

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the first quarter of year 2017

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	1Q 2017	1Q 2016	YOY%	1Q 2017	4Q 2016	QOQ%
Net Sales	56,083	55,905	0%	56,083	68,675	-18%
Operating costs	(37,293)	(34,598)	8%	(37,293)	(44,963)	-17%
Gross profit	18,790	21,307	-12%	18,790	23,713	-21%
Operating expenses						
Selling expenses	(2,368)	(1,996)	19%	(2,368)	(3,675)	-36%
Administrative expenses	(1,720)	(1,491)	15%	(1,720)	(2,021)	-15%
Research and development expenses	(13,489)	(13,417)	1%	(13,489)	(14,035)	-4%
Total operating expenses	(17,578)	(16,904)	4%	(17,578)	(19,731)	-11%
Operating income	1,212	4,403	-72%	1,212	3,981	-70%
Non-operating income and expenses	6,289	875	619%	6,289	1,586	296%
Net income before income tax	7,501	5,278	42%	7,501	5,568	35%
Income tax expense	(862)	(805)	7%	(862)	(430)	100%
Net income	6,639	4,473	48%	6,639	5,138	29%
Net other comprehensive income	(703)	(1,772)	60%	(703)	11,295	-106%
Total comprehensive income	5,936	2,701	120%	5,936	16,432	-64%
Net income (loss) attributable to :						
Owners of the parent	6,702	4,363		6,702	5,046	
Non-controlling interests	(63)	110		(63)	92	
	6,639	4,473		6,639	5,138	
Basic Earnings Per Share (NTD)	4.29	2.79		4.29	3.23	

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended March 31, 2017 and 2016

Unit: Millions of New Taiwan dollars

	2017	% to sales	2016	% to sales	YOY%
Net Sales	56,083	100%	55,905	100%	0%
Operating costs	(37,293)	-66%	(34,598)	-62%	8%
Gross profit	18,790	34%	21,307	38%	-12%
Operating expenses					
Selling expenses	(2,368)	-5%	(1,996)	-3%	19%
Administrative expenses	(1,720)	-3%	(1,491)	-3%	15%
Research and development expenses	(13,489)	-24%	(13,417)	-24%	1%
Total operating expenses	(17,578)	-32%	(16,904)	-30%	4%
Operating income	1,212	2%	4,403	8%	-72%
Non-operating income and expenses	6,289	11%	875	1%	619%
Net income before income tax	7,501	13%	5,278	9%	42%
Income tax expense	(862)	-2%	(805)	-1%	7%
Net income	6,639	12%	4,473	8%	48%
Net other comprehensive income	(703)	-1%	(1,772)	-3%	60%
Total comprehensive income	5,936	11%	2,701	5%	120%
Net income (loss) attributable to :					
Owners of the parent	6,702		4,363		
Non-controlling interests	(63)		110		
	6,639		4,473		
Basic Earnings Per Share (NTD)	4.29		2.79		

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2017 and 2016

	Unit: Millions of New Taiwan dollars				
	2017	%	2016	%	YOY%
Current assets					
Cash and cash equivalents	139,149	35%	155,963	44%	-11%
Financial assets at fair value through profit or loss-current	533	0%	5,617	1%	-91%
Available-for-sale financial assets-current	11,160	3%	8,574	2%	30%
Held-to-maturity financial assets-current	0	0%	1,254	0%	-100%
Debt instrument investments for which no active market exists-current	1,323	0%	1,314	0%	1%
Trade receivables, net	18,288	5%	15,598	4%	17%
Inventories, net	37,621	10%	27,027	8%	39%
Other current assets	23,456	6%	7,250	3%	224%
Total current assets	<u>231,530</u>	<u>59%</u>	<u>222,597</u>	<u>62%</u>	<u>4%</u>
Non-current assets					
Funds and investments	40,899	11%	20,433	6%	100%
Property, plant and equipment	35,754	9%	35,531	10%	1%
Intangible assets	78,106	20%	74,587	21%	5%
Other assets	4,616	1%	3,857	1%	20%
Total non-current assets	<u>159,375</u>	<u>41%</u>	<u>134,408</u>	<u>38%</u>	<u>19%</u>
Total assets	<u>390,905</u>	<u>100%</u>	<u>357,005</u>	<u>100%</u>	<u>9%</u>
Current Liabilities					
Short-term borrowings	60,828	16%	48,026	13%	27%
Trade payables	31,297	8%	23,023	6%	36%
Other current liabilities	37,515	10%	32,994	10%	14%
Total current liabilities	<u>129,640</u>	<u>34%</u>	<u>104,042</u>	<u>29%</u>	<u>25%</u>
Non-current liabilities					
Total non-current liabilities	6,301	1%	3,126	1%	102%
Total liabilities	<u>135,942</u>	<u>35%</u>	<u>107,168</u>	<u>30%</u>	<u>27%</u>
Equity					
Share capital	15,821	4%	15,716	4%	1%
Capital surplus	90,931	23%	88,321	25%	3%
Legal & special reserve	34,628	9%	32,032	9%	8%
Undistributed earnings	99,027	25%	100,839	28%	-2%
Other equity	11,804	3%	6,129	2%	93%
Treasury shares	(56)	0%	(56)	0%	0%
Equity attributable to owners of the parent	<u>252,155</u>	<u>64%</u>	<u>242,982</u>	<u>68%</u>	<u>4%</u>
Non-controlling interests	2,808	1%	6,855	2%	-59%
Total equity	<u>254,963</u>	<u>65%</u>	<u>249,837</u>	<u>70%</u>	<u>2%</u>
Total liabilities and equity	<u>390,905</u>	<u>100%</u>	<u>357,005</u>	<u>100%</u>	<u>9%</u>

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31, 2017 and 2016

Unit: Millions of New Taiwan dollars

	2017	2016
Cash flows from operating activities :		
Profit before tax from continuing operations	7,501	5,278
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	846	726
Amortization	893	933
Bad debt (reversal) provision	(91)	(228)
Losses on financial assets and liabilities at fair value through profit or loss	(24)	(11)
Interest expenses	160	134
Interest income	(513)	(618)
Dividend income	(16)	(103)
Share-based payment expenses	207	11
Share of profit of associates accounted for using the equity method	(27)	(128)
Losses on disposal of property, plant and equipment	2	3
Properties, plants and equipment transferred to expense	0	0
Gains on disposal of non-current assets held for sale	(5,124)	0
Losses (Gains) on disposal of investments	45	(18)
Gains on disposal of investments accounted for using the equity method	(1,487)	0
Impairment of financial assets	333	5
Others	200	0
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	1,059	268
Notes receivable	1	-
Trade receivables	2,376	679
Other receivables	244	312
Inventories	(2,254)	(2,879)
Prepayments	(108)	(154)
Other current assets	(1,133)	345
Other non-current assets-others	0	78
Trade payables	36	6,901
Trade payables to related parties	(186)	(34)
Other payables	(4,440)	(3,338)
Other current liabilities	136	(520)
Long-term payables	0	(15)
Net defined benefit liabilities	2	1
Non-current liabilities-others	41	13
Cash generated from operating activities		
Interest received	398	580
Dividend received	16	115
Interest paid	(163)	(146)
Income tax paid	(113)	(233)
Net cash (used in) provided by operating activities	<u>(1,183)</u>	<u>7,958</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(1,449)	(984)
Proceeds from disposal of available-for-sale financial assets	1,799	597
Acquisition of debt instrument investments for which no active market exists	(1,305)	(893)
Proceeds from disposal of debt instrument investments for which no active market exists	1,397	328
Acquisition of financial assets measured at cost	(2,202)	(362)
Proceeds from capital return of financial assets measured at cost	2	0
Acquisition of investments accounted for using the equity method	(895)	(48)
Net cash outflow from acquisition of subsidiaries	(1,057)	0
Acquisition of property, plant and equipment	(581)	(1,874)
Proceeds from disposal of property, plant and equipment	1	56
Increase in refundable deposits	22	(51)
Acquisition of intangible assets	(1,411)	(122)
Acquisition of investment property	0	731
Increase in long-term lease receivables	212	-
Decrease in long-term prepaid rent	8	4
Net cash used in investing activities	<u>(5,459)</u>	<u>(3,351)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	7,748	66
Increase in deposits received	(4)	(0)
Acquisition of subsidiaries	82	0
Change in non-controlling interests	1,876	41
Net cash provided by financing activities	<u>9,702</u>	<u>107</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(4,472)</u>	<u>(2,031)</u>
Net decrease in cash and cash equivalents	(1,412)	2,683
Cash and cash equivalents at the beginning of the period	<u>140,561</u>	<u>153,280</u>
Cash and cash equivalents at the end of the period	<u><u>139,149</u></u>	<u><u>155,963</u></u>

Note: Sums may not equal totals due to rounding.