

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

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	2Q 2017	2Q 2016	YOY%	2Q 2017	1Q 2017	QOQ%
Net Sales	58,079	72,527	-19.9%	58,079	56,083	3.6%
Operating costs	(37,749)	(46,974)	-19.6%	(37,749)	(37,293)	1.2%
Gross profit	20,330	25,553	-20.4%	20,330	18,790	8.2%
Operating expenses						
Selling expenses	(2,715)	(3,211)	-15.4%	(2,715)	(2,368)	14.6%
Administrative expenses	(1,632)	(1,632)	0.0%	(1,632)	(1,720)	-5.1%
Research and development expenses	(13,624)	(13,641)	-0.1%	(13,624)	(13,489)	1.0%
Total operating expenses	(17,972)	(18,484)	-2.8%	(17,972)	(17,578)	2.2%
Operating income	2,358	7,069	-66.6%	2,358	1,212	94.6%
Non-operating income and expenses	1,022	682	49.8%	1,022	6,289	-83.8%
Net income before income tax	3,380	7,751	-56.4%	3,380	7,501	-54.9%
Income tax expense	(1,170)	(1,162)	0.7%	(1,170)	(862)	35.7%
Net income	2,210	6,590	-66.5%	2,210	6,639	-66.7%
Net other comprehensive income	7,708	(1,379)	658.8%	7,708	(703)	1195.8%
Total comprehensive income	9,918	5,210	90.4%	9,918	5,936	67.1%
Net income (loss) attributable to :						
Owners of the parent	2,368	6,500		2,368	6,702	
Non-controlling interests	(158)	90		(158)	(63)	
	2,210	6,590		2,210	6,639	
Basic Earnings Per Share (NTD)	1.51	4.16		1.51	4.29	

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended June 30, 2017 and 2016

Unit: Millions of New Taiwan dollars

	2017	% to sales	2016	% to sales	YOY%
Net Sales	114,162	100.0%	128,433	100.0%	-11.1%
Operating costs	(75,042)	-65.7%	(81,572)	-63.5%	-8.0%
Gross profit	39,119	34.3%	46,861	36.5%	-16.5%
Operating expenses					
Selling expenses	(5,083)	-4.5%	(5,206)	-4.1%	-2.4%
Administrative expenses	(3,352)	-2.9%	(3,123)	-2.4%	7.3%
Research and development expenses	(27,113)	-23.8%	(27,059)	-21.1%	0.2%
Total operating expenses	(35,549)	-31.1%	(35,388)	-27.6%	0.5%
Operating income	3,570	3.1%	11,472	8.9%	-68.9%
Non-operating income and expenses	7,311	6.4%	1,557	1.2%	369.4%
Net income before income tax	10,881	9.5%	13,030	10.1%	-16.5%
Income tax expense	(2,032)	-1.8%	(1,967)	-1.5%	3.3%
Net income	8,849	7.8%	11,063	8.6%	-20.0%
Net other comprehensive income	7,005	6.1%	(3,151)	-2.5%	322.3%
Total comprehensive income	15,854	13.9%	7,912	6.2%	100.4%
Net income (loss) attributable to :					
Owners of the parent	9,070		10,863		
Non-controlling interests	(221)		200		
	8,849		11,063		
Basic Earnings Per Share (NTD)	5.80		6.95		

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2017 and 2016

Unit: Millions of New Taiwan dollars

	2017	%	2016	%	YOY%
Current assets					
Cash and cash equivalents	138,483	34.3%	159,214	42.3%	-13.0%
Financial assets at fair value through profit or loss-current	265	0.1%	4,743	1.3%	-94.4%
Available-for-sale financial assets-current	14,869	3.7%	6,027	1.6%	146.7%
Held-to-maturity financial assets-current	0	0.0%	1,177	0.3%	-100.0%
Debt instrument investments for which no active market exists-current	1,328	0.3%	923	0.2%	43.9%
Trade receivables, net	20,581	5.1%	21,014	5.6%	-2.1%
Inventories, net	39,617	9.8%	34,014	9.0%	16.5%
Other current assets	23,066	5.7%	11,342	3.0%	103.4%
Total current assets	<u>238,210</u>	<u>59.1%</u>	<u>238,454</u>	<u>63.4%</u>	<u>-0.1%</u>
Non-current assets					
Funds and investments	45,861	11.4%	22,953	6.1%	99.8%
Property, plant and equipment	36,553	9.1%	36,981	9.8%	-1.2%
Intangible assets	77,803	19.3%	73,806	19.6%	5.4%
Other assets	4,884	1.2%	4,165	1.1%	17.3%
Total non-current assets	<u>165,102</u>	<u>40.9%</u>	<u>137,905</u>	<u>36.6%</u>	<u>19.7%</u>
Total assets	<u>403,312</u>	<u>100.0%</u>	<u>376,360</u>	<u>100.0%</u>	<u>7.2%</u>
Current Liabilities					
Short-term borrowings	63,237	15.7%	60,849	16.2%	3.9%
Trade payables	30,901	7.7%	30,106	8.0%	2.6%
Other current liabilities	51,638	12.8%	58,099	15.4%	-11.1%
Total current liabilities	<u>145,776</u>	<u>36.1%</u>	<u>149,054</u>	<u>39.6%</u>	<u>-2.2%</u>
Non-current liabilities					
Total non-current liabilities	<u>6,687</u>	<u>1.7%</u>	<u>3,723</u>	<u>1.0%</u>	<u>79.6%</u>
Total liabilities	<u>152,463</u>	<u>37.8%</u>	<u>152,777</u>	<u>40.6%</u>	<u>-0.2%</u>
Equity					
Share capital	15,816	3.9%	15,716	4.2%	0.6%
Capital surplus	88,507	21.9%	88,185	23.4%	0.4%
Legal & special reserve	36,998	9.2%	34,628	9.2%	6.8%
Undistributed earnings	86,372	21.4%	79,540	21.1%	8.6%
Other equity	19,687	4.9%	4,797	1.3%	310.4%
Treasury shares	(56)	0.0%	(56)	0.0%	0.0%
Equity attributable to owners of the parent	<u>247,324</u>	<u>61.3%</u>	<u>222,811</u>	<u>59.2%</u>	<u>11.0%</u>
Non-controlling interests	3,525	0.9%	772	0.2%	356.7%
Total equity	<u>250,849</u>	<u>62.2%</u>	<u>223,583</u>	<u>59.4%</u>	<u>12.2%</u>
Total liabilities and equity	<u>403,312</u>	<u>100.0%</u>	<u>376,360</u>	<u>100.0%</u>	<u>7.2%</u>

Note: Sums may not equal totals due to rounding.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2017 and 2016

Unit: Millions of New Taiwan dollars

	2017	2016
Cash flows from operating activities :		
Profit before tax from continuing operations	10,881	13,030
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	1,709	1,470
Amortization	1,816	1,906
Bad debt (reversal) provision	(131)	(177)
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(66)	36
Interest expenses	376	261
Interest income	(1,171)	(1,265)
Dividend income	(323)	(210)
Share-based payment expenses	454	19
Share of profit of associates accounted for using the equity method	(49)	(195)
Losses on disposal of property, plant and equipment	2	4
Properties, plants and equipment transferred to expense	0	0
Gains on disposal of non-current assets held for sale	(5,124)	0
Losses on disposal of investments	25	71
Gains on disposal of investments accounted for using the equity method	(1,488)	0
Impairment of financial assets	333	71
Others	200	0
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	1,318	1,111
Notes receivable	2	0
Trade receivables	138	(3,591)
Other receivables	(596)	(118)
Inventories	(4,086)	(8,457)
Prepayments	(176)	(318)
Other current assets	(104)	(175)
Other non-current assets-others	0	78
Trade payables	(408)	13,231
Trade payables to related parties	(182)	415
Other payables	(3,613)	2,635
Other current liabilities	(371)	910
Long-term payables	0	(29)
Net defined benefit liabilities	7	(0)
Non-current liabilities-others	102	4
Cash generated from operating activities		
Interest received	1,292	1,106
Dividend received	323	210
Interest paid	(367)	(271)
Income tax paid	(3,063)	(1,590)
Net cash (used in) provided by operating activities	<u>(2,339)</u>	<u>20,169</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(1,840)	(3,101)
Proceeds from disposal of available-for-sale financial assets	2,640	3,174
Acquisition of debt instrument investments for which no active market exists	(1,601)	(1,369)
Proceeds from disposal of debt instrument investments for which no active market exists	1,402	320
Proceeds from redemption of held-to-maturity financial assets	0	319
Acquisition of financial assets measured at cost	(3,167)	(627)
Proceeds from capital return of financial assets measured at cost	27	0
Acquisition of investments accounted for using the equity method	(944)	(1,630)
Proceeds from capital return of investments accounted for using the equity method	0	12
Net cash outflow from acquisition of subsidiaries	(1,057)	(2,406)
Acquisition of property, plant and equipment	(2,037)	(4,039)
Proceeds from disposal of property, plant and equipment	4	57
Increase in refundable deposits	16	(66)
Acquisition of intangible assets	(1,506)	(232)
Proceeds from disposal of intangible assets	0	0
Acquisition of investment property	0	(1)
Decrease in long-term lease receivables	212	0
(Increase)Decrease in long-term prepaid rent	(19)	9
Net cash used in investing activities	<u>(7,869)</u>	<u>(9,580)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	10,082	11,302
Proceeds from long-term borrowings	0	290
(Decrease)Increase in deposits received	(3)	10
Disposal of ownership interests in subsidiaries (without losing control)	81	0
Acquisition of subsidiaries	0	(14,184)
Change in non-controlling interests	1,963	39
Net cash provided by(used in) financing activities	<u>12,124</u>	<u>(2,543)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(3,993)</u>	<u>(1,396)</u>
Net decrease in cash and cash equivalents	<u>(2,078)</u>	<u>6,650</u>
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>138,483</u></u>	<u><u>159,929</u></u>

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