MediaTek Inc.

2019 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., June 14, 2019

Place: International Convention Center, MediaTek Inc.
(No. 1, Dusing 1st Road, Hsinchu Science Park, Hsinchu City, Taiwan R.O.C.)

The Number of Shares of Attendance:
Attending shareholders and proxy represented 1,305,281,888 shares (including 1,066,881,115 shares which attended through electronic voting) accounting for 82.30% of 1,585,899,498 shares, the Company's total outstanding shares (deducting non-voting shares as required in Article 179 of the Company Act)

Directors Present:
Ming-Kai Tsai, Rick Tsai, Ching-Jiang Hsieh, Wayne Liang, Cheng-Yaw Sun, Peng-Heng Chang, Chung-Yu Wu

Chairman: Mr. Ming-Kai Tsai
Recorder: Ms. Emma Chang

Call the Meeting to Order:
The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

1. Chairman's Remarks: Omitted.

2. Reporting Items:

Report Item (1)
Subject: MediaTek's 2018 business report.

Explanatory Note: MediaTek's 2018 business report is attached hereto as Attachment 1.
(Noted)

Report Item (2)
Subject: Audit Committee's review report on the 2018 financial statements.

Explanatory Note: 2018 Audit Committee's review report is attached hereto as Attachment 2.

(Noted)

Report Item (3)

Subject: Report on 2018 employees' compensation and remuneration to directors.

Explanatory Note:

(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.

(Noted)

Report Item (4)

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

Explanatory Note:

(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.

(Noted)

3. Acknowledgements:

Acknowledgement (1)

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

Explanatory Note:

(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). The 2018 business report, independent auditors' report, and the aforementioned financial statements were attached hereto as Attachments 1, 3 and 4.

Resolution: The result is as follows:
Affirmative votes: 1,127,646,021 (including electronic voting 889,287,265)
Dissenting votes: 41,153 (including electronic voting 41,153)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 177,594,714 (including electronic voting 177,552,697)
The affirmative votes represented 86.39% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Acknowledgement (2)

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

Explanatory Note:

(1). The proposal for distribution of 2018 profits has been approved by the Board of Directors in 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	(137,224,828)	
Earnings available for distribution	108,577,763,728	
Distribution items:		
Legal reserve	(2,076,049,796)	
Dividend to common shareholders	(9,525,233,226)	Cash dividend of NT$6.00 per share; No stock dividend.
Unappropriated retained earnings	96,976,480,706	

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: The result is as follows:
Affirmative votes: 1,132,940,952 (including electronic voting 894,582,196)
Dissenting votes: 79,153 (including electronic voting 79,153)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 172,261,783 (including electronic voting 172,219,766)
The affirmative votes represented 86.79% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

4. Proposed Resolutions:

Proposal (1)

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

Explanatory Note:

(1). Pursuant to subparagraph1, 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 treasure 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: The result is as follows:
Affirmative votes: 1,129,262,592 (including electronic voting 890,903,836)
Dissenting votes: 46,627 (including electronic voting 46,627)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 175,972,669 (including electronic voting 175,930,652)
The affirmative votes represented 86.51% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Proposal (2)

Subject: Amendment to the Company's "Article of Incorporation". Approval is respectfully requested.

Explanatory Note:

(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 "Article of Incorporation".

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

Resolution: The result is as follows:
Affirmative votes: 1,127,871,225 (including electronic voting 889,512,469)
Dissenting votes: 113,742 (including electronic voting 113,742)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 177,296,921 (including electronic voting 177,254,904)
The affirmative votes represented 86.40% of 1,305,281,888shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Proposal (3)

Subject: Amendment to the Company's "Procedures Governing the Acquisition or Disposition of Assets". Approval is respectfully requested.

Explanatory Note:

(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: The result is as follows:
Affirmative votes: 1,127,933,354 (including electronic voting 889,574,598)
Dissenting votes: 51,613 (including electronic voting 51,613)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 177,296,921 (including electronic voting 177,254,904)
The affirmative votes represented 86.41% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Proposal (4)

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

Explanatory Note:

(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: The result is as follows:
Affirmative votes: 1,127,927,290 (including electronic voting 889,568,534)
Dissenting votes: 57,677 (including electronic voting 57,677)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 177,296,921 (including electronic voting 177,254,904)
The affirmative votes represented 86.41% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

Proposal (5)

Subject: Amendment to the Company's "Operating Procedures of Outward Loans to Others". Approval is respectfully requested.

Explanatory Note:

(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: The result is as follows:
Affirmative votes: 1,127,921,877 (including electronic voting 889,563,121)
Dissenting votes: 63,031 (including electronic voting 63,031)
Invalid votes: 0 (including electronic voting 0)
Abstaining votes: 177,296,980 (including electronic voting 177,254,963)
The affirmative votes represented 86.41% of 1,305,281,888 shares cast by the shareholders present at the time of voting, among which 1,066,881,115

shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

5. Extemporary Motion：None.

6. 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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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 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.

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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	Notes	December 31, 2018	%	December 31, 2017	%
Current assets					
Cash and cash equivalents	4, 6(1)	$ 143,170,245	36	$ 145,338,376	37
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	5,026,696	1	724,507	-
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	13,468,075	3	-	-
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	1	-	-
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	7	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	2	21,251,357	5
Current tax assets	4, 5, 6(31)	910,984	-	866,917	-
Inventories, net	4, 5, 6(10)	30,979,767	8	26,539,614	7
Prepayments	6(11)	1,523,281	1	1,390,432	-
Other current assets		783,729	-	1,600,624	1
Total current assets		236,037,524	59	238,664,496	60
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	3,986,224	1	4,968,429	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	32,083,500	8	-	-
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	3	5,777,104	2
Property, plant and equipment	4, 6(13), 8	37,603,586	10	36,938,640	10
Investment property	4, 6(14), 8	917,343	-	873,651	-
Intangible assets	4, 6(15), 6(16)	73,788,598	18	76,029,080	19
Deferred tax assets	4, 5, 6(31)	4,776,271	1	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	41	156,501,712	40
Total assets		$ 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 BALANCE SHEETS
As of December 31, 2018 and 2017
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2018	%	December 31, 2017	%
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		16,982,909	4	23,012,859	6
Trade payables to related parties	7	704,262	-	571,593	-
Other payables	6(18)	30,481,779	8	35,796,290	9
Other payables to related parties	7	459	-	-	-
Current tax liabilities	4, 5, 6(31)	2,904,187	1	1,980,597	1
Other current liabilities	4, 6(19)	17,512,343	4	1,525,368	-
Current portion of long-term liabilities	6(20), 8	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		681,175	-	1,726,364	1
Net defined benefit liabilities-noncurrent	4, 6(21)	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)				
Common stock		15,915,070	4	15,814,140	4
Capital collected in advance		-	-	231	-
Capital surplus	6(22), 6(23), 6(34)	85,237,214	21	88,210,819	22
Retained earnings	6(22)				
Legal reserve		39,431,639	10	36,998,379	9
Undistributed earnings		108,577,764	27	100,629,197	26
Other equity	6(23)	23,840,504	6	18,214,847	5
Treasury shares	4, 6(22)	(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		272,946,221	68	259,811,643	66
Non-controlling interests	4, 6(22), 6(34)	1,379,686	-	1,387,370	-
Total equity		274,325,907	68	261,199,013	66
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

MEDIATEK 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	Equity attributable to owners of the parent											Non-controlling interests	Total equity
	Share capital			Retained earnings		Other equity							
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available-for-sale financial assets	Others	Treasury shares	Equity attributable to owners of the parent		
Balance as of January 1, 2017	$ 15,821,122	$ -	$ 89,815,356	$ 34,628,319	$ 92,324,282	$ 2,195,895	$ -	$ 11,525,934	$ (1,476,028)	$ (55,970)	$ 244,778,910	$ 1,883,968	$ 246,662,878
Appropriation and distribution of 2016 earnings:													
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,652,827)	-	-	-	-	-	(12,652,827)	-	(12,652,827)
Total	-	-	-	2,370,060	(15,022,887)	-	-	-	-	-	(12,652,827)	-	(12,652,827)
Cash dividends distributed from capital surplus	-	-	(2,372,405)	-	-	-	-	-	-	-	(2,372,405)	-	(2,372,405)
Profit for the year ended December 31, 2017	-	-	-	-	24,332,604	-	-	-	-	-	24,332,604	(262,506)	24,070,098
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	172,621	(4,440,659)	-	9,537,016	-	-	5,268,978	(5,945)	5,263,033
Total comprehensive income	-	-	-	-	24,505,225	(4,440,659)	-	9,537,016	-	-	29,601,582	(268,451)	29,333,131
Share-based payment transactions	-	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	-	644,244
Changes in other capital surplus	-	-	(1,291)	-	-	-	-	-	-	-	(1,291)	10,619	9,328
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,282,111)	(1,282,111)
Balance as of December 31, 2017	15,814,140	231	88,210,819	36,998,379	100,629,197	(2,250,288)	-	21,062,950	(597,815)	(55,970)	259,811,643	1,387,370	261,199,013
Effects of retrospective application and restatement	-	-	-	-	2,221,085	-	27,945,391	(21,062,950)	-	-	9,103,526	-	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)	27,945,391	-	(597,815)	(55,970)	268,915,169	1,387,370	270,302,539
Appropriation and distribution of 2017 earnings:													
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	-	-	-	-	20,760,498	-	-	-	-	-	20,760,498	21,898	20,782,396
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	(137,225)	1,027,946	(790,429)	-	-	-	100,292	(21,712)	78,580
Total comprehensive income	-	-	-	-	20,623,273	1,027,946	(790,429)	-	-	-	20,860,790	186	20,860,976
Share-based payment transactions	447	(231)	30,648	-	-	-	-	-	-	-	30,864	-	30,864
Adjustments due to dividends that subsidiaries received from parent company	-	-	77,941	-	-	-	-	-	-	-	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)	(206,070)	(1,585,931)
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

English Translation of Financial Statements Originally Issued in Chinese

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	20,342,839	21,348,436
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	7,069,459	(8,647,259)
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	(30,586,874)	(3,783,853)
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	$ 143,170,245	$ 145,338,376

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

Attachment 4

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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.

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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	Notes	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)

LIABILITIES AND EQUITY	Notes	December 31, 2018	%	December 31, 2017	%
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		3,776,187	1	4,891,357	2
Trade payables to related parties	7	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)				
Common stock		15,915,070	5	15,814,140	5
Capital collected in advance		-	-	231	-
Capital surplus	6(19), 6(20)	85,237,214	25	88,210,819	27
Retained earnings	6(19)				
Legal reserve		39,431,639	12	36,998,379	11
Undistributed earnings		108,577,764	33	100,629,197	31
Other equity	6(20)	23,840,504	7	18,214,847	6
Treasury shares	4, 6(19)	(55,970)	-	(55,970)	-
Total equity		272,946,221	82	259,811,643	80
Total liabilities and equity		$ 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 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.

Chairman : Ming-Kai Tsai President : Lih-Shyng Tsai Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2018 and 2017

(Amounts in thousands of New Taiwan Dollars)

Description	Share capital			Retained earnings		Other equity					
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) from available-for-sale financial assets	Others	Treasury shares	Total equity
Balance as of January 1, 2017	$ 15,821,122	$ -	$ 89,815,356	$ 34,628,319	$ 92,324,282	$ 2,195,895	$ -	$ 11,525,934	$ (1,476,028)	$ (55,970)	$ 244,778,910
Appropriation and distribution of 2016 earnings:											
Legal reserve	-	-	-	2,370,060	(2,370,060)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,652,827)	-	-	-	-	-	(12,652,827)
Total	-	-	-	2,370,060	(15,022,887)	-	-	-	-	-	(12,652,827)
Cash dividends distributed from capital surplus	-	-	(2,372,405)	-	-	-	-	-	-	-	(2,372,405)
Profit for the year ended December 31, 2017	-	-	-	-	24,332,604	-	-	-	-	-	24,332,604
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	172,621	(4,440,659)	-	9,537,016	-	-	5,268,978
Total comprehensive income	-	-	-	-	24,505,225	(4,440,659)	-	9,537,016	-	-	29,601,582
Share-based payment transactions	-	231	(14,935)	-	-	-	-	-	-	-	(14,704)
Adjustments due to dividends that subsidiaries received from parent company	-	-	74,044	-	-	-	-	-	-	-	74,044
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,210,299)	(5,524)	-	-	-	-	(1,215,823)
Changes in ownership interests in subsidiaries	-	-	969,913	-	-	-	-	-	-	-	969,913
Issuance of restricted stock for employees	(6,982)	-	(259,863)	-	32,876	-	-	-	878,213	-	644,244
Changes in other capital surplus	-	-	(1,291)	-	-	-	-	-	-	-	(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)	259,811,643
Effects of retrospective application and restatement	-	-	-	-	2,221,085	-	27,945,391	(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)	27,945,391	-	(597,815)	(55,970)	268,915,169
Appropriation and distribution of 2017 earnings:											
Legal reserve	-	-	-	2,433,260	(2,433,260)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(11,844,548)	-	-	-	-	-	(11,844,548)
Total	-	-	-	2,433,260	(14,277,808)	-	-	-	-	-	(11,844,548)
Cash dividends distributed from capital surplus	-	-	(3,948,182)	-	-	-	-	-	-	-	(3,948,182)
Profit for the year ended December 31, 2018	-	-	-	-	20,760,498	-	-	-	-	-	20,760,498
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	(137,225)	1,027,946	(790,429)	-	-	-	100,292
Total comprehensive income	-	-	-	-	20,623,273	1,027,946	(790,429)	-	-	-	20,860,790
Share-based payment transactions	447	(231)	30,648	-	-	-	-	-	-	-	30,864
Adjustments due to dividends that subsidiaries received from parent company	-	-	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	$ -	$ 85,237,214	$ 39,431,639	$ 108,577,764	$ (1,222,342)	$ 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 NT$261,021 thousand and NT$298,331 thousand and remuneration to directors amounted to NT$30,748 thousand and NT$40,275 thousand for the years ended 2018 and 2017, respectively, which was deducted from the statement of comprehensive income.

Chairman : Ming-Kai Tsai　　President : Lih-Shyng Tsai　　Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF 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	10,751,012	26,233,215
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	3,652,278	(7,759,853)
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	(31,347,054)	(1,569,796)
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	$ 60,204,772	$ 77,148,536

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
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 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).	The Chinese version of this proposed is proposed to be amended in accordance with the Company Act.
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 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.	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.	The revisions are proposed in accordance with the Company Act.
Article 7-1 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). 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). 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). 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).	(New)	The revisions are proposed in accordance with the Company Act.
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 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 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.	The revisions are proposed in accordance with the Company Act.
Article 14	Article 14	The revisions are proposed in accordance with the Company Act.

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 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.	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 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 o was made n 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	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 o was made n 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.	Proposed revisions to reflect the amendment date of these Articles.

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

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
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. Right-of-use assets VI. Derivatives. VII. Assets acquired or disposed in connection with mergers, spin off, acquisitions, or transfer of shares in accordance with laws. VIII. Other major assets.	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.	The revisions to this Article are proposed in accordance with applicable laws and regulations.
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.	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.	The revisions to this Article are proposed in accordance with applicable laws and regulations.

(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 price of right-of-use assets shall be determined in accordance with the related laws and regulations and relevant contract(s). (VIII) The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section Three under the Procedures. (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. II. Basis for reference of pricing (I) (omitted) (II) Real property, equipment or right-of-use assets 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: (III) Intangible assets, right-of-use assets or memberships 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. (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.	(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) (omitted) (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: (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	

(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 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. IV. (omitted).	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. (omitted).	
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, equipment or right-of-use assets shall be proceeded by the executive unit in accordance with relevant internal regulations of the	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	The revisions to this Article are proposed in accordance with applicable laws and regulations.

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). Intangible assets, right-of-use assets or memberships shall be acquired and disposed in accordance with the manner set forth in the preceding subparagraph. (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. (omitted). III. (omitted). IV. (omitted). V. (omitted). VI. (omitted). VII. Executive units (I). The Company's investment in the long and short-term securities shall be executed by the Finance Department. (II). Investment in real property, equipment or right-of-use assets shall be executed by the user department and related responsible department. (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. (IV). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department. (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. VIII. (omitted).	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. (omitted). III. (omitted). IV. (omitted). V. (omitted). VI. (omitted). VII. Executive units Executive units (I). The Company's investment in the long and short-term securities shall be executed by the Finance Department. (II). Investment in real property and equipment shall be executed by the user department and related responsible department. (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. (IV). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department. (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. VIII. (omitted).	
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	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	The revisions to this Article are proposed in accordance with applicable laws and regulations.

within two days from the date of occurrence of the event. (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$300 million or more; provided however, that this shall not apply to trading of local government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. (II). Merger, spin off, acquisition, or transfer of shares. (III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set forth in the Procedures adopted by the Company. (IV). The acquisition or disposal of any equipment or right-of-use assets for the Company's own operational use and where the trading partner is not a related party, and the transaction amount reaches NT$ 1 billion or more. (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. (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 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. 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.	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	

(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. (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. (omitted). V. (omitted). VI. (omitted). VII. (omitted). VIII. (omitted).	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.	
Article VI: Procedures to Control over Acquisition or Disposal of Assets by Subsidiaries 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. 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. III. (omitted). 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. V. (omitted).	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. (omitted). 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. (omitted).	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.
Article XI: Trading Principles and Strategies I. Categories of transaction The term "derivatives" as used herein include forward contracts, options	Article XI: Trading Principles and Strategies I. Categories of transaction The term "derivatives" as used herein include forward contracts, options	The revisions to this Article are proposed in accordance with applicable laws and regulations.

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. II. (omitted). III. (omitted). IV. (omitted). V. (omitted). VI. (omitted). VII. (omitted).	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.	
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 Article 156-3 of the Company Act.	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.	The revisions to this Article are proposed in accordance with applicable laws and regulations.

Attachment 7

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

Amended Articles	Current Articles	Explanation
Article VII : Procedures for controlling and managing endorsements/guarantees to others by subsidiaries 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. II. Where the subsidiaries make any endorsement/guarantee, such subsidiaries shall periodically provide the relevant information to the Company for recordation.	(None)	The revisions are proposed in accordance with the applicable laws and regulations.
Article VIII : 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, the book value of the investment calculated by equity method, and balance of loans to, a single company reaches 30 percent	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, and balance of loans to, a single company reaches 30	1. Amendment to the article number. 2. The revisions are proposed in accordance with applicable laws and regulations.

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 for the endorsements/guarantees and monetary amount, whichever date is earlier.	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 IX : 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 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.	Amendment to the article number.
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.	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.	Amendment to the article number.
Article XI : 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 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	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 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	1. Amendment to the article number. 2. The applicable laws and regulations shall govern in the event that these Procedures did not specify.

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.	submitted to the shareholders' meeting for approval. The same shall be applicable in case of amendment.	
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.	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.	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**
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. (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.	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.	The revisions are proposed in accordance with the applicable laws 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. (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	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	The revisions are proposed in accordance with the applicable laws and regulations.

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