



Handbook for the 2018 Annual Meeting of Shareholders

(TRANSLATION)

Meeting Date: June 15, 2018

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MediaTek Inc.
Procedure for the 2018 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Acknowledgements
5. Proposed Resolutions and Election
6. Extemporaneous Motions
7. Meeting Adjourned

MediaTek Inc.
Year 2018
Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m., June 15, 2018 (Friday)

Venue: International Convention Center, MediaTek

No. 1, Dusing 1st Road, Hsinchu Science Park, Hsinchu City, Taiwan R.O.C.

Agenda:

1. Call the meeting to order
2. Chairman remarks
3. Report Items
 - (1). 2017 business report
 - (2). Audit Committee's review report on the 2017 financial statements
 - (3). Report on 2017 employees' compensation and remuneration to directors
 - (4). Report on completion of spin-off of the Company's existing Bluetooth related Internet of Things product line business to its wholly owned subsidiary
4. Acknowledgements
 - (1). Adoption of the 2017 business report and financial statements
 - (2). Adoption of the proposal for distribution of 2017 profits
5. Proposed Resolutions and Election
 - (1). Discussion of cash distribution from capital reserve
 - (2). Amendments to the company's "Operating Procedures of Endorsement/Guarantee"
 - (3). Discussion on the issuance of Restricted Stock Awards
 - (4). Election of directors (including independent directors) of the 8th session
 - (5). Suspension of the non-competition restriction on the company's directors
6. Extemporary Motions
7. Meeting Adjourned

Report Items

Report item (1)

Proposed by the Board of Directors

Subject: MediaTek's 2017 business report.

Descriptions: MediaTek's 2017 business report is attached on page 13, Attachment 1.

Report item (2)

Proposed by the Board of Directors

Subject: Audit Committee's review report on the 2017 financial statements.

Descriptions: 2017 Audit Committee's review report is attached on page 15, Attachment 2.

Report item (3)

Proposed by the Board of Directors

Subject: Report on 2017 employees' compensation and remuneration to directors.

Descriptions:

- (1). According to Article 24 of the Company's Articles of Incorporation, if there is any profit for a specific fiscal year, the Company shall allocate no less than 1% of the profit as employees' compensation and shall allocate at a maximum of 0.5% of the profit as remuneration to directors, provided that the Company's accumulated losses shall have been covered in advance.
- (2). The Board has adopted a proposal for distribution of 2017 profit as follows: employees' compensation is NT\$298,330,837 and the remuneration to directors is NT\$ 43,798,688; both shall be paid in cash.

Report item (4)

Proposed by the Board of Directors

Subject: Report on completion of spin-off the Company's existing Bluetooth related Internet of Things product line business to its wholly owned subsidiary.

Descriptions:

- (1). According to Article 7, paragraph 2 of the Business Mergers and Acquisitions Law, if a resolution of the merger/consolidation and acquisition is adopted by the Board under Article 36, paragraph 1 and paragraph 2, and is excluded from a resolution by the general meeting and deemed unnecessary to be notified to shareholders, the Board of Directors shall submit reports for matters of the merger/consolidation and acquisition at the next closest general meeting.
- (2). For the purpose of implementation of resources integration of the group, and deepening and accelerating the IoT market expansion, the Board of the Company, on July 31th, 2017, agreed to a proposal to spin-off its existing Bluetooth related Internet of Things product line business (including assets, liabilities, related staffs and operations) to Airoha Technology Corporation, which is the Company's wholly owned subsidiary. Airoha Technology Corporation issued new shares as the consideration of the transferred business.
- (3). The above-mentioned spin-off has been executed in accordance with the resolution of the Board, and the spin-off record date is October 1, 2017. Airoha Technology Corporation completed the registration modification on November 27th, 2017.

Acknowledgements

Acknowledgement (1)

Proposed by the Board of Directors

Subject: Adoption of the 2017 business report and financial statements.

Descriptions:

- (1). MediaTek's 2017 financial statements, including the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by independent auditors Shao-Pin Kuo and Wen-Fun Fuh of Ernst & Young.
- (2). For the 2017 business report, independent auditors' report and the aforementioned financial statements, please refer to page 13, Attachment 1, page 16-25, Attachment 3, and page 26-35, Attachment 4.

Resolution:

Acknowledgement (2)

Proposed by the Board of Directors

Subject: Adoption of the proposal for distribution of 2017 profits.

Descriptions:

- (1). The proposal for distribution of 2017 profits has been approved by the Board of Directors in the 22nd Board Meeting of the 7th session.
- (2). Please refer to the 2017 profit distribution table below:

Descriptions	Amount (NTD)	Remarks
Unappropriated retained earnings of previous years	\$77,301,395,437	
Plus: Net income of 2017	24,332,604,346	
Plus: Actuarial gain on defined benefit plans	172,621,212	
Plus: Adjustment for restricted stocks awards	32,876,080	
Less: The differences between the fair value of the consideration paid from acquiring subsidiaries and the carrying amounts of the subsidiaries	(1,210,299,071)	
Earnings available for distribution	<u>100,629,198,004</u>	
Distribution items:		
Legal reserve	(2,433,260,435)	
Dividend to common shareholders	<u>(11,844,547,418)</u>	Cash dividend of NT\$7.5 per share; No stock dividend.
Unappropriated retained earnings	<u>86,351,390,151</u>	

Note:

1. Cash dividend distributions are calculated based on MediaTek's outstanding shares of 1,579,272,989 shares as of April 26, 2018.
2. The cash dividends will be distributed to each shareholder based on shareholding percentages, and be rounded down to the nearest dollar. The amounts under one dollar due to the rounding off are summed and recognized as the Company's other income.
3. According to the Board resolution on April 27, 2018, the Chairman is authorized to determine the cash dividend record date and payment date upon the approval of the profit distribution proposal at the Annual Meeting of Shareholders. In the event the number of outstanding shares is affected by the Company's subsequent shares' buyback, transfer or cancellation of treasury stocks, issuance of new shares because of the exercise of employee stock options, issuance or withdrawal of employee restricted stocks or other causes, the Chairman is authorized to adjust the distribution percentage and other related matters based on the actual number of the outstanding shares on the cash dividend record date.

Chairman: Ming-Kai Tsai

Chief Executive Officer: Rick Tsai

Chief Financial Officer: David Ku

Resolution:

Proposed Resolutions and Election

Proposal (1)

Proposed by the Board of Directors

Subject: Discussion of cash distribution from capital reserve. Approval is respectfully requested.

Descriptions:

- (1). Pursuant to subparagraph 1, paragraph 1 of Article 241 of the Company Act, the Company plans to distribute cash of NT\$ 3,948,182,473 from the capital reserve in excess of par value, to the shareholder listed on the register of shareholders on the record date and the expected cash per share is NT\$2.5. Cash payment shall be rounded to one NTD (amount less than one NTD shall be ignored). The amounts under one dollar due to the rounding off are summed and recognized as the Company's other income.
- (2). According to the Board resolution on April 27, 2018, the Chairman is authorized to determine the record date and payment date upon the approval of cash distribution from capital reserve at the Annual Meeting of Shareholders. In the event the number of outstanding shares is affected by the Company's subsequent shares' buyback, transfer or cancellation of treasury stocks, issuance of new shares because of the exercise of employment stock options, issuance of withdraw employee restricted stocks or other causes, the Chairman is authorized to adjust the distribution amount per share and other related matters based on the actual number of the outstanding shares on the record date.

Resolution:

Proposal (2)

Proposed by the Board of Directors

Subject: Amendment to the Company's "Operating Procedures of Endorsement/Guarantee". Approval is respectfully requested.

Descriptions:

- (1). In order to conform to the amendments of relevant laws and regulations and to the accrual requirement of the Company, the Company plans to amend the Company's "Operating Procedures of Endorsement and Guarantee".
- (2). The comparison table illustrating the original and amended texts of the "Operating Procedures of Endorsement/Guarantee" is available on page 36-39, Attachment 5.

Resolution:

Proposal (3)

Proposed by the Board of Directors

Subject: Discussion on the issuance of Restricted Stock Awards. Approval is respectfully requested.

Descriptions:

- (1). To attract and retain talents, achieve the mid-term and long-term goals of the Company, and so as to encourage the employees to dedicate themselves to accomplish the Company's operating goals, it is proposed to issue Restricted Stock Awards in accordance with Paragraph 8, Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (the "Offering Regulations") issued by Financial Supervisory Commission.

- (2). Terms of the proposed Restricted Stock Award is as below:
- a. The reason why it is necessary to issue restricted stocks for employees:
To attract and retain talents, motivate and engage employees for the best interest of the Company and its shareholders, so as to ensure the alignment of the employees' and shareholders' interests.
 - b. Qualification requirements for employees:
 - (a) To protect shareholder's interest, the Company shall cautiously manage the program. Regular (Full-time) employees of the Company who are already employed on the date that the restricted stock awards are awarded and meet certain performance requirements shall be eligible to participate in the Restricted Stock Awards Plan. The stock awards will only be available to employees who are: (I) highly related to the future strategy and development of the Company (II) critical to the Company's business operation (III) key technical talent.
 - (b) The number of shares granted shall be determined by seniority, position, performance, overall contribution, special contribution and other meaningful factors in management. The number of shares granted shall be reviewed by the Chairman and approved by the board. However, for employees who are managerial officers or the board members, the award of such shares is subject to approval from the Compensation Committee.
 - (c) Compensation Committee members, employees holding over 10% of the Company common shares and the board members who are not Company's employees are not eligible to the program.
 - (d) The sum of the cumulative number of shares granted to each employee shall be in accordance with the applicable laws and regulations in Offering Regulations.
 - c. Expected issue price: The current issue is gratuitous.
 - d. Determination of terms and conditions (including vesting conditions, handing of employee's failure to meet the vesting condition and inheritance):
 - (a) Vesting conditions:
 - (I) Employee's continuous employment with the Company through the vesting dates, no violation on any terms of the Company's employment agreement, employee handbook, non-compete and PIM agreements or the agreement of restricted stock awards and achievement of both personal performance requirement and the Company's operation objectives during the vesting period are required to receive the vested shares. The proportions of the vesting shares to be granted each year are 34%, 33%, and 33% for year 2019, 2020, and 2021 respectively. The actual proportions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives according to the vesting portion, and will be specified in the respective agreements of employees. The share calculation shall be rounded down to the nearest integer.
 - (II) The personal performance target is the employee's year-end performance rating for the year preceding the vesting date at "I" (meeting expectations) rating or better and meeting the personal performance requirement. To determine the achievement of the Company's operation objectives, four indexes (Revenue, Gross

Margin, Operating Margin, and Operating Margin (%) and their respective targets A and B achievement levels are set up in the table below. The index will be deemed achieved when either target A or B is achieved. The actual number of vesting shares is determined by referencing the achievement of the four indexes and will be specified in the respective agreements of the employees. The number of indexes meeting the target and the achievement levels shall be determined based on the consolidated financial statements certified by a certified public accountant for the most recent fiscal year prior to the end of each vesting period.

Index	Target A	Target B
Revenue (\$)	5% or above growth comparing to the previous year	Growth comparing to the average of previous three years
Gross Margin (%)	1.5% or above growth comparing to the previous year	Growth comparing to the average of previous three years
Operating Margin (\$)	2018: 20% or above growth comparing to the previous year 2019/2020: 15% or above growth comparing to the previous year	Growth comparing to the average of previous three years
Operating Margin (%)	2% or above growth comparing to the previous year	Growth comparing to the average of previous three years

(b) Measures to be taken when employees fail to achieve the vesting conditions or in the event of inheritance:

The Company will redeem the issued restricted stock awards and cancel the full number of the shares in accordance with the terms of the issuance rules set by the Company.

e. Expected total amounts (shares) of issuance:

The number of shares issued by the Company under this plan shall not exceed 19,200,000 common shares, each share having a par value of NT\$ 10, for a total amount of NT\$ 192,000,000. The total number of proposed shares is equivalent to 1.21% of the Company outstanding common shares. It is allowed to register multiple issuances over a period of 1 year from the date of approval of competent authority. The actual number of restricted stock awards to be issued, under the estimated maximum expense of NT\$3,900,000,000, will be calculated with reference to the share price before the issuance and subject to the Board of Directors' approval in accordance with the applicable laws and regulations. The actual number of restricted stock awards to be issued will be announced accordingly after obtaining the Board of Directors' approval.

f. Calculated expense amount:

The Company shall value the shares' fair market value and record expenses during the vesting period annually. The proposed number of Restricted Stock Awards in 2018 Annual Shareholders' General Meeting shall not exceed 19,200,000 shares. The actual number of restricted stock awards to be issued, under the estimated maximum expense of NT\$3,900,000,000, will be calculated with reference to the share price before the issuance and subject to the Board of Directors' approval in accordance with the applicable laws and regulations. The actual number of restricted stock awards to be issued will be announced accordingly after obtaining the Board of Directors' approval. The amortized expense estimated to be in the amount of NT\$799,500,000, NT\$1,956,500,000,

NT\$858,000,000, and NT\$286,000,000 for 2018, 2019, 2020 and 2021, respectively.

g. Dilution of EPS:

Based on the calculation of the Company's outstanding shares, the maximum dilution of the Company's EPS is estimated to be approximately in the amount of NT\$0.36, NT\$0.85, NT\$0.37 and NT\$0.12 for 2018, 2019, 2020 and 2021, respectively. There is a limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.

h. Restricted rights before employees meet the vesting conditions:

During the vesting period, employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards.

i. Other important stipulations:

The Restricted Stock Awards issued may be deposited in a security trust account.

j. Any other matters that need to be specified:

(I) If some revision or adjustment has to be made due to the competent authority's instruction, amendment to the laws and regulations, financial market conditions or other objective circumstances, it is proposed that the Annual Shareholders' Meeting authorizes the Board of Directors or the appointed person by the Board of Directors with full power and authority to handle all the issues regarding the issuance of Restricted Stock Awards.

(II) With respect to the issuance of Restricted Stock Awards, the relevant restrictions, important agreements and any other matters not set forth here shall be dealt with in accordance with the applicable laws and regulations and the issuance rules set by the Company.

- (3). The Issuance Rules of MediaTek Y2018 Restricted Stock Awards Plan : the Company hereby set forth the Issuance Rule of 2018 Restricted Stock Award in accordance with Paragraph 8, Article 267 of Company Act, Article 22 of Securities and Exchange Act and the Offering Regulations, please refer to page 40-42, Attachment 6.

Resolution:

Proposal (4)

Proposed by the Board of Directors

Subject: Election of the 8th session of directors (including independent directors). Election is respectfully requested.

Descriptions:

- (1). According to Article 14 of the Company's "Articles of Incorporation", the Company sets up 5 to 9 director seats, and the board is authorized to decide the number of directors. The tenure of directors of the 7th session will be due on June 11th, 2018. The Company plans to elect the directors of the 8th session for 9 seats (including 3 seats of independent directors) at the 2018 annual shareholders' meeting, and the tenure will start at the end of the annual shareholders' meeting from June 15th, 2018 to June 14th, 2021, for a period of three years.
- (2). For the list of Director Candidates and other relevant information, please refer to page 43, Attachment 7.
- (3). Election is respectfully requested.

Election Results:

Proposal (5)

Proposed by the Board of Directors

Subject: Suspension of the non-competition restriction on the company's directors. Approval is respectfully requested.

Descriptions:

- (1). Pursuant to Article 209 of the Company Act, "a director who engages in any behavior for himself/herself or on behalf of another person that is within the scope of the company's business shall explain the essential contents of such an act to the shareholders' meeting and obtain its approval."
- (2). Since one or more of director(s) of the Company may engage in the investment in or operation of another company whose scope of business is the same or similar to that of the Company and may serve(s) as a director of that company, we hereby request the meeting of shareholders to approve that in case of the above mentioned situation, the non-competition restriction imposed on the directors and the entity they represent (including the legal representative of the entity if the entity is elected as the Director) be removed in accordance with the above mentioned Article 209 of the Company Act.
- (3). The position and company name of the candidate for the Directors is as follows:

Name	Company Name and Concurrent Position
Ming-Kai Tsai	Chairman, Andes Technology
Rick Tsai	Director, Lam Research Corporation
Ching-Jiang Hsieh	Director, Nephos (Hefei) Co.Ltd.
Kenneth Kin	Independent Director, eMemory Technology Inc. Independent Director, Global Unichip Corp. Independent Director, AzureWave Technologies Inc. Independent Director, Vanguard International Semiconductor Corp.
Chung-Yu Wu	Independent Director, Global Unichip Corp. Independent Director, Leadtrend Technology Corp. Independent Director, Amazing Microelectronic Corp.

Peng-Heng Chang	Chairman and Manager, Motech Industries Inc. Manager, Motech Industries Inc., Science Park Branch. Manager, Motech Industries Inc., Taoyuan Branch. Director, Motech (Suzhou) Renewable Energy Co., Ltd. Director, Motech (Ma-Anshan) Renewable Energy Co., Ltd. Director, Motech (Xuzhou) Renewable Energy Co., Ltd. Director, Motech (Maanshan) Energy Technologies Co., Ltd. Chairman, Motech (Maanshan) Module Co., Ltd. Director, Motech Energy System Co., Ltd. Director, Taiwan Solar Module Manufacturing Corp.
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- (4). The Company plans to request the shareholders to remove the non-competition restriction on the above directors. Approval is respectfully requested.

Resolution:

Extemporary Motions

Meeting Adjourned

Attachment

Attachment 1

MediaTek Inc. 2017 Business Report

Dear Shareholders:

2017 marks the 20th Anniversary of MediaTek. Starting with 20 employees in the multi-media team, we had grown to be a leading technology group with global operations in 14 countries. MediaTek has always been devoted to providing customers with innovate and higher-value products and services. Also, we leverage cross-platform advantages, working closely with international leading technology corporations, such as Amazon, Google and Sony, across platforms, including smartphone, artificial intelligence (AI) voice assistant device, TV, game console, etc. Furthermore, MediaTek continues to extend into high-potential product lines and expand markets. Thanks to our employees' dedication, MediaTek achieved full year consolidated net revenues of NT \$238.2 billion and consolidated earnings per share of NT \$15.56.

After years of efforts and acquisitions, MediaTek Group has a more comprehensive product portfolio and more diversified revenue streams. Notably, growth products, including Internet of Things (IoT), power management IC and ASIC, delivered outstanding performance in 2017 with both revenue annual growth rate and sales percentage exceeding 30 percent. Emerging IoT applications boost demand for various MediaTek connectivity chips, including WiFi, Bluetooth, 2G/3G and NB-IoT. MediaTek has our finger on the pulse, positioning as a leader in the rising AI voice assistant device market and making a united effort with global leading brands such as Amazon and Alibaba to launch end devices. In addition, with rich wireless communication and high-speed computing IPs, MediaTek provides ASIC to international tier-one customers, which is a new revenue driver. Meanwhile, MediaTek deepens cooperation on power management platform, maximizing group synergy. Overall speaking, these growth products all have mid to long term growth potential which are MediaTek's targeted areas for expansion. Also, MediaTek continuously expand into new areas such as automotive and data center switch to capture future growth momentum.

Mobile communication platforms, including smartphone and tablets, account for approximately 40 percent of total turnover and are important incubators for new technologies such as multi-media and mobile communication. MediaTek continues to add product value such as brining AI and premium multimedia functions into 4G mainstream market, which enables us to be on track with our targets of share gain and profitability improvement. Meanwhile, MediaTek actively invests in 5G developments, not only co-developing a range of 5G technologies with Taiwan's Industrial Technology Research Institute, but also being the industry's first chipset maker to develop mobile-phone-sized antennas and complete a 5G interoperability development testing with Huawei. MediaTek aims to occupy an important position in 5G era. The rest of 30 percent of sales come from relatively mature product lines, including TV, feature phone, optical storage and DVD, where we have decent shares and contribute stable profitability and cash flow to the Group. With this diversified revenue portfolio, namely growth products, mobile communication and mature products, MediaTek aims to extend our leading market position.

MediaTek has received a number of international honors in recognition of our efforts on global expansion for the past 20 years. For example, Forbes listed MediaTek as one of "Top Multi-national Performers", "Growth Champions" and "Asia's Fab 50 Companies". MediaTek understands that there is no room for complacency and is committed to make contributions to local society and promote science education. For instance, we cooperated with Hsinchu City Government to transform Hsinchu Taiwan Pavilion Expo Park into the Children Discovery Center. We also collaborated with Tainan City Government to build smart city by leveraging IoT technologies to prevent the spread of Dengue Fever and support local reading program. Going forward, MediaTek continues to dedicate to Taiwan by three dimensions, including technology cultivation, social innovation and talent incubation.

Furthermore, MediaTek attaches a great importance on talent, devoted to providing employees with excellent working environment and world-class platform to sustain our leading global competitiveness. Our commitment to corporate governance enhancement and sustainable development are well recognized. We received Taiwan Corporate Sustainability Awards' highest honor for the very first time, namely, "The Most Prestigious Sustainability Awards-Top Ten Domestic Corporate ", as well as its "Top 50 Corporate Sustainability Report", "Growth through Innovation Award", "Social Inclusion

Award” and “Supply Chain Management Award”. Also, we were included in FTSE4Good index. These achievements affirmed MediaTek’s dedication on fulfilling corporate social responsibility.

Looking forward, MediaTek will carry on exploiting our global exposure and comprehensive IP portfolio advantages, investing in advanced technologies and markets with potential such as 5G, AI, next generation WiFi technology (11ax), Internet of Vehicles, IoT, etc. With our leading core technologies, we will integrate brand-new features to enhance our solutions’ value, strengthen corporate competitiveness and technology fundamentals, cooperate with customers to create market opportunities, maintain our industry leading position and create higher shareholder values. Last but not the least, we would like to thank you - our shareholders - for your continuous support and belief in our efforts.

Chairman: Ming-Kai Tsai

Chief Executive Officer: Rick Tsai

Chief Financial Officer: David Ku

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2017 business report, financial statements, and proposal for allocation of profits. The CPA firm of Ernst & Young was retained to audit MediaTek's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and profit allocation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please kindly approve.

To MediaTek Inc. 2018 Annual General Shareholders' Meeting

MediaTek Inc.

Chairman of the Audit Committee: Chung-Yu Wu

April 27, 2018



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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

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, 2017 and 2016, and their consolidated financial performance and cash flows for the years ended December 31, 2017 and 2016, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of MediaTek Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2017 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. and its subsidiaries recognized NT\$238,216,318 thousand as net sales, which includes sale of goods in the amount of NT\$260,583,467 thousand, other operating revenues in the amount of NT\$1,969,694 thousand, and sales returns and discounts in the amount of NT\$24,336,843 thousand for the year ended December 31, 2017. Sales of goods are mainly sales of chips. Due to large transaction volume, an improper timing of revenue recognition may have significant impacts on the Company's consolidated financial statements. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control which is related to the timing of revenue recognition; performing test of details on samples selected from top ten customers and reviewing the significant terms of sales agreements and tracing to relevant documentation of transactions; adopting audit sampling on trade receivables and performing confirmation procedures on final balance and key terms of sales agreements; performing cutoff testing, on a sampling basis, for a period before and after the reporting date, and analyzing the reasonableness of fluctuations. Besides, we also review if there are significant revenue reversals in subsequent periods.

We also considered the appropriateness of the disclosures of sales. Please refer to Note 6 in notes to consolidated financial statements.

Fair value measurement of significant business combination

Hsu-Si Investment Corp., a subsidiary of MediaTek Inc., accomplished the take-over bid process to acquire 40% shares of Airoha Technology Corp. on March 14, 2017. Hsu-Si Investment acquired 37% shares of Airoha Technology Corp. from third parties by paying NT\$2,455,624 thousand. In addition, Hsu-Si Investment paid NT\$209,744 thousand to obtain 3% shares of Airoha Technology Corp. from Hsu-Ta Investment Corp. The fair value of the identifiable net assets acquired was NT\$3,396,762 thousand and the goodwill arising from the acquisition was NT\$2,039,366 thousand. Thereafter, Hsu-Si Investment Corp. acquired the rest of 60% shares of Airoha Technology Corp. in 2017. The amount of the acquisition was significant and was related to measurement of fair value, as a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the prospective financial information used for preparing the appraisal report on fair value by management and comparing with Airoha Technology Corp.'s historical financial information and the industry expectation in market to evaluate the reasonableness; using internal valuation specialists to assist us in evaluating the appropriateness of the methods and models used by management, reassessing parameters and assumptions used in the appraisal report on fair value, and comparing whether the differences are within our acceptable range to evaluate the reasonableness of key assumptions.

We also considered the appropriateness of the disclosures of business combinations. Please refer to Note 6 in notes to consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of MediaTek Inc. and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate MediaTek Inc. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of MediaTek Inc. and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of MediaTek Inc. and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of MediaTek Inc. and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MediaTek Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MediaTek Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2017 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of MediaTek Inc. as of and for the years ended December 31, 2017 and 2016.



/s/Kuo, Shao-Pin

/s/Fuh, Wen-Fun

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 23, 2018
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 consolidated financial statements are intended only to present the consolidated financial position, 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 consolidated 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, 2017 and 2016

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2017	%	December 31, 2016	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 145,338,376	37	\$ 140,560,858	38
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	724,507	-	1,970,502	1
Available-for-sale financial assets-current	4, 5, 6(3)	23,291,828	6	9,428,674	3
Debt instrument investments for which no active market exists-current	4, 6(5), 8	765,445	-	1,505,492	-
Notes receivables, net		2,811	-	2,811	-
Trade receivables, net	4, 5, 6(6)	16,892,585	4	20,477,995	6
Other receivables	6(6), 7	21,251,357	5	5,497,925	1
Current tax assets	4, 5	866,917	-	357,517	-
Inventories, net	4, 5, 6(7)	26,539,614	7	33,922,914	9
Prepayments	6(8)	1,390,432	-	1,505,221	-
Non-current assets held for sale	4, 6(30)	-	-	3,633,726	1
Other current assets		1,600,624	1	1,413,935	-
Total current assets		<u>238,664,496</u>	<u>60</u>	<u>220,277,570</u>	<u>59</u>
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	4,616,406	1	4,997,093	2
Available-for-sale financial assets-noncurrent	4, 5, 6(3)	14,345,644	4	18,914,717	5
Financial assets measured at cost-noncurrent	4, 6(4)	12,635,302	3	6,895,187	2
Debt instrument investments for which no active market exists-noncurrent	4, 6(5), 8	397,880	-	257,928	-
Investments accounted for using the equity method	4, 6(9), 6(29)	5,777,104	2	5,905,795	2
Property, plant and equipment	4, 6(10), 6(30), 8	36,938,640	10	36,857,740	10
Investment property	4, 6(11), 8	873,651	-	651,408	-
Intangible assets	4, 6(12), 6(13), 6(30)	76,029,080	19	72,014,554	19
Deferred tax assets	4, 5, 6(27)	3,898,877	1	3,265,695	1
Refundable deposits		319,734	-	326,152	-
Long-term lease receivables	4, 6(14)	-	-	211,137	-
Prepayments for investments		160,340	-	-	-
Net defined benefit assets-noncurrent	4, 6(18)	2,080	-	2,070	-
Long-term prepaid rent		154,951	-	134,726	-
Total non-current assets		<u>156,149,689</u>	<u>40</u>	<u>150,434,202</u>	<u>41</u>
Total assets		<u>\$ 394,814,185</u>	<u>100</u>	<u>\$ 370,711,772</u>	<u>100</u>

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2017 and 2016

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2017	%	December 31, 2016	%
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings	6(15)	\$ 64,315,682	16	\$ 54,523,984	15
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	18,144	-	45,098	-
Trade payables	7	23,012,859	6	23,706,560	6
Trade payables to related parties	6(16)	571,593	-	923,557	-
Other payables	4, 5, 6(27)	35,796,290	9	33,937,995	9
Current tax liabilities	4, 6(30), 7	1,980,597	1	3,415,214	1
Liabilities directly associated with non-current assets held for sale		-	-	675,043	-
Other current liabilities	6(17), 8	1,525,368	-	2,100,815	1
Current portion of long-term liabilities		36,850	-	18,425	-
Total current liabilities		127,257,383	32	119,346,691	32
Non-current liabilities					
Long-term borrowings	6(17), 8	336,192	-	400,661	-
Long-term payables	4, 6(18)	1,726,364	1	-	-
Net defined benefit liabilities-noncurrent	7	657,072	-	840,331	-
Deposits received	4, 5, 6(27)	179,472	-	177,512	-
Deferred tax liabilities		3,126,723	1	3,025,449	1
Non-current liabilities-others		331,966	-	258,250	-
Total non-current liabilities		6,357,789	2	4,702,203	1
Total liabilities		133,615,172	34	124,048,894	33
Equity attributable to owners of the parent					
Share capital	6(19)				
Common stock		15,814,140	4	15,821,122	4
Capital collected in advance		231	-	-	-
Capital surplus	6(19), 6(20), 6(31)	88,210,819	22	89,815,356	24
Retained earnings	6(19)				
Legal reserve		36,998,379	9	34,628,319	10
Undistributed earnings		100,629,197	26	92,324,282	25
Other equity	6(20)	18,214,847	5	12,245,801	3
Treasury shares	4, 6(19)	(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		259,811,643	66	244,778,910	66
Non-controlling interests					
Total equity	4, 6(19), 6(31)	1,387,370	-	1,883,968	1
		261,199,013	66	246,662,878	67
Total liabilities and equity		\$ 394,814,185	100	\$ 370,711,772	100

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2017 and 2016
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2017	%	2016	%
Net sales	4, 5, 6(21)	\$ 238,216,318	100	\$ 275,511,714	100
Operating costs	4, 5, 6(7), 6(22), 7	(153,330,436)	(64)	(177,321,882)	(64)
Gross profit		84,885,882	36	98,189,832	36
Operating expenses	6(22), 7				
Selling expenses		(10,465,092)	(5)	(12,413,733)	(5)
Administrative expenses		(7,430,872)	(3)	(7,015,080)	(3)
Research and development expenses		(57,170,776)	(24)	(55,685,244)	(20)
Total operating expenses		(75,066,740)	(32)	(75,114,057)	(28)
Operating income		9,819,142	4	23,075,775	8
Non-operating income and expenses					
Other income	4, 6(23), 7	3,475,974	1	3,485,549	2
Other gains and losses	4, 6(24)	14,809,523	6	544,326	-
Finance costs	6(25)	(939,344)	-	(558,906)	-
Share of profit of associates accounted for using the equity method	4, 6(9)	72,168	-	666,141	-
Total non-operating income and expenses		17,418,321	7	4,137,110	2
Net income before income tax		27,237,463	11	27,212,885	10
Income tax expense	4, 5, 6(27)	(3,167,365)	(1)	(3,182,353)	(1)
Net income		24,070,098	10	24,030,532	9
Other comprehensive income	4, 6(9), 6(26), 6(27)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		207,977	-	(65,079)	-
Income tax relating to those items not to be reclassified to profit or loss		(35,356)	-	11,064	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(4,439,045)	(2)	(4,504,523)	(2)
Unrealized gains from available-for-sale financial assets		10,785,999	5	11,297,597	4
Share of other comprehensive income of associates accounted for using the equity method		(7,559)	-	125,345	-
Income tax relating to those items to be reclassified to profit or loss		(1,248,983)	(1)	(1,172,986)	-
Other comprehensive income, net of tax		5,263,033	2	5,691,418	2
Total comprehensive income		\$ 29,333,131	12	\$ 29,721,950	11
Net income (loss) for the periods attributable to :					
Owners of the parent	6(28)	\$ 24,332,604		\$ 23,700,598	
Non-controlling interests	6(19), 6(31)	(262,506)		329,934	
		\$ 24,070,098		\$ 24,030,532	
Total comprehensive income for the periods attributable to :					
Owners of the parent		\$ 29,601,582		\$ 29,463,494	
Non-controlling interests		(268,451)		258,456	
		\$ 29,333,131		\$ 29,721,950	
Basic Earnings Per Share (in New Taiwan Dollars)	6(28)	\$ 15.56		\$ 15.16	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(28)	\$ 15.47		\$ 15.13	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIA TEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2017 and 2016
(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent										Total equity			
	Share capital		Retained earnings				Other equity					Treasury shares	Equity attributable to owners of the parent	Non-controlling interests
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from available-for-sale financial assets	Other						
Balance as of January 1, 2016	\$ 15,715,837	\$ -	\$ 88,354,178	\$ 32,032,476	\$ 96,476,287	\$ 6,503,595	\$ 1,401,323	\$ -	\$ (55,970)	\$ 240,427,726	\$ 6,659,159	\$ 247,086,885		
Appropriation and distribution of 2015 earnings:	-	-	-	2,595,843	(2,595,843)	-	-	-	-	-	-	-		
Legal reserve	-	-	-	2,595,843	(2,595,843)	-	-	-	-	-	-	-		
Cash dividends	-	-	-	(17,287,421)	(17,287,421)	-	-	-	-	(17,287,421)	-	(17,287,421)		
Total	-	-	-	2,595,843	(19,888,264)	-	-	-	-	(17,287,421)	-	(17,287,421)		
Profit for the year ended December 31, 2016	-	-	-	-	23,700,598	-	-	-	-	23,700,598	329,934	24,030,532		
Other comprehensive income for the year ended December 31, 2016	-	-	-	(54,015)	(4,307,700)	(4,307,700)	10,124,611	-	-	5,762,896	(71,478)	5,691,418		
Total comprehensive income	-	-	-	-	23,646,583	(4,307,700)	10,124,611	-	-	29,463,494	258,456	29,721,950		
Share-based payment transactions	-	-	10,353	-	-	-	-	-	-	10,353	-	10,353		
Adjustments due to dividends that subsidiaries received from parent company	-	-	85,735	-	-	-	-	-	-	85,735	-	85,735		
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(142,643)	-	(7,915,324)	-	-	-	-	(8,057,967)	-	(8,057,967)		
Changes in ownership interests in subsidiaries	-	-	(99,948)	-	-	-	-	-	-	(99,948)	220,048	120,100		
Issuance of restricted stock for employees	105,285	-	1,660,064	-	-	-	-	-	-	289,321	-	289,321		
Changes in associates and joint ventures accounted for using the equity method	-	-	(52,383)	-	-	-	-	-	-	(52,383)	-	(52,383)		
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,253,695)	(5,253,695)		
Balance as of December 31, 2016	15,821,122	-	89,815,356	34,628,319	92,324,282	2,195,895	11,525,584	(1,476,028)	(55,970)	244,778,910	1,883,968	246,662,878		
Appropriation and distribution of 2016 earnings:	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	-	-		
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	-	-		
Cash dividends	-	-	-	(12,652,827)	(12,652,827)	-	-	-	-	(12,652,827)	-	(12,652,827)		
Total	-	-	-	2,370,060	(15,022,887)	-	-	-	-	(12,652,827)	-	(12,652,827)		
Cash dividends distributed from capital surplus	-	-	(2,372,405)	-	-	-	-	-	-	(2,372,405)	-	(2,372,405)		
Profit for the year ended December 31, 2017	-	-	-	-	24,332,604	-	-	-	-	24,332,604	(262,506)	24,070,098		
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	172,621	(4,440,659)	9,537,016	-	-	5,268,978	(5,945)	5,263,033		
Total comprehensive income	-	-	-	-	24,505,225	(4,440,659)	9,537,016	-	-	29,601,582	(268,451)	29,333,131		
Share-based payment transactions	-	-	(14,955)	-	-	-	-	-	-	(14,704)	15,072	368		
Adjustments due to dividends that subsidiaries received from parent company	-	231	74,044	-	-	-	-	-	-	74,044	-	74,044		
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,210,299)	(5,524)	-	-	-	(1,215,823)	-	(1,215,823)		
Changes in ownership interests in subsidiaries	-	-	969,913	-	-	-	-	-	-	969,913	1,028,273	1,998,186		
Issuance of restricted stock for employees	(6,982)	-	(259,863)	-	32,876	-	-	-	-	644,244	-	644,244		
Changes in other capital surplus	-	-	(1,291)	-	-	-	-	878,213	-	(1,291)	10,619	9,328		
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,282,111)	(1,282,111)		
Balance as of December 31, 2017	\$ 15,814,140	\$ 231	\$ 88,210,819	\$ 36,998,379	\$ 100,629,197	\$ (2,250,288)	\$ 21,062,590	\$ (597,815)	\$ (55,970)	\$ 259,811,643	\$ 1,387,370	\$ 261,199,013		

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2017 and 2016
(Amounts in thousands of New Taiwan Dollars)

Description	2017	2016
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 27,237,463	\$ 27,212,885
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	3,558,022	3,061,378
Amortization	3,652,327	3,834,700
Bad debt provision (reversal)	52,612	(125,735)
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(96,850)	150,092
Interest expenses	939,344	558,906
Interest income	(2,553,755)	(2,517,861)
Dividend income	(580,035)	(398,259)
Share-based payment expenses	618,533	306,762
Share of profit of associates accounted for using the equity method	(72,168)	(666,141)
Losses on disposal of property, plant and equipment	30,714	15,778
Property, plant and equipment transferred to expenses	2,685	-
Losses on disposal of intangible assets	450	909
Gains on disposal of non-current assets held for sale	(5,123,575)	-
(Gains) losses on disposal of investments	(8,843,983)	114,121
Gains on disposal of investments accounted for using the equity method	(1,496,172)	(308,804)
Impairment of financial assets	416,414	71,172
Others	193,093	-
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	1,293,511	2,505,819
Notes receivables	-	(2,811)
Trade receivables	3,549,518	(3,085,118)
Other receivables	(427,367)	(2,175,536)
Inventories	8,626,099	(8,168,244)
Prepayments	151,070	716,052
Other current assets	(180,889)	731,009
Other non-current assets-others	-	78,429
Trade payables	(7,292,580)	8,004,952
Trade payables to related parties	(351,964)	288,747
Other payables	739,330	2,490,761
Other current liabilities	(502,469)	65,439
Long-term payables	-	(56,212)
Net defined benefit liabilities	9,460	13,270
Non-current liabilities-others	73,716	101,315
Cash generated from operating activities:		
Interest received	2,543,031	1,928,317
Dividend received	671,397	591,786
Interest paid	(887,340)	(561,624)
Income tax paid	(4,601,206)	(2,228,537)
Net cash provided by operating activities	<u>21,348,436</u>	<u>32,547,717</u>
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(5,988,436)	(7,600,096)
Proceeds from disposal of available-for-sale financial assets	6,458,873	7,860,169
Acquisition of debt instrument investments for which no active market exists	(1,612,505)	(2,581,738)
Proceeds from disposal of debt instrument investments for which no active market exists	1,916,353	787,445
Proceeds from redemption of held-to-maturity financial assets	-	1,491,256
Acquisition of financial assets measured at cost	(7,557,416)	(2,215,603)
Proceeds from disposal of financial assets measured at cost	202,762	129
Proceeds from capital return of financial assets measured at cost	29,373	38,268
Acquisition of investments accounted for using the equity method	(925,288)	(4,612,267)
Proceeds from disposal of investments accounted for using the equity method	559	-
Increase in prepayments for investments	(160,340)	-
Net cash outflow from acquisition of subsidiaries	(1,056,531)	(2,406,378)
Proceeds from disposal of non-current assets held for sale	5,683,619	-
Acquisition of property, plant and equipment	(4,053,439)	(6,671,275)
Proceeds from disposal of property, plant and equipment	8,151	67,752
Decrease (increase) in refundable deposits	12,474	(66,503)
Acquisition of intangible assets	(1,795,842)	(366,912)
Proceeds from disposal of intangible assets	137	-
Acquisition of investment property	(1,436)	(732)
Decrease (increase) in long-term lease receivables	211,898	(209,684)
(Increase) decrease in long-term prepaid rent	(20,225)	16,138
Net cash used in investing activities	<u>(8,647,259)</u>	<u>(16,470,031)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	11,597,859	5,455,795
Proceeds from long-term borrowings	-	124,286
Repayment of long-term borrowings	(46,044)	-
Increase in deposits received	1,960	7,774
Proceeds from exercise of employee stock options	6,444	-
Cash dividends	(14,912,148)	(17,201,686)
Disposal of ownership interests in subsidiaries(without losing control)	80,843	-
Acquisition of subsidiaries	(2,108,605)	(14,184,102)
Change in non-controlling interests	1,595,838	987,964
Net cash used in financing activities	<u>(3,783,853)</u>	<u>(24,809,969)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(4,139,806)</u>	<u>(3,198,288)</u>
Net increase (decrease) in cash and cash equivalents	4,777,518	(11,930,571)
Cash and cash equivalents at the beginning of the year	140,560,858	153,279,687
Cash and cash equivalents at the end of the year	<u>\$ 145,338,376</u>	<u>\$ 141,349,116</u>
Reconciliation of the balances of cash and cash equivalents at the end of the year:		
Cash and cash equivalents on the consolidated balance sheets	\$ 145,338,376	\$ 140,560,858
Cash and cash equivalents included in non-current assets held for sale	-	788,258
Cash and cash equivalents at the end of the year	<u>\$ 145,338,376</u>	<u>\$ 141,349,116</u>

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku



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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying parent company only balance sheets of MediaTek Inc. as of December 31, 2017 and 2016, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of MediaTek Inc. as of December 31, 2017 and 2016, and its financial performance and cash flows for the years ended December 31, 2017 and 2016, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of MediaTek Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2017 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. recognized NT\$92,525,183 thousand as net sales, which includes sale of goods in the amount of NT\$100,110,489 thousand, other operating revenues in the amount of NT\$2,809,722 thousand, and sales returns and discounts in the amount of NT\$10,395,028 thousand for the year ended December 31, 2017. Sale of goods are mainly sales of chips. Due to large transaction volume, an improper timing of revenue recognition may have significant impacts on the parent company only financial statements. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control which is related to the timing of revenue recognition; performing test of details on samples selected from top ten customers and reviewing the significant terms of sales agreements and tracing to relevant documentation of transactions; adopting audit sampling on trade receivables and performing confirmation procedures on final balance and key terms of sales agreements; performing cutoff testing, on a sampling basis, for a period before and after the reporting date, and analyzing the reasonableness of fluctuations. Besides, we also review if there are significant revenue reversals in subsequent periods.

We also considered the appropriateness of the disclosures of sales. Please refer to Note 6 in notes to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of MediaTek Inc., disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate MediaTek Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of MediaTek Inc.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of MediaTek Inc.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of MediaTek Inc. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MediaTek Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MediaTek Inc. and its subsidiaries to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2017 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Kuo, Shao-Pin

/s/Fuh, Wen-Fun

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 23, 2018
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 parent company only financial statements are intended only to present the parent company only financial position, 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 parent company only financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2017 and 2016

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2017	%	December 31, 2016	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 77,148,536	24	\$ 60,244,970	20
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	-	-	492,707	-
Available-for-sale financial assets-current	4, 5, 6(3)	1,611,554	-	2,198,973	1
Debt instrument investments for which no active market exists-current	4, 6(4), 8	18,885	-	18,885	-
Trade receivables, net	4, 5, 6(5)	5,061,460	2	5,806,427	2
Trade receivables from related parties	4, 6(5), 7	600,158	-	339,275	-
Other receivables	6(5), 7	3,428,577	1	5,346,492	2
Current tax assets	4, 5, 6(23)	-	-	252,867	-
Inventories, net	4, 5, 6(6)	6,842,887	2	14,313,326	5
Prepayments	6(7)	378,547	-	298,982	-
Other current assets		1,470,954	-	1,310,071	-
Total current assets		96,561,558	29	90,622,975	30
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	190,211	-	190,257	-
Available-for-sale financial assets-noncurrent	4, 5, 6(3)	2,711,660	1	3,577,034	1
Debt instrument investments for which no active market exists-noncurrent	4, 6(4), 8	352,018	-	22,964	-
Investments accounted for using the equity method	4, 6(8)	183,569,248	57	167,983,555	55
Property, plant and equipment	4, 6(9)	12,425,597	4	12,331,165	4
Intangible assets	4, 6(10), 6(11)	29,449,574	9	28,504,894	9
Deferred tax assets	4, 5, 6(23)	1,819,117	-	1,541,960	1
Refundable deposits		78,326	-	65,942	-
Total non-current assets		230,595,751	71	214,217,771	70
Total assets		\$ 327,157,309	100	\$ 304,840,746	100

The accompanying notes are an integral part of the parent company only financial statements.

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIA TEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2017 and 2016

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		December 31, 2017	%	December 31, 2016	%
Current liabilities					
Short-term borrowings	6(12)	\$ 40,205,256	12	26,791,570	9
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	-	-	45,098	-
Trade payables	7	4,891,357	2	9,479,635	3
Trade payables to related parties	6(13), 7	369,063	-	468,694	-
Other payables	4, 5, 6(23)	18,912,001	6	18,371,524	6
Current tax liabilities		279,609	-	1,500,602	1
Other current liabilities		677,840	-	1,142,161	-
Total current liabilities		<u>65,335,126</u>	<u>20</u>	<u>57,799,284</u>	<u>19</u>
Non-current liabilities					
Long-term payables		1,044,449	-	-	-
Net defined benefit liabilities-noncurrent	4, 6(14)	481,962	-	710,590	-
Deposits received	7	49,259	-	52,993	-
Deferred tax liabilities	4, 5, 6(23)	434,870	-	1,498,969	1
Total non-current liabilities		<u>2,010,540</u>	<u>-</u>	<u>2,262,552</u>	<u>1</u>
Total liabilities		<u>67,345,666</u>	<u>20</u>	<u>60,061,836</u>	<u>20</u>
Equity					
Share capital	6(15)				
Common stock		15,814,140	5	15,821,122	5
Capital collected in advance		231	-	-	-
Capital surplus	4, 6(15), 6(16)	88,210,819	27	89,815,356	30
Retained earnings	6(15)				
Legal reserve		36,998,379	11	34,628,319	11
Undistributed earnings		100,629,197	31	92,324,282	30
Other equity	6(16)	18,214,847	6	12,245,801	4
Treasury shares	4, 6(15)	(55,970)	-	(55,970)	-
Total equity		<u>259,811,643</u>	<u>80</u>	<u>244,778,910</u>	<u>80</u>
Total liabilities and equity		<u>\$ 327,157,309</u>	<u>100</u>	<u>\$ 304,840,746</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2017 and 2016

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

Description	Notes	2017	%	2016	%
Net sales	4, 5, 6(17), 7	\$ 92,525,183	100	\$ 121,097,722	100
Operating costs	4, 5, 6(6), 6(18), 7	(57,747,431)	(62)	(82,574,626)	(68)
Gross profit		34,777,752	38	38,523,096	32
Unrealized gross profit on sales		(167,992)	-	(246,645)	-
Realized gross profit on sales		73,039	-	-	-
Gross profit, net		34,682,799	38	38,276,451	32
Operating expenses	6(18), 7				
Selling expenses		(4,746,887)	(5)	(6,157,624)	(5)
Administrative expenses		(2,888,851)	(3)	(2,571,665)	(2)
Research and development expenses		(26,529,461)	(29)	(28,858,577)	(24)
Total operating expenses		(34,165,199)	(37)	(37,587,866)	(31)
Operating income		517,600	1	688,585	1
Non-operating income and expenses					
Other income	4, 6(19), 7	1,180,283	1	1,302,131	1
Other gains and losses	4, 6(20), 7	58,751	-	518,991	-
Finance costs	6(21)	(528,218)	(1)	(324,622)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	22,597,776	25	22,503,615	19
Total non-operating income and expenses		23,308,592	25	24,000,115	20
Net income before income tax		23,826,192	26	24,688,700	21
Income tax income (expense)	4, 5, 6(23)	506,412	-	(988,102)	(1)
Net income		24,332,604	26	23,700,598	20
Other comprehensive income	4, 6(8), 6(14), 6(22), 6(23)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		236,317	-	(85,908)	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which not to be reclassified to profit or loss		(23,522)	-	17,288	-
Income tax relating to those items not to be reclassified to profit or loss		(40,174)	-	14,605	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(4,440,659)	(5)	(4,433,045)	(4)
Unrealized losses from available-for-sale financial assets		(400,587)	-	(274,816)	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may be reclassified to profit or loss		9,937,603	11	10,524,772	9
Other comprehensive income, net of tax		5,268,978	6	5,762,896	5
Total comprehensive income		\$ 29,601,582	32	\$ 29,463,494	25
Basic Earnings Per Share (in New Taiwan Dollars)	6(24)	\$ 15.56		\$ 15.16	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(24)	\$ 15.47		\$ 15.13	

The accompanying notes are an integral part of the parent company only financial statements.

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2017 and 2016
(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Exchange differences resulting from translating the financial statements of foreign operations	Other equity		Treasury shares	Total equity
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings		Unrealized gains (losses) from available-for-sale financial assets	Other		
Balance as of January 1, 2016	\$ 15,715,837	\$ -	\$ 88,354,178	\$ 32,032,476	\$ 96,476,287	\$ 6,303,595	\$ 1,401,323	\$ -	\$ (55,970)	\$ 240,427,726
Appropriation and distribution of 2015 earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	2,595,843	(2,595,843)	-	-	-	-	-
Cash dividends	-	-	-	(17,287,421)	(17,287,421)	-	-	-	-	(17,287,421)
Total	-	-	-	2,595,843	(19,883,264)	-	-	-	-	(17,287,421)
Profit for the year ended December 31, 2016	-	-	-	-	23,700,598	-	-	-	-	23,700,598
Other comprehensive income for the year ended December 31, 2016	-	-	-	(54,015)	(54,015)	(4,307,700)	10,124,611	-	-	5,762,896
Total comprehensive income	-	-	-	-	23,646,583	(4,307,700)	10,124,611	-	-	29,463,494
Share-based payment transactions	-	-	10,353	-	-	-	-	-	-	10,353
Adjustments due to dividends that subsidiaries received from parent company	-	-	85,735	-	-	-	-	-	-	85,735
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(142,643)	-	(7,915,324)	-	-	-	-	(8,057,967)
Changes in ownership interests in subsidiaries	-	-	(99,948)	-	-	-	-	-	-	(99,948)
Changes in ownership interests in subsidiaries	105,285	-	1,660,064	-	-	-	-	(1,476,028)	-	289,321
Issuance of restricted stock for employees	-	-	(52,383)	-	-	-	-	-	-	(52,383)
Changes in associates and joint ventures accounted for using the equity method	-	-	89,815,356	34,628,319	92,324,282	2,195,895	11,525,934	(1,476,028)	(55,970)	244,778,910
Balance as of December 31, 2016	15,821,122	-	-	2,370,060	(2,370,060)	-	-	-	-	-
Appropriation and distribution of 2016 earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-
Cash dividends	-	-	-	(12,652,827)	(12,652,827)	-	-	-	-	(12,652,827)
Total	-	-	-	2,370,060	(15,022,887)	-	-	-	-	(12,652,827)
Cash dividends distributed from capital surplus	-	-	(2,372,405)	-	-	-	-	-	-	(2,372,405)
Profit for the year ended December 31, 2017	-	-	-	-	24,332,604	-	-	-	-	24,332,604
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	172,621	(4,440,659)	9,537,016	-	-	5,268,978
Total comprehensive income	-	-	-	-	24,505,225	(4,440,659)	9,537,016	-	-	29,601,582
Share-based payment transactions	-	-	(14,935)	-	-	-	-	-	-	(14,935)
Adjustments due to dividends that subsidiaries received from parent company	-	231	74,044	-	-	-	-	-	-	74,044
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,210,299)	(5,524)	-	-	-	(1,215,823)
Changes in ownership interests in subsidiaries	-	-	969,913	-	-	-	-	-	-	969,913
Changes in ownership interests in subsidiaries	(6,982)	-	(259,863)	-	32,876	-	-	878,213	-	644,244
Issuance of restricted stock for employees	-	-	(1,291)	-	-	-	-	-	-	(1,291)
Change in other capital surplus	-	231	88,210,819	36,998,379	100,629,197	(2,250,288)	21,062,950	(57,815)	(55,970)	259,811,643
Balance as of December 31, 2017	\$ 15,814,140	\$ -	\$ 88,210,819	\$ 36,998,379	\$ 100,629,197	\$ (2,250,288)	\$ 21,062,950	\$ (57,815)	\$ (55,970)	\$ 259,811,643

The accompanying notes are an integral part of the parent company only financial statements.

The actual distribution of employees' compensation amounted to NT\$298,331 thousand and remuneration to directors amounted to NT\$40,275 thousand and NT\$41,733 thousand for the years ended 2017 and 2016, respectively, which was deducted from the statement of comprehensive income.

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2017 and 2016

(Amounts in thousands of New Taiwan Dollars)

Description	2017	2016
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 23,826,192	\$ 24,688,700
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	1,425,264	1,187,415
Amortization	970,223	1,612,673
Bad debt provision (reversal)	68,763	(182,279)
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(44,190)	20,924
Interest expenses	528,218	324,622
Interest income	(935,816)	(850,451)
Share-based payment expenses	603,096	289,321
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(22,597,776)	(22,503,615)
Losses on disposal of property, plant and equipment	133	38
Property, plant and equipment transferred to expenses	1,680	-
Gains on disposal of investments	(61,169)	(19,651)
Unrealized gross profit on sales	94,953	246,645
Others	(184,040)	(221,624)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	492,392	650,506
Trade receivables	676,204	(1,164,635)
Trade receivables from related parties	(260,883)	(230,705)
Other receivables	2,297,165	(2,307,629)
Inventories	6,994,178	(6,634,324)
Prepayments	(79,565)	852,249
Other current assets	(160,883)	(38,820)
Trade payables	(4,588,278)	3,719,167
Trade payables to related parties	(99,631)	125,882
Other payables	415,386	940,114
Other current liabilities	(464,321)	126,072
Long-term payables	-	(56,212)
Net defined benefit liabilities	7,689	12,346
Cash generated from operating activities:		
Interest received	857,953	713,772
Dividend received	18,796,739	13,489,338
Interest paid	(503,317)	(323,403)
Income tax paid	(1,843,144)	(432,040)
Net cash provided by operating activities	26,233,215	14,034,396
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	-	(393,243)
Proceeds from disposal of available-for-sale financial assets	811,441	470,928
Acquisition of debt instrument investments for which no active market exists	(329,054)	(7,250)
Proceeds from redemption of held-to-maturity financial assets	-	1,125,000
Acquisition of investments accounted for using the equity method	(7,500,000)	(14,650,002)
Proceeds from disposal of investments accounted for using the equity method	39,933	-
Proceeds from capital return of investments accounted for using the equity method	1,500,000	2,280,000
Acquisition of property, plant and equipment	(1,546,783)	(3,050,023)
Proceeds from disposal of property, plant and equipment	-	83,907
Increase in refundable deposits	(12,384)	(48,562)
Acquisition of intangible assets	(723,006)	(219,191)
Proceeds from disposal of intangible assets	-	785
Net cash used in investing activities	(7,759,853)	(14,407,651)
Cash flows from financing activities :		
Increase in short-term borrowings	13,413,686	2,984,050
(Decrease) increase in deposits received	(3,734)	421
Proceeds from exercise of employee stock options	6,444	-
Cash dividends	(14,986,192)	(17,287,421)
Net cash used in financing activities	(1,569,796)	(14,302,950)
Net increase (decrease) in cash and cash equivalents	16,903,566	(14,676,205)
Cash and cash equivalents at the beginning of the year	60,244,970	74,921,175
Cash and cash equivalents at the end of the year	\$ 77,148,536	\$ 60,244,970

The accompanying notes are an integral part of the parent company only financial statements.

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

Attachment 5

**Comparison Table Illustrating the Original and Amended
Text of the "Operating Procedures of
Endorsement/Guarantee"**

Current Provision	Proposed Amendments	Reason for Amendment
<p>Article 1 These Procedures were amended <u>per Order No. Taiwan-Finance-Securities- VI-1010029874 of the Financial Supervisory Commission dated July 6, 2012</u> and related laws and regulations.</p>	<p>Article 1 These Procedures were amended <u>in accordance with Article 36-1 of the Securities and Exchange Act, the relevant rulings promulgated by the competent authorities</u> and related laws and regulations.</p>	<p>The amendments were proposed in accordance with applicable laws and regulations.</p>
<p>Article 2 The party to whom the Company may provide endorsement/guarantee includes the following: I. Any company having business transactions with the Company. 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 set forth in preceding two paragraphs.</p>	<p>Article 2 The party to whom the Company may provide endorsement/guarantee includes the following: I. Any company having business transactions with the Company. 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 set forth in preceding two paragraphs. <u>The term "capital contributing" as used in the preceding sentence shall refer to capital contributions made directly by the Company, or through a company of which the Company owns 100% of the voting shares. No subsidiary of the Company shall provide any endorsement/guarantee to others, provided, however, that the companies in which the Company holds 90% or more of the voting shares may make an endorsement/guarantee in accordance with section 3 of Article 4 of these Procedures, and the amount shall not exceed 10% of the Company's net worth. An endorsement/guarantee made between the companies in which the Company owns 100% of the voting shares directly or indirectly shall not be subject to the aforementioned restrictions. The term "subsidiary" as used in these Procedures shall have the meaning prescribed to it in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>The amendments were proposed in accordance with the applicable laws and regulations, and for the Company's actual needs.</p>
<p>Article 3 The scope of endorsement/guarantee defined as following: I. Financing endorsement/guarantee: (I) Endorsement/guarantee to customers' notes for cash financing with a discount. (II) Endorsement/guarantee for other companies for their financing needs. (III) Endorsement/guarantee to the notes issued by the Company to non-financial institutions for the Company's own financing needs. II. Tariff endorsement/guarantee: Endorsement/guarantee of customs duties due made for the Company or other companies. III. Other endorsement/guarantee: The endorsement/guarantee which cannot be attributed to the previous two paragraphs. The lien or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan should also follow the procedures set forth herein.</p>	<p>Article 3 The scope of endorsement/guarantee defined as following: I. Financing endorsement/guarantee: (I) Endorsement/guarantee to customers' notes for cash financing with a discount. (II) Endorsement or guarantee for other companies for their financing needs. (III) Endorsement or guarantee to the notes issued by the Company to non-financial institutions for the Company's own financing needs. II. Tariff endorsement /guarantee: Endorsement or guarantee of customs duties due made for the Company <u>or</u> other companies. III. Other endorsement <u>or</u> guarantee: The endorsement /guarantee which cannot be attributed to the previous two paragraphs. The lien or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan should also follow the procedures set forth herein.</p>	<p>The amendments were proposed in accordance with applicable laws and regulations.</p>

<p>Article 4 Limitation and authority of endorsement/guarantee:</p> <p>I. The amount of endorsement/guarantee rendered by the Company <u>to other companies and to a single company</u> is subject to the following limitation:</p> <p>(I) The total amount of external endorsement/guarantee shall not exceed 50% of the net worth as stated in the latest financial statements of the Company.</p> <p>(II) The amount of endorsement/guarantee rendered to any single company shall not exceed 20% of the net worth as stated in the latest financial statements of the Company.</p> <p>(III) <u>The amount of endorsement/guarantee rendered to subsidiaries shall not exceed net worth as stated in the latest financial statements of that subsidiary.</u></p> <p>(IV) <u>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, the paid-in capital mentioned above shall be substituted by the sum of capital stock plus capital reserve minus share premium.</u></p> <p>II. The Company shall not render endorsement/guarantee until the matter is approved and resolved by the Board of Directors. The Board of Directors may delegate the Chairman to facilitate execution within the pre-determined limited credit of NT\$300,000,000. Such endorsement/guarantee shall be ratified by the Board of Directors afterward. When, in accordance with relevant rules and regulations, endorsement/guarantee transaction is required to submit to the Board of Directors for resolution, such case shall be approved by half or more of all Audit Committee members before submitting to the Board of Directors for a resolution. If approval of half or more of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>III. In the event that the above limits have to be exceeded to accommodate business needs, the Company must obtain consent from the Audit Committee and the Board of Directors, and, in addition, half or more 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 limitation of quota mentioned above and have it ratified at the shareholders' meeting. If the revised limitation is not ratified at the shareholders' meeting, the Board of Directors shall furnish a plan containing a timetable to withdraw or eliminate the excess portion.</p> <p>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</p>	<p>Article 4 Limitation and authority of endorsement/guarantee:</p> <p>I. The amount of <u>any</u> endorsement/guarantee rendered by the Company <u>and the subsidiaries in the aggregate</u> is subject to the following limitation:</p> <p>(I) The total amount of external endorsement/guarantee shall not exceed 50% of the net worth as stated in the latest financial statements of the Company.</p> <p>(II) The amount of endorsement/guarantee rendered to any single company shall not exceed 20% of the net worth as stated in the latest financial statements of the Company.</p> <p>II. <u>In the event that an endorsement/guarantee is made due to needs arising out of business transaction, the amount of any single endorsement/guarantee shall not exceed the amount of the business transaction between the parties. The phrase "amount of the business transaction" shall mean the amount of purchases or sales between the parties in the most recent year, whichever is higher, and shall not exceed the limitations provided in the preceding paragraph.</u></p> <p>III. The Company shall not render endorsement/guarantee until the matter is approved and resolved by the Board of Directors. The Board of Directors may delegate the Chairman to facilitate execution within the pre-determined limited credit of NT\$300,000,000. Such endorsement/guarantee shall be ratified by the Board of Directors afterward. <u>When rendering an endorsement/guarantee, the Company shall take into full consideration the opinion of each independent director. Independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors meeting.</u> When, in accordance with relevant rules and regulations, endorsement/guarantee transaction is required to submit to the Board of Directors for resolution, such case shall be approved by half or more of all Audit Committee members before submitting to the Board of Directors for a resolution. If approval of half or more of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>IV. In the event that the above limits have to be exceeded to accommodate business needs, and <u>subject to the terms and conditions provided in these Procedures</u>, the Company must obtain consent from the Audit Committee and the Board of Directors, and, in addition, half or more 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 limitation of quota mentioned above and have it ratified at the shareholders' meeting. If the revised limitation is not ratified at the shareholders' meeting, the Board of Directors shall furnish a plan containing a timetable to</p>	<p>The amendments were proposed in accordance with the applicable laws and regulations, and for the Company's actual needs.</p>
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<p>endorsement/guarantee exceeds the limits due to changes of basis on which the amounts of limits are calculated, the Company shall draw up rectification plans to modify the total amount or the amount over the limitation of endorsement/guarantee, and withdraw these portions within the duration of contract or within the specific period. The proposed rectification plans shall be submitted to all Audit Committee members and be implemented in accordance with the timeframe set.</p> <p>V. "The Company's net worth" referred herein shall mean the balance sheet equity attributable to the owners of the parent company under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>VI. <u>The Company's subsidiaries shall not render endorsement/guarantee to others.</u></p>	<p>withdraw or eliminate the excess portion. <u>In the course of discussion of this matter in the Board of Directors' meeting, independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>V. 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, the Company shall draw up rectification plans to modify the total amount or the amount over the limitation of endorsement/guarantee, and withdraw these portions within the duration of contract or within the specific period. The proposed rectification plans shall be submitted to all Audit Committee members and be implemented in accordance with the timeframe set.</p> <p>VI. "The Company's net worth" referred herein shall mean the balance sheet equity attributable to the owners of the parent company under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>VII. <u>For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the financial department of the Company shall track the financial conditions of the endorsee/guarantee at least once each season. In the event of any material change, the financial department shall promptly report such material change to the Chairman of the Company and shall take appropriate action(s) per the Chairman's instruction(s). In the case of a subsidiary shares having no par value or a par value other than NT\$10, the paid-in capital referred to in the preceding sentence shall be the sum of share capital plus paid-in capital in excess of par.</u></p>	
<p>Article 7 Procedures for public announcement and declaration:</p> <p>I. The Company shall announce and report the endorsements/guarantees balance of previous month of the Company by the 10th day of each month.</p> <p>II. In addition to public announcement which shall be made on a monthly basis, the Company whose balance of endorsements/guarantees reaches any one of the following categories shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(I) The aggregate balance of endorsements/guarantees reaches 50 percent of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees for a single company reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(III) The aggregate amount of all</p>	<p>Article 7 Procedures for public announcement and declaration:</p> <p>I. The Company shall announce and report the endorsements/guarantees balance of previous month of the Company <u>and its subsidiaries</u> by the 10th day of each month.</p> <p>II. In addition to public announcement which shall be made on a monthly basis, the Company whose balance of endorsements/guarantees reaches any one of the following categories shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(I) The aggregate balance of endorsements/guarantees <u>of the Company and its subsidiaries</u> reaches 50 percent <u>or more</u> of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees <u>of the Company and its subsidiaries</u> for a single company reaches 20 percent or</p>	<p>The amendments were proposed in accordance with applicable laws and regulations.</p>

<p>endorsements/guarantees for, long-term investment in, and balance of loans to, a single company reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(IV) The amount of new endorsements/guarantees made by the Company reaches NT\$30 million or more, and 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. "Date of occurrence" referred herein shall mean 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.</p>	<p>more of the Company's net worth as stated in its latest financial statement.</p> <p>(III) The <u>balance of endorsements/guarantees reaches NT\$10 million or more, and the aggregate</u> amount of all endorsements/guarantees <u>of the Company and its subsidiaries</u> for, long-term investment in, and balance of loans to, a single company reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(IV) The amount of new endorsements/guarantees made by the Company <u>or its subsidiaries</u> reaches <u>NT\$30 million or more, and</u> 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. "Date of occurrence" referred herein shall mean 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.</p>	
<p>Article 9</p> <p>The Financial Department shall take the initiative to trace and make sure whether or not the endorsement/guarantee cases which have expired have been annulled. The entire databases of the endorsement/guarantee shall be provided to the CPA, and shall be disclosed in the financial statements as appropriate.</p>	<p>Article 9</p> <p><u>The Company shall evaluate or record the contingent loss for endorsements/guarantees.</u> The Financial Department shall take the initiative to trace and make sure whether or not the endorsement/guarantee cases which have expired have been annulled. The entire databases of the endorsement/guarantee shall be provided to the CPA, and shall be disclosed in the financial statements as appropriate.</p>	<p>The amendments were proposed in accordance with applicable laws and regulations.</p>
<p>Article 11</p> <p>The Procedures were passed in the Annual General Shareholders' Meeting dated June 21, 1999. First update was made in Annual General Shareholders' Meeting dated May 16, 2003. Second update was made in Annual General Shareholders' Meeting dated June 10, 2009. Third update was made in Annual General Shareholders' Meeting dated June 15, 2011. Fourth update was made in Annual General Shareholders' Meeting dated June 21, 2013. Fifth update was made in Annual General Shareholders' Meeting dated June 12, 2015.</p>	<p>Article 11</p> <p>The Procedures were passed in the Annual General Shareholders' Meeting dated June 21, 1999. First update was made in Annual General Shareholders' Meeting dated May 16, 2003. Second update was made in Annual General Shareholders' Meeting dated June 10, 2009. Third update was made in Annual General Shareholders' Meeting dated June 15, 2011. Fourth update was made in Annual General Shareholders' Meeting dated June 21, 2013. Fifth update was made in Annual General Shareholders' Meeting dated June 12, 2015. <u>The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018.</u></p>	<p>The most recent date for the proposed amendments were added to this Article.</p>

Attachment 6

The Issuance Rules of MediaTek Y2018 Restricted Stock Awards Plan

Article 1: Purpose

To attract and retain talents, motivate and engage employees for the best interest of the Company and its shareholders, so as to ensure the alignment of the employees' and shareholders' interests, the following issuance rules of MediaTek Y2018 Restricted Stock Awards Plan ("the Rules") are stipulated in accordance with Item 8, Article 267 of the Company Act, Article 22 of the Securities and Exchange Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers ("the Regulations") released by the Financial Supervisory Commission.

Article 2: Duration of issuance

Within one year following the day the approval notice from the competent authority is delivered, the Company may issue the restricted stock awards once or multiple times. The actual date of issuance and related matters shall be determined by the chairman of the Company ("the Chairman") as authorized by the Company's board of directors ("the Board of Directors").

Article 3: Qualification requirements for employees

- 3.1 To protect shareholder's interest, the Company shall cautiously manage the plan. Regular(Full-time) employees of the Company who are already employed on the date that the restricted stock awards are awarded and meet certain performance requirements shall be eligible to participate in the Restricted Stock Awards Plan ("the Plan"). The stock awards will only be available to employees who are: (a) highly related to the Company's future strategy and development (b) critical to the Company's business operation (c) key technical talent.
- 3.2 The number of shares granted shall be determined by the employee's seniority, position, performance, overall contribution, special contribution and other meaningful factors in management. The number of shares granted shall be reviewed by the Chairman and approved by the board. However, for employees who are managerial officers or the board members, the award of such shares is subject to approval from the Compensation Committee.
- 3.3 Compensation Committee members, employees holding over 10% of the Company's outstanding common shares and the board members who are not the Company's employees are not eligible to the plan.
- 3.4 The sum of the cumulative number of shares granted to each employee by share subscription warrant in accordance with Article 56-1-1 of the Regulations and by restricted stock awards shall not exceed 0.3% of the total outstanding shares of the Company. The aforesaid total amount of shares plus the share subscription warrant the Company grants to each employee shall not exceed 1% of the total outstanding shares of the Company. However, with special approval from the central competent authority of the relevant industry, the total number of employee stock options and restricted stock awards obtained by a single employee may be exempted from the above-mentioned restriction. If the laws and regulations are revised in the future, the Company may apply the revised laws and regulations.

Article 4: Total amount of issuance

The total number of shares issued by the Company under this plan shall be 19,200,000 common shares, each share having a par value of NT\$ 10, for a total amount of NT\$ 192,000,000.

Article 5. The terms and conditions for issuance

- 5.1 Issue price: The current issue is gratuitous.
- 5.2 Class of issued shares: The Company's newly issued common shares
- 5.3 Vesting conditions
 - 5.3.1 Employee's continuous employment with the Company through the vesting dates, no violation on any terms of the Company's employment agreement, employee handbook, non-compete and Proprietary Information Management agreements or the agreement of restricted stock awards and achievement of both personal performance requirement and the Company's operation objectives during the vesting period are required to receive the vested shares. The proportions of the vesting shares to be granted each year are 34%, 33%, and 33% for 2019, 2020, and 2021, respectively. The actual proportions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives according to the vesting portion set forth in paragraph 5.3.2, and will be specified in the respective agreements of employees. The share calculation shall be rounded down to the nearest integer.
 - 5.3.2 The personal performance target is the employee's year-end performance rating for the year preceding the vesting date at "I" (meeting expectations) rating or better and meeting the personal performance requirement. To determine the achievement of the Company's operation objectives, four indexes (Revenue, Gross Margin, Operating Margin, and Operating Margin (%)) and their respective targets A and B achievement levels are set up in the table below. The index will be deemed achieved when either target A or B is achieved. The actual number of vesting shares is determined by referencing the achievement of the four indexes and will be specified in the respective agreements of the employees. The number of indexes meeting the target and the achievement levels shall be determined based on the consolidated financial statements certified by a certified public accountant for the most recent fiscal year prior to the end of each vesting period.

Index	Target A	Target B
Revenue (\$)	5% or above growth comparing to the previous year	Growth comparing to the average of previous three years
Gross Margin (%)	1.5% or above growth comparing to the previous year	Growth comparing to the average of previous three years

Operating Margin (\$)	2018: 20% or above growth comparing to the previous year 2019/2020: 15% or above growth comparing to the previous year	Growth comparing to the average of previous three years
Operating Margin (%)	2% or above growth comparing to the previous year	Growth comparing to the average of previous three years

- 5.4 Handling process when the employees fail to achieve the vesting conditions
- 5.4.1 After the shares of restricted stock awards are granted to the employee, the Company shall have the right to revoke and cancel any and all portions of the unvested shares of restricted stock awards in the event that the employee is not employed by the Company on the vesting date, commits a material breach of the Company's employment agreement, employee handbook, non-compete/ Proprietary Information Management agreements and the agreement of restricted stock awards, fails to meet the employee's personal performance requirement and the Company's operation objectives, or violates Item 8 of Article 5 regarding modification withdrawal, cancellation, expiry or termination of the authorization to the Company or the appointed person as the deputy to handle all events for management of restricted stock awards in the security trust account in.
- 5.4.2 The Company shall revoke and cancel any and all portions of the unvested shares of restricted stock awards granted to the employee if the employee resigns voluntarily or the employee has been laid-off or discharged during the vesting period.
- 5.5 In the event of any of the following occurrences, the unvested portion of restricted stock awards shall be handled as follows.
- 5.5.1 Leave of absence without pay (approved by the company): The rights and obligations of the employees with respect to the unvested shares of restricted stock awards under the Rules shall remain in effect. However, the actual vested shares of restricted stock awards shall be determined by the vesting conditions set by the Rules and calculated on a pro-rata basis based on the number of months absent on such leave for the year of the Company's operation objective. In the event the employee is on leave on the vesting date, the Company shall revoke and cancel any and all portions of the unvested shares of restricted stock awards.
- 5.5.2 Transfer to another entity in the MediaTek Group: If the transfer is made at the Employee's request, the unvested restricted stock awards granted to the employee shall be revoked and cancelled by the Company. If the transfer is made at the Company's request to transfer the employee to another entity in the MediaTek Group, the rights and obligations with respect to the unvested shares of restricted stock awards under the Rules shall remain in effect. The actual number of vested shares of restricted stock awards shall be determined by the achievement level of the Company's operation objectives and the personal performance target shall be re-evaluated based on the performance requirement of the entity in the MediaTek Group after the transfer of employment. In the event that the employee is not employed by the entity in the MediaTek Group or the Company on the vesting date, the Company shall revoke and cancel any and all portions of the unvested shares of restricted stock awards.
- 5.5.3 Retirement: The rights and obligations of the retiring employees' unvested shares of restricted stock awards under the Rules shall remain in effect. The actual number of vested shares of restricted stock awards shall be determined by the vesting conditions set by the Rules and calculated on a pro-rata basis based on the number of months employed for the year of the Company's operation objectives.
- 5.5.4 Termination of employment due to disabilities as a result of occupational accidents of employee. Any unvested restricted stock awards shall immediately vest upon such termination date. If both of the vesting conditions including the Company's operation objectives and personal performance target have already been determined (in accordance with Article 5.3) as of the date of termination, the actual vested shares of restricted stock awards shall be subject to adjustment in accordance with the vesting conditions set under the Rules. If one or both of the vesting conditions have not yet been determined as of the vesting date, all of the unvested shares of restricted stock awards shall be vested.
- 5.5.5 Termination of employment due to death of employee for any cause. Upon death of the employee, for unvested restricted stock awards, the legal heirs of the employee shall complete all required legal procedures and provide relevant supporting documentation before being granted the shares to be inherited or interest disposed of. If both of the vesting conditions including the Company's operation objectives and personal performance target have already been determined (in accordance with Article 5.3) as of the date of death of the employee, the actual vested shares of restricted stock awards shall be subject to adjustment in accordance with the vesting conditions set under the Rules. If one or both of the vesting conditions have not yet been determined as of the vesting date, all the unvested shares of restricted stock awards shall be vested.
- 5.5.6 Change of Control. In the event of any planned reorganization in accordance with the Business Mergers and Acquisitions Act, the Board of Directors shall determine whether all the unvested restricted stock awards shall be vested or not prior to the closing of such transaction.
- 5.5.7 If the employee has outstanding contribution or any other special contribution to the Company, the Chairman is authorized to determine whether the unvested restricted stock awards of the employee could be vested or not on a case by case basis when the employee's employment is terminated with the Company.
- 5.6 The Company will redeem the issued restricted stock awards and cancel the shares when the vesting conditions are not achieved.
- 5.7 The rights that are subject to restriction until vesting conditions are met
- 5.7.1 Before the vesting conditions are met, except for inheritance, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, the restricted stock awards.

- 5.7.2 Before the vesting conditions are met, rights of the restricted stock awards to attend the shareholder's meeting, submit proposals, speak and vote at the meeting shall be the same as the Company's common shares issued and shall be performed in accordance with the custodian agreement.
- 5.7.3 Before the vesting conditions are met, except the aforementioned rights, the other rights of restricted stock awards, including but not limited to dividend, interest, rights to receive capital reserve, employee stock options at cash capital increase, shall be the same as the Company's common shares issued and be performed in accordance with the custodian agreement.
- 5.7.4 If the employee achieves the vesting conditions on the book closure date for the Company's issuance of bonus dividends, cash dividends, rights offering, during the book closure period for shareholder's meeting pursuant to Item 3 of Article 165 of the Company Act, or other statutory book closure period till the record date for rights distribution, the timing and procedures for lifting the restrictions on the restricted stock awards shall be performed in accordance with the custodian agreement or relevant laws/regulations.

5.8 Other important stipulations

- 5.8.1 The restricted stock awards shall be deposited in a security trust account after the issuance. Before the vesting conditions are met, the employee shall not request the trustees to return the restricted stock awards for any reason or in any method.
- 5.8.2 During the period that the restricted stock awards are deposited in a security account after the issuance, management of the restricted stock awards in the security trust account including but not limited to the negotiation, execution, amendment, renewal, termination, and expiration of the custodian agreement and the instruction to deliver, use or disposal of the trust property with the custodian shall be performed by the Company or the person appointed on behalf of the employees.

Article 6: Execution and confidentiality of the agreement

- 6.1 The employees are deemed to have been granted the restricted stock awards only when they have entered into the "agreement of receiving restricted stock awards" upon notification by the responsible unit of the Company and complete all the required process for trust custody service. If the employee fails to execute the agreement, the rights to the restricted stock awards by the employee is deemed to have forfeited.
- 6.2 The employee receiving restricted stock awards or the rights derived therefrom in accordance with the Rules shall comply with the Rules and the agreement. The employee shall keep confidential after signing the agreement for the related contents of the Rules and the rights under the agreement. The Company shall have the right to revoke and cancel any and all portions of the unvested shares of restricted stock awards in the event that the employee violates the Rules and the agreement.

Article 7: Tax

Any tax incurred from granting the restricted stock awards under the Plan shall be governed by the applicable R.O.C. laws and regulations.

Article 8: Other important covenants

- 8.1 The Rules shall be determined by the Board of Directors by an agreement adopted by a majority vote at a meeting attended by over two-thirds of the directors, and then executed after effective registration with the competent authority. If modifications of the issuance rules are required due to amendment to the laws and regulations or instructions from the competent authority, the Chairman is authorized to make any necessary amendment to the Rules. The amendment to the Rules shall be proposed to be reviewed and approved by the Board of Directors for ratification and issuance.
- 8.2 For the matters not stipulated in the Rules, except as otherwise provided by law, the Board of Directors or the person appointed by the Board of Directors are authorized with full power and authority to revise and execute pursuant to the applicable laws and regulations.

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Chinese original and this English translation, the Chinese original shall prevail.

Attachment 7

**MediaTek Inc.
List of Director Candidates**

Name	Shareholdings (Note 1)	Education Recognitions	Major Previous Positions	Current Positions
Ming-Kai Tsai	41,062,592	- Master, Electrical Engineering, University of Cincinnati, USA	- President, 2nd Business Group, UMC	- Chairman, MediaTek, Inc - Chairman, Andes Technology
Rick Tsai	31,500	- Ph.D., Material Science, Cornell University, USA	- Chairman & CEO, Chunghwa Telecom Co., Ltd. - President & CEO, TSMC	- CEO, MediaTek Inc - Director, Lam Research Corporation - Independent Director, USI Corporation
Ching-Jiang Hsieh	4,052,648	- Master, Electrical Engineering, National Taiwan University	- Engineer, Multimedia R&D Team, UMC	- Vice Chairman, MediaTek, Inc.
Cheng-Yaw Sun	29,244	- B.S., Chung Yuan Christian University of Taiwan	- Managing Director, HP China	- Director, MediaTek Inc.
Kenneth Kin	0	- PH.D., Nuclear engineering and Applied Physics, Columbia, USA	- Senior VP, Worldwide Sales & Services, TSMC - Microelectronics VP of worldwide sales, IBM - Professor, Department of Economics, National Tsing Hua University.	- Independent Director, MediaTek Inc. - Independent Director, eMemory Technology Inc. - Independent Director, Global Unichip Corp. - Independent Director, AzureWave Technologies Inc. - Independent Director, Vanguard International Semiconductor Corp.
Wayne Liang	54,134	- Master, Chemical Engineering, Stanford University, USA	- Senior Director, Marketing, TSMC - Vice President, WSMC - Director, Winbond Electronics Corp.	- Chairman, MStar semiconductor, Inc.

Note 1: As of April 17, 2018

**MediaTek Inc.
List of Independent Director Candidates**

Name	Shareholdings (Note 1)	Education Recognitions	Major Previous Positions	Current Positions
Chung-Yu Wu	236,000	- Ph.D., Electronics Engineering, National Chiao Tung University	- President, National Chiao Tung University	- Independent Director, MediaTek Inc. - Independent Director, Global Unichip Corp. - Independent Director, Leadtrend Technology Corp. - Independent Director, Amazing Microelectronic Corp. - Professor, Electronics Engineering, National Chiao Tung University.
Peng-Heng Chang	0	- Ph.D., Master engineering, Purdue University, USA	- VP, Human Resources/Material Management & Risk Management, TSMC	- Independent Director, MediaTek Inc. - Chairman, Motech Industries Inc. - Chairman, Motech's subsidiaries - Chairman, Jinzhou Yangguang Energy Co.,Ltd.
Ming-Je Tang	0	- Ph.D., Business Management, MIT, USA	- Vice President, National Taiwan University - Visiting Associate Professor, Hong Kong University of Science and Technology - Associate Professor with tenure, University of Illinois at Urbana-Champaign - Professor and Chair of Industrial and Business Management Department, Chang Gung University	- Independent Director, MediaTek Inc. - Professor, National Taiwan University - Independent Director, Fubon Financial Holding Co., Ltd., and Fubon Insurance Co., Ltd. - Director, Vsense Limited

Note 1: As of April 17, 2018

Appendix

Appendix 1

MediaTek Inc. Article of Incorporation

Date: June 15, 2017
Approved by the Annual General Shareholders' Meeting 2017

Section One – General Provisions

Article 1

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

Article 2

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

- CC01080: Electronic parts and components manufacture.
- F401030: Manufacture and export business.
- I301010: Information & software services.
- I501010: Product design.
- F401021: Restrained Telecom Radio Frequency Equipments and Materials Import.
- F601010: Intellectual Property

1. Researching, developing, producing, manufacturing, and sales the following products:
 - (1). Multimedia integrated circuits (ICs);
 - (2). PC peripheral ICs;
 - (3). High-end consumer electronic ICs;
 - (4). Other Application-Specific ICs;
 - (5). Patents or IC layout copyright licensing related to the abovementioned ICs.
2. Providing hardware and software design, development, testing, maintenance and technology consulting services for the abovementioned products.
3. Conducting import and export trade for the abovementioned products.

Article 2-1

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

Article 3

The Company is headquartered in the Hsinchu Science-Based Industrial Park in Taiwan, Republic of China, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative or branch offices at various locations within or outside the territory of the Republic of China, whenever the Company deems it necessary.

Article 4

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Article 4-1

The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Operating Procedures of Endorsement/Guarantee.

Section Two – Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of 20 Billion New Taiwan Dollars, divided into 2 billion shares at NT\$10 par value each share, and may be paid-up in installments. Among which Two Hundred Million New Taiwan Dollars of the total capital stock (divided into 20 million shares at NT\$10 par value each share) will be reserved for issuing stock options, and may be issued in installments in accordance with the resolution of the Board of Directors.

Article 6

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

Article 7

Registration for transfer of shares shall be suspended 60 days immediately before the date of annual general shareholders' meeting, and 30 days immediately before the date of any special shareholders' meeting, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Section Three – Shareholders' Meeting

Article 8

Shareholders' meetings of the Company are of two types, namely: (1) Annual General Shareholders' Meetings – which shall be convened by the Board of Directors within 6 months after the end of each fiscal year, and (2) Special Shareholders' Meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

Article 9

The shareholders' meeting shall be presided by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty and authority for any reason, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or otherwise cannot exercise his duty, the Chairman shall appoint a director to act as his deputy; otherwise, the directors shall elect from among themselves a chairman to preside over the shareholders' meeting. If a shareholders' meeting is convened by a person other than the Board of Directors, the shareholders' meeting shall be chaired by that convener. If there are two or more conveners for a shareholders' meeting, one of them shall be elected to chair the meeting.

Article 10

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

Article 11

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

Article 12

Except as otherwise provided by other laws or regulations, each share is entitled to one voting right.

Article 13

Except as otherwise provided by other laws or regulations, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders of the Company can vote through the electronic voting system, the details of which shall be handled in accordance with relevant laws and regulations.

Article 13-1

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

Section Four – Directors and Audit Committee**Article 14**

The Company shall have five to nine Directors, with the actual number to be determined by the Board. There shall be at least three Independent Directors in the Board. The election of Directors and Independent Directors shall be conducted in accordance with Article 192-1 of the Company Act, where the system of nomination of candidates shall be adopted. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act. The independent and non-Independent Directors shall be elected at the same time, and the number of elected directors shall be calculated separately. The term of Directors is three years, and shall be elected in the shareholders' meetings. Their term of office shall be three years, and shall be eligible for re-election. After the company went public, the total number of shares that all Directors shall hold should be in accordance with the requirements of the competent authorities. The Board of Directors is authorized to determine the compensation for the Directors, taking into account the standards of the industry. The Company may, in accordance with Corporate Governance Regulations for TSE/GTSM Listed Companies, purchase Directors and Officers Liability Insurance for its Directors. The Board of Directors is authorized to decide on the insurance coverage.

Article 14-1

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

Article 14-2

The following relationship shall not be permitted for more than a majority of the Company's Director:

1. Spouse
2. Relative within the Second Degree of relationship.

Article 15

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

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

Article 16

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

Article 17

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless otherwise regulated by the Company Act. Directors may be notified of the Board of Directors meeting via written notices, as E-mail or fax. Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting.

Article 18

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or otherwise cannot exercise his duty, the Chairman shall appoint a director to act as his deputy; otherwise the directors shall elect from among themselves a chairman to preside over the Meeting of the Board of Directors. Directors shall attend the Meeting of the Board of Directors. When a Director is unable to attend any Meeting of the Board of Directors, he may appoint another Director to attend on his behalf, but no Director may act as proxy for more than one Director.

Article 19

The Company shall form an Audit Committee, which is composed of all Independent Directors. Details including number of members, terms, responsibilities and rule of meeting shall be stipulated separately in the Organization Rules of Audit Committee in accordance with the rules in the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies".

Section Five – Management of the Company**Article 20**

The Company may, by resolution of the Board of Directors, appoint one or more managers.

Article 21

The scope of duties and power of managers of the Company may, in addition to what are specified in the Articles of Incorporation, also be defined in the contract.

Section Six – Financial Reports

Article 22

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

Article 23

After the end of each fiscal year, in accordance with Article 228 of the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance.

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

Article 24

If there is any profit for a specific fiscal year, the Company shall allocate no less than 1% of the profit as employees' compensation and shall allocate at a maximum of 0.5% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance. Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. The Board of Directors is authorized to determine the qualification of such employees. The remuneration to Directors shall be paid in cash.

Article 24-1

If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

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

Section Seven – Supplementary Provisions

Article 25

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

Article 26

For matters not provided for in the Articles of Incorporation, it shall be handled in accordance with the Company Act of the Republic of China.

Article 27

These Articles of Incorporation were resolved on May 21, 1997. The first amendment was made on September 1, 1997, the second amendment was made on July 3, 1998, the third amendment was made on June 21, 1999, the fourth amendment was made on June 9, 2000, the fifth amendment was made on September 28, 2000, the sixth amendment was made on June 8, 2001, the seventh amendment was made on June 3, 2002, the eighth amendment was made on May 16, 2003, the ninth amendment was made on June 9, 2004, the tenth amendment was made on June 13, 2005, the eleventh amendment was made on June 21, 2006, the twelfth amendment was made on June 11, 2007, the thirteenth amendment was made on June 15, 2010, the fourteenth amendment was made on June 15, 2011, the fifteenth amendment was made on June 13, 2012, the sixteenth amendment was made on June 12, 2015, the seventeenth amendment was made on June 24, 2016, and the eighteenth amendment was made on June 15, 2017.

Appendix 2

MediaTek Inc. Rules and Procedures of Shareholders' Meeting

Effective after approval at the 2010 shareholder's meeting

Article 1

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

Article 2

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

Article 3

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

Article 4

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

Article 5

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Appendix 3

MediaTek Inc. Rules for Election of Directors

Effective after approval at the 2015 shareholder's meeting

Article 1

Unless otherwise provided for in the Company Act or the Articles of Incorporation of the Company, the Directors of the Company shall be elected in accordance with the Rules specified herein.

Article 2

Election of Directors of the Company shall be held at the shareholders' meeting. The Company shall prepare ballots for Directors, and note the number of voting rights.

Article 3

The election of the Company's Directors shall be conducted in accordance with Article 192-1 of the Company Act under the system of nomination of candidates.

Article 4

In the election of Directors of the Company, the single recorded cumulative voting system is implemented. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or be divided to vote for several persons. The Independent and Non-Independent Directors shall be elected at the same time, and the number of elected Directors shall be calculated separately.

Article 5

The qualification and election of Independent Directors should be made in accordance with relevant rules and regulations issued by authorities.

Article 6

The election of Directors and Independent Directors of the Company shall be made based on number of seats stipulated in the Article of Incorporation of the Company. Further, votes received by Directors and Independent Directors shall be calculated separately, and candidates who receive more votes will win the seat of Directors or Independent Directors respectively. If two or more candidates acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 7

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots have to be appointed from among the shareholders present.

Article 8

The ballot box used for voting shall be prepared by the Company and be checked in public before voting by the person responsible for checking ballots.

Article 9

If the candidate is a shareholder of the Company, voters shall fill in the "candidate" column the candidate's name and the candidate's shareholder's number. If the candidate is a government

agency or a legal entity, the full name of the government agency or the legal entity and the name(s) of their representative(s) shall be filled in the "candidate" column. If there are multiple representatives, these representatives' names shall be filled in separately. If the candidate is not a shareholder of the Company, voters shall fill in the "candidate" column with the candidate's name and the candidate's ID number.

Article 10

Ballots shall be deemed void in either one of the following conditions:

- (1). Ballots not placed in the ballot box;
- (2). Ballots not prepared by the Company;
- (3). Blank ballots not completed by the voter;
- (4). The "candidate" column was not filled in properly as specified in Article 9 of the Rules.
- (5). If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholders' register;
- (6). If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
- (7). Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate;
- (8). Illegible writing;
- (9). Any of the candidate's name, shareholder's number (ID number) or the number of votes cast for such candidate being erased or changed;
- (10). The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them;
- (11). The number of candidates filled in the ballot exceeding the number of the seats to be elected;
- (12). The total votes cast by the voter exceeding the total voting rights of such voter.

Article 11

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 12

The Rules and any revision thereof shall become effective after approval at the shareholder's meeting.

Appendix 4

MediaTek Inc. Operating Procedures of Endorsement/Guarantee

Approved by the Annual General Shareholders' Meeting 2015

- Article I : These Procedures were amended per Order No. Taiwan-Finance-Securities- VI-1010029874 of the Financial Supervisory Commission dated July 6, 2012 and related laws and regulations.
- Article II : The party to whom the Company may provide endorsement/guarantee includes the following:
- I. Any company having business transactions with the Company.
 - 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 set forth in preceding two paragraphs.
- Article III : The scope of endorsement/guarantee defined as following:
- I. Financing endorsement/guarantee:
 - (I) Endorsement/guarantee to customers' notes for cash financing with a discount.
 - (II) Endorsement/guarantee for other companies for their financing needs.
 - (III) Endorsement/guarantee to the notes issued by the Company to non-financial institutions for the Company's own financing needs.
 - II. Tariff endorsement/guarantee: Endorsement/guarantee of customs duties due made for the Company or other companies.
 - III. Other endorsement/guarantee: The endorsement/guarantee which cannot be attributed to the previous two paragraphs.
- The lien or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan should also follow the procedures set forth herein.
- Article IV : Limitation and authority of endorsement/guarantee:
- I. The amount of endorsement/guarantee rendered by the Company to other companies and to a single company is subject to the following limitation:
 - (I) The total amount of external endorsement/guarantee shall not exceed 50% of the net worth as stated in the latest financial statements of the Company.
 - (II) The amount of endorsement/guarantee rendered to any single company shall not exceed 20% of the net worth as stated in the latest financial statements of the Company.
 - (III) The amount of endorsement/guarantee rendered to subsidiaries shall not exceed net worth as stated in the latest financial statements of that subsidiary.
 - (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, the paid-in capital mentioned above shall be substituted by the sum of capital stock plus capital reserve minus share premium.

- II. The Company shall not render endorsement/guarantee until the matter is approved and resolved by the Board of Directors. The Board of Directors may delegate the Chairman to facilitate execution within the pre-determined limited credit of NT\$300,000,000. Such endorsement/guarantee shall be ratified by the Board of Directors afterward. When, in accordance with relevant rules and regulations, endorsement/guarantee transaction is required to submit to the Board of Directors for resolution, such case shall be approved by half or more of all Audit Committee members before submitting to the Board of Directors for a resolution. If approval of half or more of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.
- III. In the event that the above limits have to be exceeded to accommodate business needs, the Company must obtain consent from the Audit Committee and the Board of Directors, and, in addition, half or more 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 limitation of quota mentioned above and have it ratified at the shareholders' meeting. If the revised limitation is not ratified at the shareholders' meeting, the Board of Directors shall furnish a plan containing a timetable to withdraw or eliminate 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, the Company shall draw up rectification plans to modify the total amount or the amount over the limitation of endorsement/guarantee, and withdraw these portions within the duration of contract or within the specific period. The proposed rectification plans shall be submitted to all Audit Committee members and be implemented in accordance with the timeframe set.
- V. "The Company's net worth" referred herein shall mean 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 V :
- I. The in-charged department shall assess risk and submit a report, stating the company for which the endorsement/guarantee is made, categories, reasons and amount, and shall provide reviewing procedures in detail, including:
 - (I) The necessity of and rationality of the endorsement/guarantee.
 - (II) The credibility and risk assessment of the company for which the endorsement/ guarantee is made.
 - (III) The impact on the company's business operations risk, financial condition, and shareholders' equity.

- (IV) The necessity to acquire collateral and appraisal of collateral.
 - II. If the company for which the endorsement/guarantee is made repays the loans, the related repayment information and documents shall be informed to the Company so that the endorsement/guarantee responsibility of the Company may be released.
- Article VI : The Financial Department shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the content of endorsement/guarantee, name of the company for which the endorsement/guarantee is made, the amount of endorsement/guarantee, the date of resolution by the Board of Directors or of authorization by the Chairman, the date when endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding article.
- Article VII : Procedures for public announcement and declaration:
- I. The Company shall announce and report the endorsements/guarantees balance of previous month of the Company by the 10th day of each month.
 - II. In addition to public announcement which shall be made on a monthly basis, the Company whose balance of endorsements/guarantees reaches any one of the following categories shall announce and report such event within two days commencing immediately from the date of occurrence:
 - (I) The aggregate balance of endorsements/guarantees reaches 50 percent of the Company's net worth as stated in its latest financial statement.
 - (II) The balance of endorsements/guarantees for a single company reaches 20 percent of the Company's net worth as stated in its latest financial statement.
 - (III) The aggregate amount of all endorsements/guarantees for, long-term investment in, and balance of loans to, a single company reaches 30 percent of the Company's net worth as stated in its latest financial statement.
 - (IV) The amount of new endorsements/guarantees made by the Company reaches 5 percent of the Company's net worth as stated in its latest financial statement.
 - III. "Date of occurrence" referred herein shall mean 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.
- Article VIII : Custody of the specimen seals:
The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. Chairman, authorized by the Board of Directors, shall keep the chop in the custody of a designated person according to the Company's management rule regarding chop usage, and the chop may be used to seal or issue negotiable instruments only in accordance with prescribed procedures. In the event that making a guarantee for a foreign company, the Company shall have the Guarantee Agreement signed by a person authorized by the Board of Directors.
- Article IX : The Financial Department shall take the initiative to trace and make sure whether or not the endorsement/guarantee cases which have expired have been annulled. The entire databases of the endorsement/guarantee shall be provided to the CPA, and shall be disclosed in the financial statements as appropriate.

Article X : Other matters and concerns:

- I. The Company's internal auditors shall audit the operating procedures of endorsements/guarantees for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all Audit Committee members in writing of any material violation found.
- II. In the event that the Company's executive officers or related personnel violate the Regulations Governing Loaning of Funds and Endorsements/Guarantees by Public Companies and the, and therefore jeopardizes the Company's interest, the Company shall impose penalty or adjust their positions in accordance with the Company's internal rules.
- III. These Operating Procedures shall, after being approved by the Audit Committee and the Board of Directors, be submitted to the shareholders' meeting for approval. The same shall be applicable in case of amendment.

The Procedures were passed in the Annual General Shareholders' Meeting dated June 21, 1999. First update was made in Annual General Shareholders' Meeting dated May 16, 2003. Second update was made in Annual General Shareholders' Meeting dated June 10, 2009. Third update was made in Annual General Shareholders' Meeting dated June 15, 2011. Fourth update was made in Annual General Shareholders' Meeting dated June 21, 2013. Fifth update was made in Annual General Shareholders' Meeting dated June 12, 2015.

Appendix 5

MediaTek Inc. Shareholdings of All Directors

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

The Company's total outstanding shares:	1,581,458,705
Total shareholdings of all Directors required by law:	37,955,008
As of April 17, 2018, total shareholdings of all Directors (except Independent Directors)	45,175,984

2. As of April 17, 2018, the cut-off date of this Shareholders' Meeting, the individual Directors and their aggregate shareholdings are listed below:

Title	Name	Date Elected	Shares	%
Chairman	Ming-Kai Tsai	June 12, 2015	41,062,592	2.60%
Vice Chairman	Ching-Jiang Hsieh	June 12, 2015	4,052,648	0.26%
Director	Cheng-Yaw Sun	June 12, 2015	29,244	0.00%
Director	Kenneth Kin	June 12, 2015	-	-
Director	Rick Tsai	June 15, 2017	31,500	0.00%
Independent Director	Chung-Yu Wu	June 12, 2015	236,000	0.01%
Independent Director	Peng-Heng Chang	June 12, 2015	-	-
Independent Director	Ming-Je Tang	June 15, 2017	-	-
Holding of all directors			45,411,984	2.87%