in the Hsinchu Science-Based Industrial Park in Taiwan, Republic of China, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative and branch offices at various locations within and without the territory of the Republic of China, whenever and wherever the Company deems it necessary or advisable to carry out any or all of its business activities.

### Article 4

Public announcements of the Company shall be made in accordance with Article 28 of the Company Law and other relevant rules and regulations of the Republic of China.

### Article 4-1

The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Regulations Governing Endorsement and Guarantee.

## Section Two – Capital Stock

### Article 5

The total capital stock of the Company shall be in the amount of 20 billion New Taiwan Dollars, divided into 2 billion shares at NT\$10 par value each share, and may be paid-up in installments. The Company may issue stock options from time to time in accordance with the resolutions of the Board of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.

### Article 6

The share certificates of the Company shall all be name-bearing share certificates. If the Company decides to print share certificates for shares issued, the share certificates shall be signed by or affixed with the seals of at least three Directors, and authenticated by the competent authorities of the government or the certification organization. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.

### Article 6-1

The Taiwan Securities Central Depository Co., Ltd., may request the Company to issue share certificates in consolidation into larger denomination.

### Article 7

Registration for transfer of shares shall be suspended 60 days immediately before the date of regular meeting of shareholders, and 30 days immediately before the date of any special meeting of shareholders, or within 5 days before the day on which dividends, bonuses, or any other benefits are scheduled to be paid by the Company.

## Section Three – Shareholders' Meeting

### Article 8

There are two types of company shareholders' meeting: (1) regular meetings – which shall be convened by the Board of Directors within 6 months after the close of each fiscal year, and (2) special meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

### Article 9

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Company. In their absence, the Chairman shall appoint a deputy to act in their place; otherwise, one Director shall be designated to preside over the shareholders' meeting. If a shareholders' meeting is convened by a person other than a member of the Board of Directors, the shareholders' meeting shall be chaired by that convener. If there are two or more conveners for a shareholders' meeting, one of them shall be elected to chair the meeting.

### Article 10

Notices shall be sent to all shareholders for the convening of shareholders' meetings – at least 30 days in advance for regular meetings; and at least 15 days in advance for special meetings. The meeting date, venue and the purpose(s) for convening such shareholders' meeting shall be clearly stated in the meeting notices.

### Article 11

If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance with Article 177 of the Company Law of the Republic of China, and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

## **Article 12**

Each share is entitled to one voting right, except shares held under regulation of Article 179 of the Company Law, which have no voting rights.

## **Article 13**

Except as regulated in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

### **Article 13-1**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The minutes specified above shall be distributed in accordance with the provisions of the Company Act.

## **Section Four – Directors and Supervisors**

### **Article 14**

The Company shall have five to nine Directors, with the actual number to be determined by the Board. There shall be at least two Independent Directors in the Board. The election of Directors and Supervisors shall be conducted in accordance with Article 192-1 of the Company Act, where the system of nomination of candidates shall be adopted. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act. The independent and non-Independent Directors shall be elected at the same time, and the number of elected directors shall be calculated separately. The Company shall have three Supervisors. However, if the Company establishes an Audit Committee in accordance with the law (i.e. formation of an Audit Committee comprising at least three Independent Directors, with at least one possessing a professional accounting or finance background), then there shall be no need to elect Supervisors. Once the Audit Committee is formed, the Supervisors shall be dismissed immediately; all provisions that apply to the Supervisors in the Articles of Incorporation shall at that time become void. The number of members in the Audit Committee, tenure terms, authorities, rules of procedure and other matters shall be governed by the Guidelines for the Exercise of Authority by Audit Committee of Public Companies and determined separately according to the Audit Committee's organization guidelines. The term of Directors and Supervisors is three years, and shall be elected in the shareholders' meetings. Their term of office shall be three years, and shall be eligible for re-election.

After the company went public, the total number of shares that all Directors and Supervisors shall hold should be in accordance with the requirements of the competent authorities.

The Board of Directors is authorized to determine the compensation for the Directors and Supervisors, taking into account the standards of the industry.

The Company may, in accordance with Corporate Governance Regulations for TSE/GTSM Listed Companies, purchase Directors and Officers Liability Insurance for its Directors and Supervisors. The Board of Directors is authorized to decide on the insurance coverage.

### **Article 14-1**

If the Director(s) also serve(s) other position(s) in the Company, his/her compensation for such duties shall be set forth by the competent authority in charge of securities.

### **Article 14-2**

The following relationship shall not be permitted for a majority of the Company's Director seats or a minimum of one seat among Directors and Supervisors:

1. Spouse

2. Relative within Second Degree of relationship.

#### **Article 15**

The Board of Directors shall be formed by elected Directors and shall have the following responsibilities:

1. Preparing business plans.
2. Proposing allocation plans of earnings or proposals to recover loss.
3. Proposing plans for increasing or decreasing capital.
4. Drafting important rules and contracts.
5. Appointing or discharging the Company's President and Vice Presidents.
6. Setting up or dissolving branches.
7. Compiling Budget Reports and Final Reports.
8. Performing other duties authorized by the Company Law or shareholders' meeting.

#### **Article 16**

The Directors shall elect from among themselves a Chairman of the Board of Directors, and a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall also be the chairman of shareholders' meetings, and shall have the authority to represent the Company.

#### **Article 17**

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except under conditions regulated by the Company Law. Directors and supervisors may be notified of the Board of Directors meeting via written notice such as E-mail or fax. Except where otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

#### **Article 18**

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In their absence, either the Vice Chairman of the Board of Directors or one of the Directors appointed by the Chairman shall preside over the meeting. When a Director is unable to attend any Meeting of the Board of Directors, they may appoint another Director to attend on their behalf, but no Director may act as proxy for more than one other Director.

#### **Article 19**

Supervisors shall have the following authority:

1. Audit account closings.
2. Oversee the Company's business performance and financial standing as well as request the Board of Directors or managerial officers to submit reports.
3. Convene the Shareholders' Meeting for the Company's interests when the Board of Directors fails or is unable to convene such meetings.
4. Exercise other Supervisory powers according to the law.

### **Section Five – Management of the Company**

#### **Article 20**

The Company shall appoint one President, and several Vice Presidents. The appointment, discharge, and compensation of the President and Vice Presidents shall be in accordance with Article 29 of the Company Law.

#### **Article 21**

The President shall direct the Company's business operation in accordance with decisions resolved by the Board of Directors.

## Section Six – Financial Reports

### Article 22

The Company's fiscal year shall be from January 1<sup>st</sup> of each year to December 31<sup>st</sup> of the same year. After the close of each fiscal year, the Company shall prepare final accounts for that year.

### Article 23

After the close of each fiscal year, in accordance with the Company Law, Article 228, the following reports shall be prepared by the Board of Directors, and be audited by Supervisors 30 days prior to the annual general shareholders' meeting, and be submitted to the shareholders' meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposal Concerning Appropriation of Net Profits or Covering of Losses.

### Article 24

When allocating the net profits for each fiscal year, the following order shall be followed:

1. Reserve for tax payments.
2. Offset losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. Remuneration to Directors and Supervisors, at a maximum of 0.5% of remaining net profits after deducting item (1) to (4) stated in Article 24. The Remuneration to Directors and Supervisors shall be paid in cash.
6. The remaining net profits, after considering retained earnings from previous years and amounts set aside for distribution in future years, shall be allocated as employees' profit sharing and shareholders' dividend. The guideline for employee profit sharing is, the amount of employee profit sharing shall not be lower than 1% of the sum of employee profit sharing and shareholder dividends. Employee profit sharing may be paid in cash or in stock to qualified employees of the company and its affiliate companies. Employee's profit sharing when it is allocated in the form of stock, the Board of Directors shall be authorized to set criteria for qualified employees.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the entire distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

## Section Seven – Supplementary Provisions

### Article 25

The organization of the Company shall be defined in separate internal regulations.

### Article 26

In regard to all matters not provided for in the Articles of Incorporation, the Company Law of the Republic of China shall govern.

### Article 27

These Articles of Incorporation were resolved on May 21, 1997. The first amendment was made on September 1, 1997, the second amendment on July 3, 1998, the third amendment on June 21, 1999, the fourth amendment on June 9, 2000, the fifth amendment on September 28, 2000, the sixth amendment on June 8, 2001, the seventh amendment on June 3, 2002, the eighth amendment on May 16, 2003, the ninth amendment on June 9,

2004, the tenth amendment on June 13, 2005, the eleventh amendment on June 21, 2006, the twelfth amendment on June 11, 2007, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 15, 2011, and the fifteenth amendment on June 13, 2012.

## Appendix 2

# MediaTek Inc. Rules and Procedures of Shareholders' Meeting

Effective after approval at the 2010 shareholder's meeting

### Article 1

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.

### Article 2

Shareholders attending the Meeting in person or through a proxy shall wear the attendee badge, and submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

### Article 3

When the number of shares represented by the shareholders present at the Meeting has constituted 50% or more of the total outstanding shares, the chairman shall call the Meeting to order at the time scheduled for the Meeting.

### Article 4

The agenda of the Meeting shall be set by the Board of Directors. The Meeting shall proceed in accordance with the agenda.

### Article 5

Proposals not in the Meeting's agenda will not be discussed or put to vote. The Chairman may announce to end a discussion of any resolution if the Chairman deems it appropriate.

### Article 6

The Chairman may put a resolution to vote at the end of a discussion.

### Article 7

Except otherwise specified in the Company Law of the Republic of China, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted for by casting ballots if no objection is voiced after solicitation by the Chairman.

### Article 8

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with the shareholder's Attendance Card number, the shareholder's name, and the number of shares held. The sequence of speeches by shareholders should be decided by the Chairman.

### Article 9

Unless otherwise permitted by the Chairman, each shareholder shall not, for each discussion item, speak more than two times, with each time not exceeding three minutes.

### Article 10

In case the speech of any shareholder violates the abovementioned provision or exceeds the scope of the discussion item, the Chairman may stop the speech of such shareholder. In case a shareholder does not obey the Chairman's instruction or does not maintain order at the Meeting place, the Chairman may stop such shareholder from attending the Meeting.

**Article 11**

During the Meeting, the Chairman may set a time for intermission.

**Article 12**

In cases of force majeure, the Meeting shall be discontinued. The Meeting shall be resumed an hour after the incident is over.

**Article 13**

Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.

**Article 14**

The Rules and Procedures shall be effective from the date it is resolved by the Board of Directors and approved by the Shareholders' Meeting. The same applies in case of revision.



## Appendix 3

### MediaTek Inc. Shareholdings of All Directors and Supervisors

1. The shareholdings of the Company's Directors and Supervisors and percentage of shareholdings required by law are listed below:

The Company's total outstanding shares:	1,349,408,756
Total shareholdings of all Directors required by law:	32,385,810
Total shareholdings of all Supervisors required by law:	3,238,581

2. As of April 23, 2013, the cut-off date of this Shareholders' Meeting, the individual Directors and Supervisors and their aggregate shareholdings are listed below:

Title	Name	Date Elected	Term	Shares	%
Director	Ming-Kai Tsai	June 13, 2012	3 years	41,006,187	3.04%
Director	Jyh-Jer Cho	June 13, 2012	3 years	30,325,222	2.25%
Director	Ching-Jiang Hsieh	June 13, 2012	3 years	4,134,921	0.31%
Director	Cheng-Yaw Sun	June 13, 2012	3 years	29,244	0.00%
Director	Kenneth Kin	June 13, 2012	3 years	-	-
Independent Director	Chung-Yu Wu	June 13, 2012	3 years	-	-
Independent Director	Peng-Heng Chang	June 13, 2012	3 years	-	-
Supervisor	MediaTek Capital Co. Representative: Chung-Lang Liu	June 13, 2012	3 years	7,794,085	0.58%
Supervisor	National Taiwan University Representative: Ming-Je Tang	June 13, 2012	3 years	2,873	0.00%
Supervisor	Paul Wang	June 13, 2012	3 years	-	-
<b>Holdings of all Directors</b>				75,495,574	5.60%
<b>Holdings of all Supervisors</b>				7,796,958	0.58%

## Appendix 4

### MediaTek Inc. Effect of Stock Dividends Resolved at this Shareholders' Meeting on Operating Performance & Earnings Per Share

Not Applicable.