

MediaTek Inc.

Code: 2454



Handbook for the 2019 Annual Meeting of Shareholders

(TRANSLATION)

Meeting Date: June 14, 2019

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MediaTek Inc.
Procedure for the 2019 Annual Meeting of Shareholders

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

MediaTek Inc.
Year 2019
Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m., June 14, 2019 (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). 2018 business report
 - (2). Audit Committee's review report on the 2018 financial statements
 - (3). Report on 2018 employees' compensation and remuneration to directors
 - (4). Report on completion of merger with subsidiary MStar Semiconductor, Inc.
4. Acknowledgements
 - (1). Adoption of the 2018 business report and financial statements
 - (2). Adoption of the proposal for distribution of 2018 profits
5. Proposed Resolutions
 - (1). Discussion of cash distribution from capital reserve
 - (2). Amendments to the company's "Article of Incorporation"
 - (3). Amendments to the company's "Procedures Governing the Acquisition or Disposition of Assets"
 - (4). Amendments to the company's "Operating Procedures of Endorsement/Guarantee"
 - (5). Amendments to the company's "Operating Procedures of Outward Loans to Others"
6. Extemporary Motions
7. Meeting Adjourned

Report Items

Report item (1)

Proposed by the Board of Directors

Subject: MediaTek's 2018 business report.

Descriptions: MediaTek's 2018 business report is attached on page 10, Attachment 1.

Report item (2)

Proposed by the Board of Directors

Subject: Audit Committee's review report on the 2018 financial statements.

Descriptions: 2018 Audit Committee's review report is attached on page 12, Attachment 2.

Report item (3)

Proposed by the Board of Directors

Subject: Report on 2018 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 2018 profit as follows: employees' compensation is NT\$261,020,838 and the remuneration to directors is NT\$ 31,623,829; both shall be paid in cash.

Report item (4)

Proposed by the Board of Directors

Subject: Report on completion of merger with merger with subsidiary MStar Semiconductor, Inc.

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 19, paragraph 1, 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, the Board of the Company, on April 27th, 2018, agreed to a proposal to merge with MStar Semiconductor, Inc. (hereinafter "Mstar"), which is a wholly owned subsidiary of the Company, under Article 19, paragraph 1 of the Business Mergers and Acquisitions Law. MediaTek is the surviving Entity while Mstar is the merged entity. The name of the surviving entity is still MediaTek, Inc. The merger is a reorganization and does not involve any share swap or payment of dividends or involve any other assets, and thus does not impact the company's shareholders' equity.
- (3). The above-mentioned merger has been executed in accordance with the resolution of the Board, and the merger record date is January 1st, 2019. Mediatek and Mstar has completed the registration modification on January 24th, 2019.

Acknowledgements

Acknowledgement (1)

Proposed by the Board of Directors

Subject: Adoption of the 2018 business report and financial statements.

Descriptions:

- (1). MediaTek's 2018 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 2018 business report, independent auditors' report and the aforementioned financial statements, please refer to page 10, Attachment 1, page 13-22, Attachment 3, and page 23-32, Attachment 4.

Resolution:

Acknowledgement (2)

Proposed by the Board of Directors

Subject: Adoption of the proposal for distribution of 2018 profits.

Descriptions:

- (1). The proposal for distribution of 2018 profits has been approved by the Board of Directors in the 7th Board Meeting of the 8th session.
- (2). Please refer to the 2018 profit distribution table below:

Descriptions	Amount (NTD)	Remarks
Unappropriated retained earnings of previous years	86,351,390,151	
Plus: Net income of 2018	20,760,497,963	
Plus: Adjustment to the opening balance at the date of initial application of IFRS 9 and IFRS 15	2,221,085,335	
Plus: Adjustment to retained earnings accounted for under the equity method	695,526,459	
Plus: Adjustment for restricted stocks awards	66,350,269	
Less: The differences between the fair value of the consideration paid from acquiring subsidiaries and the carrying amounts of the subsidiaries	(1,379,861,621)	
Less: Actual loss on defined benefit plans	<u>(137,224,828)</u>	
Earnings available for distribution	108,577,763,728	
Distribution items:		
Legal reserve	(2,076,049,796)	
Dividend to common shareholders	<u>(9,525,233,226)</u>	Cash dividend of NT\$6.00 per share; No stock dividend.
Unappropriated retained earnings	<u>96,976,480,706</u>	

Note:

1. Cash dividend distributions are calculated based on MediaTek's outstanding shares of 1,587,538,871 shares as of April 29, 2019.
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 30, 2019, 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

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\$ 4,762,616,613 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\$3. 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 30, 2019, 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 "Article of Incorporation ". Approval is respectfully requested.

Descriptions:

- (3). 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 "Article of Incorporation".
- (4). The comparison table illustrating the original and amended texts of the "Article of Incorporation" is available on page 33-35, Attachment 5.

Resolution:

Proposal (3)

Proposed by the Board of Directors

Subject: Amendment to the Company's "Procedures Governing the Acquisition or Disposition of Assets". 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 "Procedures Governing the Acquisition or Disposition of Assets".
- (2). The comparison table illustrating the original and amended texts of the "Procedures Governing the Acquisition or Disposition of Assets" is available on page 36-42, Attachment 6.

Resolution:

Proposal (4)

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/ Guarantee".
- (2). The comparison table illustrating the original and amended texts of the "Operating Procedures of Endorsement/Guarantee" is available on page 43-45, Attachment 7.

Resolution:

Proposal (5)

Proposed by the Board of Directors

Subject: Amendment to the Company's "Operating Procedures of Outward Loans to Others". 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 Outward Loans to Others".
- (2). The comparison table illustrating the original and amended texts of the "Operating Procedures of Outward Loans to Others" is available on page 46-47, Attachment 8.

Resolution:

Extemporaneous Motions

Meeting Adjourned

Attachment

Attachment 1

MediaTek Inc. 2018 Business Report

Dear Shareholders:

MediaTek steadily expanded global market and significantly improved profit structure in 2018. We delivered full year consolidated net revenues of NT \$238.1 billion and increased consolidated gross margin from 35.6% in 2017 to 38.5% in 2018. With prudent resource reallocation, we substantially strengthened our product roadmap and made notable progress in new market expansion. We achieved more than 60% of operating profit dollar growth with revenue level similar to last year and increased consolidated operating margin by 2.7 percentage points, on track of reaching our goal of building a healthy profit structure.

MediaTek's healthy business structure is also reflected in the revenue mix. We are committed to pursuing the best consumer experience and reached a more balanced portfolio in 2018 with the three product segments - mobile computing, growth and harvest platforms accounted for about 35%, 30% and 35% of total revenue, respectively. MediaTek has market leading positions in various fields, for example, mobile phone, voice assistant, digital TV and connectivity. The growth segment demonstrated robust momentum with its double-digit revenue growth. In addition to the booming IoT applications, group synergy from PMIC and the expansion of ASIC business are both strong growth drivers.

More diversified product lines are the competition advantage of MediaTek in developing 5G and AI as well. We widely apply new technologies in various applications to enhance product value and user experience. For instance, on the mobile computing platform, the multimedia functions of Helio P60, P70 and P90 were enhanced through exceptional AI technology to provide high-performance and low-power capabilities on the chipsets. In 5G development, we actively participate among the industry leading group to master key technologies and develop products to launch 5G multimode modem chip, integrate it into next generation 5G SoC and work closely with global 5G ecosystem to drive the next mobile phone upgrade opportunities. In IoT, as the voice ecosystem is becoming more matured, MediaTek is tightly cooperating with international companies such as Amazon and Alibaba to gradually move AI from the cloud to the edge. 5G is also expected to drive more new applications and make smart life applications more accessible. On the TV platform, MediaTek brings AI into living rooms to largely improve audio and video quality, and to further drive the paradigm shift of TV industry.

MediaTek is constantly embracing new technologies. Our R&D investment is at the top amongst the global semiconductor companies. It is about 24% of total revenue in 2018, and the accumulated amount in the past four years is approximately NT\$220 billion. MediaTek continues to invest in Taiwan's semiconductor industry, building a solid foundation for future market opportunities.

Thanks to the relentless efforts from our employees, MediaTek received the "Outstanding Asia-Pacific Semiconductor Company" award from Global Semiconductor Alliance and was selected by Interbrand for its "Top 20 Best Taiwanese Global Brands" award for four consecutive years. Our CEO, Mr. Ming-Kai Tsai, was ranked the 8th of the "Top 50 the Best CEOs in Taiwan" by Harvard Business Review. MediaTek also received the awards of "2018 all Asia Executive team" on top-ranked company for CEO, CFO, IR Professional, IR Program, Analyst Days and Website from Institutional Investor Magazine.

In terms of corporate social responsibility implementation, MediaTek believes in "global reach and local presence". We participated in giveback actions circling the business philosophy of "talent and innovation" and integrated sustainability strategies into business philosophy. Over the years, we have invested more than NT\$1.5 billion in related fields, including academia and industry research and development alliance, international recruitment of university professors, domestic and international scholarship programs for doctoral students, systematically fostering programming education and maker seed teachers, launching programs to promote digital innovation competition for local society - "Genius for Home", to create a solid ground for local innovation talents and to further pass on the energy of technological innovation in Taiwan.

Moreover, MediaTek's efforts in sustainable operation, environmental protection and energy conservation were widely recognized. In 2018, we not only won the "Taiwan Top 50 Sustainability Award", but also received the "Corporate

Sustainability Report Award”, the “Growth through Innovation Award”, the “People Development Award”, the “Supply Chain Management Award”, and the “Social Inclusion Award”. For a fabless company, low power consumption is one of the key core technology. MediaTek continues to focus on green IC innovation and develop high performance, low power consumption chips to contribute to global energy conservation and environmental protection. The exceptional results were also well recognized by being rewarded the “Energy Saving Leadership Award” by the Ministry of Economic Affairs and “Enterprise Environmental Protection Award” by the Environmental Protection Administration.

Looking forward, albeit higher market uncertainty, 2019 will be a year that some of MediaTek's long-term technology investments start generating revenue streams such as 5G, WiFi 6, enterprise ASIC, automotive electronics and etc. It is expected that the revenue from 5G, overall ASIC and AIoT (including automotive electronics) could exceed 10% of total revenue in 2020. MediaTek will continue to focus on global reach, the structural optimization of product business, and profit structure improvement. We will keep investing in cutting-edge technologies and potential markets to further drive the positive cycle of MediaTek operations. We will continue to provide a high-quality work environment that enables semiconductor talents to excel on an international stage to make sure our industry leading position and create higher shareholder value. Lastly but not the least, we would like to deliver our sincere appreciation to all of our shareholders for your long-term trust and continuous support.

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 2018 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. 2019 Annual General Shareholders' Meeting

MediaTek Inc.

Chairman of the Audit Committee: Chung-Yu Wu

April 30, 2019



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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, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, 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, 2018 and 2017, and their consolidated financial performance and cash flows for the years ended December 31, 2018 and 2017, 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 and became effective 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 2018 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\$238,057,346 thousand as net sales, which includes sale of goods in the amount of NT\$235,222,818 thousand and services and other operating revenues in the amount of NT\$2,834,528 thousand for the year ended December 31, 2018. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. 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 details of sales, reviewing the significant terms of sales agreements, testing five steps of revenue recognition and tracing to relevant documentation of transactions; performing test for contract modification, test for contract consolidation and test for principal and agent; adopting audit sampling on trade receivables and performing confirmation procedures on final balance and key terms of sales agreements; and regarding transaction of some time before and after the reporting date, analyzing the reasonableness of fluctuations and selecting samples to perform cutoff procedures, tracing to relevant documentation to verify that revenue has been recorded in the correct accounting period; besides, we also review if there is condition of significant reversals in subsequent periods.

We also considered the appropriateness of the disclosures of sales. Please refer to Note 4, Note 5 and 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 2018 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, 2018 and 2017.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

March 22, 2019

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of December 31, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

ASSETS		December 31, 2018	December 31, 2017	
	Notes	\$	\$	%
Current assets				
Cash and cash equivalents	4, 6(1)	143,170,245	145,338,376	37
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	5,026,696	724,507	-
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	13,468,075	-	-
Available-for-sale financial assets-current	4, 5, 6(4)	-	23,291,828	6
Financial assets measured at amortized cost-current	4, 5, 6(5), 8	3,005,650	-	-
Debt instrument investments for which no active market exists-current	4, 5, 6(7), 8	-	765,445	-
Notes receivables, net	6(25)	2,950	2,811	-
Trade receivables, net	4, 5, 6(8), 6(25)	28,929,826	16,892,585	4
Trade receivables from related parties	4, 5, 6(8), 6(25), 7	6,605	-	-
Other receivables	6(9)	8,229,716	21,251,357	5
Current tax assets	4, 5, 6(31)	910,984	866,917	-
Inventories, net	4, 5, 6(10)	30,979,767	26,539,614	7
Prepayments	6(11)	1,523,281	1,390,432	-
Other current assets		783,729	1,600,624	1
Total current assets		236,037,524	238,664,496	60
Non-current assets				
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	3,986,224	4,968,429	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	32,083,500	-	-
Available-for-sale financial assets-noncurrent	4, 5, 6(4)	-	14,345,644	4
Financial assets measured at amortized cost-noncurrent	4, 5, 6(5), 8	480,106	-	-
Financial assets measured at cost-noncurrent	4, 5, 6(6)	-	12,635,302	3
Debt instrument investments for which no active market exists-noncurrent	4, 5, 6(7), 8	-	397,880	-
Investments accounted for using the equity method	4, 6(12), 6(33)	12,711,958	5,777,104	2
Property, plant and equipment	4, 6(13), 8	37,603,586	36,938,640	10
Investment property	4, 6(14), 8	917,343	873,651	-
Intangible assets	4, 6(15), 6(16)	73,788,598	76,029,080	19
Deferred tax assets	4, 5, 6(31)	4,776,271	3,898,877	1
Refundable deposits		288,449	319,734	-
Prepayments for investments		-	160,340	-
Net defined benefit assets-noncurrent	4, 6(21)	14,825	2,080	-
Long-term prepaid rent		147,660	154,951	-
Total non-current assets		166,798,520	156,501,712	40
Total assets		\$ 402,836,044	\$ 395,166,208	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 BALANCE SHEETS

As of December 31, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2018	%	December 31, 2017	%
LIABILITIES AND EQUITY					
Current liabilities		\$		\$	
Short-term borrowings	6(17)	51,056,528	13	64,315,682	16
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	4,932	-	18,144	-
Contract liabilities-current	4, 5, 6(24)	1,508,874	-	-	-
Trade payables	7	16,982,909	4	23,012,859	6
Trade payables to related parties	6(18)	704,262	-	571,593	-
Other payables	7	30,481,779	8	35,796,290	9
Other payables to related parties	4, 5, 6(31)	459	-	-	-
Current tax liabilities	4, 5, 6(19)	2,904,187	1	1,980,597	1
Other current liabilities	6(20), 8	17,512,343	4	1,525,368	-
Current portion of long-term liabilities		1,435,806	1	36,850	-
Total current liabilities		122,592,079	31	127,257,383	32
Non-current liabilities					
Long-term borrowings	6(20), 8	244,104	-	336,192	-
Long-term payables	4, 6(21)	681,175	-	1,726,364	1
Net defined benefit liabilities-noncurrent		819,631	-	657,072	-
Deposits received		188,534	-	179,472	-
Deferred tax liabilities	4, 5, 6(31)	2,973,703	1	3,126,723	1
Non-current liabilities-others		1,010,911	-	683,989	-
Total non-current liabilities		5,918,058	1	6,709,812	2
Total liabilities		128,510,137	32	133,967,195	34
Equity attributable to owners of the parent					
Share capital	6(22)	15,915,070	4	15,814,140	4
Common stock		-	-	231	-
Capital collected in advance	6(22), 6(23), 6(34)	85,237,214	21	88,210,819	22
Capital surplus	6(22)				
Retained earnings		39,431,639	10	36,998,379	9
Legal reserve		108,577,764	27	100,629,197	26
Undistributed earnings	6(23)	23,840,504	6	18,214,847	5
Other equity	4, 6(22)	(55,970)	-	(55,970)	-
Treasury shares		272,946,221	68	259,811,643	66
Equity attributable to owners of the parent	4, 6(22), 6(34)	1,379,686	-	1,387,370	-
Non-controlling interests		274,325,907	68	261,199,013	66
Total equity					
Total liabilities and equity		\$ 402,836,044	100	\$ 395,166,208	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, 2018 and 2017
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2018	%	2017	%
Net sales	4, 5, 6(24)	\$ 238,057,346	100	\$ 238,216,318	100
Operating costs	4, 5, 6(10), 6(26), 7	(146,333,658)	(61)	(153,330,436)	(64)
Gross profit		91,723,688	39	84,885,882	36
Operating expenses	6(25), 6(26), 7				
Selling expenses		(11,456,060)	(5)	(10,465,092)	(5)
Administrative expenses		(6,765,538)	(3)	(7,430,872)	(3)
Research and development expenses		(57,548,771)	(24)	(57,170,776)	(24)
Expected credit gains		229,157	-	-	-
Total operating expenses		(75,541,212)	(32)	(75,066,740)	(32)
Operating income		16,182,476	7	9,819,142	4
Non-operating income and expenses					
Other income	4, 6(27), 7	5,009,617	2	3,475,974	1
Other gains and losses	4, 6(28)	3,861,940	2	14,809,523	6
Finance costs	6(29)	(1,723,738)	(1)	(939,344)	-
Share of profit of associates accounted for using the equity method	4, 6(12)	361,190	-	72,168	-
Total non-operating income and expenses		7,509,009	3	17,418,321	7
Net income before income tax		23,691,485	10	27,237,463	11
Income tax expense	4, 5, 6(31)	(2,909,089)	(1)	(3,167,365)	(1)
Net income		20,782,396	9	24,070,098	10
Other comprehensive income	4, 6(12), 6(21), 6(30), 6(31)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		(152,757)	-	207,977	-
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income		314,857	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(1,232,013)	(1)	-	-
Income tax relating to those items not to be reclassified to profit or loss		161,158	-	(35,356)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		1,012,687	1	(4,439,045)	(2)
Unrealized gains from available-for-sale financial assets		-	-	10,785,999	5
Unrealized losses from debt instrument investments measured at fair value through other comprehensive income		(18,899)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(6,453)	-	(7,559)	-
Income tax relating to those items to be reclassified to profit or loss		-	-	(1,248,983)	(1)
Other comprehensive income, net of tax		78,580	-	5,263,033	2
Total comprehensive income		\$ 20,860,976	9	\$ 29,333,131	12
Net income (loss) for the years attributable to :					
Owners of the parent	6(32)	\$ 20,760,498		\$ 24,332,604	
Non-controlling interests	6(22), 6(32)	21,898		(262,506)	
		\$ 20,782,396		\$ 24,070,098	
Total comprehensive income for the years attributable to :					
Owners of the parent		\$ 20,860,790		\$ 29,601,582	
Non-controlling interests		186		(268,451)	
		\$ 20,860,976		\$ 29,333,131	
Basic Earnings Per Share (in New Taiwan Dollars)	6(32)	\$ 13.26		\$ 15.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(32)	\$ 13.18		\$ 15.47	

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, 2018 and 2017
(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Equity attributable to owners of the parent					Other equity					Treasury shares	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Retained earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available-for-sale financial assets	Others	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available-for-sale financial assets					
Balance as of January 1, 2017	\$ 15,821,122	\$ -	\$ 89,815,256	\$ 34,628,319	\$ 92,324,282	\$ 2,195,895	\$ -	\$ 11,525,934	\$ (1,476,028)	\$ (55,970)	\$ 244,778,910	\$ 1,885,968	\$ 246,662,878			
Appropriation and distribution of 2016 earnings:	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	(12,652,827)	-	(12,652,827)			
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	(12,652,827)	-	(12,652,827)			
Cash dividends	-	-	-	-	(12,652,827)	-	-	-	-	-	-	-	-			
Total	-	-	-	2,370,060	(15,022,887)	-	-	-	-	-	-	-	-			
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	-	231	(14,935)	-	-	-	-	-	-	-	(14,704)	15,072	368			
Adjustments due to dividends that subsidiaries received from parent company	-	-	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	-	-	-	878,213	-	644,244	10,619	644,244			
Changes in other capital surplus	-	-	(1,291)	-	-	-	-	-	-	-	(1,291)	-	(1,291)			
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)	27,945,391	21,062,950	(597,815)	(55,970)	259,811,643	1,387,370	261,199,013			
Effects of retrospective application and restatement	-	-	-	-	2,221,085	-	-	(21,062,950)	-	-	-	-	9,105,526			
Restated balance as of January 1, 2018	15,814,140	231	88,210,819	36,998,379	102,850,282	(2,250,288)	27,945,391	-	(597,815)	(55,970)	268,915,169	1,387,370	270,302,559			
Appropriation and distribution of 2017 earnings:	-	-	-	2,433,260	(2,433,260)	-	-	-	-	-	-	-	-			
Legal reserve	-	-	-	2,433,260	(2,433,260)	-	-	-	-	-	-	-	-			
Cash dividends	-	-	-	-	(11,844,548)	-	-	-	-	-	(11,844,548)	-	(11,844,548)			
Total	-	-	-	2,433,260	(14,277,808)	-	-	-	-	-	(11,844,548)	-	(11,844,548)			
Cash dividends distributed from capital surplus	-	-	(3,948,182)	-	-	-	-	-	-	-	(3,948,182)	-	(3,948,182)			
Profit for the year ended December 31, 2018	-	447	30,648	-	-	-	-	-	-	-	30,864	-	30,864			
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	20,760,498	1,027,946	(790,429)	-	-	-	20,760,498	21,898	20,782,396			
Total comprehensive income	-	-	-	-	(137,225)	1,027,946	(790,429)	-	-	-	100,292	(21,712)	78,580			
Share-based payment transactions	-	(231)	77,941	-	-	-	-	-	-	-	20,860,790	186	20,860,796			
Adjustments due to dividends that subsidiaries received from parent company	-	-	77,941	-	-	-	-	-	-	-	30,864	-	30,864			
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,379,861)	-	-	-	-	-	(1,379,861)	-	(1,379,861)			
Changes in ownership interests in subsidiaries	-	-	33,991	-	(31,091)	-	-	-	-	-	2,900	(26,798)	(23,898)			
Issuance of restricted stock for employees	100,483	-	837,359	-	66,351	-	-	-	(767,683)	-	236,510	-	236,510			
Changes in other capital surplus	-	-	(5,362)	-	-	-	-	-	-	-	(5,362)	-	(5,362)			
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	726,618	-	(726,618)	-	-	-	-	-	-			
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	224,998	224,998			
Balance as of December 31, 2018	\$ 15,915,070	\$ -	\$ 85,237,214	\$ 39,431,639	\$ 108,577,764	\$ (1,222,342)	\$ 26,428,344	\$ -	\$ (1,365,498)	\$ (55,970)	\$ 272,946,221	\$ 1,379,686	\$ 274,325,907			

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, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

Description	2018	2017
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 23,691,485	\$ 27,237,463
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	3,705,288	3,558,022
Amortization	3,865,516	3,652,327
Expected credit (gains) losses	(229,157)	52,612
Gains on financial assets and liabilities at fair value through profit or loss	(307,121)	(96,850)
Interest expenses	1,723,738	939,344
Gains on derecognition of financial assets measured at amortized cost	(26,388)	-
Interest income	(3,900,942)	(2,553,755)
Dividend income	(739,625)	(580,035)
Share-based payment expenses	170,699	618,533
Share of profit of associates accounted for using the equity method	(361,190)	(72,168)
Losses on disposal of property, plant and equipment	18,596	30,714
Property, plant and equipment transferred to expenses	1,738	2,685
Losses on disposal of intangible assets	-	450
Gains on disposal of non-current assets held for sale	(3,460,483)	(5,123,575)
Losses (gains) on disposal of investments	5,653	(8,843,983)
Losses (gains) on disposal of investments accounted for using the equity method	8,825	(1,496,172)
Impairment of financial assets	-	416,414
Impairment of non-financial assets	22,760	-
Others	-	193,093
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,018,248	1,293,511
Notes receivables	(139)	-
Trade receivables	(3,486,673)	3,549,518
Trade receivables from related parties	(6,605)	-
Other receivables	(111,701)	(427,367)
Inventories	(4,551,184)	8,626,099
Prepayments	(442,698)	151,070
Other current assets	816,895	(180,889)
Contract liabilities	79,519	-
Trade payables	(2,653,280)	(7,292,580)
Trade payables to related parties	132,669	(351,964)
Other payables	(1,297,737)	739,330
Other payables to related parties	459	-
Other current liabilities	6,000,892	(502,469)
Net defined benefit liabilities	(2,943)	9,460
Non-current liabilities-others	284,328	73,716
Cash generated from operating activities:		
Interest received	3,855,851	2,543,031
Dividend received	1,116,364	671,397
Interest paid	(1,740,309)	(887,340)
Income tax paid	(2,858,509)	(4,601,206)
Net cash provided by operating activities	<u>20,342,839</u>	<u>21,348,436</u>
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(2,568,130)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	13,391,304	-
Proceeds from capital return of financial assets at fair value through other comprehensive income	270,357	-
Acquisition of financial assets measured at amortized cost	(8,550,886)	-
Proceeds from redemption of financial assets measured at amortized cost	7,261,168	-
Acquisition of available-for-sale financial assets	-	(5,988,436)
Proceeds from disposal of available-for-sale financial assets	-	6,458,873
Acquisition of debt instrument investments for which no active market exists	-	(1,612,505)
Proceeds from disposal of debt instrument investments for which no active market exists	-	1,916,353
Acquisition of financial assets measured at cost	-	(7,557,416)
Proceeds from disposal of financial assets measured at cost	-	202,762
Proceeds from capital return of financial assets measured at cost	-	29,373
Acquisition of investments accounted for using the equity method	(686,191)	(925,288)
Proceeds from disposal of investments accounted for using the equity method	715	559
Increase in prepayments for investments	-	(160,340)
Net cash outflow from acquisition of subsidiaries	-	(1,056,531)
Net cash outflow from disposal of subsidiaries	(30,879)	-
Proceeds from disposal of non-current assets held for sale	4,729,801	5,683,619
Acquisition of property, plant and equipment	(4,652,766)	(4,053,439)
Proceeds from disposal of property, plant and equipment	17,547	8,151
Decrease in refundable deposits	30,641	12,474
Acquisition of intangible assets	(2,150,513)	(1,795,842)
Proceeds from disposal of intangible assets	-	137
Acquisition of investment property	-	(1,436)
Decrease in long-term lease receivables	-	211,898
Decrease (increase) in long-term prepaid rent	7,291	(20,225)
Net cash provided by (used in) investing activities	<u>7,069,459</u>	<u>(8,647,259)</u>
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(13,568,777)	11,597,859
Repayment of long-term borrowings	(92,088)	(46,044)
Increase in deposits received	9,062	1,960
Proceeds from exercise of employee stock options	6,052	6,444
Cash dividends	(15,630,378)	(14,912,148)
Disposal of ownership interests in subsidiaries (without losing control)	-	80,843
Acquisition of ownership interests in subsidiaries	(1,585,931)	(2,108,605)
Change in non-controlling interests	275,186	1,595,838
Net cash used in financing activities	<u>(30,586,874)</u>	<u>(3,783,853)</u>
Effect of changes in exchange rate on cash and cash equivalents	1,006,445	(4,139,806)
Net (decrease) increase in cash and cash equivalents	(2,168,131)	4,777,518
Cash and cash equivalents at the beginning of the year	145,338,376	140,560,858
Cash and cash equivalents at the end of the year	<u>\$ 143,170,245</u>	<u>\$ 145,338,376</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



安永聯合會計師事務所

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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, 2018 and 2017, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, 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, 2018 and 2017, and its financial performance and cash flows for the years ended December 31, 2018 and 2017, 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 2018 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\$88,795,775 thousand as net sales, which includes sale of goods in the amount of NT\$85,785,636 thousand and services and other operating revenues in the amount of NT\$3,010,139 thousand for the year ended December 31, 2018. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. 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 details of sales, reviewing the significant terms of sales agreements, testing five steps of revenue recognition and tracing to relevant documentation of transactions; performing test for contract modification, test for contract consolidation and test for principal and agent; adopting audit sampling on trade receivables and performing confirmation procedures on final balance and key terms of sales agreements; and regarding transaction of some time before and after the reporting date, analyzing the reasonableness of fluctuations and selecting samples to perform cutoff procedures, tracing to relevant documentation to verify that revenue has been recorded in the correct accounting period; besides, we also review if there is condition of significant reversals in subsequent periods.

We also considered the appropriateness of the disclosures of sales. Please refer to Note 4, Note 5 and 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 2018 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.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

March 22, 2019

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2018 and 2017
(Amounts in thousands of New Taiwan Dollars)

ASSETS		December 31, 2018	%	December 31, 2017	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 60,204,772	18	\$ 77,148,536	24
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	779,574	-	-	-
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	418,691	-	-	-
Available-for-sale financial assets-current	4, 5, 6(4)	-	-	1,611,554	-
Financial assets measured at amortized cost-current	4, 5, 6(5), 8	9,705	-	-	-
Debt instrument investments for which no active market exists-current	4, 5, 6(6), 8	-	-	18,885	-
Trade receivables, net	4, 5, 6(7), 6(22)	9,128,184	3	5,061,460	2
Trade receivables from related parties	4, 6(7), 6(22), 7	452,446	-	600,158	-
Other receivables	6(8)	3,226,167	1	3,001,882	1
Other receivables from related parties	7	7,661,565	3	426,695	-
Current tax assets	4, 5, 6(28)	473,886	-	-	-
Inventories, net	4, 5, 6(9)	8,999,711	3	6,842,887	2
Prepayments	6(10)	504,129	-	378,547	-
Other current assets		595,604	-	1,470,954	-
Total current assets		92,454,434	28	96,561,558	29
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	-	-	190,211	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	2,707,975	1	-	-
Available-for-sale financial assets-noncurrent	4, 5, 6(4)	-	-	2,711,660	1
Financial assets measured at amortized cost-noncurrent	4, 5, 6(5), 8	435,789	-	-	-
Debt instrument investments for which no active market exists-noncurrent	4, 5, 6(6), 8	-	-	352,018	-
Investments accounted for using the equity method	4, 6(11)	191,249,878	57	183,569,248	57
Property, plant and equipment	4, 6(12)	12,988,180	4	12,425,597	4
Intangible assets	4, 6(13), 6(14)	28,975,722	9	29,449,574	9
Deferred tax assets	4, 5, 6(28)	3,164,112	1	1,819,117	-
Refundable deposits		62,262	-	78,326	-
Total non-current assets		239,583,918	72	230,595,751	71
Total assets		\$ 332,038,352	100	\$ 327,157,309	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

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2018	%	December 31, 2017	%
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings	6(15)	\$ 24,555,667	8	\$ 40,205,256	12
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	4,520	-	-	-
Contract liabilities-current	4, 5, 6(21)	1,004,412	1	-	-
Trade payables	7	3,776,187	1	4,891,357	2
Trade payables to related parties		730,252	-	369,063	-
Other payables	6(16), 7	15,915,872	5	18,912,001	6
Current tax liabilities	4, 5, 6(28)	983,457	-	279,609	-
Other current liabilities	4, 6(17)	9,514,546	3	677,840	-
Current portion of long-term liabilities		750,394	-	-	-
Total current liabilities		57,235,307	18	65,335,126	20
Non-current liabilities					
Long-term payables		307,330	-	1,044,449	-
Net defined benefit liabilities-noncurrent	4, 6(18)	607,132	-	481,962	-
Deposits received	7	54,061	-	49,259	-
Deferred tax liabilities	4, 5, 6(28)	571,064	-	434,870	-
Non-current liabilities-others		317,237	-	-	-
Total non-current liabilities		1,856,824	-	2,010,540	-
Total liabilities		59,092,131	18	67,345,666	20
Equity					
Share capital	6(19)	15,915,070	5	15,814,140	5
Common stock		-	-	231	-
Capital collected in advance		85,237,214	25	88,210,819	27
Capital surplus	6(19), 6(20)	-	-	-	-
Retained earnings	6(19)	39,431,639	12	36,998,379	11
Legal reserve		108,577,764	33	100,629,197	31
Undistributed earnings		23,840,504	7	18,214,847	6
Other equity	6(20)	(55,970)	-	(55,970)	-
Treasury shares	4, 6(19)	272,946,221	82	259,811,643	80
Total equity		332,038,352	100	327,157,309	100
Total liabilities and equity					

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, 2018 and 2017

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

Description	Notes	2018	%	2017	%
Net sales	4, 5, 6(21), 7	\$ 88,795,775	100	\$ 92,525,183	100
Operating costs	4, 5, 6(9), 6(23), 7	(52,423,845)	(59)	(57,747,431)	(62)
Gross profit		36,371,930	41	34,777,752	38
Unrealized gross profit on sales		-	-	(167,992)	-
Realized gross profit on sales		81,656	-	73,039	-
Gross profit, net		36,453,586	41	34,682,799	38
Operating expenses	6(22), 6(23), 7				
Selling expenses		(4,762,776)	(5)	(4,746,887)	(5)
Administrative expenses		(2,505,329)	(3)	(2,888,851)	(3)
Research and development expenses		(26,437,628)	(30)	(26,529,461)	(29)
Expected credit gains		124,657	-	-	-
Total operating expenses		(33,581,076)	(38)	(34,165,199)	(37)
Operating income		2,872,510	3	517,600	1
Non-operating income and expenses					
Other income	4, 6(24), 7	1,647,868	2	1,180,283	1
Other gains and losses	4, 6(25), 7	83,713	-	58,751	-
Finance costs	6(26)	(947,792)	(1)	(528,218)	(1)
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	17,197,361	19	22,597,776	25
Total non-operating income and expenses		17,981,150	20	23,308,592	25
Net income before income tax		20,853,660	23	23,826,192	26
Income tax (expense) income	4, 5, 6(28)	(93,162)	-	506,412	-
Net income		20,760,498	23	24,332,604	26
Other comprehensive income	4, 6(11), 6(18), 6(27), 6(28)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		(125,966)	-	236,317	-
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income		161,495	-	-	-
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		(964,473)	(1)	(23,522)	-
Income tax relating to those items not to be reclassified to profit or loss		20,189	-	(40,174)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		1,027,946	1	(4,440,659)	(5)
Unrealized losses from available-for-sale financial assets		-	-	(400,587)	-
Unrealized losses from debt instrument investments measured at fair value through other comprehensive income		(1,665)	-	-	-
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		(17,234)	-	9,937,603	11
Other comprehensive income, net of tax		100,292	-	5,268,978	6
Total comprehensive income		\$ 20,860,790	23	\$ 29,601,582	32
Basic Earnings Per Share (in New Taiwan Dollars)	6(29)	\$ 13.26		\$ 15.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(29)	\$ 13.18		\$ 15.47	

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

English Translation of Financial Statements Originally Issued in Chinese
MEDIA TEK INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2018 and 2017
(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 financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available-for-sale financial assets	Others		
Balance as of January 1, 2017	\$ 15,821,122	\$ -	\$ 89,815,356	\$ 34,628,319	\$ 92,524,282	\$ 2,195,893	\$ -	\$ 11,525,934	\$ (1,476,028)	\$ (55,970)	\$ 244,778,910
Appropriation and distribution of 2016 earnings:	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	-
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	(12,652,827)
Cash dividends	-	-	-	2,370,060	(15,022,887)	-	-	-	-	-	(12,652,827)
Total	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(2,372,405)	-	-	-	-	-	-	-	(2,372,405)
Profit for the year ended December 31, 2017	-	-	-	24,532,604	-	-	-	9,537,016	-	-	24,532,604
Other comprehensive income for the year ended December 31, 2017	-	-	-	172,621	(4,440,659)	(4,440,659)	-	9,537,016	-	-	5,268,978
Total comprehensive income	-	-	-	24,505,225	(4,440,659)	(4,440,659)	-	9,537,016	-	-	29,601,382
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-
Adjustments due to dividends that subsidiaries received from parent company	-	231	(14,935)	-	-	-	-	-	-	-	(14,704)
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	74,044	-	-	-	-	-	-	-	74,044
Changes in ownership interests in subsidiaries	-	-	969,913	-	(1,210,299)	(5,524)	-	-	-	-	(1,215,823)
Changes in ownership interests in subsidiaries	-	-	(259,863)	-	-	-	-	-	-	-	969,913
Issuance of restricted stock for employees	(6,982)	-	(1,291)	-	32,876	-	-	-	878,213	-	644,244
Changes in other capital surplus	-	-	-	-	-	-	-	-	-	-	(1,291)
Balance as of December 31, 2017	15,814,140	231	88,210,819	36,998,379	100,629,197	(2,250,288)	-	21,062,950	(597,815)	(55,970)	258,811,643
Effects of retrospective application and restatement	-	-	-	2,221,085	-	-	-	(21,062,950)	-	-	9,103,526
Restated balance as of January 1, 2018	15,814,140	231	88,210,819	36,998,379	102,850,282	(2,250,288)	-	21,062,950	(597,815)	(55,970)	268,915,169
Appropriation and distribution of 2017 earnings:	-	-	-	2,433,260	(2,433,260)	-	-	-	-	-	-
Legal reserve	-	-	-	2,433,260	(2,433,260)	-	-	-	-	-	-
Cash dividends	-	-	-	2,433,260	(14,277,808)	-	-	-	-	-	(11,844,548)
Total	-	-	-	-	-	-	-	-	-	-	(11,844,548)
Cash dividends distributed from capital surplus	-	-	(5,948,182)	-	-	-	-	-	-	-	(5,948,182)
Profit for the year ended December 31, 2018	-	447	30,648	-	-	-	-	-	-	-	30,864
Other comprehensive income for the year ended December 31, 2018	-	-	77,941	-	-	-	-	-	-	-	77,941
Total comprehensive income	-	-	30,648	-	-	-	-	-	-	-	30,864
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-
Adjustments due to dividends that subsidiaries received from parent company	-	(231)	77,941	-	-	-	-	-	-	-	77,941
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,379,861)	-	-	-	-	-	(1,379,861)
Changes in ownership interests in subsidiaries	-	-	33,991	-	(31,091)	-	-	-	-	-	2,900
Issuance of restricted stock for employees	100,483	-	837,359	-	66,351	-	-	-	(767,683)	-	236,510
Change in other capital surplus	-	-	(5,362)	-	-	-	-	-	-	-	(5,362)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	726,618	-	(726,618)	-	-	-	-
Balance as of December 31, 2018	\$ 15,915,070	\$ -	\$ 88,237,214	\$ 39,431,639	\$ 108,577,764	\$ (1,222,343)	\$ 26,428,344	\$ -	\$ (1,365,498)	\$ (55,970)	\$ 272,946,221

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

The actual distribution of employees' compensation amounted to NTS261,021 thousand and NTS298,331 thousand and remuneration to directors amounted to NTS50,748 thousand and NTS40,275 thousand for the years ended 2018 and 2017, respectively, which was deducted from the statement of comprehensive income.

Chairman: Ming-Kai Tsai

President: Luh-Shyng Tsai

Chief Financial Officer: David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

Description	2018	2017
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 20,853,660	\$ 23,826,192
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	1,580,054	1,425,264
Amortization	974,765	970,223
Excepted credit (gains) losses	(124,657)	68,763
Losses (gains) on financial assets and liabilities at fair value through profit or loss	7,028	(44,190)
Interest expenses	947,792	528,218
Interest income	(1,571,875)	(935,816)
Share-based payment expenses	151,151	603,096
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(17,197,361)	(22,597,776)
Losses on disposal of property, plant and equipment	1,062	133
Property, plant and equipment transferred to expenses	1,200	1,680
Losses (gains) on disposal of investments	611	(61,169)
Unrealized (losses) gains on sales	(81,656)	94,953
Others	-	(184,040)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	160,000	492,392
Trade receivables	(1,272,599)	676,204
Trade receivables from related parties	147,712	(260,883)
Other receivables	(689,099)	1,442,149
Other receivables from related parties	(13,404)	855,016
Inventories	(2,156,824)	6,994,178
Prepayments	(288,684)	(79,565)
Other current assets	875,350	(160,883)
Contract liabilities	181,164	-
Trade payables	(1,115,170)	(4,588,278)
Trade payables to related parties	361,189	(99,631)
Other payables	(1,358,205)	415,386
Other current liabilities	5,426,936	(464,321)
Long-term payables	13,275	-
Net defined benefit liabilities	(796)	7,689
Non-current liabilities-others	317,237	-
Cash generated from operating activities:		
Interest received	1,738,080	857,953
Dividend received	4,858,901	18,796,739
Interest paid	(952,823)	(503,317)
Income tax paid	(1,023,002)	(1,843,144)
Net cash provided by operating activities	<u>10,751,012</u>	<u>26,233,215</u>
Cash flows from investing activities :		
Proceeds from disposal of financial assets at fair value through other comprehensive income	902,095	-
Acquisition of financial assets measured at amortized cost	(113,591)	-
Proceeds from redemption of financial assets measured at amortized cost	39,000	-
Proceeds from disposal of available-for-sale financial assets	-	811,441
Acquisition of debt instrument investments for which no active market exists	-	(329,054)
Acquisition of investments accounted for using the equity method	-	(7,500,000)
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	5,600,000	1,500,000
Acquisition of property, plant and equipment	(1,989,035)	(1,546,783)
Proceeds from disposal of property, plant and equipment	3,272	-
Decrease (increase) in refundable deposits	16,064	(12,384)
Acquisition of intangible assets	(805,527)	(723,006)
Net cash provided by (used in) investing activities	<u>3,652,278</u>	<u>(7,759,853)</u>
Cash flows from financing activities :		
(Decrease) Increase in short-term borrowings	(15,649,589)	13,413,686
Increase (decrease) in deposits received	4,802	(3,734)
Proceeds from exercise of employee stock options	6,052	6,444
Cash dividends	(15,708,319)	(14,986,192)
Net cash used in financing activities	<u>(31,347,054)</u>	<u>(1,569,796)</u>
Net (decrease) increase in cash and cash equivalents	(16,943,764)	16,903,566
Cash and cash equivalents at the beginning of the year	77,148,536	60,244,970
Cash and cash equivalents at the end of the year	<u>\$ 60,204,772</u>	<u>\$ 77,148,536</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

Attachment 5

**Comparison Table Illustrating the Original and Amended
Text of the “Article of Incorporation”**

After amendment	Before amendment	Explanation
<p>Article 1</p> <p>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).</p>	<p>Article 1</p> <p>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).</p>	<p>The Chinese version of this proposed is proposed to be amended in accordance with the Company Act.</p>
<p>Article 6</p> <p>The share certificates of the Company shall all be name-bearing share certificates, and shall be signed by or affixed with seals of Director(s) representing the Company, 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.</p>	<p>Article 6</p> <p>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.</p>	<p>The revisions are proposed in accordance with the Company Act.</p>
<p>Article 7-1</p> <p>Where the Company issues any employee stock options, the employees who are qualified to subscribe to such employee stock options shall include employees of subordinate companies that meet certain qualification(s).</p> <p>Where the Company issues any new shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).</p> <p>Where the Company issues any employee restricted shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).</p> <p>Where the Company proposes to transfer any treasury shares purchased in accordance with the laws, the transferees shall include the employees of subordinate companies that meet certain qualification(s).</p>	<p>(New)</p>	<p>The revisions are proposed in accordance with the Company Act.</p>
<p>Article 11</p> <p>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 the Company Act of the Republic of China, and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.</p>	<p>Article 11</p> <p>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.</p>	<p>The revisions are proposed in accordance with the Company Act.</p>
<p>Article 14</p>	<p>Article 14</p>	<p>The revisions are proposed in accordance with the Company Act.</p>

<p>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.</p> <p>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 applicable laws and regulations or rules issued by competent authorities, purchase Directors and Officers Liability Insurance with respect to liabilities resulting from exercising directors' duties during their terms of office.</p>	<p>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.</p>	
<p>Article 27</p> <p>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, the eighteenth</p>	<p>Article 27</p> <p>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.</p>	<p>Proposed revisions to reflect the amendment date of these Articles.</p>

amendment was made on June 15, 2017, and the nineteenth amendment was made on June 14, 2019.		
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Attachment 6

**Comparison Table Illustrating the Original and Amended
Text of the “Procedures Governing the Acquisition or
Disposition of Assets”**

Amended Article	Current Article	Explanation
<p>Article II: The Scope of Assets</p> <p>I. Investment in long- and short-term securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities, and asset-backed securities).</p> <p>II. Real property and equipment.</p> <p>III. Memberships.</p> <p>IV. Intangible assets (including patents, copyrights, trademarks, and franchise rights).</p> <p>V. Right-of-use assets</p> <p>VI. Derivatives.</p> <p>VII. Assets acquired or disposed in connection with mergers, spin off, acquisitions, or transfer of shares in accordance with laws.</p> <p>VIII. Other major assets.</p>	<p>Article II: The Scope of Assets</p> <p>I. Investment in long- and short-term securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities, and asset-backed securities).</p> <p>II. Real property and equipment.</p> <p>III. Memberships.</p> <p>IV. Intangible assets (including patents, copyrights, trademarks, and franchise rights).</p> <p>V. Derivatives.</p> <p>VI. Assets acquired or disposed in connection with mergers, spin off, acquisitions, or transfer of shares in accordance with laws.</p> <p>VII. Other major assets.</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>
<p>Article III: Appraisal Procedures</p> <p>I. The means of price determination</p> <p>(I) The securities obtained or disposed through the Centralized Trading Market or GreTai Securities Market (“GTSM”) of the Republic of China shall be priced based on the trading price at that time.</p> <p>(II) For the securities not obtained or disposed through the Centralized Trading Market or GTSM, the prices shall be determined after taking into account the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined after taking account the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors’ creditability.</p> <p>(III) The prices of real property acquired or disposed shall be determined based on the current official land prices, the values appraised and the trading prices of nearby real property.</p> <p>(IV) The prices of equipment acquired or disposed shall be determined through any manner among price competition under restricted tendering, price negotiation under single tendering or open tendering.</p> <p>(V) The prices of memberships acquired or disposed shall be determined through either manner of price competition under restricted tendering or price negotiation under single tendering.</p>	<p>Article III: Appraisal Procedures</p> <p>I. The means of price determination</p> <p>(I) The securities obtained or disposed through the Centralized Trading Market or GreTai Securities Market (“GTSM”) of the Republic of China shall be priced based on the trading price at that time.</p> <p>(II) For the securities not obtained or disposed through the Centralized Trading Market or GTSM, the prices shall be determined after taking into account the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined after taking account the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors’ creditability.</p> <p>(III) The prices of real property acquired or disposed shall be determined based on the current official land prices, the values appraised and the trading prices of nearby real property.</p> <p>(IV) The prices of equipment acquired or disposed shall be determined through any manner among price competition under restricted tendering, price negotiation under single tendering or open tendering.</p> <p>(V) The prices of memberships acquired or disposed shall be determined through either manner of price competition under restricted tendering or price negotiation under single tendering.</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>

<p>(VI) The prices of intangible assets acquired or disposed shall be determined in accordance with the related laws and regulations and contract(s).</p> <p>(VII) The price of right-of-use assets shall be determined in accordance with the related laws and regulations and relevant contract(s).</p> <p>(VIII) The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section Three under the Procedures.</p> <p>(IX) The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be determined through the manner as set forth in Section Four under the Procedures.</p> <p>II. Basis for reference of pricing</p> <p>(I) (omitted)</p> <p>(II) Real property, equipment or right-of-use assets</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, except for transacting with a local government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(III) Intangible assets, right-of-use assets or memberships</p> <p>In acquiring or disposing of intangible assets, right-of-use assets or memberships where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a local government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(IV) The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Paragraph 2, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>(VI) The prices of intangible assets acquired or disposed shall be determined in accordance with the related laws and regulations and contract(s).</p> <p>(VII) The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section Three under the Procedures.</p> <p>(VIII) The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be determined through the manner as set forth in Section Four under the Procedures.</p> <p>II. Basis for reference of pricing</p> <p>(I) (omitted)</p> <p>(II) Real property or equipment</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, except for transacting with a government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(III). Memberships or intangible assets</p> <p>In acquiring or disposing of memberships or intangible assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(IV). The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Subparagraph 5, Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers</p>	
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<p>(V) Derivatives: To be duly handled in accordance with the procedures set forth in Section Three.</p> <p>(VI) The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.</p> <p>III. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the qualifications and requirements set forth in the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and related laws and regulations. The appraisal reports and opinions issued by the abovementioned professionals shall be prepared in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies as well.</p> <p>IV. (omitted).</p>	<p>to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>(V). Derivatives: To be duly handled in accordance with the procedures set forth in Section Three.</p> <p>(VI). The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.</p> <p>III. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p> <p>IV. (omitted).</p>	
<p>Article IV: Operating Procedures</p> <p>I. Limits and levels of authorization</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.</p> <p>(I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds NT\$300 million in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:</p> <ol style="list-style-type: none"> 1. The cumulative amount of the same underlying investment that is NT\$300 million or less within the same fiscal year shall be assessed and proceeded by the executive unit. 2. The cumulative amount of the same underlying investment that exceeds NT\$300 million but less than NT\$1 billion within the same fiscal year shall be assessed by the executive unit and proceeded after the Chairman's approval. 3. The cumulative amount of the same underlying investment that is NT\$1 billion or more or is 50% or more of sum of cash and cash equivalents, financial assets, and funds and investments within the same fiscal year shall be assessed by the executive unit and proceeded after the Board of Directors' approval. <p>(II). The acquisition or disposal of the Company's real property, equipment or right-of-use assets shall be proceeded by the executive unit in accordance with relevant internal regulations of the</p>	<p>Article IV: Operating Procedures</p> <p>I. Limits and levels of authorization</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.</p> <p>(I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds NT\$300 million in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:</p> <ol style="list-style-type: none"> 1. The cumulative amount of the same underlying investment that is NT\$300 million or less within the same fiscal year shall be assessed and proceeded by the executive unit. 2. The cumulative amount of the same underlying investment that exceeds NT\$300 million but less than NT\$1 billion within the same fiscal year shall be assessed by the executive unit and proceeded after the Chairman's approval. 3. The cumulative amount of the same underlying investment that is NT\$1 billion or more or is 50% or more of sum of cash and cash equivalents, financial assets, and funds and investments within the same fiscal year shall be assessed by the executive unit and proceeded after the Board of Directors' approval. <p>(II). The acquisition or disposal of the Company's real property or equipment shall be proceeded by the executive unit in accordance with relevant internal regulations of the</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>

<p>Company, and shall be further subject to an approval by the Board of Directors beforehand if the case is NT\$300 million or more in price. But the Board of Directors may authorize the Chairman to approve it and then ask for ratification from the Board afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by Board of Directors.</p> <p>(III). Intangible assets, right-of-use assets or memberships shall be acquired and disposed in accordance with the manner set forth in the preceding subparagraph.</p> <p>(IV). Derivatives shall be duly handled in accordance with the procedures set forth in Section Three.</p> <p>(V). The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.</p> <p>II. (omitted).</p> <p>III. (omitted).</p> <p>IV. (omitted).</p> <p>V. (omitted).</p> <p>VI. (omitted).</p> <p>VII. Executive units</p> <p>(I). The Company's investment in the long and short-term securities shall be executed by the Finance Department.</p> <p>(II). Investment in real property, equipment or right-of-use assets shall be executed by the user department and related responsible department.</p> <p>(III). The acquisition or disposal of memberships, intangible assets or right-of-use assets: To be executed in the manner the same as that for real property and equipment.</p> <p>(IV). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department.</p> <p>(V). The assets acquired or disposed through merger, spin off, acquisition, or transfer of shares according to law and other major assets: The responsible person appointed by the Chairman or the Task Force established shall take the responsibility for assessment and execution.</p> <p>VIII. (omitted).</p>	<p>Company, and shall be further subject to an approval by the Board of Directors beforehand if the case is NT\$300 million or more in price. But the Board of Directors may authorize the Chairman to approve it and then ask for ratification from the Board afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by Board of Directors.</p> <p>(III). Membership and intangible assets shall be acquired and disposed in accordance with the manner for real property and equipment.</p> <p>(IV). Derivatives shall be duly handled in accordance with the procedures set forth in Section Three.</p> <p>(V). The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.</p> <p>II. (omitted).</p> <p>III. (omitted).</p> <p>IV. (omitted).</p> <p>V. (omitted).</p> <p>VI. (omitted).</p> <p>VII. Executive units</p> <p>Executive units</p> <p>(I). The Company's investment in the long and short-term securities shall be executed by the Finance Department.</p> <p>(II). Investment in real property and equipment shall be executed by the user department and related responsible department.</p> <p>(III). The acquisition or disposal of memberships and intangible assets: To be executed in the manner the same as that for real property and equipment.</p> <p>(IV). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department.</p> <p>(V). The assets acquired or disposed through merger, spin off, acquisition, or transfer of shares according to law and other major assets: The responsible person appointed by the Chairman or the Task Force established shall take the responsibility for assessment and execution.</p> <p>VIII. (omitted).</p>	
<p>Article V: Public Announcement and Declaration</p> <p>I. Procedures</p> <p>Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations</p>	<p>Article V: Public Announcement and Declaration</p> <p>I. Procedures</p> <p>Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>

<p>within two days from the date of occurrence of the event.</p> <p>(I). Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided however, that this shall not apply to trading of local government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II). Merger, spin off, acquisition, or transfer of shares.</p> <p>(III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set forth in the Procedures adopted by the Company.</p> <p>(IV). The acquisition or disposal of any equipment or right-of-use assets for the Company's own operational use and where the trading partner is not a related party, and the transaction amount reaches NT\$ 1 billion or more.</p> <p>(V). Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and where the counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>(VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of local government bonds. 2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. <p>II. The amount of transactions in the above Subsection shall be calculated as follows:</p> <p>(I). The amount of any individual transaction</p> <p>(II). The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p>	<p>within two days from the date of occurrence of the event.</p> <p>(I). Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided however, that this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II). Merger, spin off, acquisition, or transfer of shares.</p> <p>(III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set forth in the Procedures adopted by the Company.</p> <p>(IV). Where the type of assets acquired or disposed is equipment for own operational use and where the trading partner is not a related party, and the transaction amount reaches NT\$ 1 billion or more.</p> <p>(V). Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>(VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of government bonds. 2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. <p>II. The amount of transactions in the above Subsection shall be calculated as follows:</p> <p>(I). The amount of any individual transaction</p> <p>(II). The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(III). The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and</p>	
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<p>(III). The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(IV). The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>III. The term “date of occurrence” as set forth in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided however, that for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>IV. (omitted).</p> <p>V. (omitted).</p> <p>VI. (omitted).</p> <p>VII. (omitted).</p> <p>VIII. (omitted).</p>	<p>disposals, respectively) within the same development project within the preceding year.</p> <p>(IV). The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>III. The term “date of occurrence” as set forth in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided however, that for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p>	
<p>Article VI: Procedures to Control over Acquisition or Disposal of Assets by Subsidiaries</p> <p>I. The Company’s subsidiaries shall conduct the acquisition or disposal of assets in accordance with these Procedures, provided, however, that this requirement is not applicable where the Company’s subsidiary has adopted its own procedures governing the acquisition and disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p> <p>II. The adoption of and any revisions to the procedures governing the acquisition and disposal of assets by the Company’s subsidiary in accordance with the preceding paragraph shall be approved by the board of directors of such subsidiary.</p> <p>III. (omitted).</p> <p>IV. Where a subsidiary is required to make public announcement and declaration in accordance with Article 5 of the Procedures, the paid-in capital or total assets used in Article 5 of the Procedures shall refer to the Company’s paid-in capital or total assets.</p> <p>V. (omitted).</p>	<p>Article VI: Procedures to Control over Acquisition or Disposal of Assets by Subsidiaries</p> <p>I. The Company’s subsidiaries shall duly enact “Procedures for Acquisition or Disposal of Assets” in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” which shall come into effect after being approved by the Board of Directors of the subsidiaries. The amendment of the “Procedures for Acquisition or Disposal of Assets” shall come into effect after being approved by the board of Directors of the subsidiaries.</p> <p>II. The Company’s subsidiaries shall acquire and dispose assets in accordance with their respective “Procedures for Acquisition or Disposal of Assets”.</p> <p>III. (omitted).</p> <p>IV. Where a subsidiary is required to make public announcement and declaration in accordance with Article 5 of the Procedures, the 20% of paid-in capital or 10% of total assets used in Article 5 of the Procedures shall refer to the Company’s paid-in capital or total assets.</p> <p>V. (omitted).</p>	<ol style="list-style-type: none"> 1. The revisions to this Article are proposed to clarify the application of the rules and procedures governing the acquisition or disposal of assets that are applicable to the Company’s subsidiaries. For the purpose of implementation of sound corporate governance, it is proposed to replace the Company’s prior rules with this Article. 2. Proposed revisions to the language used in this Article.
<p>Article XI: Trading Principles and Strategies</p> <p>I. Categories of transaction</p> <p>The term “derivatives” as used herein include forward contracts, options</p>	<p>Article XI: Trading Principles and Strategies</p> <p>I. Categories of transaction</p> <p>The term “derivatives” as used herein include forward contracts, options</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>

<p>contracts, future contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from specific interest rates, prices of financial tools, prices or commodities, foreign exchange rates, price or fee rate indexes, credit ratings or credit indexes or other variables, a combination of the above-mentioned contracts, or a combination of contracts or structured products that were embedded with derivative products. The forward contracts do not include insurance policies, performance contracts, after-sale service agreements, long-term lease agreement and long-term purchase (sale) agreements. The Company may engage in derivatives trading for financial purpose and hedging purpose. The former refers to a transaction for establishing position comprising assets, liabilities or investment portfolio in the hope to gain profit from a market fluctuation. The latter refers to a transaction intended to exempt or minimize the financial risk from foreign exchange or interest rates fluctuations without aiming at making profit.</p> <p>II. (omitted). III. (omitted). IV. (omitted). V. (omitted). VI. (omitted). VII. (omitted).</p>	<p>contracts, future contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The Company may engage in derivatives trading for financial purpose and hedging purpose. The former refers to a transaction for establishing position comprising assets, liabilities or investment portfolio in the hope to gain profit from a market fluctuation. The latter refers to a transaction intended to exempt or minimize the financial risk from foreign exchange or interest rates fluctuations without aiming at making profit.</p>	
<p>Article XVII: Terms and Definitions</p> <p>The term "Assets acquired or disposed through mergers, spin off, acquisitions or transfer of shares in accordance with laws" as set forth herein denotes the assets acquired or disposed through mergers, spin off, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquire shares from another company through issuance of new shares of its own as its consideration under Article 156-3 of the Company Act.</p>	<p>Article XVII Terms and Definitions</p> <p>The term "Assets acquired or disposed through mergers, spin off, acquisitions or transfer of shares in accordance with laws" as set forth herein denotes the assets acquired or disposed through mergers, spin off, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquire shares from another company through issuance of new shares of its own as its consideration under Paragraph 8, Article 156 of the Company Act.</p>	<p>The revisions to this Article are proposed in accordance with applicable laws and regulations.</p>

Attachment 7

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

Amended Articles	Current Articles	Explanation
<p>Article VII : Procedures for controlling and managing endorsements/guarantees to others by subsidiaries</p> <p>I. Where the subsidiaries of the Company propose to make endorsements/guarantees to others, the Company shall procure its subsidiaries to adopt procedures for making endorsements/guarantees that are in accordance with the Regulations Governing Loaning of Funds to Others and Making of Endorsements/Guarantees by Public Companies. Such procedures will be effective after being approved by the audit committee, the board of directors and/or the shareholders' meeting, and the Company shall procure its subsidiaries to comply with such procedures.</p> <p>II. Where the subsidiaries make any endorsement/guarantee, such subsidiaries shall periodically provide the relevant information to the Company for recordation.</p>	<p>(None)</p>	<p>The revisions are proposed in accordance with the applicable laws and regulations.</p>
<p>Article VIII : 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 and its subsidiaries 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 of the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees of the Company and its subsidiaries for a single company reaches 20 percent of the Company's net worth as stated in its latest financial statement.</p> <p>(III) The balance of endorsements/guarantees reaches NT\$10 million or more, and the aggregate amount of all endorsements/guarantees of the Company and its subsidiaries, the book value of the investment calculated by equity method, and balance of loans to, a single company reaches 30 percent</p>	<p>Article VII : 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 and its subsidiaries 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 of the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees of the Company and its subsidiaries for a single company reaches 20 percent of the Company's net worth as stated in its latest financial statement.</p> <p>(III) The balance of endorsements/guarantees reaches NT\$10 million or more, and the aggregate amount of all endorsements/guarantees of the Company and its subsidiaries for, long-term investment, and balance of loans to, a single company reaches 30</p>	<p>1. Amendment to the article number.</p> <p>2. The revisions are proposed in accordance with applicable laws and regulations.</p>

<p>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 or its subsidiaries reaches NT\$30 million or more, and 5 percent 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 for the endorsements/guarantees and monetary amount, whichever date is earlier.</p>	<p>percent 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 or its subsidiaries reaches NT\$30 million or more, and 5 percent 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 IX : Custody of the specimen seals:</p> <p>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.</p>	<p>Article VIII : Custody of the specimen seals:</p> <p>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.</p>	Amendment to the article number.
<p>Article X : The Company shall evaluate or record the contingent loss for endorsements/guarantees. 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 IX : The Company shall evaluate or record the contingent loss for endorsements/guarantees. 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>	Amendment to the article number.
<p>Article XI : Other matters and concerns:</p> <p>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.</p> <p>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 therefore jeopardizes the Company's interest, the Company shall impose penalty or adjust their positions in accordance with the Company's internal rules.</p> <p>III. These Operating Procedures shall, after being approved by the Audit Committee and the Board of Directors, be</p>	<p>Article X : Other matters and concerns:</p> <p>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.</p> <p>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 therefore jeopardizes the Company's interest, the Company shall impose penalty or adjust their positions in accordance with the Company's internal rules.</p> <p>III. These Operating Procedures shall, after being approved by the Audit Committee and the Board of Directors, be</p>	<p>1. Amendment to the article number.</p> <p>2. The applicable laws and regulations shall govern in the event that these Procedures did not specify.</p>

<p>submitted to the shareholders' meeting for approval. The same shall be applicable in case of amendment. The applicable laws and regulations shall govern where these Operating Procedures do not specify.</p>	<p>submitted to the shareholders' meeting for approval. The same shall be applicable in case of amendment.</p>	
<p>Article XII : 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. The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018. The seventh update was made at the Annual General Shareholders' Meeting dated June 14, 2019.</p>	<p>Article XI : 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. The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018.</p>	<ol style="list-style-type: none"> 1. Amendment to the article number. 2. Proposed revisions to reflect the amendment date of these Articles.

Attachment 8

**Comparison Table Illustrating the Original and Amended
Text of the “Procedures for Making Outward Loans to
Others”**

Amended Articles	Current Articles	Explanation
<p>Article III</p> <p>The total amount for lending and the maximum amount available to each company:</p> <p>I. The total amount for lending shall not exceed 20% of the Company's net worth.</p> <p>II. The total amount for lending to companies having business transaction with the Company shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is the transaction amount (refers to sales, procurement, or service fees between the parties, whichever is higher) between the parties during the period of twelve months prior to the time of lending, 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>III. The total amount for lending to companies that have need for short-term financing facility shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company, shall be excluded from the above limitations. However, these subsidiaries shall still set forth limitations on amount and tenor of fund lending in its internal rules in accordance with the relevant competent authorities' rules and regulations.</p>	<p>Article III</p> <p>The total amount for lending and the maximum amount available to each company:</p> <p>I. The total amount for lending shall not exceed 20% of the Company's net worth.</p> <p>II. The total amount for lending to companies having business transaction with the Company shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is the transaction amount (refers to sales, procurement, or service fees between the parties, whichever is higher) between the parties during the period of twelve months prior to the time of lending, 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>III. The total amount for lending to companies that have need for short-term financing facility shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks shall be excluded from the above limitations. However, these subsidiaries shall still set forth limitations on amount and tenor of fund lending in its internal rules in accordance with the relevant competent authorities' rules and regulations.</p>	<p>The revisions are proposed in accordance with the applicable laws and regulations.</p>
<p>Article IV</p> <p>Financing duration and interest calculation:</p> <p>Financing duration: The term of each loan shall not exceed one year. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company, shall be excluded from the limitations on financing duration set forth above. The</p>	<p>Article IV</p> <p>Financing duration and interest calculation:</p> <p>Financing duration: The term of each loan shall not exceed one year. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.</p> <p>Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks shall be excluded from the limitations on financing duration set forth above. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a</p>	<p>The revisions are proposed in accordance with the applicable laws and regulations.</p>

interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.	monthly basis.	
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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. Procedures Governing the Acquisition or Disposition of Assets

Approved by the Annual General Shareholders' Meeting 2017

Section One - Acquisition or Disposal of Assets

Article I

The Company shall handle the acquisition or disposal of assets in accordance with the Procedures specified herein.

Article II: The Scope of Assets

- I. Investment in long- and short-term securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities, and asset-backed securities).
- II. Real property and equipment.
- III. Memberships.
- IV. Intangible assets (including patents, copyrights, trademarks, and franchise rights).
- V. Derivatives.
- VI. Assets acquired or disposed in connection with mergers, spin off, acquisitions, or transfer of shares in accordance with laws.
- VII. Other major assets.

Article III: Appraisal Procedures

I. The means of price determination

- (I). The securities obtained or disposed through the Centralized Trading Market or GreTai Securities Market ("GTSM") of the Republic of China shall be priced based on the trading price at that time.
- (II). For the securities not obtained or disposed through the Centralized Trading Market or GTSM, the prices shall be determined after taking into account the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined after taking account the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors' creditability.
- (III). The prices of real property acquired or disposed shall be determined based on the current official land prices, the values appraised and the trading prices of nearby real property.
- (IV). The prices of equipment acquired or disposed shall be determined through any manner among price competition under restricted tendering, price negotiation under single tendering or open tendering.
- (V). The prices of memberships acquired or disposed shall be determined through either manner of price competition under restricted tendering or price negotiation under single tendering.
- (VI). The prices of intangible assets acquired or disposed shall be determined in accordance with the related laws and regulations and contract(s).
- (VII). The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section Three under the Procedures.
- (VIII). The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be determined through the manner as set forth in Section Four under the Procedures.

II. Basis for reference of pricing

(I). Long- and short-term securities

To acquire or dispose securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period that was certified or reviewed by a certified public accountant as a reference in appraising the transaction price. If the dollar amount of the transaction reaches 20% of the Company's paid-in capital or exceeds NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use a report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the government authorities.

(II). Real property or equipment

In acquiring or disposing of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, except for transacting with a government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless the appraisal results for the assets to be acquired are higher than the transaction amount, or the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided however, that where the publicly announced current value of the real property for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

5. The term "professional appraiser" as set forth in the Procedures denotes a real property appraiser or other person duly authorized by laws to engage in the value appraisal of real property or equipment.

(III). Memberships or intangible assets

In acquiring or disposing of memberships or intangible assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

(IV). The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Subparagraph 5, Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

(V). Derivatives: To be duly handled in accordance with the procedures set forth in Section Three.

(VI). The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.

III. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

IV. Where the Company acquires or disposes assets through the court auction procedures, the evidentiary documentation issued by the court may be used to substitute appraisal report or CPA opinion.

Article IV: Operating Procedures

I. Limits and levels of authorization

The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.

(I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds NT\$300 million in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:

1. The cumulative amount of the same underlying investment that is NT\$300 million or less within the same fiscal year shall be assessed and proceeded by the executive unit.

2. The cumulative amount of the same underlying investment that exceeds NT\$300 million but less than NT\$1 billion within the same fiscal year shall be assessed by the executive unit and proceeded after the Chairman's approval.

3. The cumulative amount of the same underlying investment that is NT\$1 billion or more or is 50% or more of sum of cash and cash equivalents, financial assets, and funds and investments within the same fiscal year shall be assessed by the executive unit and proceeded after the Board of Directors' approval.

(II). The acquisition or disposal of the Company's real property or equipment shall be proceeded by the executive unit in accordance with relevant internal regulations of the Company, and shall be further subject to an approval by the Board of Directors beforehand if the case is NT\$300 million or more in price. But the Board of Directors may authorize the Chairman to approve it and then ask for ratification from the Board afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by Board of Directors.

(III). Membership and intangible assets shall be acquired and disposed in accordance with the manner for real property and equipment.

(IV). Derivatives shall be duly handled in accordance with the procedures set forth in Section Three.

(V). The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.

II. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Procedures or other laws or regulations, if any

director expresses dissent and it is recorded in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each member of the Audit Committee.

III. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding Paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If any independent director objects to or expresses reservations opinion about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

IV. Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

V. If approval of more than half of all Audit Committee members as required in the Paragraph 4 above is not obtained, the transaction shall be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

VI. The terms "all Audit Committee members" in Paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

VII. Executive units

(VI). The Company's investment in the long and short-term securities shall be executed by the Finance Department.

(VII). Investment in real property and equipment shall be executed by the user department and related responsible department.

(VIII). The acquisition or disposal of memberships and intangible assets: To be executed in the manner the same as that for real property and equipment.

(IX). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department.

(X). The assets acquired or disposed through merger, spin off, acquisition, or transfer of shares according to law and other major assets: The responsible person appointed by the Chairman or the Task Force established shall take the responsibility for assessment and execution.

VIII. Storage of data

For assets acquired or disposed by the Company, the relevant contracts, minutes, memorandum book, appraisal reports, expert opinions issued by the CPA, the attorney or security underwriters shall be kept in the Company for a minimum of five years, unless otherwise provided for in other laws and regulations concerned.

Article V: Public Announcement and Declaration

I. Procedures

Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the date of occurrence of the event.

(I). Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided however, that this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

(II). Merger, spin off, acquisition, or transfer of shares.

(III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set forth in the Procedures adopted by the Company.

(IV). Where the type of assets acquired or disposed is equipment for own operational use and where the trading partner is not a related party, and the transaction amount reaches NT\$ 1 billion or more.

(V). Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.

(VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:

1. Trading of government bonds.

2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

II. The amount of transactions in the above Subsection shall be calculated as follows:

(I). The amount of any individual transaction

(II). The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

(III). The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

(IV). The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

III. The term "date of occurrence" as set forth in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided however, that for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

IV. The term "Investment in the mainland China area" as set forth in the Procedures denotes the investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the provisions of Regulations Governing Permission for Investment or Technological Cooperation in the Mainland Area.

V. "Within the preceding year" as used in Paragraph 1 of this Article refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Regulations need not be counted toward the transaction amount.

VI. Contents of public announcement and declaration

Where the Company conducts public announcement and declaration in accordance with Article V, the contents of such of public announcement and declaration shall follow the requirements set forth by the securities regulatory authority.

VII. Update of public announcement and declaration

In the event that the public announcement made by the Company in accordance with Article V is found defective or erroneous which calls for correction, the Company shall conduct the entire public announcement and declaration afresh within two days from the date of knowing such defects or errors.

VIII. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and declared in accordance with Article V, another public announcement and declaration of relevant information shall be made on the information reporting website designated by the securities regulatory authority within two days from the date of occurrence of the event.

- (I). Change, termination, or rescission of a contract signed with regard to the original transaction.
- (II). The merger, spin off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- (III). Change to the originally publicly announced and declared information.

Article VI: Procedures to Control over Acquisition or Disposal of Assets by Subsidiaries

I. The Company's subsidiaries shall duly enact "Procedures for Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" which shall come into effect after being approved by the Board of Directors of the subsidiaries. The amendment of the "Procedures for Acquisition or Disposal of Assets" shall come into effect after being approved by the board of Directors of the subsidiaries.

II. The Company's subsidiaries shall acquire and dispose assets in accordance with their respective "Procedures for Acquisition or Disposal of Assets".

III. In the event that a subsidiary of the Company is not a domestic public company and is required to make public announcement and declaration as required under Article V for the assets acquired or disposed, the Company shall conduct public announcement and declaration on its behalf.

IV. Where a subsidiary is required to make public announcement and declaration in accordance with Article 5 of the Procedures, the 20% of paid-in capital or 10% of total assets used in Article 5 of the Procedures shall refer to the Company's paid-in capital or total assets.

V. The term "subsidiary" used in the Procedures is defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article VII

The Company and its subsidiaries may further invest in purchase of real property or securities not for business operation needs within the following amounts and limits:

I. Total amount of investment in real property not for business operation purposes: Not exceed 25% of the Company's shareholders equity as audited and certified by certified public accountant.

II. Total amount of investment in securities: Not exceed the total of the Company's shareholders equity and long-term liabilities as audited and certified by certified public accountant.

III. Total amount of investment in individual securities: Not exceed 60% of the Company's shareholders equity as audited and certified by certified public accountant.

Section Two - Related Party Transactions

Article VIII: Scope

I. The term "related party" used in the Procedures is defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

II. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article IX

When the Company engages in any acquisition or disposal of assets from or to a related party, the Company shall conduct in compliance with preceding Section and the "Regulations Governing the Acquisitions and Disposal of Assets by Public Companies" promulgated by the competent authorities.

Section Three – Engaging in Derivatives Trading

Article X

The Company shall, when engaging in derivatives trading, comply with Sections One and Three by conducting the relevant procedures and assessing reasonableness of the terms of transaction.

Article XI: Trading Principles and Strategies

I. Categories of transaction

The term "derivatives" as used herein include forward contracts, options contracts, future contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The Company may engage in derivatives trading for financial purpose and hedging purpose. The former refers to a transaction for establishing position comprising assets, liabilities or investment portfolio in the hope to gain profit from a market fluctuation. The latter refers to a transaction intended to exempt or minimize the financial risk from foreign exchange or interest rates fluctuations without aiming at making profit.

II. Operating and hedging strategies

Hedging purpose should be the primary objective when the Company engages in the trading of derivatives. The strategy of hedging purpose shall in principle be based on natural hedges, and the operation shall be made based on the net position offset in terms of amount and type of currency between receivables and payables denominated in foreign currencies or between asset and liabilities.

III. Segregation of duties

- (I). Financial personnel: Function as the core of derivative transaction management and is in charge of the derivatives trading, forecasting and control of position, collecting relevant information by contacting the Sales Department. Familiarization in collecting market information, determining trends and risk, and the deep understanding in financial commodities, rules and regulations as well as operational skills are all required to support themselves and other relevant departments. For those personnel who operate derivatives, those who take charge of trading, confirmation and settlement shall operate independently. The appointment and discharge of personnel in charge of trading and confirmation shall be informed to the banks in order to safeguard the Company's rights and interests.
- (II). Accounting personnel: The accountant shall prepare accounting records based on relevant transaction vouchers.
- (III). Auditors: Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

IV. Limits of trading amounts and authorization: An authorized trader may not conduct a transaction of an amount in excess of US\$10 million.

V. Total amount of derivatives contracts

- (I). The amount of total unsettled trading contracts for financial purpose shall not exceed 20% of the Company's net worth.
- (II). The amount of total unsettled trading contracts for hedging purpose shall not exceed the actual business needs.

VI. The maximum loss limit: The maximum loss limit for unsettled trading contracts is 10% of the contract amount, which is applicable to aggregate losses on total contracts or losses on individual contract. If the maximum limit is exceeded, the Chief Financial Officer must be notified to determine the measures for reducing loss.

VII. Performance evaluation

- (I). Position and profit and loss statement: Personnel in charge of trading shall assess the profit or loss with respect to the foreign currency position held and submits weekly evaluation to the Head of Finance Department.
- (II). General report: Personnel in charge of trading shall analyze the position held and the profit or loss, produce monthly reports and submit them to the Chief Financial Officer.

Article XII: Operating Procedures

I. Any major derivatives transaction shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6 of Article 4. The Board of Directors shall authorize the Chairman of the Board to enter into contracts for derivatives trading with financial institutions.

II. The authorized personnel shall place order with the bank within the limits of its authorized amount and shall submit the trading tickets, stating the title of trading, amount bought/sold, duration, trading expenses, trading counterparts, with remark of hedging or financial purpose, to the Head of Finance Department.

III. Upon receipt of the trading vouchers from the bank, the personnel in charge of confirmation shall immediately check and confirm the contents and shall clarify with the personnel in charge of trading immediately if there is any discrepancy or error.

IV. After the confirming personnel complete the confirmation process, the settlement personnel shall carry out settlement based on the trading details confirmed.

V. The accountant shall work out accounting ledgers based on the settlement vouchers and trading vouchers.

Article XIII: Measures of Risk Management

I. The scope of risk management:

- (I). Credit risk: The trading counterparts shall be confined to internationally renowned, creditable banks.
- (II). Market risk: Primarily those derivatives popularly traded in the international community, and avoid the use of the specifically designed products.
- (III). Liquidity risk: Primarily those banks with huge trading volume and with the ability to provide competitive quotation.
- (IV). Cash flow risk: When carrying out a transaction, it is necessary to take into consideration the impact on the Company's cash flows.
- (V). Operational risk: Strictly comply with the transaction operation procedure to avert operational risks.
- (VI). Legal risk: The documents signed with trading counterparts shall be confined to the contracts popularly used in the market. Any unique contracts shall not be put into use until viewed and recommended by the Legal Department or an Attorney-at-Law.

II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

III. Risk measurement, monitoring, and control personnel shall be assigned to different department, and the personnel mentioned-above shall report to the Board of Directors or senior management personnel who is not in charge of trading or position decision-making.

IV. Derivatives trading positions held shall be evaluated at least once per week and the evaluation reports shall be submitted to the Head of Finance Department.

V. The confirming personnel shall have the trading vouchers or contracts registered and checked and verified with the correspondent banks on a periodic basis to make sure whether the amount of trading has been compliant with the limit imposed on the transaction amount.

Article XIV: Internal Audit Systems

The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures of engaging in derivatives trading, and prepare a report accordingly. The audit report shall be, in conjunction with the annual internal audit performance report, submitted and declared to the securities regulatory authority in the prescribed format through the Internet no later than the last day of February of the ensuing year. The performance of corrective action in response to the irregularities shall also be submitted and declared to the securities regulatory authority no later than last day of

May of the ensuing year. If any material violation is discovered, all members of the Audit Committee shall be notified in writing.

Article XV: Methods of Regular Evaluation and Handling of Irregular Circumstances

I. The senior management personnel designated by the Board of Directors shall pay continuous attention to monitoring and controlling derivatives trading risk and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

II. The senior management personnel designated by the Board of Directors shall periodically evaluate whether the risk management measures currently employed are appropriate and whether such measures are faithfully conducted in accordance with the Procedures.

III. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, the manager in Finance Department shall take appropriate measures and shall immediately report to the Board of Directors. Independent director(s) shall be present at the Board Meeting and express his/her opinion.

IV. If, in accordance with the Procedures, the Company authorizes related personnel to engage in derivative trading, such trading shall be reported to the next meeting of the Board of Directors afterwards.

Article XVI: Memorandum Book

I. The Company engaging in derivatives trading shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors' approval dates, and the matters required to be carefully evaluated under Paragraph 4 of Article XIII and Paragraphs 1-2 of Article XV shall be recorded in detail in the memorandum book.

II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and by any subsidiaries that are not domestic public companies and enter such information using prescribed format into the information reporting website designated by the competent authority in charge of securities by the 10th day of each month.

Section Four - Mergers, Split off, Acquisitions, and Transfer of Shares

Article XVII: Terms and Definitions

The term "Assets acquired or disposed through mergers, spin off, acquisitions or transfer of shares in accordance with laws" as set forth herein denotes the assets acquired or disposed through mergers, spin off, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquire shares from another company through issuance of new shares of its own as its consideration under Paragraph 8, Article 156 of the Company Act.

Article XVIII

Assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be made in accordance with Section One of the Procedures and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by competent authorities.

Section Five – Miscellaneous

Article XIX

10 percent of total assets used in the Procedures shall refer to the amount of total assets stated in the most recent financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In the case of a company whose shares have no par value or a par value other than NT\$10, the calculation of transaction amounts of 20 percent of paid-in capital under the Procedures shall be substituted by 10 percent of owner's equity attributable to parent company.

Article XX

In case of a breach of the fore-mentioned Guidelines or Procedures, the Company's personnel in execution unit will be subject to penalty in accordance with the Company's Performance Rating Regulations and Disciplines.

Article XXI

The Procedures shall be put into effect after being approved by the Audit Committee and the Board of Directors and resolved by the Shareholders' Meeting. The same shall be applicable in case of amendment. If any director expresses dissent and it is recorded in the minutes of Board of Directors meeting or in a written statement, the Company shall submit the director's dissenting opinion to each member of the Audit Committee

Article XXII

When submitting the Procedures to the Board of Directors for discussion in accordance with the requirements of the preceding Article, the Board of Directors shall take into full consideration each independent director's opinions. Any objection or reservation expressed by an independent director should be recorded in the minutes of the Board of Directors meeting.

When the Procedures are adopted or amended they shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If approval of more than half of all Audit Committee members as required in the Paragraph 2 of this Article is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" in paragraph 2 and "all directors" in paragraph 3 shall be counted as the actual number of people currently holding those positions.

Article XXIII :

For matters not provided for herein, it shall be handled in accordance with relevant laws and regulations.

Appendix 4

MediaTek Inc. Operating Procedures of Endorsement/Guarantee

Approved by the Annual General Shareholders' Meeting 2018

Article I : These Procedures were amended in accordance with Article 36-1 of the Securities and Exchange Act, the relevant rulings promulgated by the competent authorities 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. 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.

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 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 or other companies.
- III. Other endorsement or 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 any endorsement/guarantee rendered by the Company and the subsidiaries in the aggregate 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.

II. In the event that an endorsement/guarantee is made due to needs arising out of businesses, 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.

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. 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 meeting minutes of the Board of Directors' meeting. 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.

IV. In the event that the above limits have to be exceeded to accommodate business needs, and subject to the terms and conditions provided in these Procedures, 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. 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 meeting minutes of the Board of Directors' meeting.

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.

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."

VII. 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 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.

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 and its subsidiaries 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 of the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.

(II) The balance of endorsements/guarantees of the Company and its subsidiaries for a single company reaches 20 percent of the Company's net worth as stated in its latest financial statement.

(III) The balance of endorsements/guarantees reaches NT\$10 million or more, and the aggregate amount of all endorsements/guarantees of the Company and its subsidiaries 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 or its subsidiaries reaches NT\$30 million or more, and 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 Company shall evaluate or record the contingent loss for endorsements/guarantees. 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.

Article XI : 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. The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018.

MediaTek Inc.

Operating Procedures of Outward Loans to Others

Approved by the Annual General Shareholders' Meeting 2015

Article I

The Company may lend its funds to others and shall follow the Operating Procedures specified herein.

When the Company uses IFRSs in preparing financial report, "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."

Article II

The party to whom the Company may lend its funds shall be limited to:

- I. Companies that have business transaction with the Company and that listed as top ten vendors or customers in terms of transactional amount in the past twelve months before lending of funds.
- II. Companies that have need for short-term financing facility. The "short-term" used herein shall mean the period of one year.

Lending to companies that have business transaction with the Company shall be limited to the situation where the companies need those funds for operational purpose. Lending to companies that have need for short-term financing facility shall be limited to subsidiaries of the Company which the Company directly or indirectly holds more than ninety percent of the voting stock.

Article III

The total amount for lending and the maximum amount available to each company:

- I. The total amount for lending shall not exceed 20% of the Company's net worth.
- II. The total amount for lending to companies having business transaction with the Company shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is the transaction amount (refers to sales, procurement, or service fees between the parties, whichever is higher) between the parties during the period of twelve months prior to the time of lending, 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.
- III. The total amount for lending to companies that have need for short-term financing facility shall not exceed 20% of the Company's net worth; the maximum amount lendable to a single company is 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.

Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks shall be excluded from the above limitations. However, these subsidiaries shall still set forth limitations on amount and tenor of fund lending in its internal rules in accordance with the relevant competent authorities' rules and regulations.

Article IV

Financing duration and interest calculation:

Financing duration: The term of each loan shall not exceed one year. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.

Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks shall be excluded from the limitations on financing duration set forth above. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.

Article V

The borrower shall fill out an application letter when applying loans from the Company, clearly stating the amount of the loan, the terms, purpose, provide collateral, and shall provide basic information and financial information to the Company for the purpose of credit evaluation.

Based on the provided information, the financial department shall evaluate the necessity and rationality of the loan application, the credibility and risk assessment of the borrowers, impact on the Company's business operations, financial conditions, and shareholder's equity, and the necessity to acquire collateral and appraisal of collateral shall be assessed in detail.

Article VI

When the borrower (excluding subsidiaries that the Company directly or indirectly holds 90% or more of voting stocks) requests a loan according to the regulations above, they shall provide an equal amount of promissory note, collateral and/or other guarantees as requested by the Company. When collateral is provided, the owner shall grant pledges and/or mortgages to the Company, for the purpose of securitizing its obligations.

Article VII

After the loan is appropriated, the financial department shall periodically evaluate the borrower's and the guarantor's (if any) financial condition and credit standing. If the debt is overdue and still irretrievable after communications, the financial department shall immediately notify the legal department to take further actions so as to ensure the Company's interest is well protected.

Article VIII

Before the lending, it shall be assessed deliberately whether it meets the requirement of relevant competent authorities' regulations and the Operation Procedures, and shall submit the result of examination made in accordance with of Article V and Article VI above to the Board of Directors for its approval. No delegation of authority shall be made to any other person in this regard. The proposal of any lending of the Company's funds 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 Operating 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.

Fund lending between the Company and its subsidiaries shall be approved by the Board of Directors of the Company as stipulated in the preceding paragraph, and the Board may authorize its Chairman to lend funds to a specific subsidiary within a certain monetary limit resolved by the Board, within a period not exceeding one year, in installments or to make a revolving credit line.

Article IX

For those related to fund lending that are required to be reported to government authorities or make public announcement, the Company shall follow such rules. If the subsidiaries of the Company is not domestic listed company, the relevant report or public announcement that needs to be made by the subsidiaries in accordance with relevant rules will be made by the Company on behalf of the subsidiaries.

Article X

When fund lending to other parties is contemplated by the Company's subsidiary, the Company shall instruct the subsidiary to promulgate the operating procedures of fund lending, and submitted such to the Audit Committee/the Board of Directors and/or the shareholders' meeting of the subsidiary for approval, and shall instruct the subsidiary to follow the approved operation procedures.

When fund lending to other parties is contemplated by the Company's subsidiary, the subsidiary shall fill out a credit report and opinion and set forth the terms of lending, and then submit such to the Audit Committee/the Board of Directors and/or the shareholders' meeting of the subsidiary for its approval.

If the Company's subsidiary lends fund to others, the subsidiary shall disclose relevant information to the Company periodically for review by the Company.

Article XI

The Company shall prepare a memorandum book for its fund lending activities and record the relevant matters according to the relevant rules and regulations.

Article XII

The Company's internal auditors shall audit the Operating Procedures and its execution situations every quarter and prepare written records accordingly. They shall promptly notify all the members of the Audit Committee in writing of any material violation found.

Article XIII

If the borrower's qualification no longer meet the requirement of laws or the Operating Procedures or the balance of lending is exceeded due to changes of circumstances, the Company shall draw up rectification plans, submit these plans to all the members of the Audit Committee, and implement these plans in accordance with the time frames set.

Article XIV

In the event that the Company's executive officers and relevant personnel violate the rules or regulation set by competent authority and the Operating Procedures, the Company will impose penalty or adjust their positions in accordance with the Company's internal rules.

Article XV

The Operating Procedures shall, after being resolved by half or more of all Audit Committee members and the Board of Directors, be submitted to the shareholders' meeting for approval. The same shall be applicable in case of amendment. For matters not provided for herein, it shall be handled in accordance with relevant laws and regulations.

Appendix 6

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:	1,593,693,583
Total shareholdings of all Directors required by law:	38,248,645
As of April 16, 2019, total shareholdings of all Directors (except Independent Directors)	45,529,960

2. As of April 16, 2019, 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 15, 2018	41,137,798	2.58%
Vice Chairman	Ching-Jiang Hsieh	June 15, 2018	4,116,284	0.26%
Director	Rick Tsai	June 15, 2017	192,500	0.01%
Director	Cheng-Yaw Sun	June 15, 2018	29,244	0.00%
Director	Kenneth Kin	June 15, 2018	-	-
Director	Gon-Wei Liang	June 15, 2018	54,134	0.00%
Independent Director	Chung-Yu Wu	June 15, 2018	236,000	0.02%
Independent Director	Peng-Heng Chang	June 15, 2018	-	-
Independent Director	Ming-Je Tang	June 15, 2018	-	-
Holding of all directors			45,765,960	2.87%