

MediaTek Inc.

2013 Annual General Shareholders' Meeting Minutes

- 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 presenting
shareholders 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)

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

Descriptions: The 2012 Supervisors' Review Report is attached as page 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.
- (2). For the 2012 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements, please refer to page 6, Attachment 1, page 8-12, Attachment 3, and page 13-17, Attachment 4.

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:

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

Note:

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

Chairman: Ming-Kai Tsai President: Ching-Jiang Hsieh Chief Financial Officer: David Ku

Resolution: 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

Attachment

Attachment 1

MediaTek Inc. 2012 Business Report

Dear Shareholders:

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

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

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

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

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

Chairman: Ming-Kai Tsai

President: Ching-Jiang Hsieh

Chief Financial Officer: David Ku

Attachment 2

**MediaTek Inc.
Supervisors' Report**

The Financial Statements of MediaTek Inc. in fiscal year 2012 have been duly audited by Ernst & Young and are believed to fairly represent the financial standing, operation results and cash flows of MediaTek Inc. We, the Supervisors, have duly reviewed the Financial Statements along with the Business Report and proposal for profits distribution and hereby verify that they comply with the requirements of Company Law and relevant regulations. This report is duly submitted in accordance with Article 219 of the Company Law, and we hereby submit this report.

To MediaTek Inc. 2013 Annual General Shareholders' Meeting

MediaTek Inc.

Supervisor: Paul Wang

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

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

March 29, 2013

Attachment 3

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.

MEDIATEK INC.

BALANCE SHEETS

As of December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC.

STATEMENTS OF INCOME

For the years ended December 31, 2012 and 2011

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

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

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

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

Attachment 4

**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.

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2012 and 2011
(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

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

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

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2012 and 2011

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

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

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

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

Attachment 5

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

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

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

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

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