

MediaTek Inc.

2022 Annual General Shareholders' Meeting Minutes (English Translation for Reference Only)

Time: 9:00 a.m., May 31, 2022 (Tuesday)

Venue: MediaTek Inc., No. 1, Dusing 1st Road, Hsinchu Science Park, Hsinchu City, Taiwan R.O.C.

Held by means of: Physical shareholders' meeting

The Number of Shares of Attendance:

Attending shareholders and proxy represented 1,381,567,013 shares (including 1,171,169,707 shares which attended through electronic voting) accounting for 86.82% of 1,591,294,207 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, Lih-Shyng Tsai, Joe Chen, Kenneth Kin, Chung-Yu Wu, Peng-Heng Chang, Ming-Je Tang

Chairman: Mr. Ming-Kai Tsai

Recorder: Mr. David W. Su

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: 2021 business report.

Explanatory Note: 2021 business report is attached hereto as Attachment 1.
(Noted)

Report item (2)

Subject: Audit Committee's review report.

Explanatory Note: 2021 Audit Committee's review report is attached hereto as Attachment 2.

(Noted)

Report item (3)

Subject: Report on 2021 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 2021 profit as follows: employees' compensation is NT\$1,513,219,443 and the remuneration to directors is NT\$153,213,469; both shall be paid in cash.

(Noted)

Report item (4)

Subject: Report on the completion of short-form merger with Hsu-Si Investment Corp.

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). In order to simplify the shareholding structure in AIROHA TECHNOLOGY CORP., the Board of the Company, on July 27th, 2021, agreed to a proposal to merge with Hsu-Si Investment Corp. (hereinafter "Hsu-Si Investment"), 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 Hsu-Si Investment 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 cash or other assets.
- (3). The above-mentioned merger has been executed in accordance with the resolution of the Board, and the merger record date is December 31st, 2021. The Company and Hsu-Si Investment completed the registration modification on January 13th, 2022.

(Noted)

3. Acknowledgements:

Acknowledgement (1)

Subject: Adoption of the 2021 business report and financial statements.

Explanatory Note:

- (1). 2021 financial statements, including the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by independent auditors Shao-Pin Kuo and Wen-Fun Fuh of Ernst & Young.
- (2). For the 2021 business report, independent auditors' report and the aforementioned financial statements are attached hereto as Attachment 1, Attachment 3, and Attachment 4.

Resolution: The result is as follows:

Affirmative votes: 1,222,568,466 (including electronic voting 1,012,216,176)

Dissenting votes: 1,925,576 (including electronic voting 1,925,576)

Invalid votes: 0

Abstaining votes: 157,072,971 (including electronic voting 157,027,955)

The affirmative votes represented 88.49% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 2021 profits.

Explanatory Note:

- (1). The proposal for distribution of 2021 profits has been approved by the Board of Directors in the 8th Board Meeting of the 9th session.
- (2). Please refer to the 2021 profit distribution table below:

Descriptions	Amount (NTD)	Remarks
Unappropriated retained earnings of previous years	134,019,725,167	
Plus: Net income of 2021	111,421,062,393	
Plus: Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	6,957,315,162	
Plus: Actual gain on defined benefit plans	51,650,211	
Less: Adjustment for restricted stocks awards	(17,251,500)	
Earnings available for distribution	252,432,501,433	
Distribution items:		
Legal reserve	(11,841,277,627)	Cash dividend of NT\$57.00 per share; No stock dividend.
Dividend to common shareholders	(91,147,046,031)	
Unappropriated retained earnings	149,444,177,775	

Note:

1. Cash dividend distributions are calculated based on MediaTek's outstanding shares of 1,599,070,983 shares as of March 15, 2022.

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 March 16, 2022, 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 awards or other causes, the Chairman is authorized to adjust the distribution percentage per share based on the actual number of the outstanding shares on the cash dividend record date and other related matters.

Chairman: Ming-Kai Tsai Chief Executive Officer: Rick Tsai Chief Financial Officer: David Ku

Resolution: The result is as follows:

Affirmative votes: 1,230,624,312 (including electronic voting 1,020,272,022)

Dissenting votes: 1,077,384 (including electronic voting 1,077,384)

Invalid votes: 0

Abstaining votes: 149,865,317 (including electronic voting 149,820,301)

The affirmative votes represented 89.07% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 subparagraph 1, paragraph 1 of Article 241 of the Company Act, the Company plans to distribute cash of NT\$25,585,135,728 from the capital reserve from paid-in capital 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\$16. Cash payment shall 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.
- (2). According to the Board resolution on March 16, 2022, the Chairman is authorized to determine the record date and payment date upon the approval of cash distribution from capital reserve at the Annual Meeting of Shareholders. In the event the number of outstanding shares is affected by the Company's subsequent shares buyback, transfer or cancellation of treasury stocks, issuance of new shares because of the exercise of employee stock options, issuance or withdrawal of employee restricted stocks awards or other causes, the Chairman is authorized to adjust the distribution amount per share based on the actual number of the outstanding shares on the record date and other related matters.

Resolution: The result is as follows:

Affirmative votes: 1,221,691,555 (including electronic voting 1,011,339,265)

Dissenting votes: 1,097,039 (including electronic voting 1,097,039)

Invalid votes: 0

Abstaining votes: 158,778,419 (including electronic voting 158,733,403)

The affirmative votes represented 88.42% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 accordance with Article 240 and Article 241 of the Company Act, which simplified the procedure of distributing cash dividends, and the amendment to Article 172-2 of the Company Act, 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 attached hereto as Attachment 5.

Resolution: The result is as follows:

Affirmative votes: 706,691,683 (including electronic voting 496,339,393)

Dissenting votes: 497,443,909 (including electronic voting 497,443,909)

Invalid votes: 0

Abstaining votes: 177,431,421 (including electronic voting 177,386,405)

The affirmative votes represented 51.15% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 response to the amendment to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission and the growth of the Company's operating scale, 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 attached hereto as Attachment 6.

Resolution: The result is as follows:

Affirmative votes: 1,198,975,612 (including electronic voting 988,623,322)

Dissenting votes: 21,907,940 (including electronic voting 21,907,940)

Invalid votes: 0

Abstaining votes: 160,683,461 (including electronic voting 160,638,445)

The affirmative votes represented 86.78% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 response to the growth of the Company's operating scale, 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 attached hereto as Attachment 7.

Resolution: The result is as follows:

Affirmative votes: 1,212,565,636 (including electronic voting 1,002,213,346)

Dissenting votes: 10,040,169 (including electronic voting 10,040,169)

Invalid votes: 0

Abstaining votes: 158,961,208 (including electronic voting 158,916,192)

The affirmative votes represented 87.76% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 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 response to the growth of the Company's operating scale, 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 attached hereto as Attachment 8.

Resolution: The result is as follows:

Affirmative votes: 852,311,494 (including electronic voting 641,959,204)

Dissenting votes: 350,664,555 (including electronic voting 350,664,555)

Invalid votes: 0

Abstaining votes: 178,590,964 (including electronic voting 178,545,948)

The affirmative votes represented 61.69% of 1,381,567,013 shares represented by the shareholders present at the time of voting, among which 1,171,169,707 shares were cast via electronic voting. It was resolved that the above proposal be approved as proposed.

5. Extemporary Motion : None.

Summary of Shareholder's Speech:

Shareholder (Account Number 90384028) asked about market demand, the supply and demand of production capacity, the reorganization of the Company's business group, the operating prospects of the Company, etc.

Shareholder (Account Number 88315) asked about the main challenge the Company is facing, the medium-term and long-term plans of the Company, etc.

The above shareholder's question was explained by the Chairman and CEO.

6. Meeting Adjourned

Attachment

Attachment 1

MediaTek Inc. 2021 Business Report

Dear Shareholders:

2021 was a year full of both opportunities and challenges for global semiconductor industry. The acceleration of digital transformation has driven strong demand in various markets, leading to supply pressures in the global semiconductor supply chain. With the joint efforts from all MediaTek employees around the world, we have reached a new milestone in 2021 with record high consolidated revenue and EPS. Our consolidated revenue reached NT\$493.1 billion, with EPS more than doubled to NT\$70.56. MediaTek is the 4th largest IC design company and the 7th largest semiconductor company globally, according to market research firms - Topology Research Institute and Gartner Research. Besides, MediaTek's gross margin and operating margin increased for the 4th consecutive year, with gross margin rising over 11 percentage points from 35.6% in 2017 to 46.9% in 2021, and operating margin expanding over 17 percentage points from 4.1% in 2017 to 21.9% in 2021.

MediaTek continues balanced development in various products, including smartphones, smart edge platforms and power management ICs with strong growth across the board in 2021. We believe our positive developments in financial and businesses were resulting from the successful execution of the strategy to invest early in 5G and WiFi 6, allowing us to participate in the full product cycle. And with excellent technology competitiveness, we were able to expand our markets and provided more value to the customers.

In terms of smartphone, MediaTek is ranked 1st in 2021 in global smartphone SoC market share, according to Counterpoint, a market research firm. We capture the 5G upgrade opportunity through our complete product portfolio, with exciting expansion into the flagship market. Our first 5G flagship SoC, Dimensity 9000, was highly recognized by the market with its powerful CPU and leading power consumption performance, according to major benchmark indicators, and has had design-ins with multiple brands.

As for smart edge platforms, WiFi 6, WiFi 6E, 5G and Bluetooth 5.0 are still in the beginning of technology migration. With consumers' rising demand for multimedia, MediaTek has driven technology upgrades in smart TV, router, broadband application, tablet, laptop and IoT devices, and will continue to expand markets and gain market share through our strong product portfolio, with multiple years of growth opportunities ahead. In terms of power IC, the structural demand growth driven by accelerating technology upgrades should be able to sustain. MediaTek provides power management IC solutions across computing, communication, consumer, automotive and industrial fields, with automotive and industrial together accounting for nearly 10% of power IC revenue, demonstrating rapid growth.

Looking forward, MediaTek plays a crucial and complementary role under the cloud computing trend, with enabling over 2 billion smart edge devices every year to enrich users' cloud connection experiences. MediaTek possesses key technologies and development capabilities for smart edge platforms, such as high-performance and low-power-consumption CPU, GPU and APU, as well as complete and leading-edge long/short range wireless and wired product portfolio, including 5G, WiFi 6/7, Bluetooth and GPON. Moreover, the camera, image, audio IPs developed with MediaTek's exceptional edge AI technologies have provided highly differentiated values to our customers.

Power IC's broad-based applications not only create values for MediaTek's various products but bring solid revenue momentum.

We continue to relentlessly invest in the technologies that drive our future growth, extending our core development capabilities to the higher-end computing, high-performance/low-power-consumption graphic IPs, 5G modems that provide low-latency and for broader applications, and next generation WiFi. We have integrated them into the leading-edge system architecture by different platforms and ecosystems. We also work with foundry partners on advanced process nodes as well as 3D chipllets technology to support our product development.

With strong business fundamentals, we are confident in sustaining a strong cash flow going forward. Last April, we raised our cash dividend payout ratio to 80% to 85% on regular basis and launched a 4-year special cash dividend program of NT\$16 per share per year, to share our performances with shareholders.

Furthermore, MediaTek promotes sustainability developments in various aspects to fulfill stakeholders' expectation as a sustainable company. We started with "global reach, local presence" and for many years has propelled talent cultivation programs in schools, promoted society innovation, held "Genius for Home - MediaTek Digital Social Innovation Campaign", and devoted to the dissemination of technology education and innovation. MediaTek also responds to the carbon reduction target of the Government and COP26, with devotion to promote green innovation with front-end technology development, to conform to the power saving, carbon reduction and environmental protection trend. Furthermore, we hold Supplier Forums every year to execute various greenhouse gas reduction campaigns to exercise our influence at the top of the supply chain.

MediaTek is well recognized in the role of corporate citizen to fulfill corporate social responsibilities and was awarded Excellence in Corporate Social Responsibility - Corporate Citizen Award and the Most Prestigious Sustainability Awards - Top Ten Domestic Corporates, the best performance we had achieved. We were selected for the 7th consecutive year as part of "Taiwan Top 10 Global Brands" and was the only Taiwanese semiconductor company selected. Also, for the 18th consecutive year, we were the only Taiwanese company with papers selected and published by ISSCC, the Olympic of IC design industry.

To conclude, MediaTek will continue to invest in key technologies and thrive to become a trustworthy as well as reliable partners to our customers as we become more relevant in the industry. MediaTek will uphold the strong execution as always, continue to create product value and recruit global talent. We will also deeply collaborate with global semiconductor supply chain and customers in all products, grow with our customers and eventually to enhance shareholder value. Finally, we would like to extend 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 2021 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. 2022 Annual General Shareholders' Meeting

MediaTek Inc.

Chairman of the Audit Committee: Chung-Yu Wu

March 16, 2022



安永聯合會計師事務所

30078 新竹市新竹科學園區力行一路1號E-3
E-3, No.1, Lixing 1st Rd., Hsinchu Science Park
Hsinchu City, Taiwan, R.O.C.

Tel: 886 3 688 5678
Fax: 886 3 688 6000
www.ey.com/taiwan

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, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 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\$493,414,582 thousand as net sales, which includes sale of goods in the amount of NT\$488,900,520 thousand and services and other operating revenues in the amount of NT\$4,514,062 thousand for the year ended December 31, 2021. 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 reviewing transactions for certain period 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 reviewed if there are any significant revenue 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 2021 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, 2021 and 2020.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 25, 2022

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

MEDIA TEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2021		December 31, 2020	
		\$	%	\$	%
ASSETS					
Current assets					
Cash and cash equivalents	4, 6(1)	183,704,594	28	196,579,745	37
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	10,695,832	2	8,504,707	2
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	6,705,920	1	4,373,488	1
Financial assets measured at amortized cost-current	4, 5, 6(4)	3,657,229	1	655,356	-
Notes receivables, net	6(22)	2,811	-	43,437	-
Trade receivables, net	4, 5, 6(5), 6(22)	58,577,900	9	33,088,653	6
Trade receivables from related parties, net	4, 5, 6(5), 6(22), 7	79,236	-	630	-
Other receivables	6(6)	6,931,246	1	7,645,652	2
Current tax assets	4, 5, 6(30)	140,950	-	807,990	-
Inventories, net	4, 5, 6(7)	73,270,606	11	37,677,370	7
Prepayments	6(8)	1,809,392	-	1,449,401	-
Other current assets		1,289,010	-	1,035,864	-
Total current assets		346,864,726	53	291,862,293	55
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	4,458,892	1	4,611,586	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	52,196,718	8	49,872,898	9
Financial assets measured at amortized cost-noncurrent	4, 5, 6(4), 8	11,180,498	2	11,614,536	2
Investments accounted for using the equity method	4, 6(9)	60,287,258	9	50,667,839	10
Property, plant and equipment	4, 6(10)	49,111,180	7	38,971,343	7
Right-of-use assets	4, 6(23)	3,478,527	1	2,934,762	1
Investment property, net	4, 6(11)	1,605,354	-	1,011,956	-
Intangible assets	4, 6(12), 6(13)	73,525,649	11	76,271,667	14
Deferred tax assets	4, 5, 6(30)	8,412,894	1	5,676,629	1
Refundable deposits	9	9,334,669	1	280,089	-
Long-term financing lease receivable, net	4, 6(22), 6(23)	1,455,784	-	130,729	-
Other non-current assets-others	9	38,964,599	6	-	-
Total non-current assets		314,012,022	47	242,044,034	45
Total assets		\$ 660,876,748	100	\$ 533,906,327	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

MEDIA TEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
 As of December 31, 2021 and 2020
 (Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2021	%	December 31, 2020	%
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings	6(14)	\$ 51,267,307	8	\$ 21,470,853	4
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	4,252	-	10,329	-
Contract liabilities-current	4, 5, 6(21)	6,368,483	1	11,692,917	2
Trade payables	7	41,327,057	6	32,808,713	6
Trade payables to related parties	6(15)	2,176,635	8	1,661,473	-
Other payables	7	53,126,366	-	38,992,839	7
Other payables to related parties	4, 5, 6(30)	117,547	-	47,940	-
Current tax liabilities	4, 6(23)	11,532,644	2	4,773,718	1
Lease liabilities-current	6(16)	501,153	-	483,089	-
Other current liabilities	6(17)	40,991,045	6	28,363,069	6
Current portion of long-term liabilities		3,693,791	1	3,493,485	1
Total current liabilities		211,106,280	32	143,798,425	27
Non-current liabilities					
Long-term borrowings	6(17)	827,660	-	-	-
Long-term payables	7	662,179	-	3,619,618	1
Net defined benefit liabilities-noncurrent	4, 6(18)	193,718	-	-	-
Deposits received	7	856,412	-	910,118	-
Deferred tax liabilities	4, 5, 6(30)	227,570	-	430,736	-
Lease liabilities-noncurrent	4, 6(23)	8,323,476	1	5,974,416	1
Other non-current liabilities-others		2,989,923	1	2,362,280	1
Total non-current liabilities		2,041,636	2	1,726,283	-
Total liabilities		16,122,574	2	15,023,451	3
		227,228,854	34	158,821,876	30
Equity attributable to owners of the parent					
Share capital	6(19)				
Common stock		15,988,420	3	15,900,622	3
Capital collected in advance		483	-	2,133	-
Capital surplus	6(19), 6(20), 6(33)	59,776,045	9	76,745,750	14
Retained earnings	6(19)				
Legal reserve		50,217,220	8	44,583,025	8
Undistributed earnings	6(20)	252,432,501	38	173,052,205	32
Other equity	4, 6(19)	53,656,597	8	61,606,056	12
Treasury shares		(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		432,015,296	66	371,833,821	69
Non-controlling interests	4, 6(19), 6(33)	1,632,598	-	3,250,630	1
Total equity		433,647,894	66	375,084,451	70
Total liabilities and equity		\$ 660,876,748	100	\$ 533,906,327	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

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

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

Description	Notes	2021	%	2020	%
Net sales	4, 5, 6(21), 7	\$ 493,414,582	100	\$ 322,145,988	100
Operating costs	4, 5, 6(7), 6(24), 7	(261,809,987)	(53)	(180,610,472)	(56)
Gross profit		231,604,595	47	141,535,516	44
Operating expenses	6(22), 6(23), 6(24), 7				
Selling expenses		(17,195,853)	(4)	(13,639,249)	(4)
Administrative expenses		(10,287,281)	(2)	(7,344,108)	(2)
Research and development expenses		(96,080,761)	(19)	(77,324,828)	(24)
Expected credit losses		(466)	-	(8,092)	-
Total operating expenses		(123,564,361)	(25)	(98,316,277)	(30)
Operating income		108,040,234	22	43,219,239	14
Non-operating income and expenses					
Interest income	4, 6(25)	1,650,698	-	2,482,199	1
Other income	4, 6(26), 7	6,579,633	2	1,760,567	-
Other gains and losses	4, 6(27)	9,795,607	2	364,621	-
Finance costs	6(28)	(192,601)	-	(594,988)	-
Share of profit of associates and joint ventures accounted for using the equity method	4, 6(9)	978,482	-	351,048	-
Total non-operating income and expenses		18,811,819	4	4,363,447	1
Net income before income tax		126,852,053	26	47,582,686	15
Income tax expense	4, 5, 6(30)	(14,979,520)	(3)	(6,144,113)	(2)
Net income		111,872,533	23	41,438,573	13
Other comprehensive income	4, 6(9), 6(29), 6(30)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		62,281	-	(71,905)	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		5,686,940	1	1,137,121	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		2,797,189	1	35,114,051	11
Income tax relating to those items not to be reclassified to profit or loss		40,096	-	(310,392)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(6,043,055)	(1)	(7,074,601)	(2)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		(2,084)	-	22,857	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		1,262,834	-	2,323,677	1
Other comprehensive income, net of tax		3,804,201	1	31,140,808	10
Total comprehensive income		\$ 115,676,734	24	\$ 72,579,381	23
Net income for the periods attributable to :					
Owners of the parent	6(31)	\$ 111,421,062		\$ 40,916,800	
Non-controlling interests	6(19)	451,471		521,773	
		\$ 111,872,533		\$ 41,438,573	
Total comprehensive income for the periods attributable to :					
Owners of the parent		\$ 115,241,937		\$ 72,047,329	
Non-controlling interests		434,797		532,052	
		\$ 115,676,734		\$ 72,579,381	
Basic Earnings Per Share (in New Taiwan Dollars)	6(31)	\$ 70.56		\$ 26.01	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(31)	\$ 70.22		\$ 25.84	

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
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(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	Others				
Balance as of January 1, 2020	\$ 15,896,473	\$ 3,780	\$ 82,392,203	\$ 41,507,689	\$ 127,729,843	\$ (3,949,641)	\$ 50,322,680	\$ (1,096,713)	\$ (65,970)	\$ 312,750,344	\$ 1,649,194	\$ 314,399,538
Appropriation and distribution of 2019 earnings:	-	-	-	3,075,336	(3,075,336)	-	-	-	-	(7,944,252)	-	(7,944,252)
Legal reserve	-	-	-	3,075,336	(3,075,336)	-	-	-	-	(7,944,252)	-	(7,944,252)
Cash dividends	-	-	-	3,075,336	(11,019,588)	-	-	-	-	(8,738,677)	-	(8,738,677)
Total	-	-	-	3,075,336	(11,019,588)	-	-	-	-	(8,738,677)	-	(8,738,677)
Cash dividends distributed from capital surplus	-	-	(8,738,677)	-	-	-	-	-	-	40,916,800	521,773	41,438,573
Profit for the year ended December 31, 2020	-	-	-	-	40,916,800	(4,761,203)	35,949,040	-	-	31,130,529	10,279	31,140,808
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(57,308)	(4,761,203)	35,949,040	-	-	72,047,329	532,052	72,579,381
Total comprehensive income	-	-	-	-	40,859,492	(4,761,203)	35,949,040	-	-	72,047,329	532,052	72,579,381
Share-based payment transactions	18,866	(1,647)	603,448	-	-	-	-	-	-	620,667	253,978	874,645
Treasury stock acquired	(1,300)	-	(5,657)	-	(46,643)	-	-	-	63,600	(53,600)	-	(53,600)
Treasury stock retired	-	-	81,845	-	(46,643)	-	-	-	53,600	81,845	-	81,845
Adjustments due to dividends that subsidiaries received from parent company	-	-	(9,810)	-	(99,498)	-	-	-	-	(109,308)	-	(109,308)
Changes in associates and joint ventures accounted for using the equity method	-	-	1,001,352	-	-	-	-	-	-	1,001,352	231,821	1,233,173
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	1,185,977	-	-	-	-	-	-	1,185,977	583,585	1,769,562
Changes in ownership interests in subsidiaries	-	-	284,705	-	3,352	-	-	767,140	-	1,041,780	1,041,780	1,041,780
Issuance of restricted stock for employees	(13,417)	-	(49,636)	-	-	-	-	-	-	(49,636)	-	(49,636)
Changes in other capital surplus	-	-	76,745,750	44,583,025	15,625,247	(8,710,844)	(15,625,247)	-	(65,970)	371,833,821	3,250,630	375,084,451
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	15,900,622	2,133	-	-	173,052,205	-	70,846,473	(329,573)	-	-	-	-
Balance as of December 31, 2020	\$ 15,900,622	\$ 2,133	\$ 76,745,750	\$ 44,583,025	\$ 173,052,205	\$ (8,710,844)	\$ 70,846,473	\$ (329,573)	\$ (65,970)	\$ 371,833,821	\$ 3,250,630	\$ 375,084,451
Appropriation and distribution of 2020 earnings:	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-	-	-
Legal reserve	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-	-	-
Cash dividends	-	-	-	5,634,195	(33,398,284)	-	-	-	-	(33,398,284)	-	(33,398,284)
Total	-	-	-	5,634,195	(39,032,479)	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(25,446,312)	-	-	-	-	-	-	(25,446,312)	-	(25,446,312)
Profit for the year ended December 31, 2021	-	-	-	-	111,421,062	(4,763,993)	8,533,218	-	-	111,421,062	451,471	111,872,533
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	51,650	(4,763,993)	8,533,218	-	-	3,820,875	(16,674)	3,804,201
Total comprehensive income	-	-	-	-	111,472,712	(4,763,993)	8,533,218	-	-	115,241,937	434,797	115,676,734
Share-based payment transactions	5,244	(1,650)	191,090	-	-	-	-	-	-	194,684	9,585	204,269
Adjustments due to dividends that subsidiaries received from parent company	-	-	288,382	-	-	-	-	-	-	288,382	-	288,382
Changes in associates and joint ventures accounted for using the equity method	-	-	1,223,848	-	-	-	-	-	-	1,223,848	-	1,223,848
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(162,502)	-	-	-	-	-	-	(162,502)	(14,310)	(176,812)
Changes in ownership interests in subsidiaries	-	-	609,264	-	-	-	-	-	-	609,264	(430,508)	178,756
Issuance of restricted stock for employees	82,554	-	6,376,784	-	(17,252)	-	-	(4,761,369)	-	1,680,717	-	1,680,717
Changes in other capital surplus	-	-	(50,259)	-	-	-	-	-	-	(50,259)	-	(50,259)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,957,315	-	(6,957,315)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,617,596)	(1,617,596)
Balance as of December 31, 2021	\$ 15,988,420	\$ 483	\$ 59,776,045	\$ 50,217,220	\$ 252,432,501	\$ (13,474,837)	\$ 72,222,376	\$ (5,990,942)	\$ (65,970)	\$ 432,015,296	\$ 1,632,598	\$ 433,647,894

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

Chairman : Ming-Kai Tsai

President : Liu-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Amounts in thousands of New Taiwan Dollars)

Description	2021	2020
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 126,852,053	\$ 47,582,686
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	5,542,630	4,567,806
Amortization	5,078,447	5,333,277
Expected credit losses	466	8,092
Losses (gains) on financial assets and liabilities at fair value through profit or loss	274,696	(141,167)
Interest expenses	192,601	594,988
Gains on derecognition of financial assets measured at amortized cost	(10,404)	(5,303)
Interest income	(1,650,698)	(2,482,199)
Dividend income	(5,781,848)	(1,422,408)
Share-based payment expenses	1,757,079	1,283,437
Share of profit of associates and joint ventures accounted for using the equity method	(978,482)	(351,048)
Losses on disposal of property, plant and equipment	4,649	11,297
Property, plant and equipment transferred to expenses	1,065	29
Losses on disposal of intangible assets	9	67
Gains on disposal of investments	(8,429,982)	(131,091)
Gains on disposal of investments accounted for using the equity method	(938,753)	(41,269)
Others	(4,018)	1,277
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(2,529,497)	385,851
Notes receivables	40,626	(40,626)
Trade receivables	(26,345,561)	(9,629,237)
Trade receivables from related parties	(78,606)	4,370
Other receivables	(1,780,705)	(231,567)
Inventories	(36,957,513)	(12,383,737)
Prepayments	(470,229)	(151,795)
Other current assets	(253,146)	(378,594)
Other non-current assets-others	(38,964,599)	-
Contract liabilities	(5,257,168)	9,195,339
Trade payables	9,160,159	12,514,906
Trade payables to related parties	532,216	755,249
Other payables	14,542,537	13,654,636
Other payables to related parties	(38,112)	30,159
Other current liabilities	13,313,793	10,716,034
Net defined benefit liabilities	8,575	(8,230)
Other non-current liabilities-others	(399,736)	(481,957)
Cash generated from operating activities:	46,432,544	78,759,272
Interest received	1,492,138	3,515,255
Dividend received	7,227,944	1,417,518
Interest paid	(191,293)	(636,929)
Income tax paid	(7,866,589)	(3,496,970)
Net cash provided by operating activities	47,094,744	79,558,146
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(6,331,739)	(5,137,477)
Proceeds from disposal of financial assets at fair value through other comprehensive income	5,991,715	16,840,081
Proceeds from capital return of financial assets at fair value through other comprehensive income	647,146	1,915,712
Acquisition of financial assets measured at amortized cost	(4,026,881)	(9,793,821)
Proceeds from redemption of financial assets measured at amortized cost	1,330,972	381,968
Acquisition of investments accounted for using the equity method	(900,366)	(1,139,532)
Proceeds from disposal of investments accounted for using the equity method	1,125,782	87,381
Proceeds from capital return of investments accounted for using the equity method	230,165	-
Disposal of a subsidiary	4,102,707	535,028
Acquisition of property, plant and equipment	(16,985,369)	(4,999,665)
Proceeds from disposal of property, plant and equipment	13,242	4,141
Increase in refundable deposits	(9,123,750)	(221,454)
Acquisition of right-of-use assets	-	(2,600)
Acquisition of intangible assets	(4,998,345)	(5,240,576)
Proceeds from disposal of intangible assets	237	1,746
Net cash used in investing activities	(28,924,484)	(6,769,068)
Cash flows from financing activities :		
Increase (decrease) in short-term borrowings	29,948,992	(35,513,495)
Proceeds from long-term borrowings	1,385,720	-
Repayment of long-term borrowings	-	(36,850)
Decrease in deposits received	(203,166)	(133,346)
Cash payment for the principal portion of the lease liabilities	(608,068)	(486,318)
Proceeds from exercise of employee stock options	107,936	569,619
Treasury stocks acquired	-	(53,600)
Cash dividends	(58,584,650)	(16,588,763)
Acquisition of ownership interests in subsidiaries	(175,288)	(862)
Disposal of ownership interests in subsidiaries (without losing control)	1,801	1,238,201
Change in non-controlling interests	175,431	1,784,460
Net cash used in financing activities	(27,951,292)	(49,220,954)
Effect of changes in exchange rate on cash and cash equivalents	(3,094,119)	(4,533,293)
Net (decrease) increase in cash and cash equivalents	(12,875,151)	19,034,831
Cash and cash equivalents at the beginning of the year	196,579,745	177,544,914
Cash and cash equivalents at the end of the year	\$ 183,704,594	\$ 196,579,745

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku



安永聯合會計師事務所

30078 新竹市新竹科學園區力行一路1號E-3
E-3, No.1, Lixing 1st Rd., Hsinchu Science Park
Hsinchu City, Taiwan, R.O.C.

Tel: 886 3 688 5678
Fax: 886 3 688 6000
www.ey.com/taiwan

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, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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 parent company only financial position of MediaTek Inc. as of December 31, 2021 and 2020, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2021 and 2020, 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 2021 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\$305,571,342 thousand as net sales, which includes sale of goods in the amount of NT\$298,550,832 thousand and services and other operating revenues in the amount of NT\$7,020,510 thousand for the year ended December 31, 2021. 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 reviewing transactions for certain period 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 reviewed if there are any significant revenue reversals in subsequent periods.

We also considered the appropriateness of the disclosures of sales. Please refer to Note 4, Note 5 and Note 6 in notes to the parent company only financial statements.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 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

February 25, 2022

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, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2021		December 31, 2020	
		\$	%	\$	%
Current assets					
Cash and cash equivalents	4, 6(1)	71,349,370	12	96,917,833	21
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	1,712,245	-	1,127,766	-
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	-	-	16,279	-
Financial assets measured at amortized cost-current	4, 6(4)	84,211	-	-	-
Trade receivables, net	4, 6(5), 6(21)	32,683,641	6	17,849,058	4
Trade receivables from related parties, net	4, 6(5), 6(21), 7	612,535	-	638,850	-
Other receivables	6(6)	5,150,696	1	4,059,124	1
Other receivables from related parties	7	275,373	-	283,583	-
Current tax assets	4, 5, 6(29)	82	-	423,416	-
Inventories, net	4, 5, 6(7)	40,813,724	7	20,902,891	4
Prepayments	6(8)	666,330	-	475,997	-
Other current assets		1,214,719	-	926,274	-
Total current assets		154,562,926	26	143,621,071	30
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	797,350	-	284,351	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	6,517,755	1	3,897,723	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	1,516,539	-	1,307,879	-
Investments accounted for using the equity method	4, 6(9)	307,861,947	52	239,201,616	51
Property, plant and equipment	4, 6(10)	29,877,083	5	20,388,079	4
Right-of-use assets	4, 6(22)	1,733,789	-	1,660,954	-
Intangible assets	4, 6(11), 6(12)	57,272,022	10	58,505,350	13
Deferred tax assets	4, 5, 6(29)	6,780,908	1	4,274,948	1
Refundable deposits	9	8,670,550	2	73,162	-
Long-term financing lease receivable, net	4, 6(21), 6(22)	1,455,784	-	130,729	-
Other non-current assets-others	9	19,230,579	3	-	-
Total non-current assets		441,714,306	74	329,724,791	70
Total assets		\$ 596,277,232	100	\$ 473,345,862	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, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		December 31, 2021	%	December 31, 2020	%
Current liabilities					
Short-term borrowings	6(13)	45,327,350	8	16,251,740	3
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	4,252	-	520	-
Contract liabilities-current	4, 5, 6(20)	3,409,104	1	7,852,229	2
Trade payables	7	24,456,912	4	20,290,430	4
Trade payables to related parties	7	1,553,675	-	2,655,984	1
Other payables	6(14), 7	37,182,973	6	26,017,253	5
Current tax liabilities	4, 5, 6(29)	7,102,836	1	1,852,008	-
Lease liabilities-current	4, 6(22)	155,571	-	101,898	-
Other current liabilities	4, 6(15), 7	24,628,819	4	15,954,662	3
Current portion of long-term liabilities	6(16)	2,562,795	1	2,103,031	1
Total current liabilities		146,384,287	25	93,079,755	19
Non-current liabilities					
Long-term borrowings	6(16)	827,660	-	-	-
Long-term payables	7	490,525	-	2,336,031	1
Long-term payables to related parties	4, 6(17)	8,618,791	2	-	-
Net defined benefit liabilities-noncurrent	7	672,027	-	729,888	-
Deposits received	4, 5, 6(29)	106,299	-	313,681	-
Deferred tax liabilities	4, 6(22)	4,966,610	1	2,938,088	1
Lease liabilities-noncurrent	4, 6(22)	1,587,347	-	1,572,046	-
Non-current liabilities-others		608,390	-	542,552	-
Total non-current liabilities		17,877,649	3	8,432,286	2
Total liabilities		164,261,936	28	101,512,041	21
Equity					
Share capital	6(18)				
Common stock		15,988,420	3	15,900,622	3
Capital collected in advance		483	-	2,133	-
Capital surplus	6(18), 6(19)	59,776,045	10	76,745,750	16
Retained earnings	6(18)				
Legal reserve		50,217,220	8	44,583,025	10
Undistributed earnings		252,432,501	42	173,052,205	37
Other equity	6(19)	53,656,597	9	61,606,056	13
Treasury shares	4, 6(18)	(55,970)	-	(55,970)	-
Total equity		432,015,296	72	371,833,821	79
Total liabilities and equity		\$ 596,277,232	100	\$ 473,345,862	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, 2021 and 2020

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

Description	Notes	2021	%	2020	%
Net sales	4, 5, 6(20), 7	\$ 305,571,342	100	\$ 168,337,908	100
Operating costs	4, 5, 6(7), 6(23), 7	(174,236,062)	(57)	(94,346,514)	(56)
Gross profit		131,335,280	43	73,991,394	44
Unrealized gross profit on sales		(566,377)	-	(41,711)	-
Realized gross profit on sales		163,622	-	115,258	-
Gross profit, net		130,932,525	43	74,064,941	44
Operating expenses	6(21), 6(23), 7				
Selling expenses		(9,600,509)	(3)	(7,132,681)	(5)
Administrative expenses		(6,371,111)	(2)	(3,591,677)	(2)
Research and development expenses		(63,298,834)	(21)	(47,367,434)	(28)
Expected credit gains (losses)		15,007	-	(16,001)	-
Total operating expenses		(79,255,447)	(26)	(58,107,793)	(35)
Operating income		51,677,078	17	15,957,148	9
Non-operating income and expenses					
Interest income	4, 6(24)	595,264	-	1,234,586	1
Other income	4, 6(25), 7	621,613	-	178,150	-
Other gains and losses	4, 6(26), 7	546,510	-	194,053	-
Finance costs	6(27), 7	(113,342)	-	(446,341)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	67,577,219	22	26,517,121	16
Total non-operating income and expenses		69,227,264	22	27,677,569	17
Net income before income tax		120,904,342	39	43,634,717	26
Income tax expense	4, 5, 6(29)	(9,483,280)	(3)	(2,717,917)	(2)
Net income		111,421,062	36	40,916,800	24
Other comprehensive income	4, 6(9), 6(17), 6(28), 6(29)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		47,672	-	(69,862)	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(57,688)	-	334,081	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		8,606,502	3	35,590,684	21
Income tax relating to those items not to be reclassified to profit or loss		(9,534)	-	13,972	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(4,763,993)	(1)	(4,761,203)	(2)
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		(2,084)	-	22,857	-
Other comprehensive income, net of tax		3,820,875	2	31,130,529	19
Total comprehensive income		\$ 115,241,937	38	\$ 72,047,329	43
Basic Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 70.56		\$ 26.01	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 70.22		\$ 25.84	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Exchange differences resulting from translating the financial statements of foreign operations	Other equity		Treasury shares	Equity attributable to owners of the parent
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 2020	\$ 15,896,473	\$ 3,780	\$ 82,392,203	\$ 41,507,689	\$ 127,729,843	\$ (3,949,641)	\$ 50,322,680	\$ (1,096,713)	\$ (55,970)	\$ 312,750,344
Appropriation and distribution of 2019 earnings:	-	-	-	3,075,336	(3,075,336)	-	-	-	-	-
Legal reserve	-	-	-	3,075,336	(3,075,336)	-	-	-	-	(7,944,252)
Cash dividends	-	-	-	3,075,336	(11,019,588)	-	-	-	-	(7,944,252)
Total	-	-	-	-	-	-	-	-	-	(8,738,677)
Cash dividends distributed from capital surplus	-	-	(8,738,677)	-	-	-	-	-	-	40,916,800
Profit for the year ended December 31, 2020	-	-	-	-	40,916,800	(4,761,203)	35,949,040	-	-	31,130,529
Other comprehensive income for the year ended December 31, 2020	-	-	-	(57,308)	-	(4,761,203)	-	-	-	72,047,329
Total comprehensive income	-	-	-	(40,859,492)	40,859,492	(4,761,203)	35,949,040	-	-	-
Share-based payment transactions	18,866	(1,647)	603,448	-	-	-	-	-	-	620,667
Treasury stock acquired	-	-	-	-	-	-	-	-	(53,600)	(53,600)
Treasury stock retired	(1,300)	-	(5,657)	-	(46,643)	-	-	-	53,600	-
Adjustments due to dividends that subsidiaries received from parent company	-	-	81,845	-	(99,498)	-	-	-	-	81,845
Changes in associates and joint ventures accounted for using the equity method	-	-	(9,810)	-	-	-	-	-	-	(109,308)
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	1,001,352	-	-	-	-	-	-	1,001,352
Changes in ownership interests in subsidiaries	-	-	1,185,977	-	-	-	-	-	-	1,185,977
Issuance of restricted stock for employees	(13,417)	-	284,705	3,352	-	-	-	767,140	-	1,041,780
Changes in other capital surplus	-	-	(49,636)	-	-	-	-	-	-	(49,636)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	15,025,247	-	-	(15,625,247)	-	-	-
Balance as of December 31, 2020	15,900,622	2,133	76,745,750	44,583,025	173,052,205	(8,710,844)	70,646,473	(329,373)	(55,970)	371,833,821
Appropriation and distribution of 2020 earnings:	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-
Legal reserve	-	-	-	5,634,195	(33,398,284)	-	-	-	-	(33,398,284)
Cash dividends	-	-	-	5,634,195	(39,032,479)	-	-	-	-	(33,398,284)
Total	-	-	-	-	-	-	-	-	-	(25,446,312)
Cash dividends distributed from capital surplus	-	-	(25,446,312)	-	-	-	-	-	-	111,421,062
Profit for the year ended December 31, 2021	-	-	-	-	111,421,062	(4,763,993)	8,533,218	-	-	3,820,875
Other comprehensive income for the year ended December 31, 2021	-	-	-	51,650	-	(4,763,993)	-	-	-	115,241,937
Total comprehensive income	-	-	-	111,472,712	111,472,712	(4,763,993)	8,533,218	-	-	-
Share-based payment transactions	5,244	(1,650)	191,090	-	-	-	-	-	-	194,684
Adjustments due to dividends that subsidiaries received from parent company	-	-	288,382	-	-	-	-	-	-	288,382
Changes in associates and joint ventures accounted for using the equity method	-	-	1,223,848	-	-	-	-	-	-	1,223,848
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(162,502)	-	-	-	-	-	-	(162,502)
Changes in ownership interests in subsidiaries	-	-	609,264	-	-	-	-	-	-	609,264
Changes in other capital surplus	82,554	-	6,376,784	(17,252)	-	-	-	(4,761,369)	-	1,680,717
Issuance of restricted stock for employees	-	-	(50,259)	-	-	-	-	-	-	(50,259)
Changes in other capital surplus	-	-	-	6,957,315	-	-	(6,957,315)	-	-	-
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	252,432,501	-	(13,474,837)	72,222,376	-	-	432,015,296
Balance as of December 31, 2021	\$ 15,988,420	\$ 483	\$ 59,776,045	\$ 50,217,220	\$ 252,432,501	\$ (13,474,837)	\$ 72,222,376	\$ (5,090,942)	\$ (55,970)	\$ 432,015,296

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

Description	2021	2020
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 120,904,342	\$ 43,634,717
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	3,311,072	2,467,665
Amortization	2,928,106	3,014,896
Expected (gains) credit	(15,007)	16,001
Gains on financial assets and liabilities at fair value through profit or loss	(117,813)	(86,654)
Interest expenses	113,342	446,341
Interest income	(595,264)	(1,234,586)
Dividend income	(40,116)	-
Share-based payment expenses	1,545,455	1,029,459
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(67,577,219)	(26,517,121)
Gains on disposal of property, plant and equipment	(972)	(2,956)
Unrealized gains on sales	80	-
Realized gains on sales	(163,622)	(115,258)
Others	(204)	(28)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(976,587)	(349,774)
Trade receivables	(14,819,576)	(4,682,444)
Trade receivables from related parties	26,315	35,105
Other receivables	(1,147,936)	(537,042)
Other receivables from related parties	8,210	404,086
Inventories	(19,910,833)	(7,986,874)
Prepayments	(190,333)	194,678
Other current assets	(288,445)	(372,026)
Other non-current assets-others	(19,230,579)	-
Contract liabilities	(4,443,125)	6,069,085
Trade payables	4,166,482	9,250,117
Trade payables to related parties	(1,102,309)	1,284,114
Other payables	10,934,832	8,148,889
Other current liabilities	8,674,157	5,749,574
Long-term payables	-	(35,619)
Long-term payables to related parties	8,618,791	-
Net defined benefit liabilities	(10,189)	2,183
Non-current liabilities-others	(278,285)	(265,121)
Cash generated from operating activities:	30,322,770	39,561,407
Interest received	656,620	1,918,104
Dividend received	22,242,681	12,000,530
Interest paid	(114,386)	(485,895)
Income tax paid	(4,327,866)	(1,529,625)
Net cash provided by operating activities	48,779,819	51,464,521
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(1,997,691)	(581,285)
Acquisition of financial assets measured at amortized cost	(120,703)	(828,475)
Proceeds from redemption of financial assets measured at amortized cost	113,559	83,840
Acquisition of investments accounted for using the equity method	(19,501,530)	(258,564)
Proceeds from disposal of investments accounted for using the equity method	10,466	855,101
Proceeds from capital return of investments accounted for using the equity method	1,382,800	630,000
Cash received through merger	63,799	-
Acquisition of property, plant and equipment	(13,722,045)	(2,897,907)
Proceeds from disposal of property, plant and equipment	8,032	3,508
Increase in refundable deposits	(8,597,388)	(1,010)
Acquisition of intangible assets	(3,294,683)	(3,516,943)
Proceeds from disposal of intangible assets	226	-
Net cash used in investing activities	(45,655,158)	(6,511,735)
Cash flows from financing activities :		
Increase (decrease) in short-term borrowings	29,075,610	(35,349,944)
Proceeds from long-term borrowings	1,385,720	-
Decrease in deposits received	(207,382)	(111,963)
Cash payment for the principal portion of the lease liabilities	(181,976)	(97,745)
Proceeds from exercise of employee stock options	107,936	569,619
Treasury stock acquired	-	(53,600)
Cash dividends	(58,873,032)	(16,670,608)
Net cash used in investing activities	(28,693,124)	(51,714,241)
Net decrease in cash and cash equivalents	(25,568,463)	(6,761,455)
Cash and cash equivalents at the beginning of the year	96,917,833	103,679,288
Cash and cash equivalents at the end of the year	\$ 71,349,370	\$ 96,917,833

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”

Adopted by the 8th meeting of the 9th board

Amended Article	Original Article	Explanation
<p><u>Article 8-1</u> <u>Shareholders’ meetings of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>(Newly added)</p>	<ol style="list-style-type: none"> 1. This article is newly added. 2. In response to the amendment of Article 172-2 of the Company Act published on December 29, 2021, which allowed public companies to hold the shareholders’ meetings by means of visual communication network, this Article 8-1 is added in accordance with the first paragraph of Article 172-2 of the Company Act, which provides that a company may explicitly stipulate in its Articles of Incorporation that its shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
<p>Article 24-1 If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders: 1. Reserve for tax payments. 2. Offset accumulated losses in previous years, if any. 3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of</p>	<p>Article 24-1 If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders: 1. Reserve for tax payments. 2. Offset accumulated losses in previous years, if any. 3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of</p>	<p>In accordance with Article 240 and Article 241 of the Company Act, which simplified the procedure of distributing cash dividends, this Article is proposed to authorize the Board of Directors to distribute cash dividends by a special resolution and report the same to the shareholders’ meeting.</p>

Amended Article	Original Article	Explanation
<p>the accumulated legal reserve equals or exceeds the Company's total capital stock.</p> <p>4. Allocation or reverse of special reserves as required by law or government authorities.</p> <p>5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal <u>per laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such distribution to the shareholders' meeting or</u> submit the same to the shareholders' meeting for review and approval by a resolution.</p> <p><u>In accordance with Article 240 and Article 241 of the Company Act, the Company authorizes the Board of Directors to distribute the cash dividends (may include dividends distributed from profits and the legal reserve and the capital reserve, in whole or in part, pursuant to Article 241 of the Company Act) by a majority vote in a meeting attended by over two-thirds of the Directors and report such distribution to the shareholders' meeting.</u></p> <p>Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report <u>the distribution of cash dividends to the shareholders' meeting or submit the distribution of stock dividends</u></p>	<p>the accumulated legal reserve equals or exceeds the Company's total capital stock.</p> <p>4. Allocation or reverse of special reserves as required by law or government authorities.</p> <p>5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal <u>and</u> submit the same to the shareholders' meeting for review and approval by a resolution.</p> <p>Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report <u>it at</u> the shareholders' meeting. After considering financial, business and operational factors, the Company may</p>	

Amended Article	Original Article	Explanation
<p><u>to the shareholders' meeting for review and approval by a resolution.</u> After considering financial, business and operational factors, the Company may distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.</p>	<p>distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.</p>	
<p>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, 2 016 the eighteenth amendment was made on June 15, 2017, the nineteenth amendment was made on June 14, 2019, <u>and the twentieth amendment was made on May 31, 2022.</u></p>	<p>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, 2 016 the eighteenth amendment was made on June 15, 2017, <u>and</u> the nineteenth amendment was made on June 14, 2019.</p>	<p>Proposed revisions to reflect the amendment date of these Articles.</p>

Attachment 6

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

Adopted by the 8th meeting of the 9th board

Amended Article	Original Article	Explanation
<p>Article III: Appraisal Procedures I. (Omitted). II. Basis for reference of pricing (I). Long-and short-term securities To acquire or dispose securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period that was certified or reviewed by a certified public accountant as a reference in appraising the transaction price. If the dollar amount of the transaction reaches 20% of the Company's paid in capital or exceeds NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the government authorities.</p> <p>(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</p>	<p>Article III: Appraisal Procedures I. (Omitted). II. Basis for reference of pricing (I). Long-and short-term securities To acquire or dispose securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period that was certified or reviewed by a certified public accountant as a reference in appraising the transaction price. If the dollar amount of the transaction reaches 20% of the Company's paid in capital or exceeds NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use a report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation (“ARDF”).</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the government authorities.</p> <p>(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</p>	<p>The revisions to this Article are proposed in accordance with the amendment to “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by the ruling letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022, issued by the Financial Supervisory Commission.</p>

Amended Article	Original Article	Explanation
<p>transacting with a local government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless the appraisal results for the assets to be acquired are higher than the transaction amount, or the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the</p>	<p>transacting with a local government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless the appraisal results for the assets to be acquired are higher than the transaction amount, or the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p>	

Amended Article	Original Article	Explanation
<p>transaction amount.</p> <p>4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided however, that where the publicly announced current value of the real property for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. The term "professional appraiser" as set forth in the Procedures denotes a real property appraiser or other person duly authorized by laws to engage in the value appraisal of real property or equipment.</p> <p>(III). (Omitted).</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>(VI). (Omitted).</p> <p>III. (Omitted).</p> <p>IV. (Omitted).</p>	<p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided however, that where the publicly announced current value of the real property for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. The term "professional appraiser" as set forth in the Procedures denotes a real property appraiser or other person duly authorized by laws to engage in the value appraisal of real property or equipment.</p> <p>(III). (Omitted).</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>(VI). (Omitted).</p> <p>III. (Omitted).</p> <p>IV. (Omitted).</p>	

Amended Article	Original Article	Explanation
<p>Article IV: Operating Procedures</p> <p>I. Limits and levels of authorization</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.</p> <p>(I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds <u>NT\$1 billion</u> in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:</p> <p>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.</p> <p>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.</p> <p>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 <u>obtaining both the Audit Committee's and the Board of Directors' approvals.</u></p> <p>(II). The acquisition or disposal of the Company's real property, equipment or right of use assets shall be proceeded by the executive unit in</p>	<p>Article IV: Operating Procedures</p> <p>I. Limits and levels of authorization</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.</p> <p>(I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds <u>NT\$300 million</u> in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:</p> <p>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.</p> <p>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.</p> <p>3. The cumulative amount of the same underlying investment that is NT\$1 billion or more or is 50% or more of sum of cash and cash equivalents, financial assets, and funds and investments within the same fiscal year shall be assessed by the executive unit and proceeded after the Board of Directors' approval.</p> <p>(II). The acquisition or disposal of the Company's real property, equipment or right of use assets shall be proceeded by the executive unit in</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, the threshold amount that needs to be adopted by the Audit Committee and the Board of Directors is adjusted to improve the Company's operating efficiency. Other revisions are proposed to clarify the wording of this Article.</p>

Amended Article	Original Article	Explanation
<p>accordance with relevant internal regulations of the Company, and shall be further subject to approval by <u>the Audit Committee and the Board of Directors</u> beforehand if the <u>transaction amount reaches 10% or more of the Company's paid-in capital</u>. But <u>the Audit Committee and the Board of Directors</u> may authorize the Chairman to approve it and then ask for ratification from <u>the Audit Committee and the Board</u> afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by <u>the Audit Committee and Board of Directors</u>.</p> <p>(III). Intangible assets, right of use assets or memberships shall be acquired and disposed in accordance with the manner set forth in the preceding subparagraph.</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>II. (Omitted).</p> <p>III. (Omitted).</p> <p>IV. (Omitted).</p> <p>V. (Omitted).</p> <p>VI. (Omitted).</p> <p>VII. (Omitted).</p> <p>VIII. (Omitted).</p>	<p>accordance with relevant internal regulations of the Company, and shall be further subject to <u>an approval by the Board of Directors</u> beforehand if the <u>case is NT\$300 million or more in price</u>. But the Board of Directors may authorize the Chairman to approve it and then ask for ratification from the Board afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by Board of Directors.</p> <p>(III). Intangible assets, right of use assets or memberships shall be acquired and disposed in accordance with the manner set forth in the preceding subparagraph.</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>II. (Omitted).</p> <p>III. (Omitted).</p> <p>IV. (Omitted).</p> <p>V. (Omitted).</p> <p>VI. (Omitted).</p> <p>VII. (Omitted).</p> <p>VIII. (Omitted).</p>	
<p>Article V: Public Announcement and Declaration</p> <p>I. Procedures</p> <p>Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the date of occurrence of the event.</p> <p>(I). (Omitted).</p> <p>(II). (Omitted).</p> <p>(III). (Omitted).</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>(VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs</p>	<p>Article V: Public Announcement and Declaration</p> <p>I. Procedures</p> <p>Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the date of occurrence of the event.</p> <p>(I). (Omitted).</p> <p>(II). (Omitted).</p> <p>(III). (Omitted).</p> <p>(IV). (Omitted).</p> <p>(V). (Omitted).</p> <p>(VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs</p>	<p>The revisions to this Article are proposed in accordance with the amendment to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by the ruling letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022, issued by the Financial Supervisory Commission.</p>

Amended Article	Original Article	Explanation
<p>or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:</p> <p>1. Trading of local government bonds <u>or foreign government bonds whose credit rating is at or above the sovereign credit rating of our local government.</u></p> <p>2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. (Omitted). III. (Omitted). IV. (Omitted). V. (Omitted). VI. (Omitted). VII. (Omitted). VIII. (Omitted).</p>	<p>or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:</p> <p>1. Trading of local government bonds.</p> <p>2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. (Omitted). III. (Omitted). IV. (Omitted). V. (Omitted). VI. (Omitted). VII. (Omitted). VIII. (Omitted).</p>	

Attachment 7

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

Adopted by the 8th meeting of the 9th board

Amended Article	Original Article	Explanation
<p>Article II The party to whom the Company may provide endorsement/guarantee includes the following: I. Any company having business transactions with the Company. II. Any subsidiary of the Company. III. Where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction set forth in preceding two paragraphs. The term "capital contributing" as used in the preceding sentence shall refer to capital contributions made directly by the Company, or through a company of which the Company owns 100% of the voting shares. <u>Any subsidiaries of the Company that are not public companies</u> shall <u>not</u> provide any endorsement/guarantee to others <u>except for the Company itself</u>, provided, however, that the companies in which the Company holds 90% or more of the voting shares may make an endorsement/guarantee in accordance with section 3 of Article 4 of these Procedures, and the amount shall not exceed 10% of the Company's net worth. An endorsement/guarantee made between the companies in which the Company owns 100% of the voting shares directly or indirectly shall not be subject to the</p>	<p>Article II The party to whom the Company may provide endorsement/guarantee includes the following: I. Any company having business transactions with the Company. II. Any subsidiary of the Company. III. Where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction set forth in preceding two paragraphs. The term "capital contributing" as used in the preceding sentence shall refer to capital contributions made directly by the Company, or through a company of which the Company owns 100% of the voting shares. <u>No subsidiary of the Company shall</u> provide any endorsement/guarantee to others, provided, however, that the companies in which the Company holds 90% or more of the voting shares may make an endorsement/guarantee in accordance with section 3 of Article 4 of these Procedures, and the amount shall not exceed 10% of the Company's net worth. An endorsement/guarantee made between the companies in which the Company owns 100% of the voting shares directly or indirectly shall not be subject to the aforementioned restrictions.</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, this Article is amended to allow a subsidiary of the Company to provide endorsement/guarantee to the Company. In the event that a subsidiary of the Company is a public company, its endorsement/guarantee activities shall be governed by "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and therefore shall not be limited in these Procedures.</p>

Amended Article	Original Article	Explanation
<p>aforementioned restrictions. The term "subsidiary" as used in these Procedures shall have the meaning prescribed to it in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. <u>The term "public company" as used in these Procedures shall refer to any company that has its share certificates publicly issued in accordance with the Securities and Exchange Act.</u></p>	<p>The term "subsidiary" as used in these Procedures shall have the meaning prescribed to it in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	
<p>Article XII The Procedures were passed in the Annual General Shareholders' Meeting dated June 21, 1999. First update was made in Annual General Shareholders' Meeting dated May 16, 2003. Second update was made in Annual General Shareholders' Meeting dated June 10, 2009. Third update was made in Annual General Shareholders' Meeting dated June 15, 2011. Fourth update was made in Annual General Shareholders' Meeting dated June 21, 2013. Fifth update was made in Annual General Shareholders' Meeting dated June 12, 2015. The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018. The seventh update was made at the Annual General Shareholders' Meeting dated June 14, 2019. <u>The eighth update was made at the Annual General Shareholders' Meeting dated May 31, 2022.</u></p>	<p>Article XII The Procedures were passed in the Annual General Shareholders' Meeting dated June 21, 1999. First update was made in Annual General Shareholders' Meeting dated May 16, 2003. Second update was made in Annual General Shareholders' Meeting dated June 10, 2009. Third update was made in Annual General Shareholders' Meeting dated June 15, 2011. Fourth update was made in Annual General Shareholders' Meeting dated June 21, 2013. Fifth update was made in Annual General Shareholders' Meeting dated June 12, 2015. The sixth update was made at the Annual General Shareholders' Meeting dated June 15, 2018. The seventh update was made at the Annual General Shareholders' Meeting dated June 14, 2019.</p>	<p>Proposed revisions to reflect the amendment date of these Procedures.</p>

Attachment 8

Comparison Table Illustrating the Original and Amended Text of the "Operating Procedures of Outward Loans to Others"

Adopted by the 8th meeting of the 9th board

Amended Article	Original Article	Explanation
<p>Article II The party to whom the Company may lend its funds shall be limited to: I. Companies that have business transaction with the Company and that listed as top ten vendors or customers in terms of transactional amount in the past twelve months before lending of funds. II. Companies that have need for short-term financing facility. The "short-term" used herein shall mean the period of one year.</p> <p>Lending to companies that have business transaction with the Company shall be limited to the situation where the companies need those funds for operational purpose. Lending to companies that have need for short-term financing facility shall be limited to subsidiaries of the Company which the Company directly or indirectly holds more than <u>fifty</u> percent of the voting stock.</p>	<p>Article II The party to whom the Company may lend its funds shall be limited to: I. Companies that have business transaction with the Company and that listed as top ten vendors or customers in terms of transactional amount in the past twelve months before lending of funds. II. Companies that have need for short-term financing facility. The "short-term" used herein shall mean the period of one year.</p> <p>Lending to companies that have business transaction with the Company shall be limited to the situation where the companies need those funds for operational purpose. Lending to companies that have need for short-term financing facility shall be limited to subsidiaries of the Company which the Company directly or indirectly holds more than <u>ninety</u> percent of the voting stock.</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, it is proposed to adjust the scope of subsidiaries of the Company that can be loaned with short-term financing facility to improve the fund utilization efficiency within the group companies. However, before lending the Company's funds to others, all cases shall be reviewed and approved by the Board of Directors on a case-by-case basis.</p>
<p>Article III The total amount for lending and the maximum amount available to each company: I. The total amount for lending shall not exceed <u>40%</u> of the Company's net worth. II. The total amount for the <u>Company to lend</u> 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</p>	<p>Article III The total amount for lending and the maximum amount available to each company: I. The total amount for lending shall not exceed <u>20%</u> of the Company's net worth. II. The total amount for <u>lending</u> 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</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, this Article is amended to improve the fund utilization efficiency within the group companies. Other revisions are proposed to clarify the wording of this Article.</p>

Amended Article	Original Article	Explanation
<p>during the period of twelve months prior to the time of lending <u>or</u> 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>III. The total amount for the <u>Company to lend</u> to companies that have need for short-term financing facility shall not exceed <u>40%</u> of the Company's net worth; the maximum amount lendable to a single company is 10% of the Company's net worth.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company, shall be excluded from the above limitations. However, these subsidiaries shall still set forth limitations on amount and tenor of fund lending in its internal rules in accordance with the relevant competent authorities' rules and regulations.</p>	<p>twelve months prior to the time of lending, 10% of the Company's net worth or 30% of the borrower's net worth, whichever is lower.</p> <p>III. The total amount for <u>lending</u> to companies that have need for short-term financing facility shall not exceed <u>20%</u> of the Company's net worth; the maximum amount lendable to a single company is 10% of the Company's net worth <u>or 30% of the borrower's net worth,</u> whichever is lower.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company, shall be excluded from the above limitations. However, these subsidiaries shall still set forth limitations on amount and tenor of fund lending in its internal rules in accordance with the relevant competent authorities' rules and regulations.</p>	
<p>Article IV Financing duration and interest calculation:</p> <p>Financing duration: The term of each loan shall not exceed one year. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company,</p>	<p>Article IV Financing duration and interest calculation:</p> <p>Financing duration: The term of each loan shall not exceed one year. The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis.</p> <p>(1) Fund lending between foreign subsidiaries held directly or indirectly by the Company with 100% of the voting stocks; or (2) fund lending by foreign companies held directly or indirectly by the Company with 100% of the voting stocks to the Company,</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, this Article is amended to improve the fund utilization efficiency within the group companies.</p>

Amended Article	Original Article	Explanation
shall be excluded from the limitations set forth above.	shall be excluded from the limitations on financing duration set forth above. <u>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.</u>	
<p>Article VI When the borrower (excluding subsidiaries that the Company directly or indirectly holds <u>50%</u> or more of voting stocks) requests a loan according to the regulations above, they shall provide an equal amount of promissory note, collateral and/or other guarantees as requested by the Company. When collateral is provided, the owner shall grant pledges and/or mortgages to the Company, for the purpose of securitizing its obligations.</p>	<p>Article VI When the borrower (excluding subsidiaries that the Company directly or indirectly holds <u>90%</u> or more of voting stocks) requests a loan according to the regulations above, they shall provide an equal amount of promissory note, collateral and/or other guarantees as requested by the Company. When collateral is provided, the owner shall grant pledges and/or mortgages to the Company, for the purpose of securitizing its obligations.</p>	<p>In response to the growth of the Company's operating scale and considering the best practices in other industries, this Article is amended to improve the fund utilization efficiency within the group companies.</p>