1. Time: 9:00 a.m., June 21, 2013

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

3. Attendance: Attending shareholders and proxy representing
1,043,218,844 shares accounted for 77.75% 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 presentershareholders constituted a quorum.

6. Chairman’s Address: Omitted.

7. Reporting Items:

Report item (1)

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

Descriptions: MediaTek’s 2012 Business Report is attached as page 6, Attachment 1.

Resolved.

Report item (2)


Descriptions: The 2012 Supervisors’ Review Report is attached as page 7, Attachment 2.

Resolved.
8. Acknowledgement Items:

Acknowledgement item (1)

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 7th meeting of the 6th Board of Directors.


Resolution: The Chairman then proceeded to take a ballot. The voting results are as follows: 773,755,305 votes were cast for the proposal, among which 436,337,772 votes were cast via electronic voting. 25,218 votes were cast against the proposal, among which 25,218 votes were cast via electronic voting. The affirmative votes represented 74.17% of the 1,043,217,744 shares cast by the shareholders present at the time of voting, among which 639,379,983 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Acknowledgement item (2)

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:

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

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 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.

Resolution: The Chairman then proceeded to take a ballot. The voting results are as follows: 774,477,339 votes were cast for the proposal, among which 437,097,034 votes were cast via electronic voting. 34,051 votes were cast against the proposal, among which 34,051 votes were cast via electronic voting. The affirmative votes represented 74.23% of the 1,043,217,744 shares cast by the shareholders present at the time of voting, among which 639,379,983 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

9. Proposed Resolutions:

Proposal (1)

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 6th, 2012 (Regulation No. 1010029874). The Company’s amendments have been approved at the 7th meeting of the 6th Board of Directors.

(2). For the comparison table of articles being amended, please refer to page 18, Attachment 5, and page 19, Attachment 6.

Resolution: The Chairman then proceeded to take a ballot. The voting results are as follows: 769,537,052 votes were cast for the proposal, among which 435,818,604 votes were cast via electronic voting. 33,764 votes were cast against the proposal, among which 33,764 votes were cast via electronic voting. The affirmative votes represented 73.76% of the 1,043,217,744 shares cast by the shareholders present at
the time of voting, among which 639,379,983 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

**Proposal (2)**

**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:** The Chairman then proceeded to take a ballot. The voting results are as follows: 774,486,178 votes were cast for the proposal, among which 437,105,873 votes were cast via electronic voting. 258,767 votes were cast against the proposal, among which 258,767 votes were cast via electronic voting. The affirmative votes represented 74.24% of the 1,043,217,744 shares cast by the shareholders present at the time of voting, among which 639,379,983 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

10. **Special Motion : None.**

11. **Meeting Adjourned**
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
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

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.
### ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2,4(1)</td>
<td>$28,288,474</td>
</tr>
<tr>
<td>Short-term loans</td>
<td>4(14)</td>
<td>2,179,150</td>
</tr>
<tr>
<td>Current assets Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held-for-trading financial assets-current</td>
<td>2,4(2)</td>
<td>111</td>
</tr>
<tr>
<td>Financial assets designated as at fair value through profit or loss-current</td>
<td>2,4(3)</td>
<td>50,129</td>
</tr>
<tr>
<td>Financial assets designated as at amortized cost-current</td>
<td>2,4(4), 4(11)</td>
<td>2,646,087</td>
</tr>
<tr>
<td>Bond portfolios with no active market-current</td>
<td>2,4(10)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,4(5)</td>
<td>2,945,188</td>
</tr>
<tr>
<td>Receivables from related parties, net</td>
<td>5</td>
<td>31,712</td>
</tr>
<tr>
<td>Other receivables</td>
<td>4(5), 4(6), 4(10), 5</td>
<td>3,559,885</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>2,4(7)</td>
<td>10,599,234</td>
</tr>
<tr>
<td>Prepayments</td>
<td>329,269</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>395,881</td>
<td></td>
</tr>
<tr>
<td>Deferred income tax assets-current</td>
<td>2,4(24)</td>
<td>351,407</td>
</tr>
<tr>
<td>Restricted assets-current</td>
<td>6</td>
<td>111,984</td>
</tr>
<tr>
<td>Total current assets</td>
<td>49,299,361</td>
<td>42,508,690</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,4(12), 5</td>
<td>$888,722</td>
</tr>
<tr>
<td>Buildings and facilities</td>
<td>5,752,531</td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>57,536</td>
<td></td>
</tr>
<tr>
<td>Computer and telecommunication equipment</td>
<td>895,247</td>
<td></td>
</tr>
<tr>
<td>Testing equipment</td>
<td>2,072,827</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous equipment</td>
<td>158,006</td>
<td></td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>9,824,869</td>
<td></td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(3,772,863)</td>
<td></td>
</tr>
<tr>
<td>Add: Construction in progress</td>
<td>154,015</td>
<td></td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>5,476,297</td>
<td></td>
</tr>
<tr>
<td>Intangible assets Notes</td>
<td>2,4(13)</td>
<td>21,470</td>
</tr>
<tr>
<td>Patents</td>
<td>114,799</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>6,817,211</td>
<td></td>
</tr>
<tr>
<td>Deferred pension cost</td>
<td>2,4(15)</td>
<td>441</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>7,040,828</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>7,714,627</td>
</tr>
<tr>
<td>Total assets</td>
<td>$197,866,676</td>
<td>$138,036,604</td>
</tr>
</tbody>
</table>

### LIABILITY AND SHAREHOLDERS' EQUITY

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held-for-trading financial liabilities-current</td>
<td>2,4(2)</td>
<td>2,592</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,4(20)</td>
<td>10,406,921</td>
</tr>
<tr>
<td>Payables to contractors and equipment suppliers</td>
<td>31,712</td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>20,720,246</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income tax liabilities-noncurrent</td>
<td>2,4(24)</td>
<td>1,156,864</td>
</tr>
<tr>
<td>Total other liabilities</td>
<td>1,156,864</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>22,126,772</td>
<td></td>
</tr>
<tr>
<td>Shareholders' equity Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>4(11), 4(16)</td>
<td>13,493,702</td>
</tr>
<tr>
<td>Common stock</td>
<td>42,508,690</td>
<td></td>
</tr>
<tr>
<td>Capital in advance</td>
<td>9,727,214</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(2,310)</td>
<td></td>
</tr>
<tr>
<td>Total capital reserve</td>
<td>56,554,982</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital in excess of par</td>
<td>23,161,573</td>
<td></td>
</tr>
<tr>
<td>Treasury stock transaction</td>
<td>1,011,446</td>
<td></td>
</tr>
<tr>
<td>Total shareholders' equity</td>
<td>79,551,866</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>6,282,152</td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>23,072,429</td>
<td></td>
</tr>
<tr>
<td>Special reserve</td>
<td>22,210,312</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred pension liabilities</td>
<td>821,536</td>
<td></td>
</tr>
<tr>
<td>Total shareholders' equity</td>
<td>21,710,122</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$197,866,676</td>
<td>$138,036,604</td>
</tr>
</tbody>
</table>

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

Chairman: Mingt-Kai Tsai
President: Ching-Jiang Hsieh
Chief Financial Officer: David Ku
### STATEMENTS OF INCOME

For the years ended December 31, 2012 and 2011  
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

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

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.
STAMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY
For the years ended December 31, 2012 and 2011
(Amounts in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital stock</th>
<th>Capital collected in advance</th>
<th>Capital reserve</th>
<th>Legal reserve</th>
<th>Special reserve</th>
<th>Undistributed earnings</th>
<th>Cumulative translation adjustments</th>
<th>Net loss not recognized as pension cost</th>
<th>Unrealized gain (loss) on financial instruments</th>
<th>Treasury stock</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2011</td>
<td>$10,999,317</td>
<td>365</td>
<td>12,259,404</td>
<td>18,613,978</td>
<td>355,131</td>
<td>73,739,007</td>
<td>(4,380,730)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$55,970</td>
</tr>
<tr>
<td>Appropriation and distribution of 2010 earnings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special reserve</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the year ended December 31, 2011</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>555,336</td>
<td>-</td>
<td>12,259,039</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock acquired</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock retired</td>
<td>(80,000)</td>
<td>(161,410)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee stock option distributed to subsidiaries’ employees</td>
<td>-</td>
<td>88,803</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of stock from exercising employee stock options</td>
<td>455</td>
<td>(282)</td>
<td>3,321</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The effects of subsidiaries’ shareholding of the Company's stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recorded as treasury stock</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrecognized gain (loss) on financial instruments</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment arising from changes in the percentage of ownership in investors</td>
<td>-</td>
<td>844</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2011</td>
<td>$11,475,108</td>
<td>83</td>
<td>24,605,882</td>
<td>21,710,122</td>
<td>4,198,121</td>
<td>56,554,982</td>
<td>(2,253,504)</td>
<td>-</td>
<td>$43,192</td>
<td>$55,970</td>
<td>$116,278,016</td>
</tr>
<tr>
<td>Appropriation and distribution of 2011 earnings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special reserve</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>2,017,679</td>
<td>-</td>
<td>54,880,856</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee stock option distributed to subsidiaries’ employees</td>
<td>-</td>
<td>49,661</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of stock from exercising employee stock options</td>
<td>915</td>
<td>19</td>
<td>578</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The effects of subsidiaries’ shareholding of the Company's stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recorded as treasury stock</td>
<td>-</td>
<td>70,145</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of investments accounted for using the equity method</td>
<td>-</td>
<td>(86,357)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrecognized gain (loss) on financial instruments</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment arising from changes in the percentage of ownership in investors</td>
<td>-</td>
<td>31,103</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss not recognized as pension cost</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2012</td>
<td>$13,493,702</td>
<td>102</td>
<td>79,551,866</td>
<td>23,072,429</td>
<td>2,210,312</td>
<td>62,539,888</td>
<td>(5,762,265)</td>
<td>(10,503)</td>
<td>$700,343</td>
<td>$55,970</td>
<td>$175,739,994</td>
</tr>
</tbody>
</table>

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

Chairman : Ming-Kai Tsai
President : Ching-Jiang Hsieh
Chief Financial Officer : David Ku
## Cash Flows from Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$15,687,528</td>
<td>$13,623,070</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>617,824</td>
<td>678,986</td>
</tr>
<tr>
<td>Amortization</td>
<td>1,753,083</td>
<td>1,027,349</td>
</tr>
<tr>
<td>Bad debt reversal</td>
<td>(90,204)</td>
<td>(87,757)</td>
</tr>
<tr>
<td>Allowance for sales returns and discounts</td>
<td>1,558,024</td>
<td></td>
</tr>
<tr>
<td>Amortization of financial assets discount or premium</td>
<td></td>
<td>83,962</td>
</tr>
<tr>
<td>Cash dividends from equity investees</td>
<td>2,741,603</td>
<td>166,503</td>
</tr>
<tr>
<td>Gain on recovery in market value and obsolescence of inventories</td>
<td>(1,201,731)</td>
<td>(588,362)</td>
</tr>
<tr>
<td>Net loss on disposal of property, plant and equipment</td>
<td>1,206</td>
<td>14,847</td>
</tr>
<tr>
<td>Net loss on disposal of intangible assets (included in other losses)</td>
<td></td>
<td>74</td>
</tr>
<tr>
<td>Net gain on equity investments</td>
<td>(9,389,978)</td>
<td>(8,662,095)</td>
</tr>
<tr>
<td>Adjustment of valuation on financial assets and liabilities</td>
<td>(3,993)</td>
<td>69,126</td>
</tr>
<tr>
<td>Loss on impairment of financial assets</td>
<td>84,998</td>
<td></td>
</tr>
<tr>
<td>(Gain) loss on disposal of investments and liabilities</td>
<td>(692,391)</td>
<td>7,890</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>56,393</td>
<td>160,964</td>
</tr>
<tr>
<td>Employees' bonuses</td>
<td>693,875</td>
<td>1,714,243</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets designated as at fair value through profit or loss</td>
<td>349,855</td>
<td>585,210</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(1,504,221)</td>
<td>(1,026,761)</td>
</tr>
<tr>
<td>Receivables from related parties</td>
<td>29,706</td>
<td>(16,253)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(111,451)</td>
<td>(186,844)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(3,108,873)</td>
<td>752,424</td>
</tr>
<tr>
<td>Prepayments</td>
<td>(23,851)</td>
<td>1,675,866</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(106,263)</td>
<td>226,838</td>
</tr>
<tr>
<td>Deferred pension cost</td>
<td>(441)</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(446,279)</td>
<td>752,243</td>
</tr>
<tr>
<td>Payables to related parties</td>
<td>(2,798)</td>
<td>(259,218)</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>408,371</td>
<td>(470,319)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(3,345,836)</td>
<td>(3,360,723)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(33,035)</td>
<td>205,013</td>
</tr>
<tr>
<td>Accrued pension liabilities</td>
<td>19,042</td>
<td>83,311</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>4,442,255</td>
<td>7,985,864</td>
</tr>
</tbody>
</table>

## Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in restricted deposits</td>
<td>(102,037)</td>
<td>30</td>
</tr>
<tr>
<td>Increase in available-for-sale financial assets</td>
<td>(296,804)</td>
<td>(1,100,681)</td>
</tr>
<tr>
<td>Proceeds from disposal of available-for-sale financial assets</td>
<td>41,896</td>
<td>1,822,499</td>
</tr>
<tr>
<td>Purchase of investments accounted for using the equity method</td>
<td>(2,999,635)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal of investments accounted for using the equity method</td>
<td>1,528,400</td>
<td></td>
</tr>
<tr>
<td>Proceeds from equity investees' capital return</td>
<td>8,308,258</td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(431,187)</td>
<td>(454,463)</td>
</tr>
<tr>
<td>Increase in intangible assets</td>
<td>(1,048,090)</td>
<td>(117,203)</td>
</tr>
<tr>
<td>Decrease in reclassifiable deposits</td>
<td>32,984</td>
<td>23,975</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>4,812,905</td>
<td>83,608</td>
</tr>
</tbody>
</table>

## Cash Flows from Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in short-term loans</td>
<td>2,179,150</td>
<td></td>
</tr>
<tr>
<td>Proceeds from exercise of employee stock options</td>
<td>1,510</td>
<td>3,494</td>
</tr>
<tr>
<td>Increase in deposits received</td>
<td>23,610</td>
<td>5,093</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(10,328,124)</td>
<td>(21,999,457)</td>
</tr>
<tr>
<td>Treasury stock repurchased</td>
<td></td>
<td>(2,109,914)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(8,123,854)</td>
<td>(28,106,784)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>1,151,206</td>
<td>(16,032,132)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>27,137,268</td>
<td>43,169,406</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>28,268,474</td>
<td>27,137,268</td>
</tr>
</tbody>
</table>

## Supplemental Disclosures of Cash Flow Information:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax paid during the year</td>
<td>303,578</td>
<td>644,813</td>
</tr>
<tr>
<td>Interest paid during the year</td>
<td>1,734</td>
<td>4,524</td>
</tr>
</tbody>
</table>

## Activities Partially Affected by Cash Flows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(452,851)</td>
<td>(454,463)</td>
</tr>
<tr>
<td>Increase in payables to contractors and equipment suppliers</td>
<td>21,664</td>
<td></td>
</tr>
<tr>
<td>Cash paid for the purchase of property, plant and equipment</td>
<td>(431,187)</td>
<td>(454,463)</td>
</tr>
</tbody>
</table>

## Non-Cash Items:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in unrealized gain (loss) on financial instruments</td>
<td>657,151</td>
<td>(139,416)</td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td>(3,308,761)</td>
<td></td>
</tr>
<tr>
<td>Adjustments arising from changes in the percentage of ownership in investees</td>
<td>31,103</td>
<td>844</td>
</tr>
<tr>
<td>Adjustment of shareholders' equity from disposal of investments accounted for using the equity method</td>
<td>106,957</td>
<td></td>
</tr>
<tr>
<td>Adjustments of cash dividends distributed to subsidiaries holding the Company's stock</td>
<td>70,145</td>
<td>155,847</td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>56,898,535</td>
<td>12,814,375</td>
</tr>
<tr>
<td>Available-for-sale financial assets reclassified from investments accounted for using the equity method</td>
<td>560,270</td>
<td></td>
</tr>
</tbody>
</table>

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

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. and Subsidiaries
### Consolidated Balance Sheets
As of December 31, 2012 and 2011

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2. (41)</td>
<td>$85,807,210</td>
<td>$85,823,430</td>
</tr>
<tr>
<td>Held-for-trading financial assets-net current</td>
<td>2. (42)</td>
<td>244</td>
<td>66</td>
</tr>
<tr>
<td>Financial assets designated as at fair value through profit or loss-current</td>
<td>2. (43)</td>
<td>629,669</td>
<td>1,617,358</td>
</tr>
<tr>
<td>Available-for-sale financial assets-current</td>
<td>2. (44), 2. (42), 2. (44)</td>
<td>3,779,013</td>
<td>2,545,354</td>
</tr>
<tr>
<td>Held-to-maturity financial assets-current</td>
<td>2. (45)</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Bond portfolios with no active market-current</td>
<td>2. (43)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2. (46)</td>
<td>6,584,618</td>
<td>7,360,317</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5</td>
<td>23,567</td>
<td>23,567</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>2. (48)</td>
<td>13,667,311</td>
<td>9,392,282</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2. (49)</td>
<td>1,141,033</td>
<td>689,987</td>
</tr>
<tr>
<td>Depreciable income tax assets-current</td>
<td>2. (42)</td>
<td>526,731</td>
<td>220,440</td>
</tr>
<tr>
<td>Deferred assets-current</td>
<td>6</td>
<td>112,598</td>
<td>112,112</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>147,973,858</td>
<td>132,082,130</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LONG-TERM LIABILITIES</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>2. (415)</td>
<td>1,273,869</td>
<td>1,055,184</td>
</tr>
<tr>
<td>Buildings and facilities</td>
<td></td>
<td>6,709,307</td>
<td>6,135,210</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td></td>
<td>123,794</td>
<td>159,305</td>
</tr>
<tr>
<td>Computer and telecommunication equipment</td>
<td></td>
<td>2,011,652</td>
<td>1,610,314</td>
</tr>
<tr>
<td>Testing equipment</td>
<td></td>
<td>3,013,032</td>
<td>2,817,023</td>
</tr>
<tr>
<td>Miscellaneous equipment</td>
<td></td>
<td>1,141,123</td>
<td>1,216,583</td>
</tr>
<tr>
<td>Total cost</td>
<td></td>
<td>14,816,090</td>
<td>12,547,299</td>
</tr>
<tr>
<td>Capital collected in advance</td>
<td></td>
<td>8,963,794</td>
<td>8,963,794</td>
</tr>
<tr>
<td>Capital stock</td>
<td></td>
<td>7,852,296</td>
<td>7,583,505</td>
</tr>
<tr>
<td>Common stock</td>
<td></td>
<td>1,433,702</td>
<td>1,433,702</td>
</tr>
<tr>
<td>Treasury stock</td>
<td></td>
<td>102</td>
<td>83</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>10,707,385</td>
<td>9,810,051</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTANGIBLE ASSETS</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademarks</td>
<td></td>
<td>14,939</td>
<td>27,449</td>
</tr>
<tr>
<td>Patents</td>
<td></td>
<td>548,129</td>
<td>256,344</td>
</tr>
<tr>
<td>Software</td>
<td></td>
<td>170,282</td>
<td>279,434</td>
</tr>
<tr>
<td>Goodwill</td>
<td></td>
<td>13,994,614</td>
<td>13,423,387</td>
</tr>
<tr>
<td>Deferred pension cost</td>
<td>2. (417)</td>
<td>441</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>2,158,556</td>
<td>4,198,121</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td></td>
<td>15,862,238</td>
<td>16,150,655</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER ASSETS</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts receivable</td>
<td>2. (42)</td>
<td>246,785</td>
<td>671</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>210,242,958</td>
<td>147,741,108</td>
</tr>
</tbody>
</table>

### Notes
- The accompanying notes are an integral part of the consolidated financial statements.
- English Translation of Financial Statements Originally Issued in Chinese
### MENTIAK 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)

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross sales</td>
<td></td>
<td>$112,014,739</td>
<td>$91,480,134</td>
</tr>
<tr>
<td>Less: Sales returns</td>
<td>(44,482)</td>
<td>(44,450)</td>
<td></td>
</tr>
<tr>
<td>Sales discounts</td>
<td>(12,707,097)</td>
<td>(4,578,190)</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>2, 4(26), 5</td>
<td>99,263,160</td>
<td>86,857,494</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>4(8), 4(27), 5</td>
<td>(58,200,706)</td>
<td>(47,513,337)</td>
</tr>
<tr>
<td>Gross profits</td>
<td></td>
<td>41,062,454</td>
<td>39,344,157</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2, 4(27), 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(3,109,276)</td>
<td>(2,860,530)</td>
<td></td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(3,064,310)</td>
<td>(2,954,996)</td>
<td></td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(22,383,562)</td>
<td>(21,183,903)</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(28,557,148)</td>
<td>(26,999,429)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td>12,505,306</td>
<td>12,344,728</td>
</tr>
<tr>
<td>Non-operating income and gains</td>
<td></td>
<td>1,730,158</td>
<td>1,016,367</td>
</tr>
<tr>
<td>Interest income</td>
<td>10</td>
<td>1,074,451</td>
<td>124,047</td>
</tr>
<tr>
<td>Gain on equity investments, net</td>
<td>2, 4(14)</td>
<td>148,878</td>
<td>46,115</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>829,865</td>
<td>66,760</td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>2, 4(14)</td>
<td>119,544</td>
<td>332,656</td>
</tr>
<tr>
<td>Foreign exchange gain, net</td>
<td>2</td>
<td>79,251</td>
<td></td>
</tr>
<tr>
<td>Valuation gain on financial assets</td>
<td>2, 4(2), 10</td>
<td>609,123</td>
<td>384,580</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-operating income and gains</td>
<td></td>
<td>4,591,270</td>
<td>1,970,525</td>
</tr>
<tr>
<td>Non-operating expenses and losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>10</td>
<td>(109,458)</td>
<td>(9,378)</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>2</td>
<td>(10,000)</td>
<td>(15,409)</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>2, 4(4), 4(12)</td>
<td>(349,450)</td>
<td></td>
</tr>
<tr>
<td>Valuation loss on financial assets</td>
<td>2, 4(2), 10</td>
<td>-</td>
<td>(87,215)</td>
</tr>
<tr>
<td>Valuation loss on financial liabilities</td>
<td>2, 4(2), 10</td>
<td>(2,638)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>(5,473)</td>
<td></td>
</tr>
<tr>
<td>Total non-operating expenses and losses</td>
<td></td>
<td>(477,019)</td>
<td>(112,002)</td>
</tr>
<tr>
<td>Income from continuing operations before income tax</td>
<td></td>
<td>16,619,557</td>
<td>14,203,251</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>2, 4(28)</td>
<td>(971,244)</td>
<td>(587,448)</td>
</tr>
<tr>
<td>Consolidated net income</td>
<td></td>
<td>$15,648,313</td>
<td>$13,615,803</td>
</tr>
<tr>
<td>Income Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of the parent</td>
<td></td>
<td>$15,687,528</td>
<td>$13,623,070</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(392,215)</td>
<td>(7,267)</td>
<td></td>
</tr>
<tr>
<td>Consolidated net income</td>
<td></td>
<td>$15,648,313</td>
<td>$13,615,803</td>
</tr>
<tr>
<td>Basic Earnings Per Share (in New Taiwan Dollars)</td>
<td>2, 4(29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consoliated net income</td>
<td>Before tax</td>
<td>$13.66</td>
<td>$12.87</td>
</tr>
<tr>
<td>Net income attributable to minority interests</td>
<td>After tax</td>
<td>$12.87</td>
<td>$12.34</td>
</tr>
<tr>
<td>Net income attributable to the parent</td>
<td>Before tax</td>
<td>$13.69</td>
<td>$12.90</td>
</tr>
<tr>
<td>Diluted Earnings Per Share (in New Taiwan Dollars)</td>
<td>After tax</td>
<td>$12.88</td>
<td>$12.35</td>
</tr>
<tr>
<td>Consolidated net income</td>
<td></td>
<td>$13.60</td>
<td>$12.80</td>
</tr>
<tr>
<td>Net income attributable to minority interests</td>
<td></td>
<td>$12.73</td>
<td>$12.20</td>
</tr>
<tr>
<td>Net income attributable to the parent</td>
<td></td>
<td>$13.63</td>
<td>$12.74</td>
</tr>
</tbody>
</table>

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

15
### CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Capital</th>
<th>Retained earnings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
<td>Capital collected in advance</td>
<td>Capital reserve</td>
</tr>
<tr>
<td>Balance as of January 1, 2011</td>
<td>$10,999,317</td>
<td>$365</td>
<td>$12,259,404</td>
</tr>
<tr>
<td>Appropriation and distribution of 2010 earnings:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable to parent company for the year ended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>555,336</td>
<td></td>
<td>12,259,039</td>
</tr>
<tr>
<td>Treasury stock acquired</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock retired</td>
<td>(80,000)</td>
<td>(161,410)</td>
<td></td>
</tr>
<tr>
<td>Employee stock option distributed to subsidiaries’ employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of stock from exercising employee stock options</td>
<td>455</td>
<td>(282)</td>
<td>3,321</td>
</tr>
<tr>
<td>The effects of subsidiaries’ shareholding of the Company’s stock recorded as treasury stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment arising from changes in the percentage of ownership in investors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in minority interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2011</td>
<td>$11,475,108</td>
<td>$83</td>
<td>$24,603,882</td>
</tr>
<tr>
<td>Appropriation and distribution of 2011 earnings:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable to parent company for the year ended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>2,017,679</td>
<td></td>
<td>54,880,856</td>
</tr>
<tr>
<td>Employee stock option distributed to subsidiaries’ employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of stock from exercising employee stock options</td>
<td>915</td>
<td>19</td>
<td>576</td>
</tr>
<tr>
<td>The effects of subsidiaries’ shareholding of the Company’s stock recorded as treasury stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment arising from changes in the percentage of ownership in investors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in minority interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2012</td>
<td>$13,403,785</td>
<td>$102</td>
<td>$79,551,466</td>
</tr>
</tbody>
</table>

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
<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated net income</td>
<td>$15,648,113</td>
<td>$13,615,803</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>$1,217,273</td>
<td>$1,179,541</td>
</tr>
<tr>
<td>Amortization</td>
<td>$2,479,182</td>
<td>$1,549,783</td>
</tr>
<tr>
<td>Bad debt reversal</td>
<td>($1,003)</td>
<td>($62,871)</td>
</tr>
<tr>
<td>Provision (reversal) of sales returns and discounts</td>
<td>$1,723,571</td>
<td>($152,716)</td>
</tr>
<tr>
<td>Employee stock option distributed</td>
<td>$49,661</td>
<td>$88,883</td>
</tr>
<tr>
<td>Amortization of financial assets discount or premium</td>
<td>$376</td>
<td>$2,524</td>
</tr>
<tr>
<td>Gain on recovery in marketable value and obsolescence of inventories</td>
<td>($1,488,384)</td>
<td>($1,202,476)</td>
</tr>
<tr>
<td>Net gain on equity investments</td>
<td>($1,074,451)</td>
<td>($124,047)</td>
</tr>
<tr>
<td>Net loss on disposal of property, plant and equipment</td>
<td>$10,000</td>
<td>$15,409</td>
</tr>
<tr>
<td>Net loss on disposal of intangible assets (included in other losses)</td>
<td>($74)</td>
<td>($74)</td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>($829,965)</td>
<td>($66,766)</td>
</tr>
<tr>
<td>Adjustment of valuation on financial assets and liabilities</td>
<td>($57,383)</td>
<td>$95,474</td>
</tr>
<tr>
<td>Loss on impairment of financial assets</td>
<td>$349,450</td>
<td>$166,506</td>
</tr>
<tr>
<td>Cash dividends from equity investees</td>
<td>$1,488</td>
<td>$186,387</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>$89,878</td>
<td>$1,714,243</td>
</tr>
<tr>
<td>Employees' bonuses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets designated as at fair value through profit or loss</td>
<td>$1,227,038</td>
<td>($577,466)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>($1,264,864)</td>
<td>($50,626)</td>
</tr>
<tr>
<td>Receivables from related parties</td>
<td>($23,567)</td>
<td>($292,976)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>($704,808)</td>
<td>($2,587,862)</td>
</tr>
<tr>
<td>Inventories</td>
<td>($2,013,583)</td>
<td>$1,479,975</td>
</tr>
<tr>
<td>Prepayments</td>
<td>($360,832)</td>
<td>$1,479,975</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$119,134</td>
<td>$258,227</td>
</tr>
<tr>
<td>Deferred pension cost</td>
<td>($441)</td>
<td>($4,085,535)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$22,548</td>
<td>$175,012</td>
</tr>
<tr>
<td>Payables to related parties</td>
<td>$75,504</td>
<td>($70,224)</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>$371,647</td>
<td>($209,200)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>($3,469,973)</td>
<td>($3,675,369)</td>
</tr>
<tr>
<td>Other payables</td>
<td>($33,000)</td>
<td>$48,956</td>
</tr>
<tr>
<td>Current portion of long-term payables</td>
<td>$10,924</td>
<td>$2,955</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>($167,602)</td>
<td>$119,852</td>
</tr>
<tr>
<td>Long-term payables</td>
<td>($34,052)</td>
<td>($5,126)</td>
</tr>
<tr>
<td>Accrued pension liabilities</td>
<td>$19,645</td>
<td>$83,490</td>
</tr>
<tr>
<td>Other liabilities-others</td>
<td>$25,324</td>
<td>$95,551</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$11,402,932</td>
<td>$16,707,372</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in restricted assets</td>
<td>($100,215)</td>
<td>$16,604</td>
</tr>
<tr>
<td>Increase in available-for-sale financial assets</td>
<td>($403,716)</td>
<td>($4,546,205)</td>
</tr>
<tr>
<td>Proceeds from disposal of available-for-sale financial assets</td>
<td>$238,448</td>
<td>$6,432,441</td>
</tr>
<tr>
<td>Increase in held-to-maturity financial assets</td>
<td>($319,765)</td>
<td>($876,546)</td>
</tr>
<tr>
<td>Proceeds from disposal of held-to-maturity financial assets</td>
<td>$372,684</td>
<td>$1,058,547</td>
</tr>
<tr>
<td>Increase in financial assets carried at cost</td>
<td>($948,483)</td>
<td>($201,769)</td>
</tr>
<tr>
<td>Proceeds from disposal of financial assets carried at cost</td>
<td>$44,749</td>
<td>$5,735</td>
</tr>
<tr>
<td>Proceeds from disposal of investments accounted for using the equity method</td>
<td>$1,328,400</td>
<td>($201,769)</td>
</tr>
<tr>
<td>Increase in investments accounted for using the equity method</td>
<td>($278,382)</td>
<td>($201,769)</td>
</tr>
<tr>
<td>Net cash (outflows) inflows from acquisition of subsidiaries</td>
<td>($938,022)</td>
<td>$4,040,514</td>
</tr>
<tr>
<td>Proceeds from equity investees' capital return</td>
<td>$1,487</td>
<td>($15,145)</td>
</tr>
<tr>
<td>Increase in prepayment for long-term investments</td>
<td></td>
<td>($15,145)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>($2,286,499)</td>
<td>($2,584,699)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>$2,799</td>
<td>$2,584,699</td>
</tr>
<tr>
<td>Decrease in refundable deposits</td>
<td>$95,038</td>
<td>$10,248</td>
</tr>
<tr>
<td>Increase in intangible assets and deferred charges</td>
<td>($1,163,784)</td>
<td>($209,200)</td>
</tr>
<tr>
<td>Net cash (used in) provide by investing activities</td>
<td>($4,177,212)</td>
<td>$1,005,827</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in short-term loan</td>
<td>$4,791,280</td>
<td>$3,979,608</td>
</tr>
<tr>
<td>Increase in deposits received</td>
<td>$24,057</td>
<td>$5,176</td>
</tr>
<tr>
<td>Proceeds from exercise of employee stock options</td>
<td>$1,510</td>
<td>$3,494</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>($10,128,124)</td>
<td>($21,999,475)</td>
</tr>
<tr>
<td>Cash dividends distributed to subsidiaries holding the Company's stock</td>
<td>$70,145</td>
<td>$155,881</td>
</tr>
<tr>
<td>Treasury stock repurchased</td>
<td>($2,109,914)</td>
<td>($2,109,914)</td>
</tr>
<tr>
<td>Change in minority interests</td>
<td>$20,097</td>
<td>$52,345</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>($5,421,035)</td>
<td>($19,916,469)</td>
</tr>
<tr>
<td>Effect of exchange rate</td>
<td>($1,258,413)</td>
<td>$2,871,022</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>$45,772</td>
<td>($105,919)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>$85,821,438</td>
<td>$85,927,357</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>$85,830,210</td>
<td>$85,927,357</td>
</tr>
<tr>
<td><strong>Supplemental disclosures of cash flow information:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid during the year</td>
<td>$112,970</td>
<td>$4,811</td>
</tr>
<tr>
<td>Income tax paid during the year</td>
<td>$461,348</td>
<td>$939,965</td>
</tr>
<tr>
<td><strong>Activities partially affected cash flows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>($2,252,492)</td>
<td>($2,577,504)</td>
</tr>
<tr>
<td>Add decrease in payables to contractors and equipment suppliers</td>
<td>($15,907)</td>
<td>$7,195</td>
</tr>
<tr>
<td>Cash paid for the purchase of property, plant and equipment</td>
<td>($2,268,409)</td>
<td>($2,584,699)</td>
</tr>
<tr>
<td><strong>Non-cash activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares issued to acquire new entities</td>
<td>$56,908,555</td>
<td>$12,814,375</td>
</tr>
<tr>
<td>Change in unrealized gain (loss) on financial instruments</td>
<td>$657,153</td>
<td>($139,416)</td>
</tr>
<tr>
<td>Adjustment of shareholders' equity from disposal of investments accounted for using the equity method</td>
<td>($86,355)</td>
<td>$369,826</td>
</tr>
</tbody>
</table>

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

Chairman: Mings Kuei Tsai
President: Ching-Jung Hsieh
Chief Financial Officer: David Ku
## Comparison of the Original Text and the Amended Text in “Operating Procedures of Outward Loans to Others”

<table>
<thead>
<tr>
<th>Article</th>
<th>Original Text</th>
<th>Amended Text</th>
<th>Amendment Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article I</td>
<td>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.</td>
<td>These Procedures were amended per Order No. Taiwan-Finance-Securities-VI-101002874 of the Financial Supervisory Commission and other laws and regulations duly promulgated on July 6, 2012.</td>
<td>This text was amended in accordance with the latest laws and regulations.</td>
</tr>
<tr>
<td>Article I-I</td>
<td>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.)</td>
<td>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.)</td>
<td>Revised for clarification purposes.</td>
</tr>
</tbody>
</table>
| 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. 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.  
III. 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. | 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 within two days commencing immediately from the date of occurrence, whenever the loans of funds balance reaches one of the following levels:  
(I) to (III) Omitted.  
III. 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. | 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, in accordance with generally accepted accounting principles, evaluate the situation of loan rendering, make adequate allowance for bad debt, disclose 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 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. | 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. |
## Comparison of the Original Text and the Amended Text in “Operating Procedures of Endorsement/Guarantee”

<table>
<thead>
<tr>
<th>Article</th>
<th>Original Text</th>
<th>Amended Text</th>
<th>Amendment Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>These Procedures were amended per order No. 85-Taiwan-Finance-Endorsement/Guarantee-001 of the Securities and Futures Commission, Ministry of Finance and other laws and regulations duly promulgated on March 19, 2010.</td>
<td>These Procedures were amended per Order No. 85-Taiwan-Finance-Endorsement/Guarantee-001 of the Securities and Futures Commission and other laws and regulations duly promulgated on July 6, 2012.</td>
<td>This text was amended in accordance with the latest laws and regulations.</td>
</tr>
<tr>
<td>II</td>
<td>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.</td>
<td>The party to whom the Company may provide endorsement/guarantee includes the following: I. Omitted. II. Any subsidiary of the Company. III. 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.</td>
<td>Revised for clarification purposes.</td>
</tr>
<tr>
<td>IV</td>
<td>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 have 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</td>
<td>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 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. 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</td>
<td>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.</td>
</tr>
</tbody>
</table>

---

**Appendix:**

- **(I) to (III) Omitted.**
  - (I) The Company may render endorsement/guarantee free of the restriction set forth in the preceding paragraph, if the Company renders endorsement/guarantee to other firms based on pro rata co-investment of investors.
  - (II) The party to whom the Company may provide endorsement/guarantee includes the following:
  - (III) 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.

- **(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 have 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 specified timeframe.

II. The Company’s subsidiaries shall not render endorsement/guarantee to others.

over the limitation of endorsement/guarantee, and withdraw these portions within the duration of contract or the specific period. The proposed corrective actions shall be submitted to all supervisors and implemented within specified timeframe.

V. 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.

VI. The Company’s subsidiaries shall not render endorsement/guarantee to others.

Article VII

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.

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:

(I) to (II) Omitted.

(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.

(IV) Omitted.

III. 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.

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


Amendment date added.