



Annual Report 2022

MEDIATEK

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2022 MediaTek Annual Report

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I. Letter to Shareholders

Dear Shareholders:

The global semiconductor industry went through rapid market demand changes in 2022. Although the supply chain suffered from capacity shortage in the first half of 2022, demand in various end markets turned weaker in a short period of time due to global macroeconomic uncertainties such as geopolitical tensions, high inflations, rate hikes, and the vast spread of Covid-19. This made our customers take stricter inventory control measures and lowered demand for semiconductors starting from the second half of 2022. In this challenging market, with the conscientiousness from all MediaTek employees, we grew our consolidated revenue by 11% from 2021 to NT\$548.8 billion with EPS of NT\$74.59, both reaching record highs.

MediaTek's solid execution of technology leadership and global expansion in the past few years contributed to our industry-leading product mix and more diversified customer mix globally. This led to our revenue growth across all three product groups, including mobile, Smart Edge Platform and power IC for the 4th consecutive year, as well as our gross margin and operating margin expansion for the 5th consecutive year, with gross margin rising 13.8 percentage points from 35.6% in 2017 to 49.4% in 2022, and operating margin growing 19 percentage points from 4.1% in 2017 to 23.1% in 2022, establishing a strong operating foundation for MediaTek.

In terms of smartphone, MediaTek offers complete 4G and 5G platforms to enable upgrades from 4G to 5G globally, with leading global smartphone market share. In 2022, our first mmWave 5G SoC, Dimensity 1050, entered mass production and expanded to North America markets. Furthermore, MediaTek took another important step in the flagship market by launching 5G flagship SoC, the Dimensity 9000 series, which were highly recognized by our customers and adopted by multiple flagship models. MediaTek will continue to invest in the advanced process nodes and designs to introduce more high-performance flagship SoCs to relentlessly grow the flagship market share.

As for smart edge platforms, all wireless and wired connection products grew robustly in 2022, mainly driven by global market share gains. Furthermore, global upgrade trends in WiFi 6/6E, 5G and 10GPON not only benefitted the penetration rate among various consumer electronics, but also our businesses with global tier-one telecom operators including broadband, router and CPE, which grew strongly as we had been aggressively developing close partnership with those customers. On the development of the next generation WiFi 7, MediaTek introduced a complete WiFi 7 ecosystem, demonstrating our leading global position, and will continue to gain market share in high-end router, notebook, wired connection and TV, welcoming new technology migration cycles. In addition, consumer and enterprise ASIC, as well as automotive products were welcomed by global customers in the US and Europe with significant revenue growth in 2022 and multi-year growth opportunities ahead. In terms of power IC, MediaTek continued to expand to new areas with revenue from automotive and industrial related applications more than doubled in 2022.

In addition to pursuing operating performance, MediaTek has long been promoting sustainable governance, environmentally friendly operation, and to grow and prosper with our people and community. MediaTek has been well recognized in the role of corporate citizen to fulfill corporate social responsibilities and was awarded the Most Prestigious Sustainability Awards - Top Ten Domestic Corporates and Excellence in Corporate Social Responsibility - Citizen Award for consecutive years. We were also awarded Top 100 Global Innovators Award, Best

Taiwan Global Brands, and The Best Business Unit to Promote Workplace Equality. MediaTek has also been ranked among top 5% in corporate governance evaluation, demonstrating the recognition of our devotion to the realization of corporate governance. For many years, MediaTek has propelled technology talent cultivation programs, promoted society innovation, held “Genius for Home - MediaTek Digital Social Innovation Campaign” and STEM "Course Creator" Program, devoting to the dissemination of digital social innovation and solid technology foundation.

To actively implement green operations, MediaTek announced net zero emissions, pledging that by 2030 all of the worldwide offices will be powered with 100% renewable energy, and by 2050 MediaTek will reach the goal of net zero emissions, demonstrating our commitment to sustainability. Moreover, we have completed certifications to ISO 50001 Energy Management Systems Standard and ISO 27001 Information Security Management System, to strengthen our corporate resilience. MediaTek is listed in several overseas benchmark sustainability indexes, including MSCI Taiwan ESG Leaders Index, FTSE4Good Emerging Index, FTSE4Good TIP Taiwan ESG Index and the TIP Taiwan Environmental Sustainability Index, showcasing how our governance in environmental issues has been well received by investors.

Looking ahead, the structural growth brought by the global digital transformation trends remains intact. Semiconductor plays a crucial role in innovative technologies, propelling the growth in demand for various wired and wireless connections, artificial intelligence, multimedia and low-power processing. MediaTek has accumulated staunch capabilities in these areas, providing strategic values to global customers, and has strengthened the partnerships with them in fields such as IoT, mobile computing, XR, ASIC and automotive, to expand markets globally. We also actively work with the standard body and participate in launching the new generation technology. For example, our satellite communication that supports the 3GPP 5G NTN standard began to contribute to revenue in the beginning of 2023. MediaTek also aggressively prepare for the next generation 5G Redcap technology, paving the way for future growth opportunities.

Meanwhile, MediaTek is fully committed to shareholder return to share the operating performance through regular and special cash dividends with shareholders. Going forward, we will carry on our execution to allocate resources strategically, continuously create product values, attract global talents, build in-depth partnerships with global semiconductor supply chain and customers in various products to grow with them, and thus continue to enhance shareholder values. 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
CEO: Lih-Shyng Tsai

II. Company Profile

1. MediaTek Company Profile

MediaTek Inc. was founded on May 28, 1997 and listed on the Taiwan Stock Exchange (TWSE) in July 2001. The Company is headquartered in Taiwan, with sales and R&D teams in Singapore, China, India, the United States, Japan, Korea, the United Kingdom, Finland, Sweden, Germany, the Netherlands, Dubai and Poland.

MediaTek, as the fifth largest fabless semiconductor company in the world, powers more than 2 billion devices annually with its chips. Through continuous investment in advanced processes and cutting-edge technologies, MediaTek possesses industry-leading core technologies in displays, computing, wireless connectivity, and multimedia. The chips it develops are equipped with high performance, high-speed connectivity, low latency, and low power consumption capabilities, offering cross-platform IC design solutions for smart home applications, wireless connectivity, smart IoT, ASICs, and smart mobile devices. MediaTek has taken the lead in the development of artificial intelligence and 5G mobile communication, assisting global customers to innovate and provide more valuable products and services with its leading position in the global market and its competitive advantages.

With its international perspective and ability to leverage global talents, MediaTek assists users in expanding their horizons through various intelligent technologies and collaborates with popular brands to make technology products more accessible. MediaTek demonstrates the influences and contributions to the economy, society, and environment through actions, and continues to strive for the vision of sustainable development.

2. Milestones

Year	Milestones
2023	<ul style="list-style-type: none"> ■ MediaTek Filogic 880 received “CES 2023 Innovation Awards” ■ MediaTek Dimensity 5G series received “Market Development Award” at the GTI Awards 2023 ■ Set up a subsidiary in Poland ■ Multiple products received recognitions at the Mobile World Congress (MWC) 2023
2022	<ul style="list-style-type: none"> ■ M80 received “Innovative Breakthrough in Mobile Technology Award” and “Outstanding Award” at the GTI Awards 2022 ■ 2 papers were published in ISSCC, the only Taiwanese company with papers selected by ISSCC for 19 consecutive years ■ The first company to complete Wi-Fi 7 live demo ■ MediaTek Dimensity 8000 was selected as the best product at the MWC 2022 by Android Authority ■ MediaTek Pentonic 2000 received “Artificial Intelligence: Chipset” award at the 10th Annual CompassIntel Awards ■ Ranked 4th for “Best Taiwan Global Brands” with brand value of US\$ 825 million, the best performance in both ranking and brand value
2021	<ul style="list-style-type: none"> ■ Continued to receive “Outstanding Asia-Pacific Semiconductor Company Award” from the Global Semiconductor Alliance (GSA) ■ Received “Leading Global Fabless Semiconductor Company of 2021” award at the 8th Mobility Conclave & Mobility Excellence Awards 2021, where Dimensity 1200 5G Open Resource also received “Best Mobile 5G Chip of 2021” award ■ Selected as one of the best tech brands in India in 2020-21 by the Economic Times ■ 4 papers were published in ISSCC, the only Taiwanese company with papers selected by ISSCC for 18 consecutive years ■ Launched Dimensity 9000, the first 4-nanometer smartphone SoC ■ Launched Pentonic 2000, the first 7-nanometer 8K definition digital TV SoC ■ Set up a subsidiary in Germany ■ Powered more than 2 billion electronic devices
2020	<ul style="list-style-type: none"> ■ Ranked top 3 in several awards including senior management team and investor relations team by the "All-Asia Executive Team-Technology/Semiconductor" selection organized by Institutional Investor.

Year	Milestones
	<ul style="list-style-type: none"> MediaTek Dimensity series received “5G Chipmaker” award by Device Next Received Editor’s Choice Award “Best Gaming Phone Chipset Maker of 2020” at the 7th Mobility Conclave and Excellence Awards Night, where Dimensity 1200 also received “Best Mobile 5G Chip of 2020” award Became the world’s largest smartphone SoC provider in the third quarter of 2020 Annual sales reached US\$10 billion for the first time
2019	<ul style="list-style-type: none"> Merged with MStar Semiconductor and Nephos to strengthen product layout and demonstrate merger synergy MediaTek Helio P60 received “IoT Semiconductor Company of the Year” award from IoT Breakthrough MediaTek 5G received “Best Mobile Chipset” at Computex from GadgetMatch MediaTek Helio P90 received “Best Mobile Chipset” award at the EM Best of Industry Awards
2018	<ul style="list-style-type: none"> Launched the first smartphone SoC with built-in multi-core artificial intelligence processor (Mobile APU) and NeuroPilot artificial intelligence technology MediaTek Helio P60 was selected as the best product at the MWC 2018 by Android Authority Mr. Ming-Kai Tsai, MediaTek Chairman, was honored as one of the 100 Best-Performing CEOs in the World by Harvard Business Review for the fourth time
2017	<ul style="list-style-type: none"> Collaborated with Acer and Taiwan’s EasyCard Corporation to create and sponsor the smartwatch exclusively for athletes competing in the Taipei 2017 Universiade Launched Helio X30, the first 10-nanometer smartphone SoC Received “The Most Prestigious Sustainability Awards - Top Ten Domestic Corporate”, the highest honor, from Taiwan Corporate Sustainability Awards for the first time, and also received “Top 50 Corporate Sustainability Report Award”, “Growth through Innovation Award”, “Social Inclusion Award” and “Supply Chain Management Award”
2016	<ul style="list-style-type: none"> Annual sales of NT\$ 275.5 billion and shipment of smartphone and tablet chips of 550 million units, both reaching record high Mr. Ming-Kai Tsai, MediaTek Chairman, was honored as one of the 100 Best-Performing CEOs in the World by Harvard Business Review for the third time
2015	<ul style="list-style-type: none"> Accumulated shipment of Android tablet SoCs reaching over 100 billion units, becoming No.1 in the world Selected as one of the top 20 Taiwanese global brands for the first time by Interbrand Mr. Ming-Kai Tsai, MediaTek Chairman, received “Dr. Morris Chang Exemplary Leadership Award” from GSA Announced to acquire Richtek, providing complete power management IC related products to maximize the performance of MediaTek’s platforms Launched the first Helio SoCs, adopted by almost 100 mid-/high-end models from international and regional brands Collaborated with Google and launched the first TV SoC supporting Android in the world, and all of the world’s top 10 TV brands were its customers Shipment of smartphone SoCs reaching 100 million units
2014	<ul style="list-style-type: none"> Set up a subsidiary in Finland Unveiled a new corporate brand identity, presenting the vision of “Everyday Genius” Shipment of tablet SoCs reaching 50 million units, adopted by Amazon home entertainment products for the first time Number of employees reaching over 10 thousand globally, awarded “The World’s 100 Most Innovative Companies” by Thomson Reuters
2013	<ul style="list-style-type: none"> Received “Outstanding Asia-Pacific Semiconductor Company Award” by GSA Awarded “The World’s 100 Most Innovative Companies” by Forbes Magazine Entered the rapid growth period with over 220 million units of smartphone SoCs shipment and 20 million units of tablet SoCs shipment in its first year Launched MT6592, the world’s first “true eight cores” smartphone SoC
2012	<ul style="list-style-type: none"> Announced to acquire MStar Semiconductor, becoming the world’s biggest TV SoC provider Set up a subsidiary in Sweden, having a layout in the Nordic region Mr. Ming-Kai Tsai, MediaTek Chairman, was honored as the first-year academician of Industrial Technology Research Institute (ITRI) MediaTek’s papers were selected for presentation at the 2012 Symposium on VLSI Circuits, the only fabless semiconductor company to have more than two papers selected Launched MT8377, the first tablet SoC, adopted by Lenovo Shipment of smartphone SoCs reaching 100 million units, up more than 10 times from the last year
2011	<ul style="list-style-type: none"> Announced to acquire Ralink Technology Corp., reinforcing its networking product layout

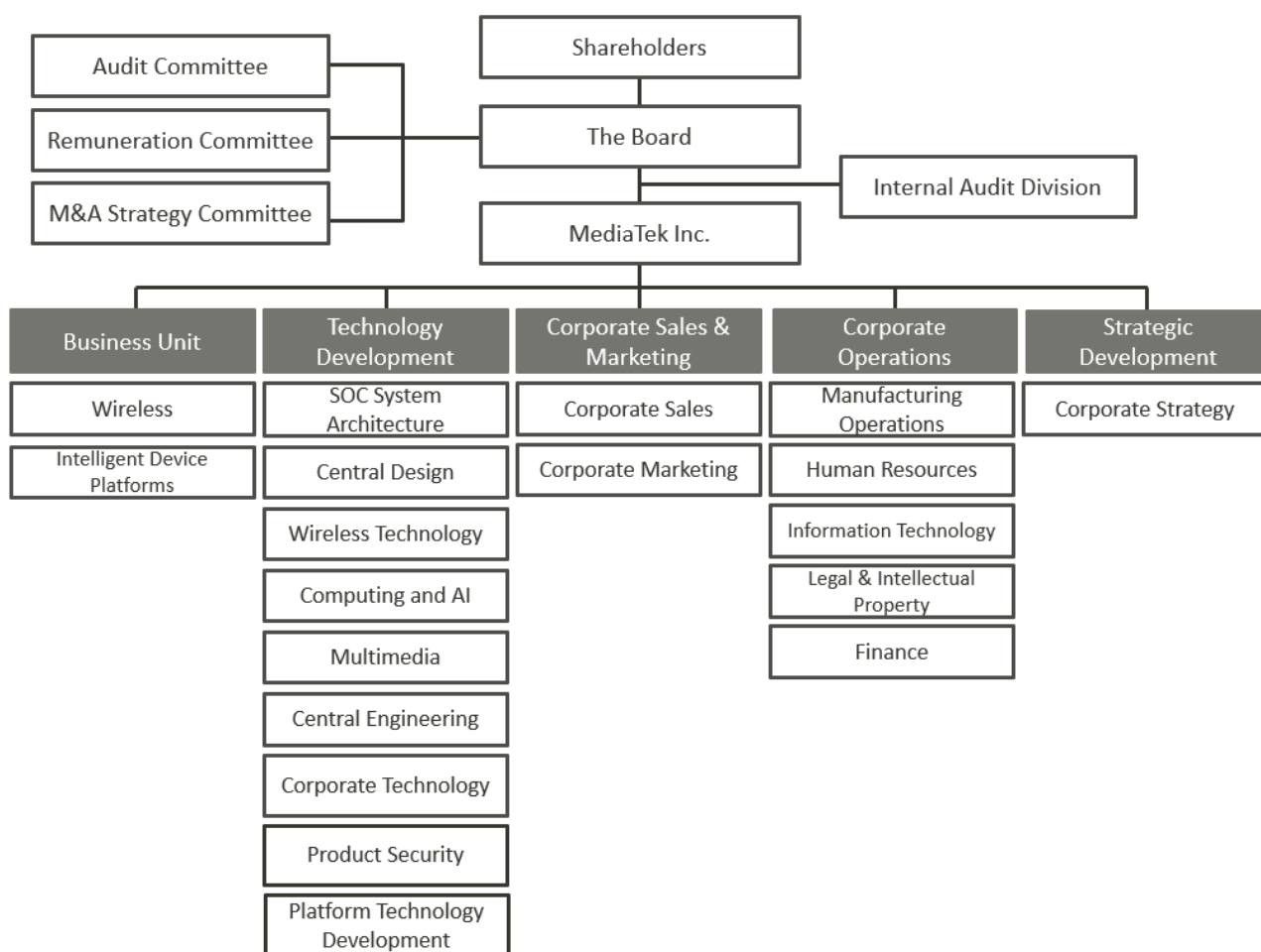
Year	Milestones
	<ul style="list-style-type: none"> Launched MT6573, the first smartphone SoC, shipment of smartphone SoC reaching 10 million units
2010	<ul style="list-style-type: none"> Set up a subsidiary in Dubai, United Arab Emirates Ranked top 10 among Asia's 200 most-admired companies by The Wall Street Journal Ranked 12th in "Global Top 100 High-Tech Companies" by Business Week Shipment of feature phones reaching 500 million units
2009	<ul style="list-style-type: none"> Received "Asia Pacific Leadership Council Award" by GSA Annual sales reaching over NT\$ 100 billion, becoming the fastest-growing handset chip provider in the world
2008	<ul style="list-style-type: none"> Selected as the "Best Financially Managed Company" by GSA for three consecutive years
2007	<ul style="list-style-type: none"> Accumulated shipment of ODD chipsets reaching 1 billion units, laying the foundation for the Company's continued investment in new product development Set up subsidiaries in Japan, Korea, and the United Kingdom Announced to acquire NuCORE Technology and Analog Devices' wireless communication department, gaining important technology breakthroughs, and accelerating the Company's international development Received the first annual "Top 50 Corporate Citizens" award by CommonWealth Magazine and the third annual "Corporate Social Responsibility Award" by Global View Magazine The first to introduce high-specification and highly integrated TV SoC, becoming the second largest provider in the world Sales CAGR reaching over 30%, becoming the top 10 IC design companies in the world by sales
2006	<ul style="list-style-type: none"> Launched digital TV chips and Blue-ray chips Shipment of feature phones more than doubled from the last year with accumulated shipment reaching over 100 million units, becoming the fifth largest provider in the world The completion of Hsinchu Science Park's Duxing 1st Road headquarters
2005	<ul style="list-style-type: none"> Selected as "The Asian Top 50" by Forbes Asia Number of employees reaching a thousand
2004	<ul style="list-style-type: none"> Set up offices in India and Singapore for the first time The first Taiwanese corporate to publish paper in ISSCC First time shipping handset chips, officially entering the handset market
2003	<ul style="list-style-type: none"> Set up the first subsidiary in the U.S. in San Jose Ranked 1st in "Top 100 High-Tech Company in Taiwan" by Business Next Magazine Received "National Quality Award" by the Executive Yuan of Taiwan R.O.C.
2002	<ul style="list-style-type: none"> Launched 48X CD-RW and COMBI chipset
2001	<ul style="list-style-type: none"> Set up the first overseas subsidiary in Shenzhen Received the 9th annual "Award for Industrial Technology Advancement" by the Ministry of Economic Affairs Listed on the Taiwan Stock Exchange (TWSE) under the ticker of "2454" Founded MediaTek Foundation
2000	<ul style="list-style-type: none"> Launched 12X CD-R/RW chipset Annual sales reaching over NT\$ 10 billion with global market share of 51% in CD-ROM chipsets
1999	<ul style="list-style-type: none"> Launched 12X DVD-ROM chipset
1998	<ul style="list-style-type: none"> Received "Innovative Product Award" by SIPA for the first time (CD-ROM digital data/servo processor) Launched the fastest 48X CD-ROM chipset in the world
1997	<ul style="list-style-type: none"> Founded in May on Innovation 1st Road, Hsinchu Science Park Started shipping CD-ROM decoder and RF/Servo

III. Corporate Governance

1. Organization

1.1. Organization Chart

As of February 28, 2023



1.2. Major Corporate Functions

Department	Functions
Wireless	Research, design and promote mobile communication chips
Intelligent Device Platforms	Research, design and promote cloud and computing, smart connectivity, smart home, augmented/virtual reality, and smart automotive chips
SOC System Architecture	Construct and plan competitive and technology-leading chips
Central Design	Integrate and implement technologies into chips, including wireless communication, computing and artificial intelligence, multimedia, analog, circuit, and RF
Wireless Technology	Develop and design wireless communication core technologies, system, software, wireless communication technologies, communication system, and RF communication system
Computing and AI	Research and develop high-performance computing platforms and artificial intelligence technologies
Multimedia	Research and develop video and image multimedia technologies
Central Engineering	Research and develop analog technologies in wireless communication field, including audio/video, transmission interface, server, and power as well as board design, high-performance circuit, and advanced processor technologies
Corporate Technology	Research and develop advanced technologies and manage industry-academia collaboration
Product Security	Product safety framework planning and introduction, industry standard, protocol setting, training, threat risk model, protocol testing, vulnerability management and audit to enhance
Platform Technology Development	Develop technologies for advanced process and packaging, establish design platform, and introduce advanced technology products
Corporate Sales	Sell products, develop customers, maintain customer relationship, and manage sales operation
Corporate Marketing	Manage corporate image and promote market position
Manufacturing Operations	Pilot run products in development, develop related technologies, manage quality and reliability, manage customer satisfaction, plan production and procurements, research and develop advanced process, pilot run high-end products and develop component technologies
Human Resources	Manage human resource, organization development, general affairs, plant administration, and labor safety
Information Technology	Manage information system architecture, e-commerce strategy, information system development and operation and information security
Legal & Intellectual Property	Manage corporate legal affairs, contracts, patents, and other intellectual property
Finance	Manage finance and accounting, tax, treasury and asset, strategic investments, and investor relations
Corporate Strategy	Analyze, plan, and execute corporate strategies
Internal Audit Division	Manage internal audit, operational procedure, and information security

2. Directors

2.1. Information Regarding Board Members

As of February 28, 2023; Unit: shares

Title/Name	Nationality or Registry	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experiences	Current Positions at the Company and Other Companies
						Shares	%	Shares	%	Shares	%	Shares	%		
Chairman Ming-Kai Tsai	R.O.C	Male 71-75	July 5, 2021	3	May 21, 1997	41,342,481	2.60%	41,570,047	2.60%	40,399,145	2.53%	-	-	- Master, Electrical Engineering, University of Cincinnati, USA - President of the 2nd Business Group, UMC	- Chairman and Director, MediaTek affiliates.
Vice Chairman and CEO Lih-Shyng Tsai	R.O.C	Male 71-75	July 5, 2021	3	June 15, 2017	397,183	0.02%	644,749	0.04%	-	-	-	-	- Ph.D., Material Science, Cornell University, USA - Chairman & CEO, Chunghwa Telecom Co., Ltd. - President & CEO, TSMC	- CEO, MediaTek Inc. - Director, Lam Research Corporation - Chairman, MediaTek affiliates.
Director and President Joe Chen	R.O.C	Male 51-55	July 5, 2021	3	July 5, 2021	425,562	0.03%	594,075	0.04%	30,414	0.00%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, SiS Corp.	- President, MediaTek Inc.
Director Cheng-Yaw Sun	R.O.C	Male 66-70	July 5, 2021	3	June 13, 2012	29,244	0.00%	29,244	0.00%	-	-	-	-	- B.S., Chung Yuan Christian University of Taiwan - Managing Director, HP China	None.
Director Kenneth Kin	R.O.C	Male 76-80	July 5, 2021	3	June 13, 2012	-	-	-	-	-	-	-	-	- Ph.D., Nuclear Engineering and Applied Physics, Columbia University, USA - Senior VP, Worldwide Sales & Services, TSMC - Microelectronics VP of worldwide sales, IBM - Asian Pacific Operation VP, Computer Group, Motorola	- Independent Director, eMemory Technology Inc. - Independent Director, Vanguard International Semiconductor Corp. - Independent Director, Global Unichip Corp. - Professor, Department of Economics, National Tsing Hua University.
Independent Director Chung-Yu Wu	R.O.C	Male 71-75	July 5, 2021	3	June 13, 2012	236,000	0.01%	236,000	0.01%	412,118	0.03%	-	-	- Ph.D., Electronics Engineering, National Chiao Tung University - Vice President, National Chiao Tung University	- Chairman/CTO, A-Neuron Electronic Corp. - Honorary Retired Professor, National Yang Ming Chiao Tung University - Independent Director, Global Unichip Corp. - Independent Director, Leadtrend Technology Corp.

Title/Name	Nationality or Registry	Gender Age	Date Elected	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experiences	Current Positions at the Company and Other Companies
						Shares	%	Shares	%	Shares	%	Shares	%		
															<ul style="list-style-type: none"> - Independent Director, Powerchip Semiconductor Manufacturing Co., Ltd. - Representative of juristic person director, AMAZING Microelectronic Corp.
Independent Director Peng-Heng Chang	R.O.C / U.S.A	Male 71-75	July 5, 2021	3	June 13, 2012	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> - Ph.D., Materials Engineering, Purdue University - VP, Human Resources, TSMC - Chairman, Motech Industries, Inc. 	<ul style="list-style-type: none"> - Representative of juristic person director, Big Sun Technology Inc. - Chairman, Chi-Kuang Solar Energy Corp. - Chairman, Ruei-Yang Solar Corp. - Chairman, Ruei-Rih Solar Corp. - Independent Director, VisEra Technology Co., Ltd. - Chairman, Love and Joy Co., Ltd. - Chairman, Ruei-Hui Solar Corp.
Independent Director Ming-Je Tang	R.O.C	Male 66-70	July 5, 2021	3	June 15, 2017	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> - Ph.D., Business Management, MIT, USA - Associate Professor with tenure, University of Illinois at Urbana-Champaign - Professor and Chair of Industrial and Business Management Department, Chang Gung University - Visiting Associate Professor, Hong Kong University of Science and Technology - President, National Taiwan University 	<ul style="list-style-type: none"> - President, Chang Gung University - Independent Director, Fubon Financial Holding Co., Ltd. - Director, VSense Co., Ltd. - Director, Smart-Core Holdings Limited - Director, VSense Medical Inc. - Professor, National Taiwan University

2.2. Professional Qualifications and Independence Analysis of Directors

	Professional Qualifications and Experiences	Independence Analysis	Number of Companies Concurrently Serve as An Independent Director
Ming-Kai Tsai		Not applicable.	None
Lih-Shyng Tsai			None
Joe Chen			None
Cheng-Yaw Sun			None
Kenneth Kin			3
Chung-Yu Wu	- Please refer to “2.1 Information Regarding Board Members” in the annual report for professional qualifications and experiences of the Board members.	As Independent Director in accordance with Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note), including but not limited to: 1. The number of shares of the Company held under the name of the Director and the Director’s spouse (or under the names of any other persons) was 648,118 (0.04%), lower than 1%, in accordance with the independence requirement of Independent Director; 2. No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates in the past two years.	3
Peng-Heng Chang	- None of the Board members is under any of the circumstances in Article 30 of the Company Act.	As Independent Director in accordance with Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note), including but not limited to: 1. No shares of the Company held under the name of the Director and the Director’s spouse (or under the names of any other persons); 2. No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates in the past two years.	1
Ming-Tze Tang		As Independent Director in accordance with Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note), including but not limited to: 1. No shares of the Company held under the name of the Director and the Director’s spouse (or under the names of any other persons); 2. No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates in the past two years.	1

Note:

- Not a government agency or a juristic person or its representative regulated in Article 27 of the Company Act.
- Not concurrently serve as an independent director of more than three other public companies.
- During the two years before being elected or during the term of office, not have been or be any of the following:
 - An employee of the company or any of its affiliates.
 - A director or supervisor of the company or any of its affiliates.
 - A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
 - A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
 - A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
 - If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
 - If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
 - A director, supervisor, officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
 - A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Publicly traded companies and their parent companies, subsidiaries, or subsidiaries of the same parent company, whose independent directors set up in accordance with the Securities Exchange Act or local laws and regulations are not subject to (2), and (5) ~ (7) of the preceding paragraph.

2.3. Diversity and Independence of the Board of Directors

2.3.1. Diversity of the Board of Directors

The Company has a diversification policy for the board of directors. According to this policy, the composition of the Company's board of directors should be diversified. According to the Company's operations, business models and development needs, the selection of members with diversified backgrounds and perspectives includes but it is not limited to gender, age, nationality, culture, education background, professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

In addition, the consideration factors for the nomination of board members also include that the director candidates should have a reputation for integrity, outstanding achievements, experience and reputation in various professional fields, and promise to invest sufficient time to participate in the supervision of the Company's business, and have the ability to assist in operation and management abilities, and contribute to the Company's success. In the case of independent directors, their qualifications shall meet the requirements of laws and regulations.

The current board of directors of the Company consists of eight directors, including three independent directors (38%) and three directors employed by the Company (38%). All directors' nationality is ROC. Regarding the age of directors, there is one director aged between 51 and 55, two aged between 66 and 70, four aged between 71 and 75, and one director aged between 76 and 80. Members of the board of directors have relevant professional backgrounds in science and technology, finance and economics. Their industry experiences cover various fields in the semiconductor industry, including upstream wafer foundry (including Director Lih-Shyng Tsai, Director Kenneth Kin and Independent Director Peng-Heng Chang), IC design engaged by the Company (including Director Ming-Kai Tsai, Director Joe Chen, and Independent Director Chung-Yu Wu), downstream end product applications (Director Cheng-Yaw Sun), and financial (Independent Director Ming-Tze Tang).

In addition, in order to achieve diversity in the background, experience and expertise of the board of directors for diverse perspectives, the board of directors of the Company should include at least one director with academic background, at least one director with accounting or finance expertise, and at least one director with business management experience. Currently, three of the eight directors have been working in the academic community for a long time (including Professor Chung-Yu Wu of NYCU, Professor Ming-Je Tang of CGU and Professor Kenneth Kin of NTHU), five directors have finance experience (including Director Ming-Kai Tsai, Director Lih-Shyng Tsai, Director Joe Chen, Independent Director Peng-Heng Chang and Independent Director Ming-Tze Tang), and six directors have business management experience (including Director Ming-Kai Tsai, Director Lih-Shyng Tsai, Director Joe Chen, Director Cheng-Yaw Sun, Director Kenneth Kin and Independent Director Peng-Heng Chang). The Company has reached the goal of constructing a board of diversity. The industry experience and diversity performance of the Company are as following:

Name	Employed by the Company	Aged between	Experience in industry/academia					Professional Competency					
			Semiconductor	End Consumer Products	Biomedicine	Others (Finance/Solar)	Academia	Global Business Management Experience	Technology	Accounting/Finance	Human Resource	Risk Management	Marketing/Business Development
Ming-Kai Tsai	V	71-75	V					V	V	V	V	V	
Lih-Shyng Tsai	V	71-75	V			V		V	V	V	V	V	V
Joe Chen	V	51-55	V					V	V	V	V	V	V
Cheng-Yaw Sun		66-70	V	V				V				V	V
Kenneth Kin		76-80	V	V		V	V	V			V	V	V
Chung-Yu Wu		71-75	V		V		V		V			V	
Peng-Heng Chang		71-75	V			V		V		V	V	V	
Ming-Tze Tang		66-70	V		V	V	V			V		V	

2.3.2. Independence of the Board of Directors

The Company's current Board of Directors consists of 8 directors, including three independent directors, the ratio reaches 38%, 5% higher than 33% from the last term. None of the board members is under any of the circumstances in Article 26-3, paragraph 3 & 4 of the Securities and Exchange Act (listed below). The independent directors attended all the board meetings during this term (attendance rate for independent directors was 100%). On the meetings, all directors continued to raise structural questions to the management and other directors with distinctive perspectives. The Company deemed the board of directors of this term as independent given aforementioned contention.

- (1) Directors are spouses of or are relatives within the second degree of kinship: None;
- (2) The chairman and the president or person of an equivalent post (the highest-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

2.4. Remunerations Paid to Directors

2.4.1. Remunerations Paid to Directors (Note1)

Unit: NT\$ thousands

Title Name	Remunerations Paid to Directors								(A+B+C+D) as % of Net Income		Compensation Earned as Employee of the Company or of the Company's Affiliates								(A+B+C+D+E+F+G) as % of Net Income (Note3)		Other compensations from non-subsidiary affiliates
	Salary (A)		Pension (B)		Remunerations (C)		Allowances (D)				Salary, Bonus, etc. (E)		Pension (F) (Note2)		Employee Compensation (G)						
	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities			
													Cash	Stock	Cash	Stock					
Chairman Ming-Kai Tsai	-	-	-	-	12,000	12,000	-	-	114,755 0.10%	114,755 0.10%	764,201	770,809	216	216	-	-	-	-	879,172 0.74%	885,780 0.75%	-
Vice Chairman & CEO Lih-Shyng Tsai	-	-	-	-	12,000	12,000	-	-													
Director & President Joe Chen	-	-	-	-	12,000	12,000	-	-													
Director Cheng-Yaw Sun	3,000	3,000	-	-	12,000	12,000	15	15													
Director Kenneth Kin	3,000	3,000	-	-	12,000	12,000	75	75													
Independent Director Chung-Yu Wu	4,000	4,000	-	-	12,000	12,000	75	75													
Independent Director Peng-Heng Chang	4,500	4,500	-	-	12,000	12,000	30	30													
Independent Director Ming-Tze Tang	4,000	4,000	-	-	12,000	12,000	60	60													
Other than disclosure in the above table, Directors' remunerations earned by providing services (i.e. non-employee consulting services to MediaTek/all companies listed in the financial reports/invested companies): Kenneth Kin earned NT\$3,000 thousand during 2022 for consulting service.																					

Note1: The remunerations paid to directors is in compliance with the law, MediaTek's Articles of Incorporation §14, §24, "Remuneration Committee Charter" and "Rules for Distribution of Compensation to Director". The compensations are determined in accordance with the MediaTek's Articles of Incorporation with reference to industry. As stated in the Articles of Incorporation §24, the Company shall allocate at a maximum of 0.5% of the profit as remuneration to Directors as compensations to directors for the year. The rule states the compensation should be based on the Company's overall operating performance with consideration of the contribution of each director to the Company, including the level of involvement, actual time after appointment and individual performance (including the contribution to the improvement of the quality of decision-making, the degree of individual professional advancement, etc.). The compensations are reviewed regularly in Remuneration Committee and the Board meetings. Related performance and the plausibility of compensations are both approved by Remuneration Committee and the Board meetings and the remuneration system is reviewed in a timely manner depending on the actual operating conditions and relevant laws and regulations to reach a balance between the company's sustainable operation and risk control.

Note2: Pensions funded/paid according to applicable law.

Note3: Remunerations of the Company and its consolidated entities paid to Directors and a not full-time employees in 2021, including their employee compensation, both totaled NT\$898,192 thousand, which was 0.80% of 2021 net profit.

2.4.2. Remunerations Paid to Directors

	Compensation Paid to Directors (A+B+C+D)		Total Compensation Paid to Directors (A+B+C+D+E+F+G)	
	The Company	Consolidated Entities	The Company	Consolidated Entities
Less than NT\$1 million	-	-	-	-
NT\$1 million ~ \$2 million	-	-	-	-
NT\$2 million ~ \$3.5 million	-	-	-	-
NT\$3.5 million ~ \$5 million	-	-	-	-
NT\$5 million ~ \$10 million				
NT\$10 million ~ \$15 million	Ming-Kai Tsai, Lih-Shyng Tsai, Joe Chen		-	-
NT\$15 million ~ \$30 million	Cheng-Yaw Sun, Kenneth Kin, Chung-Yu Wu, Peng-Heng Chang, Ming-Tze Tang		Cheng-Yaw Sun, Kenneth Kin, Chung-Yu Wu, Peng-Heng Chang, Ming-Tze Tang	
NT\$30 million ~ \$50 million	-	-	-	-
NT\$50 million ~ \$100 million	-	-		
Above NT\$100 million	-	-	Ming-Kai Tsai, Lih-Shyng Tsai, Joe Chen	
Total	8		8	

3. Management Team

3.1. Profiles of Key Managers

As of February 28, 2023; Unit: shares

Title/Name	Nationality	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Past Positions	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Ming-Kai Tsai	R.O.C.	Male	May 21, 1997	41,570,047	2.60%	40,399,145	2.53%	-	-	- Master, Electrical Engineering, University of Cincinnati, USA - President of the 2nd Business Group, UMC	- Chairman & Director, MediaTek's affiliates	None		
Vice Chairman & CEO Lih-Shyng Tsai	R.O.C.	Male	Jun. 1, 2017	644,749	0.04%	-	-	-	-	- Ph.D., Materials Science and Engineering, Cornell University, USA - Chairman & CEO, Chunghwa Telecom Co. Ltd. - President & CEO, TSMC	- Director, Lam Research Corporation - Chairman, MediaTek's affiliates	None		
President Joe Chen	R.O.C.	Male	Jul. 1, 2012	594,075	0.04%	30,414	0.00%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, SiS Corp.	None	None		
Executive Vice President & CFO & Spokesman David Ku	R.O.C.	Male	Jan. 1, 2011	359,921	0.02%	-	-	-	-	- MBA, University of Illinois at Urbana Champaign, USA - Vice President of JPMorgan Investment bank	- Chairman, Director, and Supervisor, MediaTek's affiliates and invested companies	None		
Executive Vice President Cheng-Te Chuang	R.O.C.	Male	Apr. 7, 2009	907,309	0.06%	201,077	0.01%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, UMC	- Director, MediaTek's affiliates	None		
Executive Vice President & CTO Kevin Jou	R.O.C.	Male	May 30, 2011	37,611	0.00%	-	-	-	-	- Ph.D, Electrical Engineering, University of Southern California, USA - VP, Technology, Qualcomm and CTO, Qualcomm China	- Director, MediaTek's affiliates	None		
Senior Vice President Kou-Hung Loh	R.O.C.	Male	Jul. 1, 2006	20,685	0.00%	-	-	-	-	- Ph.D., Electrical Engineering, Texas A&M University, USA - CEO and founder of Silicon Bridge	- Director, MediaTek's affiliates	None		
Senior Vice President Jerry Yu	R.O.C.	Male	Feb. 16, 2015	218,363	0.01%	-	-	-	-	- Master, Electrical Engineering, National Taiwan University - Technical Manager, Lian Ji Technology Co. Ltd	- Director, MediaTek's affiliates	None		
Senior Vice President Jasper Yang	R.O.C.	Male	Jun. 1, 2016	232,106	0.01%	-	-	-	-	- Bachelor, Electrical Engineering, National Tsing Hua University - Shanghai Chief Representative, UMC	None	None		
Senior Vice President SR Tsai	R.O.C.	Male	Dec. 1, 2017	486,603	0.03%	13,910	0.00%	-	-	- Master, Mechanical Engineering, National Taiwan University	None	None		

Title/Name	Nationality	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Past Positions	Current Positions at Other Companies	Managers who are Spouses or Within Two Degrees of Kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
										- Section Chief, KTC				
Senior Vice President NS Tsai	R.O.C.	Male	Apr. 27, 2022	6,115	0.00%	-	-	-	-	- Ph.D., Materials Science and Engineering, Massachusetts Institute of Technology, USA - Vice President of Quality and Reliability, TSMC	None		None	
Vice President Rolly Chang	R.O.C.	Male	Aug. 1, 2015	186,703	0.01%	-	-	-	-	- Master, Communications Engineering, National Chiao Tung University - Technical Specialist, NCSIST	None		None	
Vice President JC Hsu	R.O.C.	Male	Aug. 1, 2015	201,708	0.01%	-	-	-	-	- Ph.D., Power Mechanical Engineering, National Tsing Hua University	- Director, MediaTek's invested companies		None	
Vice President & CHRO Sherry Lin	R.O.C.	Female	Jun. 1, 2016	203,007	0.01%	-	-	-	-	- Master, Industrial Relations and HRM, Rutgers University - Senior Program Director, TSMC	- Director, MediaTek's affiliates		None	
Vice President & General Counsel David Su	R.O.C.	Male	Nov. 1, 2016	166,859	0.01%	-	-	-	-	- SJD, University of Wisconsin Law School - Senior Program Director, TSMC	None		None	
Vice President HW Kao	R.O.C.	Male	Dec. 1, 2017	163,311	0.01%	-	-	-	-	- Master, Electronics Engineering, National Chiao Tung University - Section Manager, ITRI	None		None	
Vice President Mike Chang	R.O.C.	Male	Jan. 1, 2019	161,313	0.01%	-	-	-	-	- Ph.D., Electrical Engineering, National Tsing Hua University - Executive Vice President of MStar Semiconductor, Inc.	None		None	
Vice President Vincent Yung Mien Hu	U.S.A.	Male	Aug. 3, 2020	24,447	0.00%	-	-	-	-	- MBA, Marketing and Entrepreneurship, Anderson School of Business, UCLA - Master, Science in Electrical Engineering, USC - Vice President, Intel Corp.	None		None	
Vice President Ching San Wu	R.O.C.	Male	Nov 1, 2020	458,688	0.03%	4,404	0.00%	10,000	0.00%	- Master, Electronics Engineering, National Chiao Tung University - Project Manager, Macronix International CO., LTD.	None		None	
Vice President Alan Hsu	R.O.C.	Male	Nov 1, 2020	91,612	0.01%	2,022	0.00%	-	-	- Master, Control Engineering, National Chiao Tung University - Senior Engineer, Phoenix Power CO., LTD.	None		None	

3.2. Remunerations and Employee Bonus Paid to Key Managers (Note1)

Unit: NTS thousands

Name / Title	Salary (A)		Pension (B) (Note2)		Bonus (C)		Employee Compensation (D)				(A+B+C+D) as % of Net Income (Note3)		Remuneration from non- subsidiary affiliates
	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
							Cash	Stock	Cash	Stock			
Chairman – Ming-Kai Tsai													
Vice Chairman & CEO – Lih-Shyng Tsai													
President – Joe Chen													
Executive Vice President & CFO & Spokesman – David Ku													
Executive Vice President – Cheng-Te Chuang													
Executive Vice President & CTO – Kevin Jou													
Senior Vice President – Kou-Hung Loh													
Senior Vice President – Jerry Yu													
Senior Vice President – Jasper Yang													
Senior Vice President – SR Tsai													
Senior Vice President – NS Tsai													
Vice President – Rolly Chang													
Vice President – JC Hsu													
Vice President & CHRO– Sherry Lin													
Vice President & General Counsel – David Su													
Vice President – HW Kao													
Vice President – Mike Chang													
Vice President – Vincent Yung Mien Hu													
Vice President – Ching San Wu													
Vice President – Alan Hsu													
	86,080	94,240	2,773	3,241	2,340,705	2,438,297	-	-	-	-	2,429,538 2.06%	2,535,778 2.15%	-

Note1: According to MediaTek's Articles of Incorporation §24, if the company makes a profit during the year, no less than 1% shall be allocated for employee remuneration. The remuneration of the Company's management refers to the Company's overall operating performance, according to the positions of the executives, contribution to the Company's operations, individual performance (including the practice of the Company's core values and leadership management capabilities, financial, sustainability targets (environment, social, and corporate governance), and comprehensive operation management indicators, etc.), and consideration of the Company's future risks and reference to the industry's payment, the remuneration of the Company's executives is evaluated by the remuneration committee for its plausibility, and submitted to the board of directors waiting for resolution. The system, standard, and structure of the remuneration are reviewed anytime under the actual operating situation and related laws to seek for the balance of the Company's sustainability and risk control.

Note2: Pensions funded/paid according to applicable law.

Note3: Remunerations and bonus of the Company and the entities mentioned in the financial statement are paid to key managers in 2021 were NT\$2,199,540 thousand and NT\$2,346,047 thousand respectively which were 1.97% and 2.10% of 2021 net income, respectively.

3.3. Key Managers Remunerations Scale

Remuneration scale for individual key managers	Compensation Paid to Key Managers	
	The Company	Consolidated Entities
Less than NT\$1 million	-	-
NT\$1 million ~ \$2 million		
NT\$2 million ~ \$3.5 million		
NT\$3.5 million ~ \$5 million	-	-
NT\$5 million ~ \$10 million	-	-
NT\$10 million ~ \$15 million	-	-
NT\$15 million ~ \$30 million	-	-
NT\$30 million ~ \$50 million		
NT\$50 million ~ \$100 million	Kuo-Hung Loh, NS Tsai, Rolly Chang, Sherry Lin, David Su, HW Kao, Mike Chang, Vincent Yung Mien Hu, Ching-San Wu, Alan Hsu	
Above NT\$100 million	Ming-Kai Tsai, Lih-Shyng Tsai, Joe Chen, David Ku, Kevin Jou, Cheng-Te Chuang, Jerry Yu, Jasper Yang, SR Tsai, JC Hsu	
Total	20	

3.4. Employee Compensation Paid to Key Managers:

None.

4. Corporate Governance Report

4.1. Operation of the Board

4.1.1 Board of Directors' Meeting Status

The Company's shareholders elected the 9th Board of Directors in Annual General Meeting on July 5, 2021, effective immediately (from July 5, 2021 to July 4, 2024). The 9th Board of Directors held 6 sessions in 2022. The attendance of the Directors is shown in the following table:

Title/Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Chairman: Ming-Kai Tsai	6	0	100%	None
Vice Chairman & CEO: Lih-Shyng Tsai	6	0	100%	None
Director & President: Joe Chen	6	0	100%	None
Director: Cheng-Yaw Sun	6	0	100%	None
Director: Kenneth Kin	6	0	100%	None
Independent Director: Chung-Yu Wu	6	0	100%	None
Independent Director: Peng-Heng Chang	6	0	100%	None
Independent Director: Ming-Tze Tang	6	0	100%	None

4.1.2 Other Required Notes for the Board Meetings:

- A. Items listed in Article 14-3 of the Securities and Exchange Act or board resolutions independent directors have dissenting opinions or qualified opinions recorded or noted in writing in the board meeting minutes:
- Items listed in Article 14-3: The Company has established an audit committee, and Article 14-3 shall not apply. Please refer to "Operation of Audit Committee" in the Annual Report for related information.
 - Written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion: None.
- B. Execution status for Article 206 of the Company Act regarding matters bearing on the personal interests of directors: The Company's directors all recused themselves from discussions and voting related to their compensation.
- C. Goals to enhance the Board's operations:
- Establishment of Remuneration Committee, Audit Committee and M&A Strategy Committee: the Company established the Remuneration Committee on August 24, 2011, elected independent directors and established the Audit Committee in 2015 AGM, and set up M&A Strategy Committee in 2020 to enhance the Board's operation.
 - Corporate governance operations enhancement: The Company's Board approved the "Ethical Corporate Management Best Practice Principles", "Corporate Governance Best Practice Principles", "Sustainable Development Best Practice Principles", "Board of Directors Self-Assessment of Performance", and "Rules for Board Meetings" (including standard operating procedures for processing director demands). In conjunction with the added external performance evaluation mechanism in "Board of Directors Self-Assessment of Performance," passed by the Board on October 26, 2021, the Company commissioned an external independent professional organization to conduct an external performance evaluation of the overall Board of Directors for the first time in 2022. The evaluation result was reported to the Board of Directors on October 28, 2022.

4.1.3 Evaluation of the Implementation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Range	Evaluation Method	Evaluation Content
<p>The Board of Directors of the Company commissions an external independent professional organization or a team of external professionals and scholars every three years to conduct an evaluation of the performance of the overall Board.</p>	<p>Jan 1, 2021 to May 31, 2022</p>	<p>Performance evaluation of the Board of Directors</p>	<p>Through document review, questionnaires, and on-site visits.</p>	<p>The Board commissions Ernst & Young Management Consulting Co., Ltd. to conduct a performance evaluation of the overall Board of Directors, which includes three dimensions, the structure, members, and processes and information of the Board, and eight evaluation items covering structure and processes of the Board, composition of the Board, corporate and organizational structure, roles and responsibilities, behavior and culture, training and development of the Board, risk management oversight, oversight of report/ disclosure and performance. The reason for independence of the external professional organization: Ernst & Young Management Consulting Co., Ltd. is not an affiliate of the Company, nor does it have a business relationship that could affect its independence. The personnel and their immediate family members have not held positions of significant influence in the Company, nor do they have a direct or indirect financial interest or have received any gifts from the Company.</p>
<p>The Company's board of directors performs an annual performance evaluation of the board of directors, individual directors and functional committees</p>	<p>Jan 1 to Dec 31, 2022</p>	<p>Performance evaluation of the board of directors, individual directors and functional committees</p>	<p>Use internal questionnaires to conduct self-evaluation of the board of directors and self-evaluation of directors.</p>	<p>The Company's performance measures for the board of directors, individual directors and functional committees include at least the following items:</p> <ol style="list-style-type: none"> 1. Performance evaluation of the board of directors: participation in the company's operations, increase of decision-making quality of the board of directors, composition and structure of the board of directors, election and continuous education of directors, and internal control. 2. Performance evaluation of individual director members: mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' profession and continuous education, and internal control. 3. Performance measures of functional committees: participation in the company's operations, awareness of the responsibilities of functional committees, decision-making quality of functional committees, composition of functional committees and election of members, internal control.

4.2. Operation of Audit Committee

The audit committee of the Company consists of three independent directors to supervise the adequate presentation of the company's financial statements, the selection and discharge of the CPA, the independence and performance, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the control mechanism for existing or potential risk.

4.2.1 Responsibilities of Audit Committee

The matters discussed in the Audit Committee mainly include:

- A. Establish or amend internal control systems
- B. Assessment of the effectiveness of the internal control system
- C. Operating procedures for obtaining or disposing of assets, engaging in derivative transactions, outward loans to others, endorsement and guarantee to others
- D. Matters relating to the director's own interests
- E. Significant assets or derivatives transactions
- F. Significant outward loans to others, endorsement and guarantee to others
- G. Transaction of public offering, issuance or private placement of equity-type securities
- H. Appointment, discharge or remuneration of CPA
- I. Appointment and discharge of finance, accounting or internal audit supervisor
- J. The annual financial report signed or sealed by the chairman, manager and accountant, and the second quarter financial report subject to the audit check by the accountant.

Review annual financial report:

The Board of Directors prepared the Company's 2022 annual business report, financial statements and proposal for profit distribution. The financial statements have been audited and certified by Ernst & Young Taiwan. The aforementioned business report, financial statements and proposal for profit distribution have been audited by the Audit Committee and no disagreement has been found.

Assessment of the effectiveness of the internal control system:

The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including sales, procurement, production, personnel, finance, information security, compliance and other control measures), and oversees the internal audit unit operations and review internal control self-assessment result. The Audit Committee considered the company's internal control system to be effective.

4.2.2 Audit Committee Meeting

The Audit Committee held 7 sessions in 2022. The attendance of the independent directors is shown in the following table:

Title/Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Independent Director: Chung-Yu Wu (Convener)	7	0	100%	Re-elected in the Annual General Meeting on July 5, 2021
Independent Director: Peng-Heng Chang	7	0	100%	As above
Independent Director: Ming-Tze Tang	7	0	100%	As above

4.2.3 Other Required Notes for Audit Committee Meeting

A. Any items listed in Article 14-5 of the Securities and Exchange Act, or any resolution not approved by the Audit Committee but approved by two thirds or more of all directors instead:

a. Items listed in Article 14-5

Date	Meeting	Resolution	Any Independent Director Having a Dissenting Opinion or Qualified Opinion
Jan 26, 2022	The 4 th meeting of the 3 rd Committee	Matter of organization adjustment	Members in the Audit Committee passed all resolutions unanimously. The Board of Directors approved all resolutions in accordance with the suggestion of the Audit Committee.
Feb 25, 2022	The 5 th meeting of the 3 rd Committee	Matter of the Company's 2021 financial statements Matter of the Company's 2021 internal control statement and self-assessment report Capital increase of subsidiaries	
Mar 15, 2022	The 6 th meeting of the 3 rd Committee	Matter of the Company's 2021 business operating report Matter of the Company's 2021 profit distribution Disposal of a portion of the shares of Airoha Technology Corp. Amendment of Procedures Governing the Acquisition or Disposition of Assets Amendment of Operating Procedures of Outward Loans to Others Amendment of Operating Procedures Of Endorsement And Guarantee	
Apr 26, 2022	The 8 th meeting of the 3 rd Committee	Matter of the Company's first quarter 2022 financial statements	
Jul 28, 2022	The 9 th meeting of the 3 rd Committee	Matter of the Company's second quarter 2022 financial statements	
Oct 27, 2022	The 10 th meeting of the 3 rd Committee	Matter of the Company's third quarter 2022 financial statements Matter of the Company's 2022 CPA compensation	

b. Other resolution which was not approved by the Audit Committee but was approved by two thirds or more of all directors: None.

B. Any recusal of Independent Directors due to conflicts of interests: None.

C. Communications of independent directors with internal auditors and CPAs:

a. Internal auditors present the execution and improvement of audit plan to independent directors at least 4 times per annum in the Audit Committee meetings. Internal auditors also report important audit business to independent directors individually in the quarterly meetings, and communicated and exchanged ideas to assess the internal control effectiveness.

b. The CPAs report at least twice per annum in the Audit Committee meetings and at least once per annum to independent directors individually on the audit of the Company's financial reports and fully discuss with independent directors on the issues related to financials, taxes, internal control, etc.

4.3. Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Summary Description	Reason for Non-implementation
	Yes	No		
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/ Listed Companies”?	✓		The Company has established, via Board resolution, corporate governance best-practice principles. Under these principles, the Company has established a comprehensive corporate internal governance framework, and fairly treats shareholders while protecting their rights.	None
2. Equity structure and shareholders’ equity				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement them according to the procedure?	✓		The Company has designated relevant departments, such as Investor Relations, Public Relations, Legal, etc. to handle shareholders’ suggestions or disputes.	None
(2) Does the company keep track of the list of its major shareholders as well as the ultimate owners of those shares?	✓		The Company tracks the shareholdings of directors, officers and shareholders’ holding more than 10% of the Company’s outstanding shares.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		When designing the structure of its subsidiaries, the Company has implemented a firewall mechanism. The Company and its subsidiaries have established appropriate internal control systems.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Company published “Insider Trading Policy”, strictly prohibiting staffs and managers from insider trading with material nonpublic information. Violators are subject to punishment, investigation, and legal liability.	None
3. Composition and Responsibilities of the Board of Directors				
(1). Does the Board develop and implement a diversification policy for the composition of its members?	✓		<p>The Company has a diversification policy for the board of directors. According to this policy, the composition of the Company’s board of directors should be diversified. According to the Company’s operations, business models and development needs, the selection of members with diversified backgrounds and perspectives includes but it is not limited to gender, age, nationality, culture, education background, professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc.</p> <p>In addition, the consideration factors for the nomination of board members also include that the director candidates should have a reputation for integrity, outstanding achievements, experience and reputation in various professional fields, and promise to invest sufficient time to participate in the supervision of the Company’s business, and have the ability to assist in operation and management abilities, and contribute to the Company’s success. In the case of independent directors, their qualifications shall meet the requirements of laws and regulations.</p> <p>The current board of directors of the Company consists of eight directors, including three independent directors (38%). All directors’ nationality is ROC. Regarding the age of directors, there is one director aged between 51 and 55, two aged between 66 and 70, four aged between 71 and 75, and one director aged between 76 and 80. Members of the board of directors have relevant professional backgrounds in science and technology, finance and economics. Their industry experiences cover various fields in the semiconductor industry, including upstream (including Director Lih-Shyng Tsai, Director Kenneth Kin and Independent Director Peng-Heng Chang), IC design engaged by the Company (including Director Ming-Kai Tsai, Director Joe Chen, and Independent Director Chung-Yu Wu), downstream end product applications (Director Cheng-Yaw Sun), and financial (Independent Director Ming-Tze Tang).</p> <p>In addition, in order to achieve diversity in the background, experience and expertise of the board of directors for diverse perspectives, the board of directors of the Company should include at least one director with academic background, at least one director with accounting or finance expertise, and at least one director with business management experience. Currently, three of the eight directors have been working in the academic community for a long time (including Professor Chung-Yu Wu of NYCU, Professor Ming-Je Tang of CGU and Professor Kenneth Kin of NTHU), five directors have finance experience (including Director</p>	None

Assessment Item	Implementation Status		Reason for Non-implementation
	Yes	No	
(2). Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		None
(3). Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		None

Assessment Item	Implementation Status		Reason for Non-implementation
	Yes	No	
		<p>The detailed content of the external performance evaluation of the Board were reported to the Board at the Board Meeting of October 28, 2022.</p> <p>(Note): Evaluation criteria (3 levels in total):</p> <ul style="list-style-type: none"> - Basic (meeting the basic requirements of the regulator and relevant regulations) - Advanced (meeting the basic requirements of the regulator and relevant regulations, and having an established and effective set of practices, or proactively enhancing the performance in that area) - Benchmark (exceeding the basic requirements of the regulator and relevant regulations, and the practices of the Board being equivalent to the benchmark model) <p>The internal performance evaluation of the Board (including the overall Board of Directors, respective functional committees, and individual directors)</p> <p>The performance evaluation this year used internal questionnaires to conduct self-evaluation of the Board of Directors and self-evaluation of directors. The Board's performance was graded as excellent (the average score of the evaluation result >4.3 points is excellent; >4 and <4.3 is good; >3 and <4 is acceptable; <3 is improvement required).</p> <p>Detailed information regarding the above evaluation were reported to the Board at the Board Meeting of February 3, 2023. The Company will continue to review the relevant performance measures to improve its performance.</p>	
(4). Does the company regularly evaluate the independence of CPAs?	✓	<p>At least once a year, the Company evaluates the independence and suitability of its CPA, including the accounting firm' financial interests, funding and guarantees, commercial relations, family and personal relations, employment relations, gifts and special offers, rotation of CPAs, and non-audit services. The Company also obtains a statement of independence issued by the CPA. The Company also refers to the Audit Quality Indicators to assess the suitability of the appointed CPA, based on five dimensions and thirteen indicators. The five dimensions include professionalism, independence, quality control, supervision, and innovation ability. The evaluation result of the latest fiscal year was discussed and passed by the Audit Committee on February 23, 2023 and approved by the Board of Directors on February 24, 2023. Please refer to "III. Corporate Governance – 5.4 Evaluation of the External Auditor's Independence" for related information on the independence and suitability evaluation of the CPA.</p>	None
4. Does the company established an exclusively (or concurrently) corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce minutes of board meetings and shareholders meetings, etc.)?	✓	<p>The Company's Board of Directors resolved to appoint General Counsel David Su as the supervisor for corporate governance and the Legal & Intellectual Property Department under the General Counsel as the department responsible on March 22, 2019 for corporate governance and business integrity, to safeguard shareholder rights and strengthen the Board's functioning. The General Counsel is an officer of the Company and a qualified attorney with over 3 years of experience in managing legal matters of a publicly traded company. Primary duties are to handle related matters according to law and make meeting minutes for the Board Meetings and shareholders' meetings, assist in the matters of director appointment and profession enhancement, provide directors with related information required in conducting business, assist directors in compliance with laws, report to the Board of Directors the results of the review of whether the independent directors are qualified in accordance with relevant regulations during the nomination, election and tenure, as well as handle matters related to changes in directors. Please refer to "III. Corporate Governance - 4.8.3 Supervisor for Corporate Governance Profession Enhancement Status" for the profession enhancement of the supervisor of corporate governance.</p> <p>Implementation in 2022:</p> <ol style="list-style-type: none"> 1. Conducted matters relating to Board Meetings and Shareholders' Meetings 2. Recorded minutes of Board Meetings and Shareholders' Meetings 3. Assisted in the matters of director appointment and profession enhancement 4. Provided directors with related information required in conducting business 5. Assist directors in compliance with laws 6. Handle matters relating to company registration and change of company registration 7. Regularly conduct performance evaluation pursuant to the rules for "Board of Directors Self-Assessment of Performance" 	None

Assessment Item	Implementation Status		Reason for Non-implementation	
	Yes	No		Summary Description
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has established a Corporate Sustainability section with contact information of responsible person on the Company website. The Company has also established a Stakeholder section to timely respond issues which stakeholders care about.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has engaged CTBC Bank's agency department to handle matters relating to Shareholders' Meetings.	None
7. Information Disclosure				
(1). Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		The Company discloses financial information and corporate governance items on its company website: http://www.mediatek.com	None
(2). Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		1. The Company has designated appropriate persons to handle information collection and disclosure. Contact person: Jessie Wang, TEL: +886-(0)3-567-0766 ext.23447 / email: ir@mediatek.com 2. The Company has established a Spokesperson policy. Spokesman: David Ku; Acting Spokesperson: Jessie Wang. 3. The Company provides investor conferences webcasts and presentation materials on its website in a timely manner. 4. The Company discloses real-time information to shareholders and stakeholders on both Company website and MOPS website.	None
(3). Does the company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	The company announced and reported the annual financial statements within two months after the end of the fiscal year, and announced and reported quarterly financial statements as well as the operating status of each month before the prescribed deadline.	As explained in summary description.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. The Company discloses its financial statements and corporate governance information on its Chinese and English websites (http://www.mediatek.com). The Company aims to provide free access to transparent information for employees, investors, suppliers and stakeholders. 2. The Company's Directors are experts in their professional specialties. The Company provides new regulation updates that require the attention of Directors. The executive team of the Company also reports to the Board periodically. Director training records can be found on the MOPS website. 3. The Company has already instituted internal control systems as required by law and has properly implemented the system. The Company also conducts risk assessments on banks, customers, and suppliers in order to reduce credit risks. 4. All Directors of the Company avoid issues when there are conflicts of interests. 5. The Company maintains D&O insurance for its Directors and key officers. 6. In the succession planning of important management, MediaTek emphasizes that successors should have excellent corporate strategy planning and operational capabilities, and focus on their core values (integrity, customer focus, innovation, conviction inspired by deep thinking, inclusiveness, and constant renewal). The candidates of the board of directors of the Company and the manager of the important management team will go through systematic trainings such as building experience in subsidiaries, rotating between business units to deepen professional abilities and personal development plans, enhancing the depth and broadness in their decision-making process and operation, to be ready for the succession. 7. To deepen the value connection between MediaTek's management and shareholders, and to fulfill the commitment of sustainable management, the Company formulated the MediaTek Inc. Executive Officer Stock Ownership Guidelines in 2022. According to the guidelines, executive officers of the Company are required to hold a certain multiple of their annual base salary in the Company' stock during their tenure and should achieve the required shareholding within three years after being appointed as an executive officer, in order to establish a long-term system of executive officers holding the Company' stock.	None

Assessment Item	Implementation Status		Reason for Non-implementation
	Yes	No	
<p>9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange</p> <ul style="list-style-type: none"> - To enhance corporate governance and shareholder' equity, the Company announced the audited annual financial report within two months after the end of the fiscal year and will hold the shareholders' meeting earlier in end of May in 2023. - To enhance the Audit Committee's supervision function over the Company's finance, the quarterly financial reports of the Company in 2022 were all approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution. - To enhance the functionality of the Board of Directors, the Company amended the "Board of Directors Self-Assessment of Performance" and added an external performance evaluation mechanism. The Company commissioned an external independent professional organization to conduct an external performance evaluation of the overall Board of Directors. The evaluation result was reported to the Board Meeting of October 28, 2022. - To continuously implement the corporate sustainability goals, the Company established a timetable for greenhouse gas emissions inventory and verification and reports to the Board of Directors on a quarterly basis. The Company also reported to and publicly announced its net zero greenhouse gas emissions target by 2050 to the Board of Directors. - To strengthen the information security management mechanism, in addition to setting up an Information Security Committee to regularly review the execution status of information, product and data security, and report to the Board of Directors, the Company established a Chief Information Security Officer position, implemented the ISO 27001 information security management system standard, and obtained the ISO 27001 certification in 2022. - To fortify intellectual property management, in addition to establishing intellectual property management plans linked to operation objectives and regularly report to the Board of Directors, the Company continued to pass "Level A Inspection of Taiwan Intellectual Property Management System (TIPS) of Industrial Development Bureau, Ministry of Economic Affairs" in November 2022. 			

4.4. Operation of the Company's Remuneration Committee

4.4.1 Responsibilities of the Company's Remuneration Committee:

The Remuneration Committee aims at establishing and regularly reviewing the performance evaluation procedure for directors and managers as well as establishing compensation policy, system, standard and structure and regularly reviewing the compensation of directors and managers.

4.4.2 Composition of the Company's remuneration committee:

The Company's Remuneration Committee was established on August 24, 2011. According to related regulations of the Securities and Futures Bureau, Financial Supervisory Commission, the professional qualification and independence criteria of Remuneration Committee's members are below:

	Professional Qualifications and Experiences	Independence Analysis	Number of Companies Concurrently Serve as An Independent Director
Independent Director (Convener) Peng-Heng Chang	- Please refer to "2.1 Information Regarding Board Members" in the annual report for professional qualifications and experiences of the Board members. - None of the Board members is under any of the circumstances in Article 30 of the Company Act.	In accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, including but not limited to: 1. No shares of the Company held under the name of the Director and the Director's spouse (or under the names of any other persons); 2. No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates in the past two years.	1
Independent Director Chung-Yu Wu	- Possessing corporate management experience and having been working in the academic community for a long time. Currently retired and as an honorary professor of NTU and the Vice chairman of Cheng Zhi Foundation - Previous positions including Assistant Dean of College of Management and CEO of EMBA in NTU, Assistant Dean of Teaching and Resource Development of College of Management in NTU, Professor of Department of International Business in NTU and Director of Taidah Entrepreneurship Center - Not under any of the circumstances in Article 30 of the Company Act.	In accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, including but not limited to: 1. The number of shares of the Company held under the name of the Director and the Director's spouse (or under the names of any other persons) was 648,118 (0.04%), lower than 1%, in accordance with the independence requirement of Independent Director; 2. No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates in the past two years.	3
Other Ji-Ren Lee	- Possessing corporate management experience and having been working in the academic community for a long time. Currently retired and as an honorary professor of NTU and the Vice chairman of Cheng Zhi Foundation - Previous positions including Assistant Dean of College of Management and CEO of EMBA in NTU, Assistant Dean of Teaching and Resource Development of College of Management in NTU, Professor of Department of International Business in NTU and Director of Taidah Entrepreneurship Center - Not under any of the circumstances in Article 30 of the Company Act.	In accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, including but not limited to: 1. The number of shares of the Company held under the name of the Director and the Director's spouse (or under the names of any other persons) was 8,000 (0.0005%), lower than 1%, in accordance with the independence requirement of Independent Director; 2. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation of NT\$300,000, not exceeding NT\$500,000, in accordance with the independence requirement, or a spouse thereof.	4

Note: During the two years before being elected or during the term of office, not have been or be any of the following:

- (1) An employee of the company or any of its affiliates.
- (2) A director or supervisor of the company or any of its affiliates.
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

- (8) A director, supervisor, officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Publicly traded companies and their parent companies, subsidiaries, or subsidiaries of the same parent company, whose independent directors holding concurrent positions in each other entities set up in accordance with the Securities Exchange Act or local laws and regulations are not subject to (2), and (5) ~ (7) of the preceding paragraph.

4.4.3 Remuneration Committee Meeting Status

The tenure of the Company's 5th Remuneration Committee is from July 27, 2021 to July 4, 2024. The convener, Mr. Peng-Heng Chang held 3 session in 2022 and the attendance of members is shown in the following table:

Title	Name	Attendance in Person	Attendance Rate in Person (%)	Note
Convener	Peng-Heng Chang	3	100%	None
Member	Chung-Yu Wu	3	100%	None
Member	Ji-Ren Lee	3	100%	None

The Company's Remuneration Committee's resolutions in 2022 and the Company's response to the remuneration committee's proposal:

Date	Meeting	Proposal	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
Jan 25, 2022	The 2 nd meeting of the 5 th Committee	Executive officers' remuneration	Approved by all attending members of the committee	Approved by all attending directors in the board of director meetings
Mar 15, 2022	The 3 rd meeting of the 5 th Committee	Directors' remuneration		
Jul 27, 2022	The 4 th meeting of the 5 th Committee	Executive officers' stock ownership guidelines and execution, and the framework and standards of executive officers' compensation and directors' remuneration		

4.4.4 Other Required Notes for Remuneration Committee:

- A. In cases the Board doesn't adopt or revise Remuneration Committee's proposals, the Company shall list date/number of the Board meeting, agenda, the Board's resolution and the Company's response to Remuneration Committee's proposal: None.
- B. In cases Remuneration Committee members have dissenting opinions or qualified opinions against the resolution and recorded with notes in paper, the Company shall list date, number of the Remuneration Committee meeting, agenda, all members' opinion and the follow-up of the members' opinion: None.

4.5. Status of Fulfilling Sustainable Development and Differences and Causes of Sustainable Development Best Practice Principles

Assessment Item	Implementation Status			Reason for Non-implementation						
	Yes	No	Summary Description							
1. Does the Company establish the governance structure to propel sustainable development and a dedicated sustainable development unit (or acting in concurrent positions) with first-line management authorized by the Board and reporting to the Board?	✓		<p>The Company established Sustainability Committee in 2014. It is the highest-ranking sustainable development decision-making unit in the Company and is chaired by Vice Chairman & CEO, Mr. Lih-Shyng Tsai. The Company takes sustainable development as its highest guiding principle. The Committee consists of top managers who are responsible for marketing, research and development, sales, human resources, supply chain management, legal, finance, audit and MediaTek Foundation, and supervise the operation of six working teams, Global Presence, Innovation, Talent, Corporate Governance, Environmental Management, and Community Engagement.</p> <p>The Sustainability Committee reports semiannually to discuss the implementation plan of the year and review the implementation performance in the past 6 months. Two meetings were held in 2022 with proposals including (1) working progress of the six working teams; (2) revisions of corporate sustainability related targets and policies; (3) external sustainability trend analysis. Meanwhile, the Board supervises strategy and implementation of sustainable development, and the representative of the Committee reports the annual implementation priorities and performances, communication results of stakeholders to the Board at least once per annum. The Board evaluates related strategies, and the effectiveness of implementation plans and urge management to make adjustments when required.</p>	None						
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies based on the principle of materiality?	✓		<p>The Company based on the principle of materiality, conducts risk assessments and planning on environmental, social and corporate governance issues related to the company's operations and formulates relevant risk management policies including risk identification, risk analysis and evaluation, risk response and risk monitoring, etc.</p> <p>Consideration of various potential business risks and hazards are a prerequisite to pursuing sustainable operation, providing corporations with response procedures and recovery mechanisms in the event of crises and minimizing unexpected business impacts. MediaTek uses the Business Continuity Plan (BCP) to respond to various risks and crises, making preparation and conducting drills for potential risks and disasters through a range of components ranging from damage identification to risk control. We have also established backup measures at all major sites around critical global locations so that normal operation of business functions can be resumed in the shortest possible time in an organized and planned manner in the event of a disaster. Additionally, we also have relevant programs and responses in place to ensure that our clients can continue their operations even when disasters and crises impact on client interests, and reviews are conducted after the fact to avoid repeated damage to client interests.</p> <p>The risk assessment boundaries are determined by the Company, including its Taiwan and global existing offices. According to risks after evaluation, the related risk management policies are listed as follows:</p> <table border="1"> <thead> <tr> <th>Key topics</th> <th>Risk evaluation items</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Climate change: Whether global companies conform to various environmental protection trends and standards to slow down the event of extreme climate</td> <td>Conduct annual reviews of international environmental protection trends and formulate environmental protection measures according to operational needs; we also conduct internal training and promotion to help our employees understand the impacts on climate change and the Company's environmental protection themes for the year so that they can adhere to various environmental protection policies when carrying out their job duties.</td> </tr> </tbody> </table>	Key topics	Risk evaluation items	Explanation	Environmental	Climate change: Whether global companies conform to various environmental protection trends and standards to slow down the event of extreme climate	Conduct annual reviews of international environmental protection trends and formulate environmental protection measures according to operational needs; we also conduct internal training and promotion to help our employees understand the impacts on climate change and the Company's environmental protection themes for the year so that they can adhere to various environmental protection policies when carrying out their job duties.	None
Key topics	Risk evaluation items	Explanation								
Environmental	Climate change: Whether global companies conform to various environmental protection trends and standards to slow down the event of extreme climate	Conduct annual reviews of international environmental protection trends and formulate environmental protection measures according to operational needs; we also conduct internal training and promotion to help our employees understand the impacts on climate change and the Company's environmental protection themes for the year so that they can adhere to various environmental protection policies when carrying out their job duties.								

Assessment Item	Implementation Status			Reason for Non-implementation	
	Yes	No	Summary Description		
			<p>Social</p> <p>Risks to human rights: Conduct evaluation on risks to human rights to prevent breach of law and damage to labor-management relationship</p> <p>Governance</p> <p>Legal compliance; the Board function; stakeholder engagement</p>	<p>In legal aspect, assure conformance of labor policy to the legal requirements of domestic and international human-rights conventions. Hold labor-management meeting regularly, discussing implementation of human-rights policy, labor environment and conditions, policy and compensations/fringe benefits for attaining consensus, to assure information transparency and smooth communication between the two parties.</p> <p>Plan trainings on related topics for the directors and provide corporate governance related information depending on the Company's needs and change of regulation. Ensure all employees and operations in the Company conform to related regulation and internal standards. Construct various communication channels to engage with stakeholders.</p>	
3. Sustainable Environment Development					
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		The Company established the environmental management system according to ISO-14001 and continues to pass third-party certification. Annual greenhouse gas emission verification is conducted annually in accordance with ISO 14064-1. The Company tracks the results and disclose related information in the Sustainability Report an on the Company's website. The Company also passed ISO 14064-1 and ISO 50001 third-party energy management system certification (ISO 50001 valid from Jan 13, 2022 to Jan 13, 2025; ISO 14064-1 valid from Aug 17, 2022 to Aug 17, 2025). (https://corp.mediatek.tw/about/sustainability)	None	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>The Company proactively promotes various energy reduction measures and selects high energy efficiency and equipment with energy-saving design to lower corporate energy consumption and optimize energy effectiveness.</p> <p>Through continuous efforts on energy reduction in 2022, the average power saving rate reached 16.3% (32,240 MWh), below the original target of 17.8%. Going forward, the Company will continue to plan for green power purchase and evaluate the feasibility of renewable power generation equipment to gradually increase the usage rate of renewable power.</p> <p>The process to optimize utilization of raw materials of the Company is as follows:</p> <p>In terms of waste management and recycling, in order to manage waste efficiently and maximize the benefits of recycling, the Company prioritizes waste reduction, classification for reuse, adherence to recycling and reutilization. The Company also handles and disposes waste properly and continually improves waste storage, transport and processes and evaluates the impact on the environment. We choose only qualified partners for waste disposal and recycling, and also audit the waste processes randomly to ensure the legal disposal of our waste and fulfill our responsibility in waste management supervision.</p>	None	
(3) Does the company assess the potential risks and opportunities of climate change for companies now and in the future, and take measures to address climate-related issues	✓		<p>The Sustainability Committee is the highest-ranking organization for climate change management, chaired by Vice Chairman & CEO, Mr. Lih-Shyng Tsai. With regard to climate change, the Committee reviews related strategy and target and manages risks and opportunities annually, and reviews status of implementation as well as discusses future plans.</p> <p>According to the framework outlined by the Task Force on Climate-related Financial Disclosure (TCFD), the Company evaluates and updates the risk and opportunity related to climate change annually. To lower the risk, the Company identifies feasible opportunities and drafts counter measures simultaneously. The assessment of transformation risks mainly applies to energy management for business operation in the five major aspects including power, water consumption, waste management, transportation, and greenhouse gas. The assessment of physical risks mainly applies to disasters including water rationing, power rationing, power outage, typhoon, and flood, and related counter measures will be taken.</p>	None	

Assessment Item	Implementation Status			Reason for Non-implementation																					
	Yes	No	Summary Description																						
			The Company's risk and opportunity analysis on climate change is explained in detail and disclose in the Company's Sustainability Report. (https://corp.mediatek.tw/about/sustainability)																						
(4) Does the company keep records of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?	✓		<p>A. The Company conducts greenhouse gas emission verification annually in accordance with ISO 14064-1. Greenhouse gas emission in the past two years (numbers including the Company's offices in Hsinchu Science Park, Zhubei and Taipei (coverage rate 100%)):</p> <p style="text-align: right;">Unit: ton CO2e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>5,326</td> <td>61,992</td> <td>67,318</td> </tr> <tr> <td>2022</td> <td>6,078</td> <td>84,243</td> <td>90,321</td> </tr> </tbody> </table> <p>In 2021, the greenhouse gas emission under scope 1 & 2 was 67,318 tons of CO2e in total. The electricity emission under scope 2 accounted for 92.09% of total emission; the emission of petroleum gas for daily usage and diesel fuel for emergency usage under scope 1 accounted for 7.91%.</p> <p>In 2022, the greenhouse gas emission under scope 1 & 2 was 90,312 tons of CO2e in total. The electricity emission under scope 2 accounted for 93.27% of total emission; the emission of petroleum gas for daily usage and diesel fuel for emergency usage under scope 1 accounted for 6.73%.</p> <p>The aforementioned greenhouse gas emission inventory for both 2021 and 2022 were externally verified by the British Standards Institution (BSI) ISO-14064.</p> <p>B. The Company has long been paying attention to water resource environmental protection issues. In terms of water saving, by implementing daily water conservation, the effectiveness of water resource can be maximized. Water consumption in the past two years (numbers including the Company's offices in Hsinchu Science Park, Zhubei and Taipei (coverage rate 100%)):</p> <p style="text-align: right;">Unit: million liters</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption</th> <th>Wafter saving</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>382</td> <td>19.6</td> </tr> <tr> <td>2022</td> <td>486</td> <td>18.8</td> </tr> </tbody> </table> <p>The Company invested in various improvement measures, such as using water-saving apparatuses (including inductive water-saving faucet, water-saving toilet, and water-saving faucet for cleaning water in recycling area) and constructing air-conditioning condenses water/RO water recycling systems. Under the implementation of water resource management and water saving techniques, water saving was 19.6 million liters in 2021 with saving rate of 4.9%, and was 18.8 million liters with saving rate of 3.7% in 2022, below the original target of 5%, due to the establishment of 5 new office locations this year, which will require implementing various water reduction measures in the future.</p> <p>C. For the purpose of achieving the maximum benefits of effective waste management and recycling, MediaTek focuses on the reduction of waste. The Company effectively sorts, recycles, re-uses, and properly disposes of waste, and continues to limit the impact from storage, transportation, and processing of waste have on the environment. In order to effectively control the flow of waste, we have carefully selected qualified waste disposal and recycling suppliers, as well as audited the legitimacy of the waste disposal process randomly to take responsibility for supervising waste management. Waste disposed of in the past two years (numbers including the Company's offices in Hsinchu Science Park, Zhubei and Taipei (coverage rate 100%)):</p>	Year	Scope 1	Scope 2	Total	2021	5,326	61,992	67,318	2022	6,078	84,243	90,321	Year	Total water consumption	Wafter saving	2021	382	19.6	2022	486	18.8	None
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4. Social Topics																																																																												
(1). Does the company establish management policies and procedures according to related regulations and International Bill of Human Rights?	✓		<p>The Company complies with local laws and regulations in its global operations and endorses and supports the principles outlined in international human rights conventions (such as the Universal Declaration of Human Rights by the United Nations). The Company treats all employees with dignity and respect, and endeavors to prevent any actions that violate human rights.</p> <p>The Company's policy on human rights specifically includes:</p> <ul style="list-style-type: none"> - Prohibit any form of discrimination in employment and provide people with equal treatment and respect. - Help employees to maintain mental and physical health and balance work and life. - Prohibit forced labor, human trafficking, and child labor. - Offer a safe and healthy working environment. - Be responsible for mineral sourcing. <table border="1"> <thead> <tr> <th>Aspects of human rights</th> <th>Specific measures</th> </tr> </thead> <tbody> <tr> <td>Respect labor rights and prohibit forced labor</td> <td>Please refer to "VI. Corporate Sustainability Development - 1.1. Employee experience - A. Employment" of the annual report for more details.</td> </tr> </tbody> </table>	Aspects of human rights	Specific measures	Respect labor rights and prohibit forced labor	Please refer to "VI. Corporate Sustainability Development - 1.1. Employee experience - A. Employment" of the annual report for more details.	None																																																																				
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Assessment Item	Implementation Status			Reason for Non-implementation
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			<p>Establish open communication channels</p> <p>Establishing “I have a good suggestion” platform on the internal network, which encourages employees to share their opinions and ideas and respond promptly to any concerns or suggestions. Establishing “employee complaint inbox” mechanism that provides a safe and confidential platform to assist employees in handling work-related or management-related issues. Please refer to “VI. Corporate Sustainability Development - 1.1. Employee experience - B. Employee Communication” of the annual report for more details.</p> <p>Establish an equal workplace</p> <p>Implementing equal pay for equal work, prohibiting any form of discrimination and harassment, and committing to supporting diversity and inclusion. Please refer to “VI. Corporate Sustainability Development - 1.1. Employee experience - J. Promoting Workplace Diversity and Gender Equality” of the annual report for more details.</p> <p>Provide a safe and healthy working environment</p> <p>Please refer to “VI. Corporate Sustainability Development - 1.1. Employee experience - D. Work Environment Safety and Employee Healthcare” of the annual report for more details.</p> <p>Ensure information security</p> <p>Respecting employees’ and customers’ data privacy and ensuring that the collection and use of data comply with legal requirements.</p> <p>Implementing stakeholder engagement</p> <p>Through various channels such as the corporate website and e-newsletters, regularly empowering stakeholders to understand human rights and the Company’s human rights policy and working together to uphold human rights.</p> <p>Assist employees to maintain physical and mental health, and work-life balance</p> <p>Holding various health promotion activities with a total of 19 events in 2022, including health lectures, blood donations, influenza vaccinations, hiking, CPR+AED promotion, and Taipei Marathon, to promote employees’ health.</p> <p>Conduct regular human rights due diligence investigations</p> <p>Evaluating potential human rights risks in operational activities and developing mitigation and remediation measures. Setting up a full-day complaint channel, including “Employee Internal Complaint Box,” “Prevention of Sexual Harassment Hotline and Complaint Box,” and “Feedback Box”, and committed to protecting complainants from retaliation. After receiving a complaint, conducting relevant investigations in accordance with regulations, and taking necessary remedies and responses if the complaint is found to be true.</p>	
(2). Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		<p>Employee compensation</p> <p>The company regularly measures the market compensation level, links company performance to employee compensation and bonus, and refers to overall economic indicators to formulate reasonable compensation, and ensures the overall compensation and bonus are competitive. Meanwhile, through regular performance appraisal and development operation mechanisms, a two-way communication and interaction platform is provided to achieve organizational and personal development, and corresponding rewards are given according to performance results, so as to encourage employees and the company to grow together.</p> <p>Employee welfare measures</p> <p>The Company provides benefits that exceed legal compliance requirements, including addition flexible days off to increase the flexibility for employees to arranging their time off and one day of paid volunteer leave each year to encourage employees to give back to the society. In addition, the Company established Employee Welfare Committee and allocates more than NT\$200 million of welfare to the Committee every year, in order to offer benefits with more variety. A flexible welfare policy was implemented in 2019 where employees can apply the subsidies with more flexibility on one or more than five</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation																			
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			<p>projects, including travel, entertainment, shopping, health examination and group insurance. The company also provides marriage subsidy, maternity subsidy, funeral grant and emergency allowance. Each employee has annual health examination, parking space, and meal allowance, etc.</p> <p>Diversity and equality in the workplace The Company is committed to creating a friendly and fair workplace, providing equal compensations and promotion opportunities to global talents. The proportion of female employees at was 20% on December 31, 2022, details as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Male</th> <th colspan="2">Female</th> </tr> <tr> <th>Number of people</th> <th>Proportion of all employees</th> <th>Number of people</th> <th>Proportion of all employees</th> </tr> </thead> <tbody> <tr> <td>Top managers</td> <td>65</td> <td>94%</td> <td>4</td> <td>6%</td> </tr> <tr> <td>All employees</td> <td>16,143</td> <td>80%</td> <td>4,033</td> <td>20%</td> </tr> </tbody> </table> <p>(The above information includes regular employees, contractors, and temporary workers, but not includes employees at independently operating subsidiaries)</p> <p>The Company established Women in Tek (WIT) in 2015 to promote women’s development, and WIT transformed into an Employee Resource Group at the headquarters in 2022. WIT continues to connect female employees from offices around the world through both physical and online methods. In addition, Global Family, an Employee Resource Group, was established at the headquarters in 2022, providing a community for overseas employees to feel a sense of belonging even when working abroad.</p> <p>In addition, the Company values employee welfare, providing physical and mental healthcare for various employee groups to maintain a good working environment, including (1) maternal healthcare, such as setting up breastfeeding rooms, providing pregnancy protection and assessment by on-site doctors; (2) in-house preschool, providing a nurturing teaching environment to assist employees to take care of both family and work; (3) external employee assist program (EAP), providing professional consultation service in areas of work, family, mental health and legal counseling.</p> <p>Business performance reflecting on employee compensation According to MediaTek’s Articles of Incorporation §24, if the company makes a profit during the year, no less than 1% shall be allocated for employee remuneration. However, when there are accumulated losses, the compensation amount shall be reserved in advance. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.</p> <p>The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing employees. Every year the company reviews current compensation levels against market rates, taking macroeconomic indices into consideration, to ensure its competitiveness within the industry. Our overall compensation policies adhere to the Company’s short-term and mid- to long-term operational goals. They have been established in accordance with the job duties and roles of our employees; employee knowledge, skills, and capabilities; individual performance and level of engagement. The Company makes appropriate annual adjustments to base salary in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines, in order to realize the spirit of labor-management profit sharing.</p>		Male		Female		Number of people	Proportion of all employees	Number of people	Proportion of all employees	Top managers	65	94%	4	6%	All employees	16,143	80%	4,033	20%	
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Assessment Item	Implementation Status			Reason for Non-implementation
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			The Company's operating performance also reflects on employees' compensation, and employees' welfare expenses in the year significantly increased from last year. The increase in employees' base salary and bonus expenses reflected from the link to the Company's operating performance demonstrates the spirit of profit sharing with employees and encourages all employees to make effort for the Company's target. According to statistics of the Taiwan Stock Exchange (TWSE), the Company's employees continued to receive pays among the leading group of the local semiconductor industry, in terms of average cost of employee remuneration, average salary and median salary of full-time non-managerial employees. The Company provides sustainable, reasonable, and competitive compensation to attract global top-tier talent and strengthen retention of existing employees.	
(3). Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	✓		<p>With high regard for employees' safety, the company conducted hazard identification and risk evaluation for critical operation or events with higher potential hazard, in quest for zero disaster at workplace. Since 2015, the Company has been holding comprehensive evacuation drills regularly, outperforming peers, to familiarize all the employees with the evacuation routes, assembly sites, and participant count. Fire extinguishing and aid for the injured were also included in the drills that took place at office buildings in Hsinchu, Zhubei, and Taipei, with attendance totaling 10,865 and attendance rate of 87.8% as of December 29, 2022. To assure environmental safety without any blind spot, the company provides irregular safety reminders to employees and visitors and conducts regular inspection of office, public area, meeting rooms, laboratories, customer offices, and equipment areas for environmental and operational safety. More details as follows:</p> <ul style="list-style-type: none"> - Environment safety management - Monitor the operation and safety of the Company's fire extinguisher/suppression system, water/electricity system and air conditioning system around the clock. - Check the safety of the Company's working environment and equipment/machinery rooms on a daily basis. - Conduct labor safety and sanitation training for new employees on a monthly basis. - Conduct disaster prevention and evacuation drill for all employees to continuously strengthen employees' emergency management capabilities on a yearly basis. - Authorize SGS to audit the Company's ISO 14001& ISO 45001 system on a yearly basis (ISO 14001 valid from Jul 30, 2019 to Jul 30, 2022 and from Jul 30, 2022 to Jul 30, 2025). - Promote traffic and working safety-related concepts and items on an ad-hoc basis. <p>The Company has a wellness center with on-site doctors from the Hsinchu Branch of NTU Hospital to provide professional consultation and services. AEDs are installed in all office areas, and trainings for AED and CPR are conducted annually to provide a safe and healthy working environment to employees.</p>	None
(4). Does the company provide its employees with career development and training sessions?	✓		<p>The Company offers a comprehensive career training blueprints to managers and employees, including orientation blueprint, professional training blueprint, and management training blueprint, to assist them in learning and growing through structural programs and diverse learnings methods. The Company also introduced corporate ethics development related programs to cultivate key capabilities.</p> <p>Every year in performance reviews, employees and their managers collaboratively plan of future work, goals, and development plans, assisting employees in building their best development plans through regular reviews and feedback.</p>	None
(5). With regard to customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant regulations and international standards, and formulate relevant protection policies and appeal procedures for consumer rights?	✓		<p>The marketing and labeling of the Company's products and services comply with relevant regulations and international standards. The Company also formulated personal data protection policy and Propriety Information Management (PIM) to manage and protect customers' privacy, being a gatekeeper through internal audit, external verification, crisis prevention and training programs. Meanwhile, customers communication and policies on customers' rights are also established to protect customers' interests.</p>	None
(6). Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental	✓		<p>The company has formulated the MediaTek Supplier Code of Conduct based on the Code of Conduct of the Responsible Business Alliance, the ILO Tripartite Declaration of Principles, and the United Nations Universal Declaration of Human</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
protection, occupational safety and health or labor human rights, and their implementation?			Rights. To formulate the supplier's code of conduct for MediaTek and covers 5 areas: labor and human rights, health and safety, environmental protection, code of ethics and management. With the management system, all suppliers are required to sign a guarantee to comply with this code of conduct and implement an annual review to continuously keep track of the actual compliance of suppliers.	
5. Does the company make reference to internationally used report preparation standards or guidelines to prepare sustainability reports and other reports that disclose the company's non-financial information? Did the pre-report report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The 2021 MediaTek Sustainability Report was prepared in accordance with the globally recognized GRI Standards, and was reviewed against the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact, as well as the GRI Sustainability Reporting Standards, and obtained an independent assurance statement of moderate level in accordance with the AA1000 Assurance Standard v3 from the British Standards Institution (BSI). The Sustainability Report has been publicly disclosed on the Company's website. (https://corp.mediatek.tw/about/sustainability)	None
6. If the Company has established the sustainable development policies based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: The Company has set up a sustainable development policy in written form and the practices are in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". The policy shall be implemented after passed by the Audit Committee and the Board of Directors and is also applied to when being amended.				
7. Other important information to facilitate better understanding of the company's sustainable development practices: Please refer to the Company's website at http://www.mediatek.com/corporate-social-responsibility .				

4.6. Ethical Corporate Management and Differences and Causes of CSR Practices

Assessment Item	Implementation Status		Reason for Non-implementation	
	Yes	No		Summary Description
1. Establishment of ethical corporate management policies and programs				
(1). Has the company formulated the integrity management policy approved by the board of directors, and stated in the regulations and external documents the policies and practices of integrity management, and the board and senior management's commitment to actively implement the management policy?	✓		The Company upholds the six core values: integrity, conviction inspired by deep thinking, customer focus, constant renewal, innovation, and inclusiveness as the guidance of business operation, and requires everyone in the Company to strictly follow them. The Company has formulated an ethical corporate management policy passed by the Board of Directors and set up various internal guidelines to ensure ethical corporate management and compliance.	None
(2). Whether the company has established an evaluation mechanism for the risk of dishonesty, and regularly analyze and evaluate business activities with high risks of dishonesty in the business scope, and establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		The Company abides by the operational philosophies of honesty, transparency and responsibility, bases policies on the principle of good faith, analyzes and assesses on a regular basis the business activities within their business scope which are at a higher risk of being involved in unethical conduct, and formulates measures to prevent offering and acceptance of bribes. The Company further established Code of Business Conduct and Whistleblowing System to reinforce the implementation.	None
(3). Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	✓		The Code of Business Conduct and Whistleblowing System established in accordance with Ethical Corporate Management Best Practice Principles set preventive measures against involvement in unethical conduct, including standard operating procedures, conduct guidelines, and the disciplinary and appeal system, and should be regularly reviewed and improved.	None
2. Fulfill operations integrity policy				
(1). Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		Maximizing shareholders and employees' values has been the Company's major management principle. The Company follows the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants due to Conflicts of Interest and other relevant regulations for listed companies. The Company also conducts due diligence on counterparties' integrity records and includes ethical principles in relevant contracts before trading with upstream and downstream companies to minimize the risks.	None
(2). Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board on its integrity management policies and plans to prevent dishonesty and supervision and implementation?	✓		For ethical corporate management, the Company's board meeting approved "Ethical Corporate Management Best Practice Principles" on October 30, 2015, which designated the Human Resource Department and Legal & Intellectual Property Department to make policy and the Audit Division to monitor execution results. The Company's "Ethical Corporate Management Best Practice Principles" is available on the Company website, demonstrating the commitment of the Company's ethical corporate management. The principles are promoted by the Legal & Intellectual Property Department, which annually (on October 28, 2022) reports the implementation status to the Board. The Company regularly holds operational integrity-related educational training courses covering the topics of misconduct management, intellectual property information management, insider trading prevention, and trade secret infringement prevention, internal and customer communication principles, etc. In 2022, 18,232 personnel received such training for an aggregate total of 6,526 hours.	None
(3). Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		The Company's "Code of Business Conduct" and "Code of Conduct for Directors and Executive Officers" clearly define policies to prevent conflicts of interest. In addition, the Company also designates a contact window for each department to consult, communicate or resolve relevant issues in order to achieve results rapidly and effectively.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(4). Whether the company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit formulates the relevant audit plan based on the assessment results of the risk of dishonesty, and checks the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	✓		The Company has established an effective accounting system and internal control systems that is constantly under review and evaluation to ensure the system's design and execution remains effective. Internal auditors evaluate the risk according to the results and conduct related internal control in compliance regularly or from time to time.	None
(5). Does the company regularly hold internal and external educational trainings on operational integrity?	✓		Operational integrity is the core value of the Company. The Company is committed to and regularly holding education and training programs to promote the core value of operational integrity.	None
3. Operation of the integrity channel				
(1). Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company's "Code of Business Conduct" and "Reporting Method" are disclosed on the Company's website and states reporting channels, anyone can report any inappropriate behaviors and the Company will assign senior management team to handle related issue. The Audit Department is responsible for receiving and handling such reports, and reports will be forwarded to different management levels depending on the personnel involved in the reported situation.	None
(2). Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The Company sets related reporting and handling procedures for the investigations of misconduct. The Company's "Code of Business Conduct" and "Reporting Method" clearly states that the personal data and reporting information of the informant should be kept confidential.	None
(3). Does the company provide proper whistleblower protection?	✓		The Company established precautions in order to protect whistleblowers.	None
4. Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company discloses and advocates "Ethical Corporate Management Best Practice Principles" on the Company's internal website. The Company also discloses "Ethical Corporate Management Best Practice Principles" and its practices on the Company's external website. In addition, the annual report which includes relevant information about ethical corporate management is disclosed on TSEC "MOPS" website.	None
5. If the company has established the ethical corporate management policies based on "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the policies and their implementation. The Company has set up an ethical corporate management policy and the practices are in accordance with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies. Please refer to the "Corporate Governance" section for more details.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). Please refer to the "Corporate Governance" section for more details.				

4.7. Corporate Governance Guidelines and Regulations

The company has corporate governance guidelines and regulations in place. For more detailed information please visit the Company's website (<http://www.mediatek.com>) via Homepage > Investor Relations > Corporate Governance > Major Internal Policies (<https://corp.mediatek.tw/investor-relations/corporate-governance>).

4.8. Other Important Corporate Governance Information

The Company continues to add more resources to enhance corporate governance including adding corporate governance session and attaching corporate governance guidelines and regulations for download on the Company website, disclosing material information in a timely matter and host regular investor conferences.

4.8.1 Directors Profession Enhancement Status

Title/Name	Date	Host by	Training / Speech title	Hours
Chairman Ming-Kai Tsai	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
Vice Chairman & CEO Lih-Shyng Tsai	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
Director & President Joe Chen	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
Director Cheng-Yaw Sun	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
Director Kenneth Kin	Apr 28, 2022	Taiwan Corporate Governance Association	Creating a sustainable new daily life	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
	Dec 13, 2022	Taiwan Corporate Governance Association	The risks and opportunities of climate change	3
Independent Director Chung-Yu Wu	Apr 28, 2022	Taiwan Corporate Governance Association	Creating a sustainable new daily life	3
	May 6, 2022	Securities & Futures Institute	The comprehensive view of ESG governance - from awareness to action	3
	May 6, 2022	Securities & Futures Institute	The carbon management trend towards achieving net-zero emissions and the strategies to cope with it	3
	Jun 9, 2022	Taiwan Corporate Governance Association	Intellectual property opportunities and risks for enterprises in the Metaverse economy	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
Independent Director Peng-Hen Chang	May 24, 2022	Taiwan Corporate Governance Association	From CSR to ESG - Corporate Sustainable Transformation	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
	Oct 25, 2022	Taiwan Corporate Governance Association	How the Board of Directors and supervisors supervise a company to carry out effective enterprise risk management and crisis management	3
Independent Director Ming-Tze Tang	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3

4.8.2 Key Management Profession Enhancement Status

Title/Name	Date	Host by	Training / Speech title	Hours
Executive Vice President & CFO & Spokesman David Ku	Mar 10, 2022	Accounting Research and Development Foundation	Common deficiencies in corporate financial statement preparation and practical compliance with internal audit and control regulations	6
	Mar 25, 2022	Accounting Research and Development Foundation	Financial and tax issues and tax governance practices for Taiwanese companies' outbound investments	3
	Mar 25, 2022	Accounting Research and Development Foundation	The latest developments in IFRS policy in Taiwan and analysis of financial reporting and regulatory compliance practices	3
Associate General Manager, Internal Audit Kirin Liu	Nov 29, 2022	The Institute of Internal Auditors – Chinese Taiwan	Practical discussion and response to “Insider Trading” and “False Financial Reporting”	6
	Dec 12, 2022	The Institute of Internal Auditors – Chinese Taiwan	Reading, analysis, and application of financial statements	6

4.8.3 Supervisor for Corporate Governance Profession Enhancement Status

Title/Name	Date	Host by	Training / Speech title	Hours
Vice President & General Counsel David Su	Jul 15, 2022	Training Center for Talent Development of Securities and Futures Institute	Analysis and decision-making of corporate financial information	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (I)	3
	Jul 29, 2022	Taiwan Corporate Governance Association	The latest developments and legislative trends in international and domestic taxation (II)	3
	Nov 9, 2022	Taiwan Independent Director Association	How independent directors can detect potential financial crises of a company early	3

4.9. Status of the Internal Control System Implementation

4.9.1 Declaration of Internal Control

MediaTek Inc. **Statement of Declaration of Internal Control**

Date: February 24, 2023

MediaTek Inc. has conducted internal audits in accordance with its Internal Control Regulations for the period ended December 31, 2022, and hereby declares the following:

1. The Company acknowledges and understands that the establishment, enforcement, and preservation of internal control systems are the responsibility of the Board and that the managers and the Company have already established such systems. The purpose is to reasonably ensure the effectiveness (including profitability, performance, and security of assets), the reliability, timeliness, transparency of financial reporting, and legal and regulation compliance.
2. Internal control systems have limitations, no matter how perfectly they are designed. As such, effective internal control systems may only reasonably ensure the achievement of the aforementioned goals. Furthermore, the operation environment and situation may vary, hence the effectiveness of the internal controls systems may vary. The internal control systems of the Company feature certain self-monitoring mechanisms. The Company will take immediate corrective actions once any shortcomings are identified.
3. The Company judges the effectiveness of the internal control systems in design and enforcement according to the “Criteria for the Establishment of Internal Control Systems of Public Offering Companies” (hereinafter referred to as “the Criteria”). The Criteria is instituted for judging the effectiveness of the design and enforcement of internal control systems. There are five components for effective internal control as specified by the Criteria of which the procedures for effective internal controls are composed: (1) Control environment (2) Risk evaluation (3) Control operation (4) Information and communication (5) Monitoring. Each of the elements in turn contains several items, and the Criteria shall be referred to for details.
4. The Company has adopted the aforementioned internal control systems for an internal assessment of the effectiveness of internal control design and enforcement.
5. Based on the aforementioned audit findings, the Company holds that within the aforementioned period, its internal control procedures (including the procedures to monitor subsidiaries), effectiveness and efficiency of operations, reliability, timeliness, transparency of reporting, and compliance with relevant legal regulations, and design and enforcement of internal controls, are effective. The aforementioned goals can be achieved with reasonable assurance.
6. This statement of declaration shall form an integral part of the annual report and prospectus of the Company and shall be made public. If there is any fraud, concealment, or unlawful practices discovered in the content of the aforementioned information, the Company shall be liable for legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchanges Act.
7. This statement of declaration has been approved by the Board on February 24, 2023 with all directors present under unanimous consent.

MediaTek Inc.

Chairman: Ming-Kai Tsai

Vice Chairman & CEO: Lih-Shyng Tsai

President: Joe Chen

4.9.2. Disclose the Review Report of Independent Auditors if They are Retained for Reviewing the Internal Control System

None.

4.10. Reprimands on the Company and its Staff

None.

4.11. Major Resolutions of Shareholders' Meeting and Board Meetings

4.11.1 Major Resolutions of Shareholders' Meeting and Implementation Status

The Company held the 2022 Annual General Meeting at the International Convention Center of MediaTek on May 31st, 2022, at No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu, Taiwan, and the attended shareholders approved the following proposals:

Major Proposals	Implementation Status
Acknowledgement Items:	
1. Adoption of the 2021 business report and financial statements	Approved.
2. Adoption of the proposal for distribution of 2021 profits	Approved a cash dividend per share of NT\$57, and distribution record date was set to be July 1, 2022. The distribution of cash dividend was completed by July 21, 2022.
Discussion Items:	
1. Discussion on cash distribution from capital reserve	Resolution passed – July 1, 2022 designated as distribution record date, and payments completed by July 21, 2022 (NT\$16 per share).
2. Amendment to the Company's "Article of Incorporation"	Resolution passed – announced on the Company's website on June 15, 2022 and operation processed according to the revised procedures.
3. Amendments to the Company's "Procedures Governing the Acquisition or Disposition of Assets"	Resolution passed – announced on the Company's website on June 15, 2022 and operation processed according to the revised procedures.
4. Amendments to the Company's "Operating Procedures of Endorsement/Guarantee"	Resolution passed – announced on the Company's website on June 15, 2022 and operation processed according to the revised procedures.
5. Amendments to the Company's "Operating Procedures of Outward Loans to Others"	Resolution passed – announced on the Company's website on June 15, 2022 and operation processed according to the revised procedures.

4.11.2 Major Resolutions of Board Meetings

During the 2022 calendar year and as of the printing date of this annual report, 8 Board meetings were convened.

Major resolutions approved at these meetings are summarized below:

Date	Meeting	Major Approvals
Jan 27, 2022	The 6 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2022 first quarter financial outlook - 2022 business plan and operating budget - Intangible asset budget - Matter of organization structure adjustment - Cancellation of 2021 fourth quarter restricted stock award - Matter of 2021 fourth quarter new common stock issuance for employee stock option - Matter of management compensation - Second issuance according to "Issuance policy of 2021 first restricted stock award"
Feb 25, 2022	The 7 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2021 financial statement - Assessment result of CPA's independence - 2021 internal control statement and internal control self-assessment report - Capital increase of subsidiaries
Mar 16, 2022	The 8 th meeting of the 9 th board	<ul style="list-style-type: none"> - Matter of director remuneration - Establishment of "Issuance policy of 2021 second restricted stock award" - Date, location, and agenda of the 2022 Annual General Meeting - 2021 business report - Matter of 2021 employee compensation - 2021 profit distribution - Cash distribution from additional paid-in capital - Disposal of a portion of the shares of Airoha Technology Corp. - Amend "Article of Incorporation" - Amend "Procedures Governing the Acquisition or Disposition of Assets" - Amend "Operating Procedures of Endorsement And Guarantee" - Amend "Operating Procedures of Outward Loans to Others"
Apr 27, 2022	The 9 th meeting of the 9 th board	<ul style="list-style-type: none"> - Appointment of management - 2022 first quarter financial statement - 2022 second quarter financial outlook - Cancellation of 2022 first quarter restricted stock award - Matter of 2022 first quarter new common stock issuance for employee stock option

Date	Meeting	Major Approvals
		- Amend “Sustainable Development Practices Guidelines”
Jul 29, 2022	The 10 th meeting of the 9 th board	- 2022 second quarter financial statement - 2022 third quarter financial outlook - Cancellation of 2022 second quarter restricted stock award - First issuance according to “Issuance policy of 2021 second restricted stock award” - MediaTek Inc. Executive Officer Stock Ownership Guidelines - Framework and Standards of Executive Officers’ Compensation and Directors’ Remuneration
Oct 28, 2022	The 11 th meeting of the 9 th board	- 2022 third quarter financial statement - 2022 fourth quarter financial outlook - Matter of the Company’s 2022 CPA compensation - Amend “Internal Procedures for Significant Information” - 2023 audit plan - Cancellation of 2022 third quarter restricted stock award - Matter of 2022 third quarter new common stock issuance for employee stock option - Amend “Rules and Procedures of Board Meeting”
Feb 3, 2023	The 12 th meeting of the 9 th board	- 2023 first quarter financial outlook - 2023 business plans and operating budget - Capital budget - Cancellation of 2022 fourth quarter restricted stock award - Matter of 2022 fourth quarter new common stock issuance for employee stock option - Second issuance according to “Issuance policy of 2021 second restricted stock award” - Matter of management compensation
Feb 24, 2023	The 13 th meeting of the 9 th board	- 2022 business report - 2022 financial statement - Matter of 2022 employee compensation - 2022 profit distribution (including cash dividend distribution) - Cash distribution from additional paid-in capital - Date, method, location, and agenda of the 2023 Annual General Meeting - Election of one independent director for the 9 th term - Period and location for accepting nominations, and number of seats to be elected for new independent director - Resolution of the independent director candidate nominated by the Board of Directors - Lifting non-competition restriction on the 9 th Board of Director - Amend “Articles of Incorporation” - Results of the assessment of the independence and qualification of CPA - Matter of the Company’s 2022 internal control statement and self-assessment report - Matter of director remuneration

4.12. Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors

None.

4.13. Resignation or Dismissal of Chairman, President, and Heads of Accounting, Finance, Internal Audit, Corporate Governance Officer and R&D during 2021 and as of the Date of this Annual Report

None.

5. Information Regarding the Company's Independent Auditors

5.1. Auditor Information

5.1.1 Auditor Fee Information

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Ernst & Young	Shau-Pin Kuo	2022	13,715	System Design 1,953 Business Registration 543 Tax Compliance Audit 979 Finance and Taxation Consulting 1,807 Corporate Consultancy Fee 2,110	21,107	
	Wen-Fun Fuh					

5.1.2 Replaced the audit firm and the audit fee paid to the new audit firm was less than the payment of previous year:

Not applicable.

5.1.3 Audit fee reduced more than 10% year over year:

None.

5.2. Replacement of Independent Auditors in the Last Two Years and in the Subsequent Periods:

None.

5.3. The Company's Chairman, President or Managers in Charge of Finance or Accounting Who Has Been under the Current Audit Firm or its Affiliates' employment in 2022:

None.

5.4. Evaluation of the External Auditor's Independence:

The Company Accounting Division evaluates the independence of auditors once a year and receives Statement of Independence issued by external auditors. After evaluation, the Company's external auditors can meet the Company's independency evaluation standards and be qualified as the Company's external auditors.

The Company refers to the Audit Quality Indicators provided by the accounting firm and the Audit Quality Indicators Interpretation Guidelines issued by the regulator, to evaluate the audit quality of the accounting firm and the audit team. Audit Quality Indicators have five dimensions, including professionalism, independence, quality control, supervision, and innovation ability, and thirteen other indicators. After sufficient communication with CPA, the Company did not observe any issue that could impact the independence or qualification of the CPA.

The evaluation results were discussed and passed by the Audit Committee on Feb 23, 2023 and were reported to and passed by the Board of Directors on Feb 24, 2023.

Evaluation item	Evaluation result	Does it meet with independency?
1. Do the accounting firm's audit team members and their families have direct or indirect significant financial interest in the Company?	None	Yes
2. Do the Company and the accounting firm engage in mutual financing or mutual guarantee activities?	None	Yes

Evaluation item	Evaluation result	Does it meet with independency?
3. Do the accounting firm, their affiliates and audit team members have close business relationship with the Company or the Company's directors and key managers?	None	Yes
4. Do the accounting firm and their audit team members as well as their families serve as the Company's directors, key managers or any other position which can have direct and significant impact on auditing?	None	Yes
5. Do the CPAs serve as the Company's auditors for more than seven years? The same CPAs may serve as the Company's auditors again after the Company's CPAs have been changed to other CPAs for two years.	None	Yes
6. Do the CPAs provide the Company with non-audit services which are likely to influence their audit service?	None	Yes

6. Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholding or More

Unit: Shares

Title/Name	2022		Jan. 1 to Feb. 28, 2023	
	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman Ming-Kai Tsai	101,549	-	-	-
Vice Chairman & CEO Lih-Shyng Tsai	101,549	-	-	-
Director & President Joe Chen	67,699	-	-	-
Director Cheng-Yaw Sun	-	-	-	-
Director Kenneth Kin	-	-	-	-
Independent Director Chung-Yu Wu	-	-	-	-
Independent Director Peng-Heng Chang	-	-	-	-
Independent Director Ming-Tze Tang	-	-	-	-
Executive Vice President & CFO & Spokesman David Ku	45,133	-	-	-
Executive Vice President Cheng-Te Chuang	32,611	-	-	-
Executive Vice President & CTO Kevin Jou	37,611	-	-	-
Senior Vice President Kou-Hung Loh	20,685	-	-	-
Senior Vice President Jerry Yu	12,611	-	-	-
Senior Vice President Jasper Yang	80,088	-	-	-
Senior Vice President SR Tsai	31,969	-	-	-
Senior Vice President NS Tsai	4,000	-	2,000	-
Vice President Rolly Chang	22,566	-	-	-
Vice President JC Hsu	28,209	-	-	-
Vice President & CHRO Sherry Lin	28,209	-	-	-
Vice President & General Counsel David Su	22,566	-	-	-
Vice President HW Kao	20,685	-	-	-
Vice President Mike Chang	28,209	-	-	-
Vice President Vincent Yung Mien Hu	24,447	-	-	-
Vice President Ching San Wu	20,685	-	-	-
Vice President Alan Hsu	20,685	-	-	-

Stock Trade with Related Party: None.

Stock Pledge with Related Party: None.

7. Top 10 Shareholders Who are Related Parties to Each Other

As of June 27, 2022. Unit: Share / %

Top 10 Shareholders	Shareholding		Shareholding under Spouse and Minor		Shareholding under 3 rd Party		Top 10 Shareholders Who are Related Parties to Each Other	
	Shares	Proportion	Shares	Proportion	Shares	Proportion	Name	Relationship
Government of Singapore	45,555,630	2.85%	-	-	-	-	-	-
Ming-Kai Tsai	41,468,498	2.59%	40,399,145	2.53%	-	-	Chui-Hsing Lee	Spouse
Chui-Hsing Lee	40,399,145	2.53%	41,468,498	2.59%	-	-	Ming-Kai Tsai	Spouse
Cathay Life Insurance Co.,Ltd.	32,306,084	2.02%	-	-	-	-	-	-
Jyh-Jer Cho	29,064,222	1.82%	10,558,414	0.66%	-	-	-	-
Saudi Central Bank	27,605,833	1.73%	-	-	-	-	-	-
Invesco Oppenheimer Developing Markets Fund	26,026,000	1.63%	-	-	-	-	-	-
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	20,847,630	1.30%	-	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	19,313,239	1.21%	-	-	-	-	-	-
Tin-Ren Liu	19,236,763	1.20%	-	-	-	-	-	-

8. Long-Term Investment Ownership

As of December 31, 2022. Unit: Share / %

Long-Term Investments	Investments by the Company (1)		Investments Directly or Indirectly Controlled by Directors and Managers of the Company (2)		Total Investment (1) + (2)	
	Shares	Portion	Shares	Portion	Shares	Portion
MediaTek Investment Singapore Pte. Ltd.	2,233,845,498	100%	-	-	2,233,845,498	100%
Hsu-Ta Investment Corp.	592,580,103	100%	-	-	592,580,103	100%
MediaTek Singapore Pte. Ltd.	187,513,879	100%	-	-	187,513,879	100%
MStar Co., Ltd.	13,350,000	100%	-	-	13,350,000	100%
HFI Innovation	174,691,821	100%	-	-	174,691,821	100%
Spidcom Technologies	146,200	100%	-	-	146,200	100%
Richtek Technology Corp.	148,482,806	100%	-	-	148,482,806	100%
MediaTek Capital Co.	111,800,000	100%	-	-	111,800,000	100%
Airoha Technology (Cayman) Inc.	111,235,745	76%	-	-	111,235,745	76%
Hsu-Yuan Investment Corp.	50,000,000	100%	-	-	50,000,000	100%
MediaTek Research UK Limited	280,000	100%	-	-	280,000	100%
MediaTek Bangalore Private Limited	1,999,999	100%	1	0%	2,000,000	100%
IC PLUS Corp.	13,125,454	19%	650,000	1%	13,775,454	20%
Intellectual Property Innovation Corporation	3,000,000	30%	-	-	3,000,000	30%

IV. Capital and Shares

1. Capital and Shares

1.1. Source of Capital

As of February 28, 2023; Unit: shares / NT\$

Month/ Year	Issue Price (per share)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increase by Assets Other than Cash	Date of Approval & Approval Document No.
Jan 2022	10	2,000,000,000	20,000,000,000	1,598,872,559	15,988,725,590	Restricted stock award cancellation: 17,699 Employee stock options exercised: 48,260	-	Feb 21, 2022 Yuan-Shang-Tze No. 1110005519
Jan 2022	10	2,000,000,000	20,000,000,000	1,599,029,833	15,990,298,330	Restricted stock award issuance: 157,274	-	Mar 11, 2022 Yuan-Shang-Tze No. 1110007616
May 2022	10	2,000,000,000	20,000,000,000	1,599,085,195	15,990,851,950	Restricted stock award cancellation: 3,097 Employee stock options exercised: 58,459	-	May 16, 2022 Yuan-Shang-Tze No. 1110015120
Aug 2022	10	2,000,000,000	20,000,000,000	1,599,037,578	15,990,375,780	Restricted stock award cancellation: 47,617	-	Aug 10, 2022 Yuan-Shang-Tze No. 1110025740
Sep 2022	10	2,000,000,000	20,000,000,000	1,599,309,612	15,993,096,120	Restricted stock award issuance: 272,034	-	Sep 16, 2022 Yuan-Shang-Tze No. 1110029672
Nov 2022	10	2,000,000,000	20,000,000,000	1,599,435,327	15,994,353,270	Restricted stock award cancellation: 27,185 Employee stock options exercised: 152,900	-	Nov 11, 2022 Yuan-Shang-Tze No. 1110036432
Feb 2023	10	2,000,000,000	20,000,000,000	1,599,427,259	15,994,272,590	Restricted stock award cancellation: 19,344 Employee stock options exercised: 11,276	-	Feb 18, 2023 Yuan-Shang-Tze No. 1120005252
Feb 2023	10	2,000,000,000	20,000,000,000	1,599,629,197	15,996,291,970	Restricted stock award issuance: 201,938	-	Under amendment registration as of the printing date of this annual report (Feb 28, 2023)

As of February 28, 2023; Unit: shares

Type of Stock	Authorized Capital			Remark
	Outstanding	Un-Issued	Total	
Common Stock	1,599,629,197	400,370,803	2,000,000,000	Listed on TWSE

Shelf Registration: None.

1.2. Composition of Shareholders

As of June 27, 2022; Unit: shares / %

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Persons	Individuals	Total
Number of Shareholders	1	76	860	2,954	170,212	174,103
Shareholding	2	114,770,635	142,515,627	988,678,060	353,120,871	1,599,085,195
Holding Percentage	0.00%	7.17%	8.91%	61.84%	22.08%	100.00%

1.3. Distribution of Shareholding

1.3.1 Distribution of Common Stock

As of June 27, 2022; Unit: shares / %

Common Share Shareholder Ownership	Number of Shareholders	Number of Shares held	Ownership
1 ~ 999	125,694	14,077,707	0.88%
1,000 ~ 5,000	40,621	70,226,391	4.39%
5,001 ~ 10,000	3,289	24,019,641	1.50%
10,001 ~ 15,000	1,052	13,132,753	0.82%
15,001 ~ 20,000	520	9,315,083	0.58%
20,001 ~ 30,000	584	14,410,248	0.90%
30,001 ~ 40,000	319	11,240,375	0.70%
40,001 ~ 50,000	218	9,839,673	0.62%
50,001 ~ 100,000	552	39,864,813	2.49%
100,001 ~ 200,000	444	64,116,826	4.01%
200,001 ~ 400,000	274	76,705,275	4.80%
400,001 ~ 600,000	154	74,270,263	4.64%
600,001 ~ 800,000	78	54,107,278	3.38%
800,001 ~ 1,000,000	53	47,752,092	2.99%
Over 1,000,001	251	1,076,006,777	67.30%
Total	174,103	1,599,085,195	100.00%

1.3.2 Distribution of Preferred Stock: Not Applicable.

1.4. Major Shareholders

As of June 27, 2022; Unit: shares / %

Top 10 Shareholders	Number of Shares held	Ownership (%)
Government of Singapore	45,555,630	2.85%
Ming-Kai Tsai	41,468,498	2.59%
Chui-Hsing Lee	40,399,145	2.53%
Cathay Life Insurance Co., Ltd. (Chairman: Tiao-Kuei Huang)	32,306,084	2.02%
Jyh-Jer Cho	29,064,222	1.82%
Saudi Central Bank	27,605,833	1.73%
Invesco Oppenheimer Developing Markets Fund	26,026,000	1.63%
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	20,847,630	1.30%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	19,313,239	1.21%
Tin-Ren Liu	19,236,763	1.20%

1.5. Market Price, Book Value, Earnings, Dividends per Common Share

Unit: NT\$ / Shares

Item		2021 (Distributed in 2022)	2022 (Distributed in 2023)	
Market Price Per Share (Note1)	Highest	1,200	1,215	
	Lowest	752	533	
	Average	951.6	787	
Book Value Per Share	Before Distribution	271.53	276.51	
	After Distribution	198.16	200.13	
Earnings Per Share	Weighted Average Shares	1,579,074,576	1,583,800,753	
	EPS	Not Adjusted	70.56	74.59
		Adjusted	70.56	74.59
Dividends Per Share	Cash Dividends	73	76	
	Stock Dividend	Earning Distribution	-	-
		Capital Distribution	-	-
	Accumulated Undistributed Dividend	-	-	
Return on Investment	Price/Earnings Ratio (Note2)	13.49	10.55	
	Price/Dividend Ratio (Note3)	13.04	10.36	
	Cash Dividend Yield (Note4)	7.67%	9.66%	

Note1: Retroactively adjusted for stock dividends and stock bonuses to employees

Note2: Price/Earnings Ratio = Average Market Price / Earnings Per Share

Note3: Price/Dividend Ratio = Average Market Price / Cash Dividends Per Share

Note4: Cash Dividend Yield = Cash Dividends Per Share / Annual Average Market Price

1.6. Dividend Policy and Status

1.6.1 Dividend Policy

According to Article 24-1 of the Articles of Incorporation of the Company, as the Company is in a growing industry, the dividend policy shall consider the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., and balance between shareholders' benefits, dividends, and the Company's long-term financial plans. The Board of Directors prepares a distribution proposal every year, and report the cash dividend distribution report, or propose a stock dividend distribution proposal for resolution at the shareholders' meeting. The Company may distribute all of its distributable profits of the year considering finance, business, and operation factors. Its dividends may be distributed to shareholders in cash or in stock, and the cash dividends shall not be lower than 10% of the total dividends distributed to shareholders.

In accordance with the aforementioned Articles of Incorporation and the Company's financial business development targets and plans, the Board of Directors resolved, without the consideration of other special circumstances, the Company's dividend distribution shall base on the principle of distributing 80% to 85% of its net income in the year.

1.6.2 Status of Dividend Distribution

The Articles of Incorporation of the Company authorize the Board of Directors to resolve on dividends distributed in cash (the dividends can include all or a portion of earnings and the legal reserve and capital reserve required by Article 241 of the Company Law), with the attendance of two-thirds or more of the Directors and the approval of the majority of the attending directors, and report it at the shareholders' meeting. The Board of Directors resolved on February 24, 2023, the dividend distribution of 2022:

The cash dividends distributed to common shareholders from retained earnings is NT\$99,178,441 thousand, and cash distributed to common shareholders from additional paid-in capital in capital surplus is NT\$22,395,132

thousand, with a total of NT\$121,573,573 thousand, or NT\$76 per share of cash to common shareholders. The Chairman is authorized to determine the ex-dividend date and the distribution date.

1.7. Effect of Stock Dividends to Operating Performance and EPS

Not applicable.

1.8. Employees' Compensation and Directors' Remuneration

1.8.1 Employees' Compensation and Directors' Remuneration as Stated in the Articles of Incorporation

If the Company makes a profit during the year, no less than 1% shall be allocated for employees' compensation and no more than 0.5% shall be allocated for directors' remuneration. However, in the case of accumulated losses, the amount shall be reserved in advance. Employees' compensation shall be distributed in shares or cash, to whom meets certain specific requirements, which are authorized to be determined by the Board of Directors. Directors' remuneration shall be distributed in cash.

1.8.2 Employees' Compensation and Directors' Remuneration Resolved by the Board of Directors

The Company accrues estimated employees' compensation and directors' remuneration based on a specific percentage according to the Articles of Incorporation. If the estimated amount differs from the actual distribution amount resolved by the Board of Directors, the Company shall recognize the difference as an adjustment to income of next year. The Board of Directors resolved on February 24, 2023 to distribute employees' compensation and directors' remuneration in cash. The discrepancy between the estimated amount and the actual distribution amount in 2022:

Unit: NT\$ thousands

Items	Board resolution	Estimate	Difference	Reason of difference
Employee Compensation – Cash	1,596,127	1,596,127	-	-
Directors' Remuneration	96,000	96,000	-	-

Note: Other than the aforementioned employees' compensation of NT\$1,596,127 thousand, the Company also distributed employees' cash bonus of NT\$30,326,419 thousand.

1.8.3 The Distribution of Employees' Compensation and Directors' Remuneration in the Previous Period

The discrepancy between the estimated amount and the actual distribution amount in 2021:

Unit: NT\$ thousands

Items	Board resolution	Estimate	Difference	Reason of difference
Employee Compensation – Cash	1,513,219	1,513,219	-	-
Directors' Remuneration	153,213	153,213	-	-

1.9. Repurchase of the Company's Shares:

Not applicable.

2. Status of Corporate Bonds

None.

3. Status of Preferred Stocks

None.

4. Status of GDR/ADR

None.

5. Status of Employee Stock Option Certificates

5.1. Employee Stock Option Certificates

As of February 28, 2023; Unit: shares / NT\$ thousands

Type of Employee Stock Option Certificates	15 th Grant	16 th Grant
Approval Date by the Securities & Futures Bureau and Units in Total	Aug 9, 2012 3,500,000	Aug. 9, 2013 3,500,000
Issue (Grant) Date	Aug. 14, 2012	Aug. 22, 2013
Number of Shares Issued	1,346,795	1,436,343
Number of Shares Available to be Issued	2,153,205	2,063,657
Percentage of Shares Exercisable to Outstanding Common Shares (%)	0.08%	0.09%
Option Duration	10 years	10 years
Source of Shares from Stock Option	New Issuance of Shares	New Issuance of Shares
Vesting Schedule and ratio (%)	End of the 2nd Year: 30% End of the 3rd Year: 60% End of the 4th Year: 100%	End of the 2nd Year: 30% End of the 3rd Year: 60% End of the 4th Year: 100%
Shares Exercised	827,527	719,540
Value of Shares Exercised	233,352	264,791
Shares Unexercised (Note)	-	195,041
Exercise Price Per Share of Unexercised Shares (NT\$)	-	368.0
Percentage of Shares Unexercised to Outstanding Common Shares	-	0.0122%
Impact to Shareholders' Equity	Dilution to original shareholder's equity is limited	

Note: The number of invalid shares due to resignation was deducted. The 15th Employee Stock Option Certificates were terminated in August 2022.

5.2. Employee Stock Option Acquired by Managers and Employees with Top 10 Exercisable Shares:

As of February 28, 2023; Unit: shares / NT\$ thousands

	Title	Name	Number of Option Acquired	Number of Option Acquired / Number of Option Issued (Note2)	Exercised			Not Exercised				
					Number of Option	Exercise Price (NT\$)	Option amount	Number of Option / Number of Option Issued (Note2)	Number of Option (Note3)	Exercise Price (NT\$)	Option amount	Number of Option / Number of Option Issued (Note2)
Manager and employee	Employee	Jonathan Strange	217,074	0.014%	206,011	317.6	65,421	0.013%	11,063	368	4,071	0.001%
	Employee	Bernard Tenbroek										
	Employee	James K Farley										
	Employee	John Finbarr Moynihan										
	Employee	Douglas P Remington										
	Employee	Vincent Del Vecchio										
	Employee	Henry Vickers										
	Employee	Russell Mestechkin										
	Employee	Michael Durrant										
	Employee	Caiyi Wang										

Note1: The Company's managers are not granted with employee stock option.

Note2: The calculation is based on the amended number of total shares issued approved by Ministry of Economic Affairs on Feb 18, 2023.

6. Status of New Restricted Employee Shares Issuance

6.1. New Restricted Employee Shares Issuance

As of February 28, 2023

Type of New Restricted Employee Shares	2021 1 st New Restricted Employee Shares																		
Date of Effective Registration and Number of Total Shares	Jul. 29, 2021 15,264,000 shares																		
Issue Date	Aug. 31, 2021	Feb. 23, 2022																	
Number of New Restricted Employee Shares Issued	8,381,181 shares	157,274 shares																	
Number of New Restricted Employee Shares Available to be Issued	6,725,545 shares																		
Issued Price (NT\$)	None																		
New Restricted Employee Shares Issued to Outstanding Common Shares (%)	0.52%	0.01%																	
Vesting Conditions of New Restricted Employee Shares	<p>1. Employees shall receive the vested shares if they are employed with the Company through the vesting dates after granted new restricted employee shares, without any violation of the Company's employment agreement, employee handbook, non-compete, NDA, and terms agreed upon with the Company during the vesting period, and meet the personal performance objectives and the Company's operating objectives. The maximum portions of the vested shares for each year are 34% for 2022, 67% for 2022 and 2023 combined, and 100% for 2022, 2023 and 2024 combined. The actual portions of the vested shares shall be determined by personal performances and the Company's operation objectives. There are six evaluation periods: the individual year of 2021, 2022, and 2023, and the period from 2021 to 2022, from 2022 to 2023, and from 2021 to 2023. The vested shares shall be evaluated respectively in the six periods, and upon duplication of evaluation periods, vested shares can be based on whichever number that is higher. The number shall be rounded down to the nearest integer.</p> <p>2. The personal performance objectives are Employees' performance in the latest year preceding the vesting date, which shall be rated "I" (Fully Meets Expectations) or above, and whether the work results meet the predetermined performance standards established by the Company and individual employees. The Company's operating objectives are its ranking in the total shareholder return (TSR) of top 50 listed companies in Taiwan by market cap, its revenue growth, its gross margin, and its operating margin. Thresholds and targets are set for the four objectives respectively. Based on the rounded down numbers of the objectives, 0%/50%/100% of vested shares shall be received when the Company doesn't reach the threshold/reaches the threshold/reaches the target. The vested shares shall be calculated by interpolation and rounded to the percentile if the result falls between the threshold and the target. The objectives and the according ranges (threshold - target) are shown in below table, and the actual thresholds and targets are set within the ranges by the Company and employees respectively. The achievement of objectives and the level of achievement are based on the audited financial statements of each period.</p> <table border="1" data-bbox="491 1249 1385 1444"> <thead> <tr> <th>The Company's Operating Objectives</th> <th>Ranking of Total Shareholder Return of Top 50 Listed Companies in Taiwan</th> <th>Revenue Growth %</th> <th>Gross Margin %</th> <th>Operating Margin %</th> </tr> </thead> <tbody> <tr> <td>Operating Objective Weighting</td> <td>20%</td> <td>25%</td> <td>25%</td> <td>30%</td> </tr> <tr> <td>Range</td> <td>P25~P50</td> <td>+10%~+23%</td> <td>44%~46%</td> <td>15%~18%</td> </tr> </tbody> </table>				The Company's Operating Objectives	Ranking of Total Shareholder Return of Top 50 Listed Companies in Taiwan	Revenue Growth %	Gross Margin %	Operating Margin %	Operating Objective Weighting	20%	25%	25%	30%	Range	P25~P50	+10%~+23%	44%~46%	15%~18%
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Operating Objective Weighting	20%	25%	25%	30%															
Range	P25~P50	+10%~+23%	44%~46%	15%~18%															
Restricted Rights of New Restricted Employee Shares	<p>1. During the vesting period, the employees yet to meet the conditions may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.</p> <p>2. During the vesting period, the rights of the employees yet to meet the conditions, including attending shareholders' meeting, proposal, speech, resolution, and voting, are equivalent to the Company's issued common shares' and are exercised by trust agency.</p> <p>3. During the vesting period, other rights of the employees yet to meet the conditions, include but not are not limited to cash dividend, stock dividend, legal reserve and capital surplus distributable right, and subscription right of capital increase, which are equivalent to the Company's issued common shares' and are exercised by trust agency.</p> <p>4. During the period from the Company's book closure date for issuance of bonus shares, book closure date for cash dividends, book closure date for subscription right of capital increase, book closure date for shareholders' meeting provided by Article 165-3 of the Company Act, or statutory book closure date for other event to ex-rights (ex-dividend) record date, when employees meet the vesting condition, their vested shares' unrestricted schedule and process are carried out in accordance with custody contract or relevant regulations.</p>																		
Custody Status of New Restricted Employee Shares	<p>1. After the new restricted employee shares are issued, the shares must immediately be deposited in trust. And before the vesting conditions are met, employees may not, for any reason or in any manner, request the trustee to return the new restricted employee shares.</p> <p>2. During the period in which the new restricted employee shares are placed in trust, the Company or the person designated by the Company, has the full discretion to act as agent to conduct (include but not limited to) the negotiation, signing, amendment, extension, rescission, and termination of the trust agreement, and to give instructions for the delivery, utilization, and disposition of the assets in trust.</p>																		

Type of New Restricted Employee Shares	2021 1 st New Restricted Employee Shares	
Measures to be Taken When Vesting Conditions are not Met	<p>1. The Company may redeem the issued restricted employee shares and cancel the shares if employees are not employed with the Company on the vesting dates after granted new restricted employee shares, violate the Company's employment agreement, employee handbook, non-compete, NDA, and terms agreed upon with the Company during the vesting period, have not meet the personal performance objectives and the Company's operating objectives, or violate Article 5-8 of this Act to change, revoke, cancel, terminate, or lift the agency authorization of the company.</p> <p>2. During the vesting period, if employees quit, are dismissed from work, or laid off, the Company will redeem the unvested shares and cancel the shares.</p>	
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	109,361 shares	5,581 shares
Number of Released New Restricted Employee Shares	2,822,150 shares	51,575 shares
Number of Unreleased New Restricted Shares	5,449,670 shares	100,118 shares
Unreleased New Restricted Shares to Outstanding Common Shares (%)	0.34%	0.01%
Impact on Shareholders' Equity	Limited dilution to EPS in the future year and no major impact on the current shareholders' equity	

Type of New Restricted Employee Shares	2021 2 nd New Restricted Employee Shares																			
Date of Effective Registration and Number of Total Shares	Jun. 17, 2022 3,816,000 shares																			
Issue Date	Aug. 31, 2022		Feb. 23, 2023																	
Number of New Restricted Employee Shares Issued	272,034 shares		201,938 shares																	
Number of New Restricted Employee Shares Available to be Issued	3,342,028 shares																			
Issued Price (NT\$)	None																			
New Restricted Employee Shares Issued to Outstanding Common Shares (%)	0.02%		0.01%																	
Vesting Conditions of New Restricted Employee Shares	<p>1. Employees shall receive the vested shares if they are employed with the Company through the vesting dates after granted new restricted employee shares, without any violation of the Company's employment agreement, employee handbook, non-compete, NDA, and terms agreed upon with the Company during the vesting period, and meet the personal performance objectives and the Company's operating objectives. The maximum portions of the vested shares for each year are 50% for 2023 and 100% for 2023 and 2024 combined. The actual portions of the vested shares shall be determined by personal performances and the Company's operation objectives. There are three evaluation periods: the individual year of 2022 and 2023, and the period from 2022 to 2023. The vested shares shall be evaluated respectively in the three periods, and upon duplication of evaluation periods, vested shares can be based on whichever number that is higher. The number shall be rounded down to the nearest integer.</p> <p>2. The personal performance objectives are Employees' performance in the latest year preceding the vesting date, which shall be rated "I" (Fully Meets Expectations) or above, and whether the work results meet the predetermined performance standards established by the Company and individual employees. The Company's operating objectives are its ranking in the total shareholder return (TSR) of top 50 listed companies in Taiwan by market cap, its revenue growth, its gross margin, and its operating margin. Thresholds and targets are set for the four objectives respectively. Based on the rounded down numbers of the objectives, 0%/50%/100% of vested shares shall be received when the Company doesn't reach the threshold/reaches the threshold/reaches the target. The vested shares shall be calculated by interpolation and rounded to the percentile if the result falls between the threshold and the target. The objectives and the according ranges (threshold - target) are shown in below table, and the actual thresholds and targets are set within the ranges by the Company and employees respectively. The achievement of objectives and the level of achievement are based on the audited financial statements of each period.</p> <table border="1" data-bbox="491 1093 1385 1281"> <thead> <tr> <th>The Company's Operating Objectives</th> <th>Ranking of Total Shareholder Return of Top 50 Listed Companies in Taiwan</th> <th>Revenue Growth %</th> <th>Gross Margin %</th> <th>Operating Margin %</th> </tr> </thead> <tbody> <tr> <td>Operating Objective Weighting</td> <td>20%</td> <td>25%</td> <td>25%</td> <td>30%</td> </tr> <tr> <td>Range</td> <td>P25~P50</td> <td>+10%~+23%</td> <td>44%~46%</td> <td>15%~18%</td> </tr> </tbody> </table>					The Company's Operating Objectives	Ranking of Total Shareholder Return of Top 50 Listed Companies in Taiwan	Revenue Growth %	Gross Margin %	Operating Margin %	Operating Objective Weighting	20%	25%	25%	30%	Range	P25~P50	+10%~+23%	44%~46%	15%~18%
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Restricted Rights of New Restricted Employee Shares	<p>1. During the vesting period, the employees yet to meet the conditions may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.</p> <p>2. During the vesting period, the rights of the employees yet to meet the conditions, including attending shareholders' meeting, proposal, speech, resolution, and voting, are equivalent to the Company's issued common shares' and are exercised by trust agency.</p> <p>3. During the vesting period, other rights of the employees yet to meet the conditions, include but not are not limited to cash dividend, stock dividend, legal reserve and capital surplus distributable right, and subscription right of capital increase, which are equivalent to the Company's issued common shares' and are exercised by trust agency.</p> <p>4. During the period from the Company's book closure date for issuance of bonus shares, book closure date for cash dividends, book closure date for subscription right of capital increase, book closure date for shareholders' meeting provided by Article 165-3 of the Company Act, or statutory book closure date for other event to ex-rights (ex-dividend) record date, when employees meet the vesting condition, their vested shares' unrestricted schedule and process are carried out in accordance with custody contract or relevant regulations.</p>																			
Custody Status of New Restricted Employee Shares	<p>1. After the new restricted employee shares are issued, the shares must immediately be deposited in trust. And before the vesting conditions are met, employees may not, for any reason or in any manner, request the trustee to return the new restricted employee shares.</p> <p>2. During the period in which the new restricted employee shares are placed in trust, the Company or the person designated by the Company, has the full discretion to act as agent to conduct (include but not limited to) the negotiation, signing, amendment, extension, rescission, and termination of the trust agreement, and to give instructions for the delivery, utilization, and disposition of the assets in trust.</p>																			
Measures to be Taken When Vesting Conditions are not Met	<p>1. The Company may redeem the issued restricted employee shares and cancel the shares if employees are not employed with the Company on the vesting dates after granted new restricted employee shares, violate the Company's employment agreement, employee handbook, non-compete, NDA, and terms agreed upon with the Company during the vesting period, have not meet the personal performance objectives and the Company's operating objectives, or violate Article 5-8 of this Act to change, revoke, cancel, terminate, or lift the agency authorization of the company.</p> <p>2. During the vesting period, if employees quit, are dismissed from work, or laid off, the Company will redeem the unvested shares and cancel the shares.</p>																			
Number of New Restricted Employee Shares that have	0 shares		0 shares																	

Type of New Restricted Employee Shares	2021 2 nd New Restricted Employee Shares	
been Redeemed or Bought Back		
Number of Released New Restricted Employee Shares	0 shares	0 shares
Number of Unreleased New Restricted Shares	272,034 shares	201,938 shares
Unreleased New Restricted Shares to Outstanding Common Shares (%)	0.02%	0.01%
Impact on Shareholders' Equity	Limited dilution to EPS in the future year and no major impact on the current shareholders' equity	

6.2. New Restricted Employee Shares Acquired by Managers and Employees with Top 10 Shares:

As of February 28, 2023; Unit: shares and NT\$ thousands

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note)	Released			Unreleased			
					No. of Shares	Issued Price (NT\$)	Amount (NT\$ thousands)	Released Restricted Shares as a Percentage of Shares Issued	No. of Shares	Strike Price (NT\$)	Amount (NT\$ thousands)
Manager and employee	Chairman	Ming-Kai Tsai	2,809,632	0.18%	927,854	0	0	0.06%	1,881,778	0	0.12%
	Vice Chairman & CEO	Lih-Shyng Tsai									
	President	Joe Chen									
	Executive Vice President & CFO & Spokesman	David Ku									
	Executive Vice President	Cheng-Te Chuang									
	Executive Vice President & CTO	Kevin Jou									
	Senior Vice President	Kou-Hung Loh									
	Senior Vice President	Jerry Yu									
	Senior Vice President	Jasper Yang									
	Senior Vice President	SR Tsai									
	Senior Vice President	NS Tsai									
	Vice President	Rolly Chang									
	Vice President	JC Hsu									
	Vice President & CHRO	Sherry Lin									
	Vice President & General Counsel	David Su									
	Vice President	HW Kao									
	Vice President	Mike Chang									
	Vice President	Vincent Yung Mien Hu									
	Vice President	Ching San Wu									
	Vice President	Alan Hsu									
	Employee	Fisher Eric									
	Employee	George Chien									
	Employee	CK Wang									
Employee	Carl Shi										
Employee	Mingxi Fan										
Employee	PC Tseng										
Employee	SA Hwang										
Employee	HC Hwang										

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note)	Released				Unreleased			
					No. of Shares	Issued Price (NT\$)	Amount (NT\$ thousands)	Released Restricted Shares as a Percentage of Shares Issued	No. of Shares	Strike Price (NT\$)	Amount (NT\$ thousands)	Unreleased Restricted Shares as a Percentage of Shares Issued (Note)
	Employee	Ben Tsai										
	Employee	Harrison Hsieh										
	Employee	Leo Shieh										

Note: The calculation is based on the amended number of total shares issued approved by Ministry of Economic Affairs on Feb 18, 2023.

7. Status of New Shares Issuance Associated with Mergers and Acquisitions

None.

8. Financing Plans and Implementation

8.1. Uncompleted share issuance or private placement or completed transactions without expected benefits in the past 3 years:

None.

V. Business Activities

1. Business Scope

1.1. Business Scope

1.1.1 The Main Business Activities of the Company

- A. Design, develop, produce, manufacture and market the following products:
 - a. Multimedia Integrated Circuits (IC);
 - b. Computer peripheral ICs;
 - c. High-end digital consumer ICs;
 - d. Other application specific ICs;
 - e. Patent and circuit-layout licensing and services of the above-mentioned products
- B. Provide the above-mentioned products with software and hardware application design, test, maintenance, and technological consultation services
- C. Import and export of the above-mentioned products

1.1.2 Revenue Mix (2022)

Product Category	IC Products	Others (Note)
Revenue Mix	98.95%	1.05%

Note: Others include revenue from technical services and licensing fees.

1.1.3 Products Currently Offered by the Company

- A. Mobile communication chipsets;
- B. Wireless LAN (WLAN) chips;
- C. Digital TV controller chips and smart TV SoCs;
- D. Tablet and Chromebook chips;
- E. Artificial Intelligence of Things (AIoT) device SoCs;
- F. Smart home connectivity chips;
- G. xDSL and PON chipsets;
- H. Bluetooth chips;
- I. Global Positioning Satellite (GPS) chips;
- J. Consumer and enterprise ASIC chips;
- K. Automotive chipsets;
- L. Power management and controller chips for various electronic devices;
- M. USB PD Type-C controller chips;
- N. Bio-sensing analog front-end chips; and
- O. Optical storage chipsets/DVD and Blu-ray DVD player chipsets

1.1.4 New Products Planned for Development

- A. Next generation highly integrated mobile communication SoC and chipsets;
- B. Next generation tablet and Chromebook chipsets;
- C. Next generation highly integrated multi-functional wireless communication chips;
- D. Next generation artificial intelligence of things (AIoT) device SoCs;
- E. Next generation low-power smart home connectivity chips;
- F. Next generation highly integrated 8K/4K 120Hz smart TV SoCs;
- G. Next generation 10G PON (passive optical network) chipsets;
- H. Next generation 10G NBASE-T Ethernet physical and switch chipsets;
- I. Next generation power management and controller chips;
- J. Next generation server power management and controller chips; and
- K. Next generation consumer and enterprise ASIC chips

1.2. Industry Outlook

1.2.1 The semiconductor manufacturing supply chain:

The relationships between the upstream, midstream, and downstream of Taiwan's IC industry can generally be classified as IC design companies in the upstream, IC wafer foundries in the midstream, and IC packaging and testing companies in the downstream. Major international semiconductor companies often operate through vertical integration of upstream and downstream, including design, manufacturing, packaging, testing, and even system products. However, in the rapidly changing industry environment and with the increasing capital expenditure, the horizontal model can better meet the needs of industry trends. In recent years, focusing resources on a single industry field has indeed achieved significant results.

The primary business of IC design is to design and sell products on its own, or to accept commissioned designs from customers. IC design is in the upstream of the industrial value chain. Before completing the final product, it still requires processes including photomask, wafer fabrication, chip packaging, and testing. In general, the processes of photomask, wafer fabrication, and packaging are almost 100% outsourced to specialized partners, and only the testing part may vary as some companies outsource most of their products to specialized testing companies, while some companies retain a certain capacity to test within their own company.

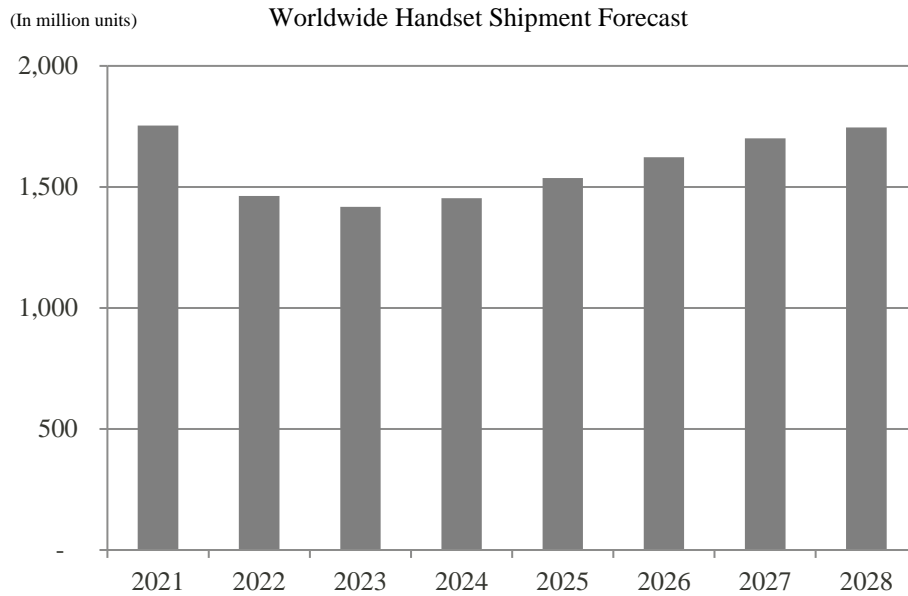
In the semiconductor supply chain, IC design belongs to the knowledge-intensive industry, with high return on investment. Taiwan also has a relatively complete semiconductor industry support structure and abundant IC design talents, which has prompted many manufacturers and investors to invest in this industry.

1.2.2 Industry Outlook, Trends and Competition

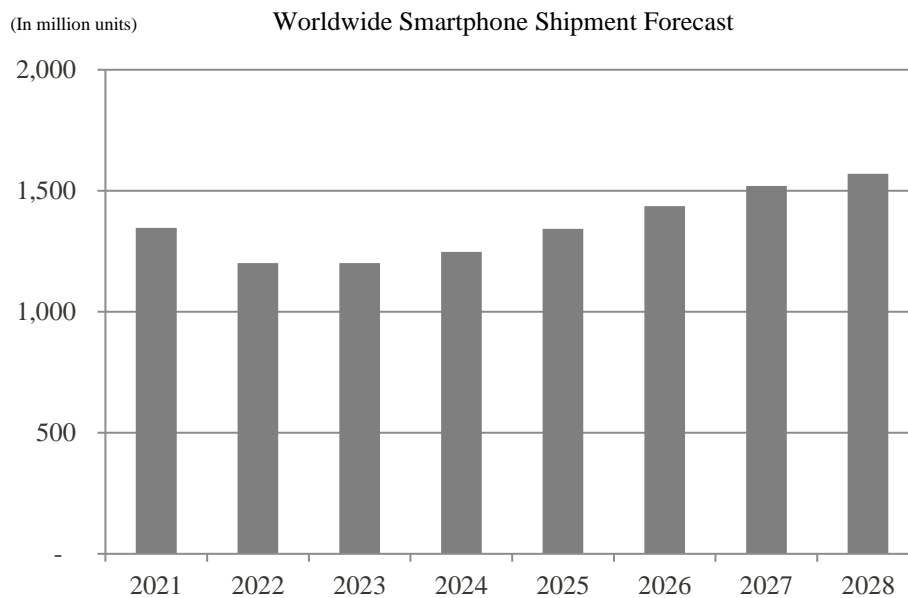
A. Wireless Communication Products

a. Smartphone

Wireless communication technology has driven the development of mobile communication platforms, with handset being the largest segment. According to Strategy Analytics, after experiencing several years of stable growth, worldwide handset shipments decreased to 1.46 billion units in 2022, impacted by global macroeconomic factors such as the Ukraine-Russia war, global inflation, contractionary monetary policies, and strong US dollars. However, it is estimated that in the medium to long term, worldwide handset shipments will steadily grow to 1.75 billion units in 2028, with smartphone shipments up from 1.2 billion units in 2022 to 1.57 billion units in 2028. In addition, according to Counterpoint, MediaTek's handset SoC ranked first in global shipment volume, with a market share of 34%.



Source: Strategy Analytics, March 2023



Source: Strategy Analytics, March 2023

Global communication technologies continue to evolve and upgrade. With the characteristics of 5G, including high bandwidth, high speed, and low latency, the continuous 5G commercialization will contribute to the long-term development of applications including cloud computing, connected vehicles, and the Internet of Things. This will boost the hardware specifications and performance requirements for mobile devices, driving the prices of end products and overall industry evolution. 5G smartphones have become mainstream in developed countries, and the gradual commercialization of 5G in emerging markets has also led to a continuous increase in global 5G penetration. 5G will expand to more application platforms as 5G technology becomes more widespread. In addition, satellite communication has also become a key focus of technological development. Smartphones can achieve more complete signal coverage in areas where ground networks cannot reach through satellite networks, helping 5G to leverage the characteristics of the Internet of Things.

In addition to mobile communication, consumers also focus on advanced camera applications and higher specifications for multimedia experiences, such as multi-lens photography, online gaming, video streaming, social networking, virtual/augmented reality, etc. To meet consumer demand and support more applications, the specifications and functions of mobile communication platforms are constantly improving. For example, the integration and optimization of network, control, image quality, and intelligent load regulation, as well as many other technological improvements, enhance the gaming experience. More efficient AI processors not only improve camera quality but also have low power consumption while providing stronger computing power.

The rapid development of the wireless communication market is accompanied by competition. Therefore, in addition to constantly innovating in product specifications and technologies, the Company also strives to control costs and provide technical services to offer customers comprehensive solutions and product development services.

With regard to smartphones, the Company has established partnerships with global operators and distribution channels, actively expanding into the global market. We have taken the lead in launching 5G multimode SoC, riding the first wave of large-scale commercialization upgrades, and have accelerated the global upgrade of 5G smartphones through close cooperation with customers and ecosystems. In addition, the Company continues to expand product lines and enter the 5G flagship market, strengthening the comprehensiveness of product portfolio. The launch of 5G Open Resource Architecture further reinforces customer cooperation, creating differentiated flagship and high-end products to provide consumers with an excellent user experience, while continuing to cultivate the 4G market and maintain a leading market share. In terms of innovation, the Company is leading in the development of mobile communication chips with 5G NR NTN satellite network functions to realize 5G satellite communication services through smartphones, forming a seamless communication network.

b. Internet of Things (IoT)

In addition to smartphones, IoT, various connected devices, and connected vehicles are all key end applications for wireless communication. The global digital transformation has driven an increase in the number of connected devices, the rise of various remote video applications, and the increasing demand for bandwidth due to more advanced computing applications, which accelerate the upgrade of operator infrastructure and consumer application devices, driving the demand and specification improvement of various wireless communication products. For example, 5G technology has been extended to more platforms such as notebooks and CPE, while the penetration rate of WiFi 6 in routers, PON, notebooks, and other electronic products continues to rise. Technologies such as 5G, WiFi, GPS, and Bluetooth have become an integral part of IoT products such as AI voice assistants, smart displays, smart home appliances, and Bluetooth headsets.

On the other hand, software streaming, virtual/augmented reality applications, and various online demands are driving the requirements and specifications for connected consumer electronics such as TVs and gaming consoles. In the future, connected vehicles and industrial IoT will also become important platforms for wireless communication development.

In the future, the new generation 5G standard (RedCap) will lead 5G to more applications and devices with its lower latency and lower power consumption features, especially in areas such as wearable devices, IoT, and XR. The technological innovation of generative AI stimulates content production with high efficiency on powerful computing platforms, such new interactive experiences are expected to create new applications, bringing more demand for connected devices.

The Company has already taken the lead in launching the WiFi 7 platform solution. In the future, we will continue to leverage our technological advantages in mobile computing, wireless communication, multimedia, and our complete intellectual property across different platforms, to develop new generation cellular and WiFi wireless communication chips, as well as ARM-based chips that integrate connectivity and multimedia functions. These chips can be applied in various fields, such as computing platforms, TVs, routers, broadband, IoT devices, gaming devices, automotive, etc. to seize the opportunities of future trends.

B. Digital TV Products

The global development for 8K TV has slowed down, but since the development of 4K Ultra HD TV, the average screen size has rapidly increased to 65 inches, 75 inches, and even larger sizes, connecting people with people, which has completely changed the user's life experience as TVs become an important gateway for users to access new media and online services.

In addition, the TV industry continues to deepen the adoption of artificial intelligence (AI) to enhance the user experience more flexibly. For example, when there is network congestion, AI-SR (Super Resolution) image processing can increase the resolution from low to high, to restore image details. TVs with cameras trigger new applications, such as using TVs for watch parties to watch sports events with family and friends, or for video conferences and home gyms.

The Company's Pentonic smart TV platform is leading the industry, with five key technologies: display, audio, artificial intelligence, broadcasting, and connectivity. It helps global brands to create powerful large-screen smart TVs, bringing an unimaginable home entertainment experience.

C. ASIC Products

The development of information technology is changing rapidly, and in order to achieve product differentiation, there is an increasing demand for customization in areas such as large data centers, automotive electronics, industrial automation, communications, and artificial intelligence. Especially with the rapid and substantial growth of data, data center and high-speed transmission-related applications, such as switches, storage devices, high-speed computing, etc., have gradually become the focus of the market. In addition, there are constantly new consumer electronics products, and gaming consoles continue to upgrade their software, hardware, and platform services, requiring higher and higher capabilities in computing, connectivity, and graphics processing. In the future, applications such as the metaverse and virtual augmented reality will also bring more possibilities to the gaming industry, and the demand for customization will continue to increase.

The Company has a strong layout in key IPs such as wireless connectivity, multimedia, low-power processors, artificial intelligence, and high-speed transmission Serdes, and has developed customized chip business based on them, which has been recognized by many tier-one customers. We will continue to establish cross-platform, long-term partnerships and actively expand into new fields.

D. Analog Products

Analog ICs play the role of message transmission between users and machines, hence their applications are very broad, such as in computer and peripherals, communications, automotive, data centers, consumer electronics, and new trends such as smart homes and IoT. The presence of analog ICs can be found in almost all electronic systems. With the evolution of various consumer electronics technologies, and the rapid development of industrial, automotive electronics and data center markets, the demand for power management ICs has significantly increased, and their importance has also been elevated. MediaTek integrates technological capabilities to provide complete power management solutions for the aforementioned fields, helping customers reduce costs and enhance product competitiveness.

E. Broadband Networking Products

The increase of global broadband users continues to drive growth of the industry. According to research reports, in the fourth quarter of 2022, the number of wired broadband users worldwide has exceeded 1.1 billion, with an annual growth rate of about 5%, and still maintaining steady growth. Among them, China remains the largest single market in the world. With xPON being its main technology, China also began to develop towards 10GPON in 2020. In recent years, under the trend of FTTH, many regions have accelerated the deployment of xPON, such as Central and South America, Southeast Asia, and India, and the growth in Europe and North America has also rapidly increased, becoming the next growth momentum. In response to the high traffic load of future 5G communication, faster 10G fiber optic fixed network broadband has become the foundation for 5G communication.

1.3. Technology and R&D

1.3.1 R&D Spending

The Company's R&D spending in 2022 was NT\$116,874,655 thousand, and from January 1st 2023 to the printing date of this annual report, the R&D spending was NT\$15,908,757 thousand.

1.3.2 Developed Technologies or Products in the Last Fiscal Year and Year-to-Date

- A. 5G smartphone SoCs and stand-alone modems;
- B. LTE communication chips;
- C. 5G 3GPP NTN satellite communication chipsets;
- D. Highly integrated tablet chipsets;
- E. Artificial Intelligence of Things (AIoT) device chipsets;
- F. Highly integrated smart home connectivity chips;
- G. Highly integrated WLAN SoCs;
- H. WiFi 6 and WiFi 7 wireless communication chips;
- I. Highly integrated 8K 120Hz and 4K 120Hz/60Hz smart TV SoCs;
- J. Consumer and enterprise ASIC chips;
- K. Highly integrated automotive smart cockpits and telematics;
- L. Highly integrated UHG chipsets;
- M. G. Next generation 10G PON (passive optical network) chipsets;
- N. Power management and controller chipsets for various electronics;
- O. USB PD Type-C controller chipsets;
- P. Brushless DC motor driver ICs.

1.4. Long- and Short-Term Business Development Plans

1.4.1 Short-Term Business Development Plans

- A. Keep our finger on the pulse of market trend and customer need, continue to develop highly competitive products, and adopt more advanced process and more optimized circuit design architecture to introduce high price-performance mainstream products to stimulate market demand.
- B. Consolidate the Group's products and existing cross-platform advantages to provide customers with complete total solutions. Deepen our understanding and serve customers, and facilitate customers time-to-market to seize market opportunities.
- C. Enhance existing long-term partnerships with customers and increase customer base as well as market share by implementing flexible marketing strategies to expand our channels. Meanwhile, work closely with related partners in various industries such as telecom operators to expand business opportunities.
- D. Maintain close relationship with supply chain partners including foundries, packaging and testing companies. Ensure real-time communications with customers and manufacturing partners to secure sufficient capacity and ensure smooth delivery as well as AR/inventory management.
- E. Maintain sound and flexible financial systems to support various R&D and sales activities.

1.4.2 Long-Term Business Development Plans

- A. Participate actively in global standard committees and deepen long-term relationship with global customers and partners to develop various business opportunities.
- B. Continue to innovate and maintain a market-leading position in each product line. Actively develop next generation more competitive products to enhance product competitiveness and profitability through new product development, product design optimization, cost control, etc.
- C. Continue to maintain close and deep cooperative relationships with the supply chain, and jointly develop production plans to further improve costs.

- D. Recruit and nurture global talents with different expertise such as R&D and marketing. Reserve sufficient energy in product development and promotion, and establish a sound education and training system to inherit and carry forward past experiences.
- E. Establish more comprehensive global management systems to strengthen internal operation efficiency and external effective communications. Maintain good relationships with the global capital market and seek appropriate investment targets that can help with business expansion.

2. Market, Production, and Sales Outlook

2.1. Market Analyst

2.1.1 Major Markets

Region	2022	
	Sales (NT\$ thousands)	Percentage
Export sales	515,001,332	93.84%
Domestic sales	33,794,698	6.16%
Total	548,796,030	100%

2.1.2 Market Share

According to Gartner and Omdia, the global semiconductor market revenue was US\$601.7 billion in 2022, and MediaTek's global market share was 3.0%, ranking 9th in the global semiconductor industry and 5th in the global fabless industry.

2.1.3 Supply and Demand Situation and Growth Potential of the Future

A. Wireless Communications Products

With the large-scale deployment of base stations and related infrastructure, the technology migration of mobile communication, WiFi, and the acceleration of satellite communication, will help drive the wave of device replacements and boost the demand for wireless communication products. The coverage will gradually expand from smartphones to other consumer electronics and IoT-related applications, such as laptop, tablet, CPE, etc.

The acceleration of digital transformation has led to a significant increase in bandwidth usage, further driving the upgrade of new generation network devices and equipment hardware. More advanced technologies, applications, and network techniques make users take the functionality of consumer electronics products more seriously. The demand for more wireless communication chips will be stimulated by the need for network speed and AI functionality. For example, various smart IoT products, smart cities, and virtual and augmented reality will all become important drivers for the wireless communication market. In addition, with the trend of eletronicization, new cars will gradually be equipped with wireless communication capabilities, laying the foundation for connected vehicles and autonomous driving. In the future, 5G, IoT, and connected vehicles will all become important growth drivers for the wireless communication market.

B. Digital TV Products

The new generation of TV products differs from the past in their development towards higher resolution and larger screen sizes. In addition to the basic high definition/high-fidelity processing, they will focus more on incorporating artificial intelligence (AI) applications to provide more optimized image quality and imaging technology, giving users a richer life experience. For example, users can interact with family and friends online, watch on-demand video programs, and install applications or cloud gaming to create a personalized usage environment.

C. ASIC Products

Technology is advancing rapidly, and with the rapid growth of massive data, cloud and artificial intelligence applications, and the demand for metaverse, the demand for high-speed transmission and data centers has increased significantly. We have diverse product lines and comprehensive platforms, and with steady investment in the development of new technologies and integration of multiple advanced IPs, such as multimedia, wireless and high-speed transmission, and data computation, we are able to provide the most competitive consumer and enterprise ASICs.

D. Analog Products

According to Gartner, the analog IC market grew 17% in 2022, compared to 1% of growth for the overall semiconductor market, mainly driven by the 23% growth in the automotive analog IC market. The analog IC market grows steadily, and MediaTek still has potential in the global analog IC market as we continue to work with Taiwan foundries and leverage our advantages from experiences in analog IC design.

E. Broadband Networking Products

The increase in focus on the demand and quality for network communication is driving the global upgrade of network communication products and equipment specifications. The Fiber-to-the-Home (FTTH) policy in China has greatly increased the number of users. With the increasing requirements for network speed and bandwidth specifications, demand in overseas markets such as Europe, America, and emerging markets is expected to drive the next wave of growth. The Company has an advanced and complete networking product line, such as GPON, 10GPON, xDSL, and high-speed Ethernet, and will continue to develop faster networking products in the future, seizing upgrade opportunities and expanding both domestic and overseas markets steadily.

2.1.4 Competitive Advantage

A. Outstanding Management Team

The members of MediaTek's management team have worked together in multimedia business for many years and the team has grown with the participation of other outstanding talents. The team consists of numerous senior IC design engineers and system engineers, and with our excellent talents and the team spirit developed through long-term cooperation, we not only constantly launch new products but also establish a better system to lay a foundation for future development.

B. Strength in System-on-a-Chip (SoC)

System-on-a-Chip (SoC) has been a hot topic in the tech industry for many years. The Company has a wealth of talent in both IC and system design. The collaboration between the design and system departments enables MediaTek to continuously develop new products with strong market advantages every year.

2.1.5 Favorable and Unfavorable Developments, and Countermeasures

Favorable Developments

A. Possess advantage of advanced and comprehensive wireless communication IP portfolio, and continue to invest in technology to maintain platform competitiveness

Mobile devices and IoT have become indispensable products in consumers' lives, and their requirement for user experience has driven continuous technological upgrades and growth in the related IC industry. The Company spares no effort in the development of wireless communication and consumer electronics, possessing the most comprehensive IP portfolio in the industry, including 4G/5G mobile communication, WiFi 6/7, and new generation Bluetooth communication and audio technology. In particular, we have taken the lead in the globe in completing the live demo of WiFi 7 technology, and actively participate in the setting of international standards, continuously investing in the next generation of mobile communication and WiFi technology. Our early investment in 5G and WiFi 6/7 enables us to fully participate in the life cycle of many products, providing customers with leading technologies and convenient, stable total solutions for prompt design-ins among different application platforms.

In addition, as various smart device platforms increasingly focus on computing performance and power consumption, combined with the expanding application of ARM-based processors, we also continue to invest in leading-edge processes and advanced packaging technologies. And through more complete product lines, we have entered flagship and high-end markets across various applications and will continue to expand.

B. Integrate proprietary AI platform with rich IP portfolio, and lead the industry to create new trends of smart consumer devices

The Company possesses key technologies for smart devices, with complete layout in wired and wireless connectivity, low-power processors, AI, multimedia, virtual and augmented reality, and has successfully integrated multiple technologies across platforms, to smartphones, TV, tablets, game consoles, and smart IoT products. As the ecosystem of smart connected devices gradually takes shape, our proprietary AI platform, combined with a rich IP portfolio, will be able to provide excellent technical services and to diversify our product offerings and customer base. And through technology upgrades and market share expansions in various product lines, we co-work with customers to develop innovative products to enhance user experience and lead industry trends.

C. Continue to collaborate with tier-one customers to develop highly competitive ASICs

The customized chips require higher technical integration capabilities, whose product cycle is longer than that of general consumer electronics. The Company has been developing multimedia and high-speed transmission technologies for many years. With a complete IP portfolio and a broad platform, as well as advanced SoC chip design integration capabilities and experience in large-sized packaging, we provide high-quality services to tier-one customers in developing new products and have received high recognition from customers.

D. Demand for analog products continues to grow

The application of high-frequency wireless is becoming more widespread, and the demand for low-noise, ultra-low dropout, and low-power linear regulators will also increase significantly. In addition, the increasing awareness of environmental protection has expanded the demand for power and battery management, which has also increased the sales and development of MediaTek's products.

E. xPON and VDSL to become growth drivers for the broadband market

In recent years, xPON has continued to replace copper xDSL broadband access solutions, with 85% of market share. The overall broadband market still maintains a steady growth trend. The Company has a complete product portfolio in xPON, covering high, medium, and low-end products, providing customers with the most complete and competitive product lines. 10GPON has also become a new trend, enhancing the demand for home and enterprise broadband.

Due to the increasing demand for remote communication such as video conferencing, households and businesses not only have a significantly increased demand for bandwidth, but also require high bandwidth, security, and stability in broadband. The development of 5G and even future 6G mobile communication, and the improvement of WiFi speed, are set to increase the development and demand of broadband communication. For example, 5G backhaul, deployment of microcell base stations, and connection between routers and switches, all rely on the deployment and improvement of broadband network.

Unfavorable Factors and Countermeasures

The tech industry is constantly evolving. New technologies emerge at any time with relatively short product life cycles, which may lead to intense competition of end products and therefore pricing pressures.

In the extremely competitive technology industry, the Company is always prepared and actively develops new products to enhance competitiveness, providing better-performing chipsets with our outstanding talents. In addition to maintaining the marketing of existing products, we are also actively planning the development of next-generation products, in order to respond timely to the market with excellent R&D capabilities, leading the industry to launch high-quality products and entering the market early to improve competitiveness.

2.2 Key Product Applications and Manufacturing Processes

2.2.1 Key Product Applications

MediaTek's major products include chipsets for wireless communication, digital TV, ASIC, analog and broadband networking, which are applied to mobile phones, digital TVs, PCs, digital appliances, wearables and IoT products. Key product applications are listed below:

A. Wireless Communication Products

MediaTek's wireless communication chipsets are mainly used in entry-level, mainstream, mid/high-end and flagship 5G/4G/3G smartphones, tablets, Chromebook and feature phones. Peripheral chips such as Bluetooth, WLAN, GPS, NFC and wireless charging are not only used in mobile phones, but also in other applications such as routers, TVs, set-up-boxes, smart wearables, smart home appliances, IoT applications, automotive electronics, game consoles, notebooks, portable navigation devices, etc.

B. Digital TV Products

MediaTek's digital TV SoCs are used to receive digital TV signals (from either satellite, terrestrial or cable) to watch TV programs and videos on demand via wired or wireless network. Equipped with a built-in artificial intelligence processor (APU), our digital TV SoCs enhance picture quality and audio processing, allowing users to enjoy an immersive audiovisual and entertainment experience. TVs with cameras trigger new applications, such as using TVs for watch parties to watch sports events with family and friends, or for video conferences and home gyms.

C. ASIC Products

MediaTek's ASIC chips are mainly used in consumer and enterprise electronics.

D. Analog Products

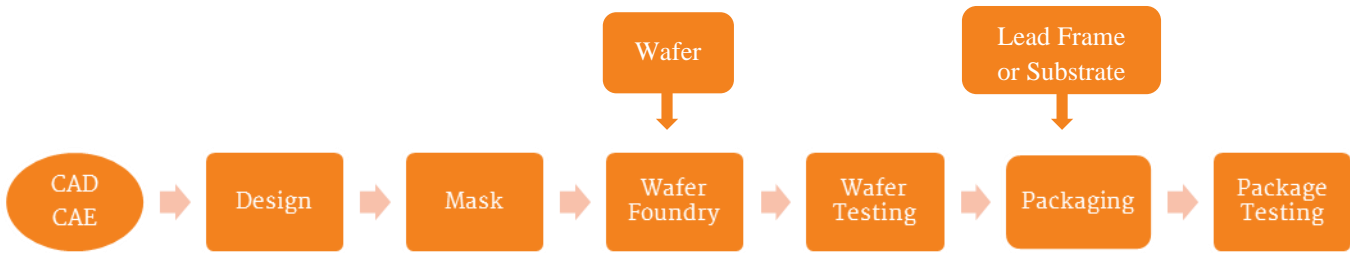
MediaTek offers the core components to provide stable current of electronic systems, which, by differences in application requirements, include voltage detection systems for current protection, power transition for different voltages or AC/DC, power management that integrates multi-set of power transition circuits on a single chip, and driver chipsets for systems and other electronic components.

E. Broadband Networking Products

MediaTek's xDSL chipsets are mainly used in digital modems, which, by functionality, can be further categorized into DSL Modem (purely for bridging), Wired DSL Router (DSL Modem integrating routing function), Wireless DSL Gateway (DSL home gateway integrating WLAN function) and IAD Gateway (DSL home gateway integrating VoIP function). In addition, xPON chipsets are used in fiber-optic modems and home gateways, which also provide aforementioned functions.

2.2.2 Key Product Manufacturing Process

The chart below shows the process of developing an IC product:



A. Design Process

The Company's IC design process involves design engineers using computer-aided design (CAD) and other tools to convert circuits into patterns that can be mass-produced, based on the specifications of the product plan, and then manufactured by the wafer foundry.



B. Photomask Process

Finished IC circuit designs are stored in a tape as a database for a photomask company to produce the mask sets. There are four stages in the manufacturing of mask: Glass Process, Cr Film Coating, Resist Coating and Shipping. The finished masks are then delivered to a wafer foundry.

C. Wafer Foundry Process

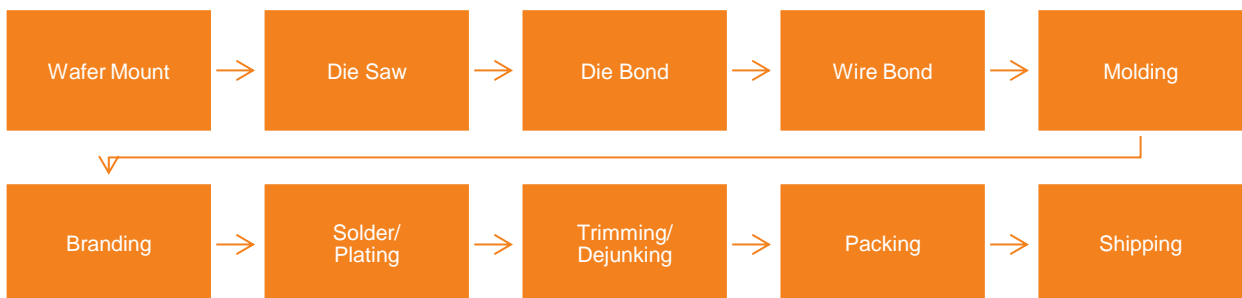
Wafer fabrication is outsourced to foundries. The wafer manufacturing process begins by entering a module and then going through etching, photo, thin film and diffusion with masks. The finished wafers must be tested before shipping to the next stage.

D. Wafer Testing Process

A finished wafer must be checked for conformity in its electronic functions. Non-functional dies will be marked and sorted out.

E. Packaging Process

The good dies on the wafer will go through the packaging process as indicated below:



2.3. Supply of Raw Materials

Wafers are the Company's main raw materials and are primarily procured from foundries, including Taiwan Semiconductor Manufacturing Limited Company (TSMC), United Microelectronics Corporation (UMC), and GlobalFoundries. These suppliers have a considerable level of product quality and process capability, satisfying the Company's requirement and expectation for supply quantity and cooperation. The Company negotiates pricing with suppliers according to market supply and demand conditions, and reviews production and service quality periodically, with suppliers offering technical services. MediaTek not only continues to strengthen cooperation with existing partners, but also actively engages with other potential suppliers to ensure we have more supply, quality, and pricing guarantees and choices.

2.4. Key Supplies & Customers

2.4.1 Key Suppliers

Suppliers accounting for more than 10% of the total purchase in any of the previous two years:

Unit: NT\$ thousands / %

2021				2022			
Supplier	Amount Purchased	% of Total Purchase	Relation	Supplier	Amount Purchased	% of Total Purchase	Relation
Supplier A	142,693,691	63.34%	Not a Related Party	Supplier A	121,966,383	60.85%	Not a Related Party
Others	82,584,015	36.66%		Others	78,458,726	39.15%	
Total	225,277,706	100.00%		Total	200,425,109	100.00%	

The changes are primarily due to product mix differences.

2.4.2 Key Customers

Customers accounting for more than 10% of the total sales in any of the previous two years:

Unit: NT\$ thousands / %

2021				2022			
Customer	Sales	% of Total Revenue	Relation	Customer	Sales	% of Total Revenue	Relation
Customer A	51,255,548	10.39%	Not a Related Party	Customer A	71,890,831	13.10%	Not a Related Party
Customer B	70,405,724	14.27%	Not a Related Party	Customer B	66,242,678	12.07%	Not a Related Party
Customer C	54,477,584	11.04%	Not a Related Party	Customer C	60,116,603	10.95%	Not a Related Party
Others	317,275,726	64.30%		Others	350,545,918	63.88%	
Total	493,414,582	100.00%		Total	548,796,030	100.00%	

2.5. Production Volume and Value in the Past Two Years

Unit: thousand pieces / NT\$ thousands

	2021			2022		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
IC Products	Not applicable (Note)	13,064,661	275,233,428	Not applicable (Note)	10,905,498	255,258,616

Note: The Company outsourced manufacturing to wafer foundries, packaging houses and testing companies, with no in-house capacity.

2.6. Sales Volume and Value in the Past Two Years

Unit: thousand pieces / NT\$ thousands

	2021				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
IC Products	2,981,339	35,857,367	9,668,927	453,043,153	2,089,502	33,730,700	6,095,260	509,282,401
Others	Not applicable	336,705	Not applicable	4,177,357	Not applicable	63,998	Not applicable	5,718,931
Total	2,981,339	36,194,072	9,668,927	457,220,510	2,089,502	33,794,698	6,095,260	515,001,332

3. Employees

		2021	2022	2023 (As of Feb 28)
Number of Employees	Management	1,009	1,217	1,212
	R&D	17,202	19,219	19,214
	Sales & Marketing	709	752	754
	Manufacturing	666	711	776
	Total	19,586	21,899	21,956
Average Age		36	36	36
Average Years of Service		5.4	5.6	5.7
Education	Doctoral	4.76%	4.73%	4.73%
	Master	72.43%	73.93%	73.79%
	University & College	22.40%	20.94%	21.00%
	High School	0.41%	0.40%	0.48%
	Total	100.00%	100.00%	100.00%

4. Material Contracts

As of February 28, 2023

Agreement Type	Counterparty	Term	Summary	Restrictions
Patent licensing	Rambus Inc.	From Jan. 1, 2017	Rambus and the Company renewed the patent licensing agreement, effective retrospectively to the beginning of 2017.	None
Patent settlement and licensing	Broadcom Ltd.	From Oct. 19, 2017	Both parties reached a patent cross-licensing agreement and agreed to file for dismissal of all patent lawsuits by both sides.	None
Patent licensing	ATI Technologies ULC	From Sep. 16, 2019	Both parties reached a patent cross-licensing agreement	None
Real estate construction	Jiangsu Wannian Construction Group Co., Ltd	From Nov. 15, 2019 to Jul. 15, 2022	MediaTek (Wuhan) Inc. announced to build a new office building.	None
Real estate development and management	Railway Bureau	From Jun. 14, 2022	Subsidiary Hsu-Yuan Investment Corp. signed a land use rights contract and a development and operation contract with the Railway Bureau for the land located in the Shixing section 2, Zhubei City, Hsinchu County, to build and operate an office building in the designated station area of Hsinchu Station of Taiwan High Speed Rail.	None

Note: For the Company's other related contractual commitments, please refer to pages F1~F153 of the Financial Statements and Independent Auditors' Report.

5. Information Security Management

5.1. Information Security Management Strategy and Structure

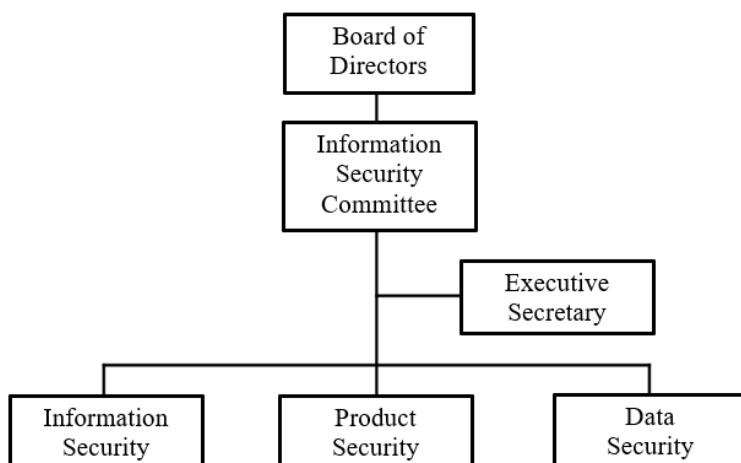
5.1.1 Information Security Risk Management Structure

A. Corporate Information Security Governance Organization

To manage information security risks, the Company established the Information Security Committee, chaired by the Executive Director, to regularly review the implementation of information security, product security, and data security, and reports the inspection results to the Board of Directors on a regular basis. The Information Security Committee meets at least once every six months and may convene meetings at any time as needed for risk management. The chairman of the Information Security Committee represents the Committee and reports to the Board of Directors once a year.

- a. Information Security: Including the management, planning, supervision and implementation of information security.
- b. Product Security: Including product safety framework planning and introduction, industry standard compliance, protocol formulation, training, threat risk modeling, testing procedure and vulnerability management.
- c. Data Security: Including the planning, implementation and discussion of intellectual property information management standards.

B. MediaTek's Organizational Structure for Information Security



5.1.2 Policy for Information Security

A. Corporate Information Security Management Strategy and Structure

- a. MediaTek shall maintain the confidentiality, integrity, and availability of information in order to reduce the risk of unauthorized use, damage, or leakage of information, and to comply with government regulations, requirements, and policies related to information security.
- b. In order to uphold customers' confidence in product safety, MediaTek shall establish effective control measures to prevent the risk of security or privacy vulnerabilities in its products, including but not limited to security requirements and framework analysis, threat analysis, code scanning, security incident response, and vulnerability management.
- c. MediaTek shall establish a "Defense in Depth" multi-level information security detection and defense mechanism to proactively establish pre-security protection. When an information security incident occurs, necessary emergency response measures shall be taken swiftly to reduce potential damage and strengthen information security resilience.

- d. MediaTek shall strengthen employees' awareness of information security through trainings and establish the concept that everyone is responsible for information security.

B. Corporate Information Security Management and Continuous Improvement Structure

To effectively implement information security management, MediaTek shall establish and implement the Information Security Management System (ISMS) based on the Plan-Do-Check-Act (PDCA) cycle operating model of ISO/IEC 27001. MediaTek shall also refer to the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) of the United States to integrate information security control mechanisms into daily operations.

C. Managerial Plans

a. Information Security Protection and Control Measures

Identify	Review the business environment, key resources, and services, and develop a risk management strategy that conforms to daily operations, including establishing information security standards and implementing an asset management system.
Protect	Formulate and implement corresponding defense measures to strengthen key resources and services, including Identity Access Management (IAM), antivirus software, endpoint protection, and system patch management.
Detect	Establish a mechanism for real-time detection of information security incidents and alerts, including email protection systems, intrusion detection systems, and a Security Operations Center (SOC), and regularly inspect the information system framework.
Respond	Establish the Cyber Security Incident Response Team (CSIRT) to take charge of the management of information security incidents, including investigation, identification and providing plans for improvement. The reporting and handling of such incidents should follow the standard procedures.
Recover	Develop a data backup plan to ensure that normal operations can be restored as quickly as possible in the event of an information security incident that affects operations.

b. Review of effectiveness information security

Information Security Governance	<ul style="list-style-type: none"> ■ Appointed a chief information security officer ■ MediaTek was awarded the TCSA Information Security Leadership Award (non-finance and information communication technology group) in 2022
Information Security Maturity Assessment	<ul style="list-style-type: none"> ■ Certified by ISO27001 (effective from Dec. 6, 2022 to Oct. 31, 2025) ■ Periodically conduct red team drills and computer information security checks ■ Integrate third-party threat information to determine and manage external risks ■ A third-party information security risk assessment tool ranked MediaTek's information security maturity level "A" ■ Strengthen supplier information security management and hold supplier information security forums to enhance the security defense capability of suppliers
Results of Product Security	<ul style="list-style-type: none"> ■ Completed the global information security assessment BSIMM for 2 consecutive years and will continuously improve the Company's product security maturity ■ Continue to implement the "Product Security Vulnerability Reward Program" ■ Announce product security vulnerabilities on the official website's security bulletin board every month, and handle product security issues with transparency ■ Implemented an open-source third-party software review process, and introduced security vulnerability scanning and patching procedures to reduce potential security risks ■ Held two internal "Product Security Seminars" to share vulnerability cases and design and development guidelines, enhancing engineers' awareness and ability to handle product security

D. The number of employees participating in the management of information security was 228 in 2022, and the related expenses were NT\$247mn.

5.2. Information Security Risks and Countermeasures

Regarding the risks and management measures of information technology security, MediaTek, as a fabless semiconductor company with many computers, instrument equipment, and information systems related to IC design businesses, needs to protect the information and computer systems security through the information security management system. Even though MediaTek has established such system, it does not guarantee that the computer system it controls or maintains can completely avoid any actively invasive hacker attacks. Due to the rapidly changing hacker attack methods and malware technologies, and the existence of unique and advanced attack behavior, the Company's operation may be impacted, and important data may be lost. On the other hand, the scope of the information systems, upstream and downstream partners, and customer data that the Company manages is increasing. Only through continuous detection, evaluation of network and system framework, and refined security management measures can the effectiveness of information security measures be ensured.

MediaTek's information security management system includes but is not limited to privileged account management, information security penetration testing, detection and blocking of malware, multi-factor authentication mechanisms, social engineering drills, and intrusion detection systems in critical information systems and network exits. MediaTek operates an information security monitoring center and a team, which uniformly records and continuously monitors and analyzes the above-mentioned important information security events, ensuring the effectiveness of information security event detection through the establishment of a dedicated professional information security unit.

Hackers can attempt to steal important operational information of the Company or sell the stolen technical information through information system vulnerabilities. These malicious behaviors not only affect the Company's image but also cause substantial financial losses. To eliminate major information system vulnerabilities, MediaTek has been conducting information security penetration testing since 2014, simulating various hacker attacks on important information systems to examine the presence of system vulnerabilities. In addition, automated vulnerability scanning has been implemented since 2019 to ensure the integrity of information security checks. Furthermore, more resources have been put into the more advanced red and blue team drills since 2020 to discover and repair information system vulnerabilities as many as possible.

Specific groups of hackers continue to attempt to infiltrate technology companies possessing critical technology, and once penetrated, they will lurk in or implant backdoor programs into the internal information system. To detect whether the information system has been implanted with malware, MediaTek has been conducting regular internal automated and large-scale malware detection since 2015 to ensure the security of the information system. Such hacker tactics often penetrate the company's information system through social engineering malicious emails or any method to lure employees. In addition to repairing information system vulnerabilities, MediaTek has also been conducting social engineering drills since 2015, and based on the results, implementing information security trainings for employees to enhance their awareness of information security when facing such hacker threats.

Given that some information systems purchased from third-party vendors may still have vulnerabilities, leading to computer virus or worm infections, MediaTek has included information security requirements and standards in outsourced information system contracts, and has specified a vulnerability patching policy to prevent the spread of computer viruses and its impact on company operations. Additionally, MediaTek strengthens the information security management of its manufacturing supply chain partners through audit and assistance and holds supplier security forums to enhance their security protection capabilities. Through these information security control measures, MediaTek continuously establishes a trustworthy environment for enterprise. However, even with a trustworthy environment, there is still a chance of malicious users forging identities and abusing information systems. Therefore, since 2019, MediaTek has strengthened its employee password policy and introduced a multi-factor authentication mechanism to reinforce identity authentication for information systems.

5.3. Major Information Security Incidents

In 2022, MediaTek passed the information security-related audits without finding material deficiencies and without violating information security, which may result in no significant information security incidents such as customer information leaks or fines.

VI. Corporate Sustainability Development

1. Corporate Promise

1.1. Employee experience

MediaTek is devoted to pursuing the establishment of a positive relationship with its employees and provides employees with challenging work and high-quality employee experience that meet their needs. The Company has instituted responsible units specialized in compensation and benefits, training and development, global recruitment, as well as employee experience and relations, to promote and implement various policies at the corporate level. In addition, MediaTek cooperates with supervisors at all levels in the Company through HR Business Partner (HRBP), a specialized human resource strategic partner, to facilitate the healthy growth of the organization. Positive and active employee experience and relations are one of the keys to MediaTek's consistent delivery of solid performance. The Company is also devoted to the following aspects to continue to provide employees with the most complete working experience:

A. Employment

MediaTek adheres to a diverse and inclusive talent strategy, complies with local laws and regulations in its global operations, and endorses and supports the principles outlined in international human rights conventions (such as the Universal Declaration of Human Rights by the United Nations). The Company treats all employees with dignity and respect, and endeavors to prevent any actions that violate human rights. Discriminatory behaviors towards employees based on their race, age, gender, sexual orientation, disabilities, pregnancy, political affiliation, or religion are not allowed in recruitment. MediaTek requires all employees to receive training on prevention of illegal behaviors in the workplace and continues to enhance the awareness of diversity and inclusivity, care for minority workers, and establish an equal and friendly workplace. All employees are required to sign consensual labor contracts in accordance with the law. The terms and conditions of the contract prohibit forced labor, and employees are required to abide by labor laws regarding working hours.

B. Employee Communication

MediaTek employs a communication matrix to effectively assist employees in understanding the Company's operations, disseminating policies, and solving issues related to work environment. This is achieved by managing diverse communication channels, assisting managers in effective communication, and evaluating the effectiveness of communication. With the goals such as understanding the Company's operations, improving the work environment, building consensus, and collecting opinions, MediaTek targets at global employees and collaborates with communication managers at different levels. The measures include:

- a. MediaTek publishes a bilingual bimonthly corporate e-magazine "MediaTeker Hub Newsletter," allowing global employees to understand the Company's important events and messages. In 2022, six issues were published with rating of 4.4 (out of 5) in the year-end satisfaction survey by employees, showing employees' recognition of internal communication and information sharing.
- b. MediaTek launched an internal web platform, "MediaTeker Hub," with regular updates on important events and internal messages, allowing global employees to learn about the Company's information in real-time.
- c. The AI Chatbot launched in 2020 has been widely used to respond to topics such as human resources, office services, legal affairs, intellectual property information, financial and IT questions. It has also been extended to overseas offices, enabling timely and accurate responses to employees' inquiries through technology.
- d. Global executive communication meetings are held quarterly for executives to share important company messages with supervisors worldwide and build consensus. In 2022, a total of 8 global executive communication meetings were held with over 8,000 participants worldwide.
- e. Labor-management meetings are held quarterly at the headquarters, inviting representatives from labor and management to respond to and discuss major issues. This has been significantly helpful in promoting mutual understanding between the Company and the employees and creating cohesion.
- f. MediaTek provides diverse channels for feedback, such as the "I have a good suggestion" platform on the internal network, which encourages employees to share their opinions and ideas and respond promptly to

any concerns or suggestions. The Company also has an “employee complaint inbox” mechanism that provides a safe and confidential platform to assist employees in handling work-related or management-related issues.

Through the above measures, MediaTek helps employees understand important company policies in a timely manner, shape an open and transparent communication culture, and promote mutual understanding between the Company and the employees.

C. Employee Cohesiveness

In addition to diverse communication channels, MediaTek also actively organizes large company events (such as year-end parties, company anniversaries, family days), festival events (such as Engineer's Day, Mid-Autumn Festival, Christmas, etc.), departmental activities (such as departmental family days, trips, and birthday celebrations), travel groups, and club promotions. The forms of these activities are designed based on different employee groups' motivations for participation, to enhance the engagement of employees and their family. At the same time, participating in these events stimulates closer interaction and connection between the Company and employees, and supervisors and colleagues. In response to the Company's Net Zero Emissions declaration in 2022, a series of environmental protection and carbon reduction activities called “Go Green” were launched to encourage employees to bring their own lunch boxes, promote environmental awareness, and encourage walking stairs instead of taking elevators.

In terms of club promoting, MediaTek had a total of 64 clubs at its headquarters at the end of 2022, with over one-fourth of the headquarters employees participating in at least one club. However, due to the impact of the pandemic, the joint recruitment event scheduled to be launched in July 2022 was suspended and is expected to be restarted in 2023. The company also provides subsidies for the clubs and a subsidy system for company activities to effectively expand and extend the reach of clubs, becoming one of the important forces to cohere employee communities and networks.

In addition to company events, HRBP also continues to deepen the connection between the company, supervisors, and employees. Through customized workshops, courses, and projects, the Company operates more effectively, and the communication between supervisors and employees becomes smoother and more transparent.

D. Work Environment Safety and Employee Healthcare

The environmental, safety and health (ESH) policy is the highest guiding principle for the Company's ESH management. In order to meet the requirements of ISO 14001 and ISO 45001, MediaTek conducts audits of the ESH management system periodically and publishes ESH policies on the internal website. The Company educates all levels of employees according to the “Education and Training Management Procedure” and requires contractors to comply with the “Contractor ESH Management Procedures,” allowing internal and external members to fully understand the ESH policy, ensuring the appropriateness and effectiveness of the continuous operation of the ESH management system.

MediaTek firmly believes that “only healthy employees can create high-performance output”. In terms of physiological prevention, MediaTek has provided all employees with high-standard hospital health checkup and post-checkup consultation services for 17 consecutive years. In addition, for specific groups such as mid- and high-level managers, female employees, and colleagues in the testing department, MediaTek proactively provides necessary preventive examinations, such as specialized ophthalmological consultations, breast ultrasound, cervical smear tests, blood lead concentration tests, for prevention, allowing effective treatment and tracking at an early stage of any illnesses. The Company provides on-line consultation and on-site service of professional doctors, offering reliable medical information to employees. At the same time, the Company provides exclusive medical lecture resources for each unit, allowing supervisors to provide appropriate medical information tailored to the needs of each unit's employees.

In terms of physical health promotion, to effectively cultivate employees' habit of regular exercise, the Company has equipped employees with fitness centers in different office buildings. In 2022, through an annual health promotion event, MediaTek targeted different groups of employees who regularly, rarely or never exercise, and

designed different fitness programs based on their respective characteristics and motives. Through the excitement and teamwork, the event aims to effectively enhance employees' exercise frequency and help them develop regular exercise routines. Although various sports events were temporarily put on hold due to the pandemic in mid-May, based on the annual health analysis results, MediaTek still held stress-relieving health lectures to continue to take care of the physical and mental health of employees through different forms. After the pandemic eased, the usage rate of different venues in the Health & Lifestyle Center (including gyms, badminton courts, basketball courts, table tennis rooms, and rhythmic dance classrooms) reached 100%. And in response to the growth in the number of employees and exercise needs, the Company added the service hours at noon and on holidays to provide more exercise opportunities. MediaTek was recognized with the sports enterprise certification in 2022. Furthermore, the Company has set up massage and relaxation rooms, hiring blind massage therapist recommended by the Blind Welfare Association of Hsinchu City/County and Taipei City to provide professional massage and relaxation services.

In terms of employees' mental health, in addition to providing various emergency assistance measures to reduce the psychological stress of employees when they encounter emergencies, the company also conducts mental health lectures and psychological stress evaluation services, and has signed contracts with professional "Employee Assistance Program" to allow employees, whose privacies are protected, to seek consultation and assistance from professionals with regard to psychological and legal matters without pressures.

E. Employee Services

Through overall policies and hardware and software facilities, MediaTek provides a friendly and enjoyable working environment for employees. From the employees' perspective, the Company offers thoughtful services to reduce employees' worries when they are working, meeting their essential needs in life. The Company continues to provide safe and high-quality work environment through measures such as optimization of space and replacement of chairs with ergonomic chairs. In addition, the Company launched the "iParking" app to check the remaining number of parking spaces, providing employees with the latest information on parking spaces.

MediaTek provides a healthy, hygienic, and diverse dining to maintain employees' balanced diet. There were over 30 vendors at the headquarters in 2022 in different buildings, providing employees with diverse dining options. The Company holds an annual dining satisfaction survey in December to replace less satisfactory vendors to continually improve dining quality. In addition, as the pandemic restrictions gradually ease, the Company has been gradually resuming the dine-in environment in the restaurants and encouraging employees to use reusable or self-provided environmentally friendly food containers for health, safety, and environmental sustainability purposes.

F. Care for the Employees and Their Families

MediaTek not only established employee-friendly relationship policies and environment but also provides one-on-one care and assistance to address individual employee's issues and needs. The services range from emergency assistance (such as car accidents or family emergencies) to psychological counseling/referral. The Company closely observes and cares for departments, and conducts "Department Morale Survey", focus group interviews, and random interviews on abnormal results, to identify the reasons and improvement actions to help departments take necessary rectification measures to solve the problems.

MediaTek understands that behind every hard-working employee, there is a supportive family. Therefore, the Company takes the initiatives to extend company resources to the family members of employees. Not only that the Health and Lifestyle Center were open to employees' family on holidays, but a preschool was also announced to set up in 2018 with the first enrollment of the preschool taking place in 2019. The preschool enters its fourth year and there are currently 120 students enrolled.

G. Employee Welfare Committee

MediaTek has founded Employee Welfare Committee whose members represent and are nominated by each department in accordance with the Organization Regulations on the Employee Welfare Committee. The purpose of this committee is to oversee Employee Welfare Committee budget and to promote various benefits. The

Company allocates higher percentage of revenue than what is stipulated by law to sponsor Employee Welfare Committee, allowing the Committee to offer more diverse welfare than the industry. MediaTek provides flexibilities considering the cohesiveness of each department and the choices of personal welfare, such as setting up departmental allowances to encourage departments to hold social events, birthday parties, family days, and sports days. In 2019, MediaTek implemented a flexible welfare policy, allowing employees to apply the flexibility of subsidies to four major items, truly reflecting the flexibility and the spirit of employee welfare.

H. Continuing Education and Training System

The Company provides a comprehensive training system for a challenging and learning environment to inspire employees' potential and grow the Company's overall capability. There are various trainings based on employees' rank and nature of work:

- a. **Management Training System:** Help managers develop their training blueprint based on skills required for their positions.
- b. **Orientation:** Orientation hosted by Human Resources Department helps new staff to better fit in the workplace by learning company policies, corporate culture, working environment, etc.
- c. **General Training:** Fundamental training sessions for employees in all departments and job functions are held to meet regulatory and company policy requirements.
- d. **Technical Engineering Training:** Provide various professional trainings and development programs for engineers in accordance with different assignments they have and different phases they are at.
- e. **Professional Knowledge Training:** Training designed for specific profession development according to different specialty such as environmental safety, finance and accounting, human resources, information technology, intellectual property, marketing & sales, quality assurance management, etc.
- f. **Personal Effectiveness Training:** Help employees improve the personal skills and knowledge needed for daily assignments, cultivate different capabilities and enhance working effectiveness.
- g. **Language Training:** Based on employees' TOEIC scores, provide different levels of English learning programs to help them utilize English at work and thus enhance global competitiveness.
- h. **External Training:** Enhance employee quality and skills to help business development and complement insufficiency of internal trainings.

Results of education and training in the latest fiscal year are as follows:

Categories	2022				Jan. 1 to Feb. 28, 2023			
	Number of classes	Numbers of attendees	Hours	Total cost (NT\$)	Number of classes	Numbers of attendees	Hours	Total cost (NT\$)
Management Training System	257	19,512	71,466	53,983 thousand	54	683	2,612	10,088 thousand
Orientation	400	208,765	318,415		107	3,410	9,609	
Technical/engineering training	1,469	164,875	1,149,343		795	8,856	61,419	
Personal effectiveness	144	13,963	89,694		40	1,366	15,929	
Language training	86	4,427	39,354		21	284	4,411	
External training	466	1,781	33,348		31	80	3,776	
Total	2,822	413,323	1,701,620		1,048	14,679	97,756	

I. Retirement System

Retirement plans in domestic and international business sites were set in accordance with local laws and regulations. MediaTek provides defined benefits plans under the Labor Standards Act, and defined contribution plans under the Labor Pension Act. There were 99.2% of employees applied to defined contribution plans and 0.8% of employees still applied to defined benefits plans (namely rules in accordance with Labor Standards Act) in 2022.

Under the Labor Standards Act, MediaTek provides pension based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The contribution amount equals to 2% of salaries paid each month and is deposit in Bank of Taiwan under the name Supervisory Committee on Labor Retirement Funds. Under the Labor Pension Act, MediaTek makes monthly contribution to each employee's

pension account under Bureau of Labor Insurance. The contribution amount equals to at least 6% of each employee's monthly salary. The recognized pension expenses for defined contribution plans were NT\$ 2,481 million in 2022.

In addition to the pension reserve required by law, MediaTek also conducts actuarial calculation on pension reserve through qualified actuaries and contributes pensions and recognizes reserve as a pension liability on balance sheet to ensure employees' legitimacy to pensions and further encourage long term plans and efforts for employees' service at the Company.

J. Promoting Workplace Diversity and Gender Equality

MediaTek supports the values of "Diversity, Equity and Inclusion," and creates a positive workplace environment based on them. The Company is committed to providing a top workplace environment, which includes a diverse workforce, an inclusive culture, and equal opportunities.

The Company respects differences among all employees and does not allow gender, sexual orientation, appearance, age, marital status, disabilities, race, religion, nationality, or political preferences to affect any related decision, such as hiring and promotions. The Company also strives to eliminate any discriminatory or harassing behaviors in the workplace.

a. Human Rights Protection

MediaTek upholds a talent strategy of diversity and inclusion, complies with local laws and regulations in offices globally, recognizes and supports the protection and principles of human rights declared by international conventions such as the United Nations Universal Declaration of Human Rights, to treat all employees with dignity and respect, and to prohibit any violations or infringements of human rights.

b. Equal Pay for Equal Work

MediaTek is committed to creating a friendly and fair workplace for female employees. The salary of new hires is based on objective factors such as job requirements, skills, education, work experience, and market conditions, as well as the reference to the salaries of employees in the same position internally. The starting salaries for all positions are higher than the basic wages stipulated in the Labor Standards Act, and the pay of employees shall not be affected by gender, race, age, religion, sexual orientation, or marital status differences.

c. Employment for Women

MediaTek ensures that gender discrimination does not occur in the hiring of its employees. In 2022, female employees in MediaTek and its subsidiaries worldwide accounted for about 20% of total employees. In the R&D/technical departments, there were 3,241 female employees, accounting for about 17.9% of the employees, which is higher than the average percentage of female graduates in electrical engineering, computer science, and information engineering departments in Taiwan (13-15%).

MediaTek actively promotes talent diversity and creates working environment without discrimination through various friendly and supportive measures, demonstrating respect for and support of employees of different genders, nationalities, races, and religious and cultural beliefs. The Company organizes various activities and support communities to strengthen the implementation and practice of gender equality in the workplace. The Company will continue to uphold the principles of fairness and justice, and ensure that every employee can unleash their potential in a diverse and inclusive workplace. The specific measures implemented in 2022 are:

a. Global Family Employee Resource Group

In September of 2022, the Company established the Global Family Employee Resource Group (ERG), a volunteer community led by foreign employees at the headquarters. Participants can interact and express their opinions in the community, and through online and offline communication opportunities, assist foreign employees in developing good interpersonal relationships, and target to provide every foreign employee who comes to headquarters in pursuit of dreams with a sense of community belonging.

As of February 2023, four physical events have been held, not only to celebrate traditional festivals from different countries but also to promote employees' understanding and tolerance of diverse cultures. Through small seminars, the Company also helps employees increase their career capabilities and attract employees from different countries such as India, the United States, Malaysia, and Singapore. The ERG represents the rich diversity of MediaTek's global workforce, and we will continue to expand, allowing every employee to grow with the Company in an inclusive environment.

b. Women in Tek Employee Resource Group

Diversity, Equity, and Inclusion (DEI) is one of the Company's core values for friendly workplace. For a long time, the technology industry has been predominantly male, and female supervisors and employees are a minority in the industry. The Company firmly believes that diverse talents are the continuous driving force behind innovation. Recruiting talents with different characteristics and genders for R&D and corporate operations can lead to diverse perspectives and spark progress. Therefore, the Company is committed to creating a friendly and fair workplace for female employees.

In 2015, the Company's first Women In Tek (WIT) community was established in the Shenzhen office. Subsequently, branches were established in the Taiwan headquarters, Wuhan, Hefei, and US offices. The WIT community has been established for more than eight years, hosting various online and offline events. The community is a cross-national learning community and a global exchange platform that supports women to speak out and connect with each other. In 2022, the WIT community at the headquarters was transformed into an ERG, which continues to actively provide interaction opportunities for women. The community invites outstanding women across industries to share their diverse experiences and growth processes on topics such as the connection between technology and creativity, and spiritual stress relief, helping female employees expand their horizons, grow together, and learn from outstanding women inside and outside the company on how to balance work and life.

c. Maternal Health Care

The Company is committed to investing in maternal health protection, providing diverse care and assistance to achieve equal employment and maternal protection. In accordance with the Occupational Safety and Health Act and the Implementation Measures for the Protection of Maternal Health for Female Workers, the Company has formulated the "Maternal Health Protection Plan" to ensure the physical and mental health of pregnant, postpartum, and lactating female employees.

The Company arranges for doctors to conduct individual hazard assessments and perform graded management and health protection, providing comprehensive care for female employees from pregnancy to one year after childbirth. Depending on employees' conditions, the Company provides care and assistance including:

1. During Pregnancy

- Through professional interviews with doctors, the Company provides health care and timely consultation.
- Doctors will conduct risk assessments and graded management based on employees' workplace. According to doctors' recommendations and employees' needs, the Company will also work with supervisors to adjust employees' work appropriately.

2. After Childbirth

- Within one year after delivery, the health center team will continue to track employees' physical and mental health, providing comprehensive health care.
- The Company sets up a complete breastfeeding facility for employees to use as needed. Each office building has installed standard breastfeeding rooms, with 32 rooms in total, which can accommodate at least 46 employees simultaneously.

In addition to complying with the Labor Standards Act, which prohibits termination of employees' labor contracts during their maternity leave and provides 56 days of maternity leave before and after childbirth, the Company also provides employees with two additional days of paternity leave, allowing employees to take care of both personal and family needs.

d. Establishment of Women's Protection Quotas for Labor-Management Meetings Representatives

There is no special provision for the proportion of female representatives in the "Implementation Measures for Labor-Management Meetings." However, MediaTek values the needs of female employees and has added a provision for female protection in the selection process of labor representatives to increase female employees' opportunities to express themselves.

e. Preventing Illegal Behaviors in the Workplace and Planning Sexual Harassment Prevention Courses

The Company is committed to creating a safe, equal, and non-discriminatory workplace environment, and has developed workplace sexual harassment prevention courses to prevent illegal behaviors. Through the courses, employees learn how to protect themselves from workplace sexual harassment and how to help others. In 2022, the completion rate of routine sexual harassment prevention courses for employees reached 98%, and the completion rate for new employees of the year was 100%. MediaTek will continue to actively implement preventive measures and education to establish a safer and more respectful workplace environment for people from different ethnic and gender backgrounds.

1.2. Supplier Management

As a technology leader in the semiconductor industry, MediaTek is at the forefront of the value chain – IC design. Subsequent processes such as raw material procurement, OEM, packaging and testing are all conducted by suppliers, forming a partnership based on each firm's expertise. However, we have realized that the key impact and influence on society and environment comes from our suppliers upon conducting risk evaluation and carbon footprint verifications. Hence, how to partner with our suppliers to reduce potential risks on the society and environment has become our top priority.

We commenced the CSR audit in 2016. In addition to requiring suppliers to sign a CSR guarantee statement, MediaTek also manages effectiveness of supplier's sustainability actions through the EICC - ON online management system. Moreover, MediaTek also autonomously produced an EICC training course for all suppliers to assist them in better understanding and complying with relevant regulations. We hope to effectively exert the influence we have as industry leader, and collaborate with suppliers to work toward sustainable business models.

To build a long-lasting, stable partnership with suppliers and achieve the vision of sustainable development, MediaTek has incorporated standards and proposals that fall under the three primary perspectives of economy, society and environment into our scope of sustainable management of suppliers, aiming to regulate potential risks and uncover potential market opportunities.

From an economic perspective, besides the basic factors of meeting deadlines, production capacity, service, and quality, we also require that suppliers remain in compliance with the IATF16949 quality management system for the automobile industry in coordination with MediaTek's strategic planning for the IoT market, and for joint developments in the Internet of Vehicle (IoV) market. From an environmental perspective, we require suppliers to introduce the ISO 14001 and QC080000 Environmental Management System. We also strive to ensure that suppliers do not use hazardous substances. We assess suppliers by complying with national regulations in different countries, Sony Green-Partner and QC080000 standards for the product safety requirements from international customers. From the social aspect, we ensure that suppliers fulfill their social responsibility, comply with international labor rights, and provide a healthy and safe work environment according to the RBA Code of Conduct, SA8000, and ISO 45001 standards.

MediaTek performs supplier risk evaluations from economic, environmental and societal perspectives in order to investigate each supplier's standards under these perspectives and identify potential risks. Step 1: Suppliers undertake self-assessments to ensure their levels of compliance for each indicator and provide supporting materials. Step 2: MediaTek performs assessments and on-site audits to confirm the data against the self-assessments and supplemental information from suppliers and ensure the completeness and accuracy of the data.

2. Social Participation

2.1. STEM Program and Talent Fostering

2.1.1. National Elementary School Science Project Award

MediaTek Foundation was founded by MediaTek in 2001 and taking technology talent fostering as its core mission. Since 2011, it has started a series of activities to support elementary school students to develop inquisitive spirit toward science projects, held teacher training camps, science project awards, donated popular science education books, and provided reserved quota for schools from remote area to encourage more students to explore the field of science. Until 2022, MediaTek foundation has encouraged over 30,000 students to participate in science activities to learn its mystery, laying the foundation for Taiwan's technological competitiveness from elementary school.

“National Elementary School Science Project Rewarding Program” is a long-term companionship program for elementary school teachers and students to explore the field of science. The program includes 5 stages: “initial screening process for science projects”, “teachers training camp for science project”, “promotion plan for science reading”, “sponsorships for county and city science project participation”, “sponsorships for national science

project participation”, provides resources and supports for 7 months for teachers and students to invest themselves in science projects without worries.

A total of 81 projects were received in 2022, among which, 43 projects in 36 schools were selected after initial screening process and 40% were reserved for students in remote or disadvantaged schools. In the end, 38 projects won the County/City Science and Technology Exhibition Awards, and 13 projects won the National Science and Technology Exhibition Awards, which is the highest number of awards achieved and the best overall performance among all participating years, with four first places, two second places, three third places.

The teachers training camp for science project in the second stage was held online due to the pandemic and 68 teachers participated. The students under their lead were nearly 200.

In the promotion plan for science reading in the third stage, 50 science books were provided to inspired students to learn more about science. Under this plan, 1,610 response cards were received, and 1,490 people participated in sharing with friends and family. Despite the impact of the pandemic, the plan’s popularity did not diminish, with some schools adapting their promotion methods and dividing the gift books and arrange for students to read in rotating. Many students also did hands-on activities with the books.

In addition, MediaTek Foundation cooperated with the Science Education Center to sponsor the National Science and Technology Exhibition Enterprise Award - “MediaTek – Everyday Genius Award” to reward 10 projects to encourage junior and senior high school science projects to demonstrate more everyday applications. MediaTek also held a master lecture at 2022 Taiwan SciFest. Professor Yi Yi Lin, the Chair Professor at the Department of Atmospheric Sciences in National Taiwan University, was invited to give a lecture on “Girl Power – Unveiling the Secrets of Super Typhoons.”

2.1.2. STEM Program

In order to root the problem-solving ability of technology in the next generation, the STEM Program was initiated in 2021 to foster elementary and junior high school teachers’ ability to develop science courses, and to create distinctive applied science courses or clubs that introduce program design, IoT, and AI applications to help students explore the possibilities of science in life.

It takes time and effort to understand the changes in the education field. From 2022, the STEM Program has been extended to a one-plus-on years of support. The applicants in the first year can participate in the summer workshops to strengthen the technology and teaching capabilities and can receive up to NT\$50,000 of allowance for starting a course and up to NT\$8,000 of allowance for personal research on introducing new courses. Another NT\$10,000 of allowances will be granted to teachers who lead students to participate in national applied science competitions that are held by the government during the program period. If the applicants apply for the program in the second year, they can receive a total allowance of up to NT\$30,000 for starting a course and training and continue to participate in the activities and community of the program to maintain a channel for raising questions and companion.

By providing diverse allowances and long-term support, the STEM Program aims to serve as a support system for the teaching community to try new teaching methodologies. According to a survey in the first year of the program, 100% of the teachers have acquired knowledge and skills in mechatronics control programming, and 86.2% of the teachers have introduced mechatronics control programming, IoT, or AI into their courses for the first time. Furthermore, 79.3% of the teachers have reported an improvement in students’ willingness to invest more time on their coursework. By promoting changes in teachers, courses, and students, the program gradually implements technology education into the curriculum of elementary and junior high schools.

The program assisted 53 elementary and junior high schools in starting applied science courses or clubs in 2022. Until now, there have been 133 courses and 23 clubs covering 1,654 students in junior high schools and 2,372 students in elementary schools.

2.1.3. Teaming up with Taiwan Science and Education Museum and the Department of Electrical Engineering of National Taiwan University to Hold Young TITC AI High School Camp

In view of the increasing importance of AI applications, the rooting of AI talents also requires the joint investment resources of enterprises, academia, and the public sector. Therefore, together with the Taiwan Science and Education Museum and the Department of Electrical Engineering of National Taiwan University, the first Young Talent Intelligence Technology Camp (TITC) was held in the summer of 2019. The Camp enrolls students equipped with programming capabilities to join a five-day camp during the summer vacation, plus after-school return coaching and results announcement, in hope to cultivate future AI talents. In addition to professional software and hardware implementation, the course also brings demonstrations of industrial technology into electronic module, sensor and calculator application implementations, so that the participants can take the lead in experiencing and learning about the new generation AI technology. Through the actual operations including number guessing games, 8 puzzle games and Othello games, the camp also achieves the effect of edutainment, where participants learn the correct understanding while welcome the new generation, and acquire multiple technology capabilities needed in the future, as well as important concepts and applications of smart technology.

In 2022, the fourth Young TITC enrolled 36 high school students and 2 junior high school students. To expand the depth of the Camp, after the projects from the Camp were published, 15 projects (20 students in total) were selected for follow-up training. Experts and scholars were matched to give one-on-one tutoring, and students were encouraged to register for 2022 Taiwan International Science Fair. A total of 14 out of 15 projects have been trained to register for the Taiwan International Science Fair and 6 have passed the preliminary review with 5 of which were under Computer Science and Information. The aforementioned resource investment by different stages is expected to assist high school students interested in and with potential for AI applications to explore the research path at an early stage.

2.1.4. Joining Hands with ARM Taiwan to Invest in Technology Education

To continuously create new models of public welfare partnership, MediaTek joined hands with the technology education charity campaign hosted by ARM Taiwan to target non-mountainous and non-urban schools with limited technological resources. Volunteers from MediaTek and ARM Taiwan went to AoHua Elementary School, DaZhou Elementary School, and CiSian Elementary School in Yilan County, bringing science and technology education courses to a total of approximately 90 teachers and students.

Through the pairing of development boards and wearable devices, as well as demonstrations of self-driving cars, remote-controlled airplanes, and bionic beasts, students were able to understand programming logic through games and trigger their imaginations about how technology can solve problems in their daily lives. Students were also introduced to the relationship between the semiconductor industry and their own lives, and the vast influence that technology can have, through the introduction of volunteers from MediaTek and Arm Taiwan.

Based on the existing business cooperation experience, the two companies share the same philosophy of social contribution and extend the philosophy to launch a public welfare program to cultivate the education of technology talents, unleashing the power of “1+1>2” to accompany the cultivation and growth of technology education in Taiwan.

2.1.5. Sponsoring Elementary and Junior High School Teachers and Students to Watch Science Movies about AI

MediaTek invited elementary and junior high school teachers and students to watch the first science movie about AI in Taiwan, “S-Girl,” at movie theaters, with a total of 250 teachers and students from remote schools, including DaShiang Elementary School in Chiayi County and GuanShan Elementary School in Taitung County. In addition, a program is available for teachers to apply, where teachers can bring their classes to watch the movie (with over half of the students being girls), with a total of 300 teachers and students participating from seven counties and cities. Finally, gathering feedback of the movie from students and teachers encourages them to reflect on AI applications as well as the female STEM Program.

2.1.6. Establishing the National Yang Ming Chiao Tung University and Indian Institute of Technology PhD Scholarship

To attract outstanding talent from India, MediaTek has collaborated with the joint dual-degree program of National Yang Ming Chiao Tung University and established the “National Yang Ming Chiao Tung University and Indian Institute of Technology (IIT) PhD Scholarship” since 2019. The program supports outstanding IIT PhD students enrolled in the dual degree program at National Yang Ming Chiao Tung University to continue their education and initiate academic-industry collaboration in Taiwan.

A total of 34 students have been supported by the scholarship program in 2022, including 15 IIT PhD students receiving NTD 90,000 per semester, with three of which joining MediaTek's internship programs and being recommended to continue their cooperation.

2.1.7. Partnership with Academia and Research Publications

MediaTek Advanced Research Centers (MARC) manages the planning and execution of the higher education industry-academia cooperation. MediaTek started investing in MARC in 2002, and from 2013, the Company has built MediaTek innovative research centers in National Taiwan University, National Tsing Hua University and National Yang Ming Chiao Tung University, providing tens of million dollars of research funding according to the number of professors' proposal. The total funding has exceeded NT\$1.3 billion in the past >20 years. The schools joining the collaboration have expanded from National Taiwan University, National Tsing Hua University and National Yang Ming Chiao Tung University to National Cheng Kung University, National Chung Cheng University, National Central University, and National Taiwan University of Science and Technology. In addition to the collaboration with top universities in Taiwan, the Company also has cooperated with more than a dozen of well-known international universities in the past >10 years, such as Harvard, MIT, USC, UCB, Purdue, TU Delf, and Cambridge University. According to different developments in the technological fields, various cutting-edge technology developments are conducted with different schools to keep up with international trends and advancements.

After the Executive Yuan enacted National Key Fields Industry-University Cooperation and Skilled Personnel Training, to further respond to the key fields promoted by the government to solidify the core position in the global semiconductor value chain, MediaTek founded respective research centers in National Taiwan University, National Tsing Hua University and National Yang Ming Chiao Tung University, with tens of million dollars of funding in the three centers every year. In accordance with the need for talent cultivation, MediaTek supports course openings and invites senior employees to be the industry mentor of graduate and doctoral degree students to bring industry's advanced semiconductor and IC design knowledge to the academia. With rich industrial experiences, the Company hopes to cultivate students to adapt to the fast-changing industry and obtain the latest technology information.

In recent years, the company has actively participated in various academic research institutions and industry associations, such as MIT CSAIL Lab, MIT CICS, Khronos Group, Taiwan Semiconductor Industry Association, Taiwan Semiconductor Research Institute, and National Taiwan University's System-on-Chip (SoC) Research Center. In order to advance cutting-edge technology research and lead the industry, MediaTek invests tens of millions of dollars each year to participate in the Semiconductor Research Corporation (SRC). Established in 1982, SRC is a world-renowned semiconductor organization with 40 years of history, bringing together major companies, the U.S. government, and academia, and providing billions of US dollars to fund various forward-looking semiconductor programs. MediaTek has participated in SRC's Decadal Plan for Semiconductors and Global Research Collaboration Program (GRC) and has expanded its participation in Joint University Microelectronics Program 2.0 (JUMP 2.0) this year.

In addition, MediaTek has had 91 papers published on International Solid-State Circuit Conference (ISSCC) up as of 2023, the only company in Taiwan that has been selected for publication for 20 consecutive years. In 2023, MediaTek has had as many as 6 papers selected for publication, with technological descriptions mainly covering the development of 4nm 5G chips and the analog-to-digital converter required for next-generation communication systems, and the significant breakthroughs in analog AI computation and radio frequency output digital-to-analog converter. ISSCC is the best place for the technical exchange of industry, academia and research experts of

international semiconductor and chips. MediaTek has had papers selected every year for 20 years, which is a testament to the Company's profound research and development capabilities.

Facing the rapidly changing international situation and technological developments, MediaTek not only focuses on its core business but also invests more resources in technology research and development and talent cultivation. The Company also maintains good interactions with various academic research institutions and industry associations, actively participates in international organizations to provide international visibility, and continues to promote cutting-edge technology research and development to create world-class technological research and development capabilities.

2.2. Community Innovation

2.2.1. Genius at Home – Digital Social Innovation Competition

MediaTek not only strives to pursue technology leadership but also actively leverages its social influence, believing that technology can improve people's lives and can effectively connect people around the world, and that everyone has the potential to use technology to create endless possibilities. Therefore, MediaTek holds "Genius at Home" competition to encourage communities in 368 townships and districts in Taiwan to make a difference for their hometowns by innovatively applying technology to make improvements and hence influence the society.

In 2022, fifth year of the competition, 297 teams registered with over 1,200 participants. The proposals to improve hometowns extended to 317 townships and districts, covering major issues in fields such as environmental sustainability, aging population, long-term care and medical services, urban-rural disparity, and innovation in traditional industries. In addition, to echo with the global SDGs and ESG, the Company encouraged proposals that aim at net zero emissions, with 76 proposals related to sustainability and net zero emissions submitted, representing a growth of 2.9 times compared to the previous year. In addition to advocating social innovation and calling on the public for participation, MediaTek actively led the value creation and provided training and coaching mechanisms for the 21 teams in the finals. The Company not only assigned 21 level-one managers as technical consultants of the teams, but also provided guidance from the perspective of technical thresholds, organizational effectiveness, financial advice, etc. Six professional professors in the field of design thinking were also invited as the mentor of the finalist team. Two months of training were provided by both the consultants and mentors. In September 2022, 5 workshops were held in Taipei and Tainan to help the teams refocus the pain points, review the effectiveness of the proposal and find out the direction for improvement.

The competition selected two groups for the first place, receiving NT\$1,000,000 respectively, three groups for excellence award and five groups for special award. The team awarded the first place, "Taiwan D4Climate WG," focused on net zero carbon emissions, a topic that was highly focused on globally, and developed a blockchain carbon audit management system to help organizations track their carbon emissions and take the first key step in implementing sustainable practices. The "Jie Ni Gui" team conducted in-depth investigations in the remote areas of Liugui in Kaohsiung and noticed a shortage of local dental resources and severe problems of tooth decay for school children. In order to enable more efficient tracking of dental health status in rural areas where human resources are scarce, they developed a smart dental hygiene app, which utilizes simple interactive designs to enhance the oral self-care ability of rural school children.

The competition has entered its fifth year, and the winning teams in the past two years can apply for local implementation to fulfill the projects. With guidance for technology, business model and support from rewards, there have been 9 teams entering the local implementation stage.

The key word for "Genius for Home" is home. Starting from hometown and call on the participation of public to encourage the social innovation through technology application. The Company's level-one management was actively involved as team consultants to create value with the teams. MediaTek's "Genius for Home" is a platform to provide people with the heart to change society and create better future. This is also the implementation of "Everyday genius," the spirit of MediaTek.

2.2.2. Support the 2022 NASA hackathon and encourage people to use AI technology to solve earth problems

In order to encourage to build a better future for earth through technology together, MediaTek supported the participation in NASA's "2022 NASA Hackathon" competition to seek solutions from data provided by NASA. The award selected 3 projects with foresight, technology capabilities and application potentials in Taipei, Taoyuan, and Kaohsiung, and awarded them the "MediaTek Better Future Award."

2.3. Charity and Community Participation

2.3.1. In Response to Net Zero Carbon Emissions, Sponsoring IC Radio to launch "Zero Carbon Future" radio program

In response to the global trend of net zero carbon emissions, MediaTek exclusively sponsored IC Radio to launch the "Zero Carbon Future" program. The program features three major aspects: Forward-looking Energy New Direction, Net Zero Scientific Research in Taiwan, and Intelligent Sustainable New Future. Dr. Jia Xinxing, an expert on climate change, risk reduction, and energy and environment-related issues, invites experts and scholars from all walks of life to discuss the latest trends and developments in net zero carbon emissions, including inviting senior executives of MediaTek and award-winning teams of "Genius at Home" to share their experiences on achieving net zero or energy conservation. In 2022, 53 episodes were recorded and broadcasted with a total audience of 701 thousand.

2.3.2. Greater Chao Nan Project

The MediaTek Foundation has partnered with Lovely Taiwan Foundation on the "Greater Chao Nan Cultivation Plan" in Pingtung, that aims to preserve local culture through education with the introduction of resources for arts and humanities and popular science education. The Greater Chao Nan Cultivation Plan is a four-year scheme that has gradually launched four initiatives including "Chao Academy", "Agriculture@ChaoNan", "Blue Sky Classroom", and "Slow-Touring the Greater Chao Nan Region." The initiatives are in hopes of weaving the natural and human cultural of Chao-zhou and Nan-zhou in Pingtung and accumulating the beauty and goodness of Taiwan. 2022 marked the third year of the four-year scheme with a total of 1,090 hours of lectures given across the four initiatives and benefiting 1,940 people.

2.3.3 Volunteering

The Company always encourages employees to interact with the society and engage in volunteering, including interacting with the Ren-Ai Special Education Center in 2003, planting organic vegetables with Hua-Kuang Special Education Center in 2004, participating in greening, cleaning and arrangement of Morning Light School in 2005, hosting MediaTek's volunteer day - Beautiful Green World event with regard to International Day of the Blind in 2006, and providing various volunteer services in the 12 elementary schools in rural Hsinchu from 2007. The Company organized to set up Volunteer Club in 2011 to further promote the volunteering spirit to the Company level. And employees have since been proactively organized events to expand fields of care, including caring elders in nursing homes, visiting orphanage or participating in activities held by social welfare organizations, accompanying disadvantaged children, etc. MediaTek continuously provides aid and care for disadvantaged groups and expands the spirit of social contribution actively through long-term volunteering services held by the employees.

MediaTek has launched annual volunteering leave since 2015, encouraging employees to participate in contributing to the society and care for the groups in need. The Company also started organizing volunteers to engage in science education promotion, reading program in remote areas and charity events to make contribution to society. In 2022, there were three teams, reading and writing team, supply collection group, and coastal clean-up group, with a total of 92 volunteers contributing 1,537 hours of services and benefitted 794 people. In particular, the reading and writing team worked with National Yang Ming Chiao Tung University's 73 volunteers from its service program to develop online article correction platform. In total, there were 200 volunteers, 2,056 students enrolled with 140 volunteers corrected 4,582 articles written by 1,161 students, and the number of schools the platform provided service to increased to 22. The fourth annual selected article collection was published, which consists of works by 64 students from 7 elementary schools in Changhua and HsinChu. For the first time, the collection was published in an e-book format and is available for public for free. MediaTek also released its first

social participation record short film titled “MediaTek’s Participation in Reading-Writing Education” to document in 12 minutes how MediaTek engineers used rational and systematic thinking to lead writing instruction for 1.5 year with their soft and emotional hearts behind it.

2.3.4 Environmental Activities

MediaTek not only engages in public welfare businesses but also cares about environmental issues. It has been actively involved in various environmental activities such as personal cutlery for all employees and reduced use of disposable cutlery. Due to Covid-19, the Company initiated the environmental protection paper lunch box measure to sort all paper lunch boxes into the recycle system. In addition, the Company also set up charging stations in the parking lot of headquarter to contribute to energy sustainability. The volunteering club also organized coastal clean-up activities, calling on colleagues and their families to care about the environment together.

3. Environmental Efforts

MediaTek continues to promote various environmental protection activities as well as energy-saving and carbon-reduction measures. In addition to winning the national awards of the "Enterprise Environmental Protection Award" and the "Energy Conservation Standard Award" in 2018, the Company has been receiving higher scores in environmental protection in the Corporate Citizen Award since 2017.

MediaTek has passed ISO 14064-1 GHG emission verification since 2020 and passed ISO 50001 energy management system verification in 2021 (ISO 50001 valid from Jan 13, 2022 to Jan 13, 2025; ISO 14064-1 valid from Aug 17, 2022 to Aug 17, 2025).

3.1. Long-Term, Mid-Term and Short-Term Goals

3.1.1. Short-Term Environmental Goals

The short-term goals are to implement green product design, packaging, and procurement to reduce waste in resources and energy, as well as participate in international environmental activities.

3.1.2. Mid-Term Environmental Goals

The mid-term goals are to strengthen the Company’s environmental protection organizations and employees’ environmental awareness. Through recycle and reducing the use of resources, employees are encouraged to identify with environmental protection and to value the precious natural resources. MediaTek also holds energy-saving and carbon-reduction activities for employees on an ad-hoc basis.

3.1.3. Long-Term Environmental Goals

The long-term goals are to fully comply with regulatory environmental rules and to implement environment protection and occupational safety and sanitation system. Also, the Company regularly reviews execution result and improves continuously.

3.2. MediaTek’s Energy-Savings Measures and Results

MediaTek believes that being environmentally friendly and reducing the carbon footprint is part of its social responsibility. Some of the Company’s achievements in this area are as follows:

3.2.1. Efforts in energy reduction

A. IT Facility Energy-Saving Management

MediaTek improves the air conditioning environment and conducts system control in the equipment room to reduce air conditioning waste. The Company has also built new IT facilities with new energy-saving technologies. The annual saving in 2022 was approximately NT\$55.34 million.

- a. MediaTek improves traditional IT facilities’ air conditioning circulation system, reduces leakage, and increases environmental temperature as well as conducts system control to reduce air conditioning waste. In

addition, the Company replaces traditional fluorescent lamp with LED lighting to generate air conditioner and lighting's power saving benefits with annual saving of NT\$3.8 million.

- b. New high-density data center is built by new power-saving technologies, which has better power usage effectiveness (PUE) compared to the traditional IT facilities. The annual saving was NT\$51.54 million.

B. Office Area Air Conditioning Energy-Saving Management

MediaTek selects energy-saving system equipment and continues to improve the control system requirements to reduce air conditioning waste. The annual saving in 2022 was approximately NT\$13.36 million.

- a. MediaTek selects VAV air conditioning system, which conserves significant energy in air ventilation. Compared with the traditional AC control system, the new system can save 15~30% of power, equivalent to about NT\$5.89 million in savings.
- b. MediaTek adjusts water cooling control system from fixed flow to variable flow, so the required volume of cooled water, the number of active air conditioners and the operation time of air conditioners can be adjusted accordingly, with approximately NT\$ 2.01 million in savings.
- c. MediaTek adjusts water cooling machines' operation mode by taking temperature difference, machine operation hours, loaded on/off frequency, etc. into account. Making group machines run parallelly can also reduce the number of active machine and thus save energy. The annual saving was approximately NT\$2.21 million.
- d. MediaTek implements air conditional power saving measures in office areas and water cooling machine rooms. The Company increases temperatures of environment and chilling water as well as lowers the number of active air conditioners and operation time, to achieve energy-saving without affecting equipment and employees' normal operation. The annual saving was approximately NT\$3.25 million.

C. Office Lighting Energy-Saving Management

MediaTek continues to introduce energy-saving lighting equipment and takes several measures, including lowering lighting consumption and shortening lighting time. The annual saving in 2022 was approximately NT\$23.55million.

- a. Without affecting driving safety, MediaTek halves the lighting units in parking lots and undertakes systematic reductions in lighting in non-peak hours. In addition, it limits parking to one floor during holidays and turn off lighting in unused floors to save energy with an annual saving of approximately NT\$2.24 million.
- b. MediaTek replaces traditional fluorescent lamp with LED lighting in staircases, parking lots, equipment rooms, shortens lighting time, and uses only LED lighting in the newly-setup office areas to save energy, with an annual saving of approximately NT\$21.31 million.

D. Equipment Improvement to Save Energy

MediaTek improves equipment hardware and optimizes conditions of systematic operation to lower power waste and save energy with an annual saving of approximately NT\$4.48 million in 2022.

- a. MediaTek conducts power-saving in testing areas and warehouse by adjusting temperature and humidity control settings, including lowering output pressure of dry oil, increasing temperature settings, adjusting air conditioner control, lowering parameters of temperature system, etc. to save energy with an annual saving of approximately NT\$1.89 million.
- b. MediaTek improves equipment by changing emulator equipment's air conditioner from air-cooled to water-cooled to save energy with an annual saving of approximately NT\$0.74 million.
- c. MediaTek uses modularized UPS for traditional IT facility expansion. Compared to the original standalone system, UPS can increase electricity conversion efficiency by about 15% to save energy with an annual saving of approximately NT\$1.85 million.

E. Fee Reduction Management

MediaTek changes calculation for electricity fees from two-tier to three-tier and continues to review and track the differences between the power usage contract and fluctuations in electricity fees, as well as the continued benefits of power conservation since changing to three-tier pricing. The annual saving in 2022 was approximately NT\$10.9 million.

The Company reduced 16,410 tons and 9,417 tons of carbon dioxide emissions in 2022 and 2021, respectively (a savings of 32,240,000 kWh and 94,170,000 kWh). The calculating standard of the aforementioned carbon dioxide

emissions is based on the latest release of Bureau of Energy, Ministry of Economic Affairs. The statistics was based on electricity emission coefficient that 1 kWh of electricity emission is equal to 0.509 kilogram of carbon dioxide.

3.2.2. Efforts in Water Saving

A. The Company replaces traditional faucets/toilets with water-saving faucets/toilets. Usage of water was reduced by approximately 2,480 tons in 2022 and carbon emission was reduced by 399 kg/CO₂e.

B. The Company implements a rainwater collection storage tank. Approximately 1,467 tons of rainwater was collected in 2022 for cooling water towers and watering plants. Carbon emission was reduced by 236 kg/CO₂e.

C. Approximately 14,884 tons of condensed water and RO water was recycled for gardening and approximately 2,396 kg/CO₂e of carbon emission was reduced in 2022.

In 2022, the water discharge coefficient was based on per unit of water consumption, with 0.161 kg of carbon dioxide emission equivalent to every 1 cubic meter of water consumed.

3.2.3. Waste Management and Recycling

For the purpose of achieving the maximum benefits of effective waste management and recycling, MediaTek focuses on the reduction of waste. The Company effectively sorts out, recycles, re-uses, and properly disposes waste, and continues to limit the impact from storage, transportation, and processing of waste have on the environment. In order to effectively control the flow of waste, we have carefully selected qualified waste disposal and recycling suppliers, as well as audited the legitimacy of the waste disposal process randomly to take responsibility for supervising waste management.

3.2.4. In-Door Air Quality Management

Automatic carbon dioxide monitoring systems are installed in the office area, and environmental inspection is conducted every six months to ensure air quality, and all inspection results should be compliant with the indoor air quality standard of 1,000 ppm.

3.2.5. Green Transportation

A. The Company leases large buses to transport employees to and from work through four main routes.

B. The Company provides a cross-plant shuttle bus every 20 minutes, and has changed to electric shuttle bus since July 2019.

C. The Company sets up 10 M-Bikes for colleagues to ride across plants.

D. The Company provides two electric motor vehicles for business use.

The annual green transportation mileage in 2022 continued to be impacted by the pandemic and would exceed 970,000 kilometers if excluding the impact.

3.2.6. Others:

The Company continues to promote perspectives and polices for environmental protection, including electricity and water saving, recycling and respond to activities held by government and environmental groups.

3.3. Environment Safety Management

A. Monitor the operation and safety of the Company's fire extinguisher/suppression system, water/electricity system and air-conditioning system around the clock.

a. Check the safety of the Company's working environment and equipment/machinery rooms on a daily basis.

b. Conduct labor safety and sanitation training for new employees on a monthly basis.

c. Conduct disaster prevention and evacuation drill for all employees to continuously strengthen employees' emergency management capabilities on a yearly basis.

d. Authorize SGS to audit the Company's ISO 14001& ISO 45001 system on a yearly basis.

e. Promote traffic and working safety-related concepts and items on an ad-hoc basis.

VII. Financial Status, Operating Results and Status of Risk Management

1. Financial Status

1.1. Consolidated Report

Unit: NT\$ thousands

Item	2021	2022	Change	% of Change
Current Assets	346,864,726	297,653,607	(49,211,119)	(14)
Funds and Investments	128,123,366	123,489,098	(4,634,268)	(4)
Property, Plant and Equipment	49,111,180	53,861,629	4,750,449	10
Intangible Assets	73,525,649	73,454,530	(71,119)	(0)
Other Assets	63,251,827	59,940,610	(3,311,217)	(5)
Total Assets	660,876,748	608,399,474	(52,477,274)	(8)
Current Liabilities	211,106,280	141,570,389	(69,535,891)	(33)
Non-current Liabilities	16,122,574	23,770,846	7,648,272	47
Total Liabilities	227,228,854	165,341,235	(61,887,619)	(27)
Common Stock	15,988,903	15,994,466	5,563	0
Capital Surplus	59,776,045	47,185,281	(12,590,764)	(21)
Retained Earnings	302,649,721	348,747,173	46,097,452	15
Other Equity	53,656,597	28,238,340	(25,418,257)	(47)
Treasury Shares	(55,970)	(55,970)	-	-
Non-controlling Interest	1,632,598	2,948,949	1,316,351	81
Total Equity	433,647,894	443,058,239	9,410,345	2

Explanation for changes that exceed 20% and reach NT\$10 million between the two years:

- (1) Decrease in current liabilities: Mainly due to decrease in borrowings.
- (2) Increase in non-current liabilities: Mainly due to increase in deferred tax liability and lease liability
- (3) Decrease in capital surplus: Mainly due to capital surplus paid as cash dividend.
- (4) Decrease in other equity: Mainly due to disposals of equity instruments measured at fair value through other comprehensive income.
- (5) Increase in non-controlling interest: Mainly due to shareholding changes in subsidiaries.

1.2. Parent Company

Unit: NT\$ thousands

Item	2021	2022	Change	% of Change
Current Assets	154,562,926	96,261,324	(58,301,602)	(38)
Funds and Investments	316,693,591	324,873,794	8,180,203	3
Property, Plant and Equipment	29,877,083	32,197,708	2,320,625	8
Intangible Assets	57,272,022	57,005,420	(266,602)	0
Other Assets	37,871,610	32,426,283	(5,445,327)	(14)
Total Assets	596,277,232	542,764,529	(53,512,703)	(9)
Current Liabilities	146,384,287	92,352,475	(54,031,812)	(37)
Non-current Liabilities	17,877,649	10,302,764	(7,574,885)	(42)
Total Liabilities	164,261,936	102,655,239	(61,606,697)	(38)
Common Stock	15,988,903	15,994,466	5,563	0
Capital Surplus	59,776,045	47,185,281	(12,590,764)	(21)
Retained Earnings	302,649,721	348,747,173	46,097,452	15
Other Equity	53,656,597	28,238,340	(25,418,257)	(47)
Treasury Shares	(55,970)	(55,970)	-	-
Total Equity	432,015,296	440,109,290	8,093,994	2
Explanation for changes that exceed 20% and reach NT\$10 million between the two years:				
<ul style="list-style-type: none"> (1) Decreases in current assets, current liabilities, and non-current liabilities: Mainly due to repayment of borrowings. (2) Decrease in capital surplus: Mainly due to capital surplus paid as cash dividend. (3) Decrease in other equity: Mainly due to disposals of equity instruments at fair value through other comprehensive income. 				

2. Operating Results

2.1. Consolidated Report

Unit: NT\$ thousands

Item	2021	2022	Change	% of Change
Net Sales	493,414,582	548,796,030	55,381,448	11
Operating Costs	261,809,987	277,891,595	16,081,608	6
Gross Profit	231,604,595	270,904,435	39,299,840	17
Operating Expenses	123,564,361	144,115,983	20,551,622	17
Operating Income	108,040,234	126,788,452	18,748,218	17
Non-Operating Income and Expenses	18,811,819	8,772,791	(10,039,028)	(53)
Net Income before Income Tax	126,852,053	135,561,243	8,709,190	7
Income Tax Expense	14,979,520	16,936,222	1,956,702	13
Net Income	111,872,533	118,625,021	6,752,488	6
Other Comprehensive Income, net of tax	3,804,201	(9,211,006)	(13,015,207)	(342)
Total Comprehensive Income	115,676,734	109,414,015	(6,262,719)	(5)
Net Income Attributable to Owners of the Parent	111,421,062	118,141,106	6,720,044	6
Total Comprehensive Income Attributable to Owners of the Parent	115,241,937	108,918,586	(6,323,351)	(5)
Explanation for changes that exceed 20% and reach NT\$10 million between the two years:				
(1) Decrease in non-operating income and expenses: Mainly due to decreases in dividend income and gains on disposals of investments.				
(2) Decrease in other comprehensive income, net of tax: Mainly due to decrease in share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method.				

2.2. Parent Company

Unit: NT\$ thousands

Item	2021	2022	Change	% of Change
Net Sales	305,571,342	332,181,124	26,609,782	9
Operating Costs	174,236,062	176,996,071	2,760,009	2
Gross Profit	131,335,280	155,185,053	23,849,773	18
Unrealized Gross Profit on Sales	(566,377)	(657)	565,720	(100)
Realized Gross Profit on Sales	163,622	170,395	6,773	4
Net Gross Profit	130,932,525	155,354,791	24,422,266	19
Operating Expenses	79,255,447	101,140,614	21,885,167	28
Operating Income	51,677,078	54,214,177	2,537,099	5
Non-Operating Income and Expenses	69,227,264	73,380,010	4,152,746	6
Net Income before Income Tax	120,904,342	127,594,187	6,689,845	6
Income Tax Expense	9,483,280	9,453,081	(30,199)	(0)
Net Income	111,421,062	118,141,106	6,720,044	6
Other Comprehensive Income, net of tax	3,820,875	(9,222,520)	(13,043,395)	(341)
Total Comprehensive Income	115,241,937	108,918,586	(6,323,351)	(5)
Explanation for changes that exceed 20% and reach NT\$10 million between the two years:				
<ol style="list-style-type: none"> (1) Decrease in unrealized gross profit on sales: Mainly due to decrease in transactions between affiliated companies. (2) Increase in operating expenses: Mainly due to increase in R&D expenses. (3) Decrease in other comprehensive income, net of tax: Mainly due to decrease in share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method. 				

3. Cash Flow Analysis

3.1. Consolidated Report

Unit: NT\$ thousands

Cash Balance Dec. 31, 2021	Net Cash Provided by Operating Activities in 2022	Net Cash Outflows from Investing and Financing Activities in 2022	Impact of Foreign Exchange Ratio	Cash Balance Dec. 31, 2022	Remedy for Cash Shortfall	
					Investment Plan	Financing Plan
\$183,704,594	\$144,582,802	\$(193,814,781)	\$13,029,540	\$147,502,155	-	-

3.1.1 Analysis of the Change in Cash Flow in 2022

Operating activities: Net cash inflow of NT\$144,582,802 thousand, mainly from operating profits.

Investing activities: Net cash outflow of NT\$37,534,673 thousand, mainly due to acquisition of financial assets including bonds.

Financing activities: Net cash outflow of NT\$156,280,108 thousand, mainly due to distribution of cash dividend.

3.1.2 Remedial Actions for Cash Shortfall and Liquidity Analysis

Cash shortfall not expected to take place.

3.1.3 Cash Flow Projection for Next Year

Not applicable.

3.2. Parent Company

Unit: NT\$ thousands

Cash Balance Dec. 31, 2021	Net Cash Provided by Operating Activities in 2022	Net Cash Outflows from Investing and Financing Activities in 2022	Cash Balance Dec. 31, 2022	Remedy for Cash Shortfall	
				Investment Plan	Financing Plan
\$71,349,370	\$94,105,358	\$(143,037,004)	\$22,417,724	-	-

3.2.1 Analysis of the Change in Cash Flow in 2022

Operating activities: Net cash inflow of NT\$94,105,358 thousand, mainly from operating profits.

Investing activities: Net cash inflow of NT\$10,486,185 thousand, mainly due to capital return of investments accounted for using the equity method.

Financing activities: Net cash outflow of NT\$153,523,189 thousand, mainly due to distribution of cash dividend.

3.2.2 Remedial Actions for Cash Shortfall and Liquidity Analysis

Cash shortfall not expected to take place.

3.2.3 Cash Flow Projection for Next Year

Not applicable.

4. Major Capital Expenditure

4.1. Major Capital Expenditure and Sources of Funding

Unit: NT\$ thousands

Plan	Actual or Planned Source of Capital	Estimated Capital Requirement (2022 and 2021)	Status of Actual or Projected Use of Capital	
			2022	2021
Land, Office Building and R&D Equipment	Cash flow generated from operation	\$30,607,479	\$13,622,110	\$16,985,369
Software, IPs and Patents	Cash flow generated from operation	\$10,290,740	\$5,292,395	\$4,998,345

4.2. Expected Future Benefits

1. Land and office buildings:

For the Company's sustainable operation, providing suitable and well-planned space is able to attract talents for developing new products.

2. R&D equipment:

For the Company's research and development on new products, R&D equipment accelerates product development and elevates design efficiency.

3. Software, IPs and patents:

For the Company's reinforcement on intellectual property capital protection to cope with complex and challenging global intellectual property disputes, we continue to acquire high-value patents to enhance our patent portfolio, and then extensively apply the relevant technologies to a variety of advanced products.

5. Investment Policies

The Company's investments focus on long-term strategy and financial return. Investment profit from equity method investment in 2022 was NT\$2,077,252 thousand. The Company will continue to evaluate investment plans prudently under the aforementioned policy.

6. Risk Management

6.1. Risks Associated with Interest Rate Fluctuation, Foreign Exchange Volatility, and Inflation

Risks associated with foreign exchange rate:

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The Company's policy is to review the difference between assets and liabilities denominated in foreign currency and hedge by forward exchange contracts to manage exchange rate fluctuations. The contract amount depends on the Company's requirement for each foreign currency. As the purpose of holding forward exchange contracts is to hedge exchange rate fluctuation risk, the gains or losses from the contracts due to fluctuations in exchange rates are expected to be mostly offset by gains or losses from the hedged item. The exchange rate sensitivity analysis focuses on significant monetary items denominated in foreign currencies as of the end of the reporting period, and the effects on the Company's profit, loss and equity from the appreciation/depreciation of the foreign currencies. The Company's foreign currency risk is mainly related to the volatility in the exchange rate for USD. When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by NT\$31,382 thousand and NT\$27,447 thousand, while equity decreases/increases by NT\$199,965 thousand and NT\$46,080 thousand, respectively.

Risks associated with interest rate:

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment of debt instruments at variable interest rates, bank borrowings with fixed and variable interest rates. Moreover, the market value of the Company's investments in credit-linked deposits and interest rate-linked deposits are affected by interest rates. The market value would decrease (even lower than the principal) when the interest rate increases, and vice versa. The market values of exchange rate-linked deposits are affected by interest rates and changes in the value and volatility of the underlying. The following sensitivity analysis focuses on interest rate risk and does not take into account the interdependencies between risk variables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$1,762 thousand and NT\$3,875 thousand, respectively.

Risks associated with inflation:

There was no major impact from inflation on the Company's 2022 operations.

The Finance Department is responsible for related risk management.

6.2. Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions

As part of the Company's conservative financial management, it does not engage in investments that are either high risk or high-leveraged. The Company has established a comprehensive policy and internal control procedures. For the last fiscal year and year to date, the Company's lending, endorsements and guarantees for other parties are in accordance with relevant provisions. The Company engages in derivative transactions for

hedging purposes. Any gains or losses from such transactions should roughly offset the gains or losses in the underlying items. For the last fiscal year and year to date, all the transactions complied relevant provisions.

The Finance Department is responsible for related risk management.

6.3. Future R&D Plans and Expected R&D Spending

R&D Project Name	Schedule
Next generation 1.6TbE high speed Ethernet MACSEC PHY chips	End of 2023
Next generation highly integrated mobile communication SoCs and chipsets	End of 2023
Next generation tablet chipsets	End of 2023
Next generation highly integrated multi-functional wireless communication chips	End of 2023
Next generation low-power AIoT and smart home connectivity chips	End of 2023
Next generation highly integrated 8K/4K 120Hz smart TV SoCs	End of 2024
Next generation power management and controller chipsets for various electronics	End of 2023
Next generation 10G PON (passive optical network) chipsets	End of 2023
Next generation 10G NBASE-T Ethernet physical and switch chipsets	End of 2023

The Company's R&D plans are based on industry trends and are implemented in a highly integrated manner with economic efficiency. The R&D expenses in 2022 and 2021 were NT\$116,874,655 thousand and NT\$96,080,761 thousand, accounting for 21% and 19% of revenue respectively. With the continuous advancement in communication products, the Company will continue to invest in R&D to develop products for next generation communication standard. The budget for the abovementioned R&D plans accounts for approximately 80% of 2023 total R&D budget, which is estimated to be 20% of 2023 revenue.

6.4. Risk Associated with Changes in the Political and Regulatory Environment

Major domestic and foreign policy and legal changes in the latest fiscal year and up to the date of publication of the annual report have no significant impact on the financial operations of the Company. The Company closely monitors any policy and regulatory changes that may affect its operations, and adjusts relevant internal regulations accordingly.

The Company's Legal Department and Finance Department are responsible for risks associated with changes in the political and regulatory environment.

6.5. Risk Associated with Changes in Technology and Industry

Technology advancements in the electronics and semiconductor industries are rapidly evolving, with new specifications and applications constantly emerging in areas such as wireless communication and smart edge devices. The Company will continue to invest in research and development, enhance operating efficiency, and closely monitor market demand and trends, in order to secure and expand market share.

The Company's Business Units are responsible for risks associated with changes in technology and industry.

6.6. Risks Associated with Changes in Corporate Image and Impacts on Crisis Management

The Company adheres to a people-oriented business philosophy for our employees, providing an environment to challenge and to learn, in order to unleash their potential, allowing the Company to continuously grow and attract excellent talents. The Company upholds partnerships with suppliers and customers and strive to fulfill corporate social responsibility to the society. At the same time, the Company follows a consistent code of conduct: integrity, conviction inspired by deep thinking, customer focus, constant renewal, innovation, and inclusiveness. With self-discipline and self-realization, there have not been risk events affecting corporate image.

The Company's Business Units are responsible for risks associated with changes in corporate image and impacts on crisis management.

6.7. Risks and Expected Returns Associated with Mergers and Acquisitions

To integrate resources and expand market, the Board of subsidiary Airoha Technology Corp. (hereinafter referred to as "Airoha") resolved to acquire 91.05% of the equity of Audiowise Technology Inc (hereinafter referred to as "Audiowise") by cash on March 31, 2022, and permitted to acquire the remaining 8.95% after authorized by its chairman. After the aforementioned transaction was completed, the Board of Airoha resolved to implement the acquisition of Audiowise on August 3, 2022, and Audiowise was dissolved on September 5, 2022. After the acquisition, Airoha obtained Audiowise's Bluetooth noise reduction technology and patents, which should enhance its R&D capabilities. On the business side, shipment to previous Audiowise's customers of Bluetooth audio products has been incorporated into the shipment of Airoha's existing distributor, strengthening its market competitiveness with a positive impact on shareholder's equity. Airoha completed the restructuring on January 1, 2022 and acquired Audiowise on September 5, 2022. The transaction was conducted upon both parties' resolutions and relevant legal matters were completed as planned, with no related risks.

The Company's Business Units and Finance Department are responsible for risks associated with mergers and acquisitions.

6.8. Risks Associated with Facility Expansion

To meet the future growth of the Company, and after evaluating the existing and future business and manpower needs, the Company and its subsidiaries planned suitable appropriate space in the Hsinchu Science Park, Zhubei Tai Yuen Hi-Tech Industrial Park, Hsinchu City, Tainan City, and related overseas locations in 2022. The related use of space and requirements were all prudently evaluated to ensure that the efficiency of the office space can meet the needs of the Company and employees. The Company provides R&D engineers with office space, laboratory and living space to support customer service and product development. The assessment of benefits conforms with the Company's expectation.

The Company's Human Resources Department is responsible for risks associated with facility expansion.

6.9. Risks Associated with Purchase Concentration and Sales Concentration

The Company's current production allocation is flexible and diversified, allowing it to provide support to any outsourced production line in case of emergencies, so there is no risk of purchase concentration. As for sales, the Company's products are widely distributed, including customers in Japan, Korea, Europe, the U.S., Southeast Asia, and Greater China, so there is no risk of sales concentration.

The Company's Business Units are responsible for risks associated with purchase concentration and sales concentration.

6.10. Risks Associated with Changes in Numbers of Shares of the Company's Directors and Major Shareholders with More Than 10% of the Company's Total Outstanding Shares

In the latest fiscal year and as of the date of this Annual Report, there were no such risks for the Company.

6.11. Risks Associated with Changes in Management

In the latest fiscal year and as of the date of this Annual Report, there were no such risks for the Company.

6.12. Risks Associated with Litigations

For litigious and non-litigious matters, any material impact upon shareholders' equity or price for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute of the Company's director, president, de facto responsible person, or major shareholders with a stake of more than 10%, which were

finalized or remained pending, the Company shall disclose the dispute, amount in dispute, commencement date, main parties involved, and current status of the case in the Annual Report.

(1) Nippon Telegraph and Telephone Corporation (“NTT”) and Essential WiFi, LLC (“EWF”) filed complaints in the United States District Court for the Western District of Texas against the Company and its subsidiary MediaTek USA Inc. on March 25, 2020, alleging infringement of United States Patent Nos. 7,280,551, 7,545,781, 7,400,616, and 7,242,720. The incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc. Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on July 5, 2022.

(2) Koninklijke Philips N.V., and Philips North America LLC, (“Philips”) filed a complaint in the United States District Court for the District of Delaware against the Company and its subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. The incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc.

(3) Ocean Semiconductor LLC, (“Ocean”) filed a complaint in the United States District Court for the Western District of Texas against the Company and its subsidiary MediaTek USA Inc. on December 31, 2020, alleging infringement of U.S. Patent Nos. 6,660,651, 6,907,305, 6,725,402, 6,968,248, 7,080,330, 6,836,691, and 8,676,538. The incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc. Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on October 3, 2022.

(4) DivX, LLC, (“DivX”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and its subsidiary MediaTek Singapore Pte. Ltd. on August 11, 2021, alleging a breach of contract. Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek Singapore Pte. Ltd. on January 28, 2022.

(5) NXP USA INC., (“NXP”) filed a complaint in the United States District Court for the Western District of Texas against the Company and its subsidiary MediaTek USA Inc. on August 24, 2021, alleging infringement of U.S. Patent Nos. 10,038,518, 10,560,158 and 10,742,780. Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on May 11, 2022.

NXP Semiconductors Inc. filed 8 complaints in the Nanjing Intellectual Property Court against the Company on September 26, 2021, September 27, 2021, and September 29, 2021, alleging infringement of PRC Patent No. ZL201510695445.0, ZL200580026196.0, ZL02820012.8 and ZL200780002987.9. The plaintiff requested the court to dismiss the aforementioned lawsuit against the Company.

NXP USA Inc. and NXP Semiconductors NV filed a complaint in the U.S. International Trade Commission against the Company and its subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of U.S. Patent Nos. 7,593,202, 8,482,136, 9,729,214, 10,904,058 and 8,558,591. The Administrative Law Judge issued an Initial Determination, terminating the Company and its subsidiary MediaTek USA Inc. from the investigation pursuant to the plaintiff’s voluntary dismissal on July 13, 2022.

NXP filed a complaint in the United States District Court for the Central District of California against the Company and its subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of U.S. Patent (same as aforementioned). Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on July 21, 2022.

NXP filed a complaint in the United States District Court for the Central District of California against the Company and its subsidiary MediaTek USA Inc. on December 15, 2021, alleging infringement of U.S. Patent Nos. 9,480,018, 10,278,224, 10,404,839 and 10,764,874. Pursuant to the parties’ joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on July 21, 2022.

(6) NorthStar Systems LLC (“NorthStar”) filed complaints in the United States District Court for the Eastern District of Texas against the Company on May 5, 2022, alleging infringement of U.S. Patent Nos. 6,995,708,

6,681,181, 6,947,840 and 8,805,416. The court dismissed the claims against the Company pursuant to the plaintiff's voluntary dismissal on July 6, 2022.

(7) Tyche Licensing LLC ("Tyche") filed complaints in the United States District Court for the Eastern District of Texas against the Company on May 16, 2022, alleging infringement of U.S. Patent Nos. 6,900,087 and 7,084,481. The court dismissed the claims against the Company pursuant to the plaintiff's voluntary dismissal on February 6, 2023.

(8) American Patents LLC ("AP") filed complaints in the United States District Court for the Eastern District of Texas against the Company on June 6, 2022, alleging infringement of U.S. Patent Nos. 7,088,782, 7,310,304 and 7,706,458. The incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc.

(9) Daedalus Prime LLC ("Daedalus") filed a complaint with the U.S. International Trade Commission against the Company and its subsidiaries MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. The Commission decided not to file the lawsuit against the Company and its subsidiaries MediaTek USA Inc. on October 7, 2022.

Daedalus Prime LLC filed a complaint in the United States District Court for the District of Delaware against the Company and its subsidiaries MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. The court dismissed the claims against the Company and its subsidiaries MediaTek USA Inc. pursuant to the plaintiff's voluntary dismissal on November 14, 2022.

(10) Cedar Lane Technologies Inc. ("Cedar") filed complaints in the United States District Court for the Western District of Texas against the Company on October 4, 2022, alleging infringement of U.S. Patent Nos. 6,972,790 and 8,537,242. The incident has no significant impact on the operations of the Company.

(11) ParkerVision, Inc. ("ParkerVision") filed complaints in the United States District Court for the Western District of Texas against the Company and its subsidiaries MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513. The incident has no significant impact on the operations of the Company.

(12) Winterspring Digital LLC ("Winterspring") filed complaints in the United States District Court for the Eastern District of Texas against the Company on January 12, 2023, alleging infringement of U.S. Patent Nos. 7,420,975, 7,164,692 and 7,774,468. The incident has no significant impact on the operations of the Company.

The Company will handle these cases carefully.

6.13. Other Material Risk

For the latest fiscal year and year to date, there is no known material risk to greatly impact the Company's financials.

7. Other Material Events

7.1. Certificate Holding Status for Personnel Associated with Financial Transparency

Certificate	CPA	US CPA	CICPA	CA	CIA	CFA
Singapore						
Headcount						
Finance	21	7	3	1	4	2
Internal audit	2	-	-	-	2	-

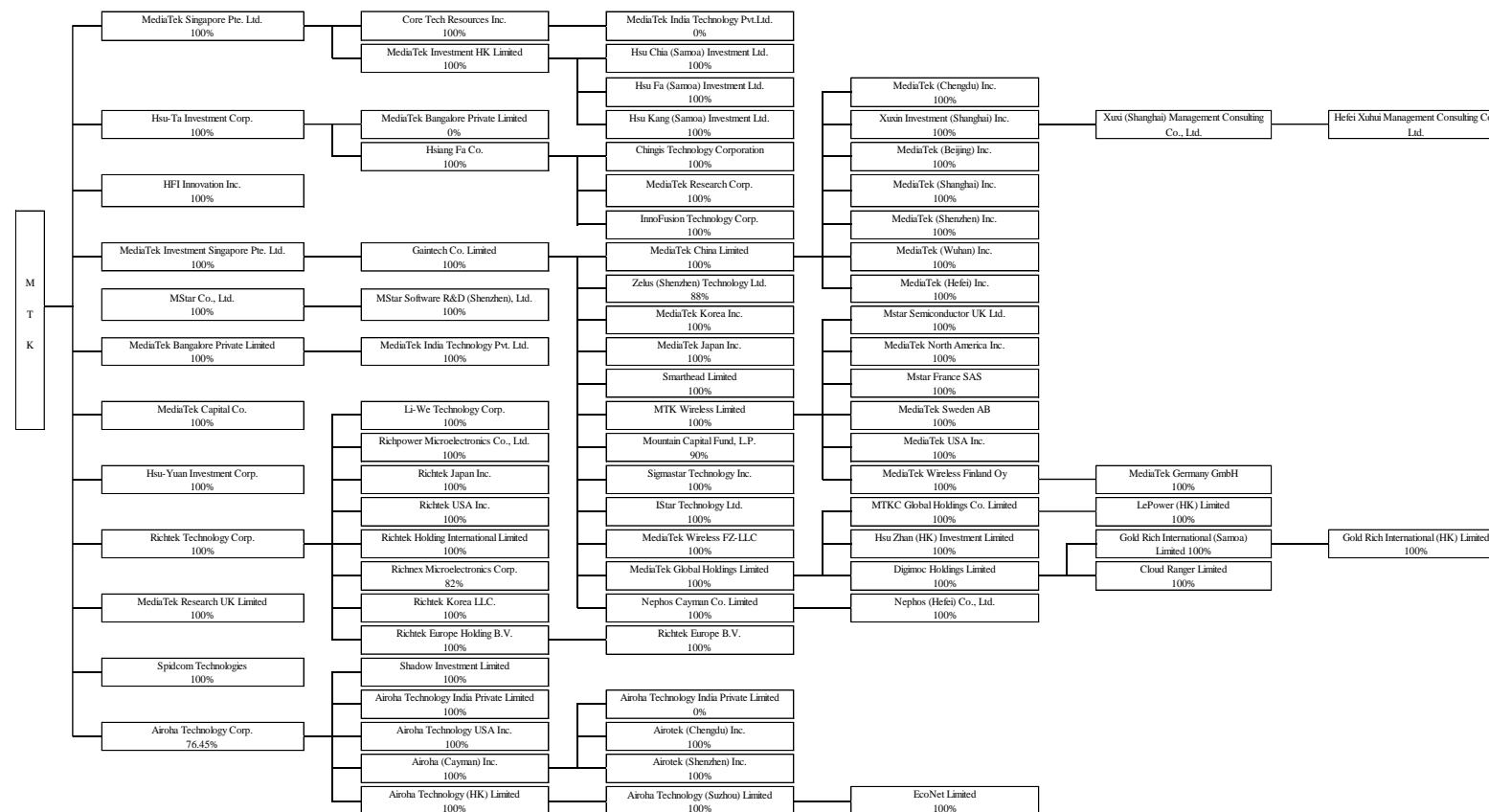
Certificate	CMA	FRM	CISA	TA	CFE
Headcount					
Finance	1	1	-	4	-
Internal audit	-	-	1	-	1

VIII. Special Disclosure

1. Summary of Affiliated Companies

1.1. The Company's Affiliated Companies Chart

Dec. 31, 2022



Note: All directly and indirectly majority owned subsidiaries of the Company, and the accounts of investees in which the Company's ownership percentage is less than 50% but the Company has a controlling interest.

1.2. The Company Affiliated Companies

As of Dec. 31, 2022. Unit: NT\$ thousands / Foreign Currency thousands

Company Name	Date of Incorporation	Place of Registration	Capital Stock	Major Business
MediaTek Singapore Pte. Ltd.	2004/6	Singapore	SGD 187,514	Research, manufacturing and sales
Hsu-Ta Investment Corp.	2002/9	Taiwan	NTD 5,925,801	General investing
HFI Innovation Inc.	2016/2	Taiwan	NTD 1,746,918	Intellectual property right management
MediaTek Investment Singapore Pte. Ltd.	2008/1	Singapore	USD 2,233,845	General investing
MStar Co., Ltd.	2003/5	Seychelles	USD 13,350	General investing
MediaTek Bangalore Private Limited	2014/5	India	INR 20,000	Research
MediaTek Capital Co.	2021/7	Taiwan	NTD 1,118,000	General investing
Hsu-Yuan Investment Corp.	2022/5	Taiwan	NTD 500,000	General investing
MediaTek Research UK Limited	2019/1	UK	GBP 280	Research
Spidcom Technologies	2002/9	France	EUR 146	Intellectual property right management
Hsiang Fa Co.	2000/9	Taiwan	NTD 2,368,011	General investing
Chingis Technology Corporation	1998/10	Taiwan	NTD 1,059,370	Research
MediaTek Research Corp.	2019/1	Taiwan	NTD 800	Research
InnoFusion Technology Corp.	2017/9	Taiwan	NTD 1,270,000	Technical services
Gaintech Co. Limited	2000/7	Cayman Islands	USD 1,123,173	General investing
Core Tech Resources Inc.	2002/9	B.V.I.	USD 102,200	General investing
MediaTek Investment HK Limited	2021/8	Hong Kong	USD 554,587	General investing
MediaTek China Limited	2007/9	Hong Kong	HKD 3,044,079	General investing
MTK Wireless Limited	2007/8	UK	GBP 84,395	Research
MediaTek Japan Inc.	1997/6	Japan	JPY 1,000	Research
MediaTek Korea Inc.	2007/2	Korea	KRW 2,000,000	Research
Smarthead Limited	2011/1	Seychelles	USD 700	General investing
MediaTek Wireless FZ-LLC	2013/11	Dubai	AED 50	Technical services
Nephos Cayman Co. Limited	2015/12	Cayman Islands	USD 113,110	General investing
Sigmastar Technology Inc.	2017/10	Cayman Islands	USD 1,512	General investing
MediaTek Global Holdings Limited	2021/8	UK	USD 3,450,118	General investing
IStar Technology Ltd.	2013/8	Cayman Islands	USD 50	General investing
MediaTek India Technology Pvt. Ltd.	2004/5	India	INR 55,000	Research
Hsu Zhan (HK) Investment Limited	2021/8	Hong Kong	USD 2,383,400	General investing
MTKC Global Holdings Co. Limited	2021/8	B.V.I.	USD 0.01	General investing
Digimoc Holdings Limited	2007/9	B.V.I.	USD 915,639	General investing
MStar Software R&D (Shenzhen), Ltd.	2003/8	Mainland China	USD 30,000	Technical services
Mountain Capital Fund, L.P.	2015/5	Cayman Islands	N/A	General investing
Zelus (Shenzhen) Technology Ltd.	2017/10	Mainland China	USD 5,150	Research and sales
Nephos (Hefei) Co., Ltd.	2016/7	Mainland China	USD 41,250	Research, manufacturing and sales

Company Name	Date of Incorporation	Place of Registration	Capital Stock	Major Business
MediaTek (Hefei) Inc.	2003/8	Mainland China	USD 17,000	Research
MediaTek (Beijing) Inc.	2006/10	Mainland China	USD 100,000	Research
MediaTek (Shenzhen) Inc.	2003/10	Mainland China	USD 90,000	Research
MediaTek (Chengdu) Inc.	2000/9	Mainland China	USD 49,800	Research
MediaTek (Wuhan) Inc.	2000/12	Mainland China	USD 24,200	Research
MediaTek (Shanghai) Inc.	2009/12	Mainland China	CNY 297,000	Research
Xuxin Investment (Shanghai) Inc.	2011/1	Mainland China	USD 62,000	General investing
Xuxi (Shanghai) Management Consulting Co., Ltd.	2019/4	Mainland China	CNY 355,050	General investing
Hefei Xuhui Management Consulting Co., Ltd.	2019/4	Mainland China	CNY 355,000	General investing
MStar France SAS	2006/10	France	EUR 4,589	Research
MStar Semiconductor UK Ltd.	2007/6	UK	GBP 0.001	Research and technical services
MediaTek Sweden AB	2004/12	Sweden	SEK 1,008	Research
MediaTek USA Inc.	1997/5	USA	USD 0.1	Research
MediaTek Wireless Finland Oy	2014/10	Finland	EUR 3	Research
MediaTek North America Inc.	2022/6	USA	USD 0.001	Technical services
LePower (HK) Limited	2011/3	Hong Kong	USD 85,050	General investing
MediaTek Germany GmbH	2021/11	Germany	EUR 500	Technical services
Cloud Ranger Limited	2015/2	Samoa	USD 23,139	General investing
Gold Rich International (Samoa) Limited	2011/3	Samoa	USD 4,290	General investing
Gold Rich International (HK) Limited	2011/3	Hong Kong	USD 4,190	General investing
Hsu Chia (Samoa) Investment Ltd.	2015/8	Samoa	CNY 1,000,000	General investing
Hsu Fa (Samoa) Investment Ltd.	2015/8	Samoa	CNY 1,000,000	General investing
Hsu Kang (Samoa) Investment Ltd.	2015/8	Samoa	CNY 1,000,000	General investing
Richtek Technology Corp.	1998/9	Taiwan	NTD 1,484,828	Research, manufacturing and sales
Li-We Technology Corp.	2004/4	Mainland China	USD 2,500	Technical services
Richpower Microelectronics Co., Ltd.	2004/4	Mainland China	USD 3,200	Technical services
Richtek Japan Inc.	2022/7	Japan	JPY 95,000	Research and technical services
Richtek USA Inc.	2004/3	USA	USD 1,000	Sales, research and technical services
Richtek Holding International Limited	2007/11	B.V.I.	USD 3,000	General investing
Richnex Microelectronics Corp.	2007/12	Taiwan	NTD 330,000	Research, manufacturing and sales
Richtek Korea LLC.	2013/8	Korea	KRW 1,116,500	Research and technical services
Richtek Europe Holding B.V.	2007/9	Netherlands	EUR 2,000	General investing
Richtek Europe B.V.	2007/9	Netherlands	EUR 1,500	Marketing service
Airoha Technology Corp.	2001/8	Taiwan	NTD 1,455,057	Research, manufacturing and sales
Shadow Investment Limited	2002/4	Samoa	USD 15,000	General investing
Airoha Technology India Private Limited	2022/7	India	INR 95,001	Research

Company Name	Date of Incorporation	Place of Registration	Capital Stock	Major Business
Airoha Technology USA Inc.	2022/6	USA	USD 0.001	Research
Airoha (Cayman) Inc.	2009/10	Cayman Islands	USD 4,791	General investing
Airoha Technology (HK) Limited	2013/3	Hong Kong	USD 67,535	General investing, research, manufacturing and sales
Airotek (Chengdu) Inc.	2017/9	Mainland China	USD 950	Research
Airotek (Shenzhen) Inc.	2017/9	Mainland China	USD 950	Research and technical services
Airoha Technology (Suzhou) Limited	2014/4	Mainland China	USD 10,000	Research, manufacturing and sales
EcoNet Limited	2016/10	B.V.I.	USD 400	General investing and sales

1.3. Common Shareholders of the Company and Its Subsidiaries or Its Affiliates with Actual or Deemed Control

None.

1.4. Business Scope of the Company and Its Affiliated Companies

Business scope of MediaTek and its affiliates includes research and development, marketing, and after-sale service of consumer electronics, wireless communication, digital TV, networking, and analog IC, as well as general investments. The affiliates ensure the Company's leading position in the global market by acquiring advanced technologies through investments.

1.5. List of Directors, Supervisors and Presidents of the Company's Affiliated Companies

December 31, 2022; Unit: share / %

Company Name	Title	Name or Representative	Shares	% of Holding
MediaTek Singapore Pte. Ltd.	Director	Ming-Kai Tsai	MediaTek Inc. 187,513,879	100
	Director	Bun Suan Heng	MediaTek Inc. 187,513,879	100
Hsu-Ta Investment Corp.	Chairman	MediaTek Inc. (Rep.:David Ku)	592,580,103	100
	Director	MediaTek Inc. (Rep.:Jane Chen)	592,580,103	100
HFI Innovation Inc.	Chairman	MediaTek Inc. (Rep.:David Ku)	174,691,821	100
MediaTek Investment Singapore Pte. Ltd.	Director	David Ku	MediaTek Inc. 2,233,845,498	100
	Director	Bun Suan Heng	MediaTek Inc. 2,233,845,498	100
MStar Co., Ltd.	Director	David Ku	MediaTek Inc. 13,350,000	100
MediaTek Bangalore Private Limited	Director	Cheng-Te Chuang	MediaTek Inc. 1,999,999	100
	Director	David Ku	MediaTek Inc. 1,999,999	100
	Director	Anku Jain	MediaTek Inc. 1,999,999	100
MediaTek Capital Co.	Chairman	MediaTek Inc. (Rep.:Ming-Kai Tsai)	111,800,000	100
Hsu-Yuan Investment Corp.	Chairman	MediaTek Inc. (Rep.:David Ku)	50,000,000	100

Company Name	Title	Name or Representative	Shares	% of Holding
	Director	MediaTek Inc. (Rep.:Sherry Lin)	50,000,000	100
MediaTek Research UK Limited	Director	David Ku	MediaTek Inc. 280,000	100
	Director	DS Shiu	MediaTek Inc. 280,000	100
Spidcom Technologies	Director	Ching-Jiang Hsieh	MediaTek Inc. 146,200	100
	Director	David Ku	MediaTek Inc. 146,200	100
	Director	Steven Liu	MediaTek Inc. 146,200	100
Hsiang Fa Co.	Chairman	Hsu-Ta Investment Corp. (Rep.:David Ku)	236,801,136	100
Chingis Technology Corporation	Chairman	Hsiang Fa Co. (Rep.:Chang-Chaio Han)	105,936,991	100
	Director	Hsiang Fa Co. (Rep.:David Ku)	105,936,991	100
	Director	Hsiang Fa Co. (Rep.:Jane Chen)	105,936,991	100
	Supervisor	Hsiang Fa Co. (Rep.:Benson Tsai)	105,936,991	100
Mediatek Research Corp.	Chairman	Hsiang Fa Co. (Rep.:David Ku)	80,000	100
InnoFusion Technology Corp.	Director/Chairman	Hsiang Fa Co. (Rep.:Jane Chen)	127,000,000	100
Gaintech Co. Limited	Director	David Ku	MediaTek Investment Singapore Pte. Ltd. 1,123,172,524	100
Core Tech Resources Inc.	Director	David Ku	MediaTek Singapore Pte. Ltd. 102,200,000	100
MediaTek Investment HK Limited	Director	Jane Chen	MediaTek Singapore Pte. Ltd. 554,587,474	100
MediaTek China Limited	Director	David Ku	Gaintech Co. Limited 3,044,078,500	100
MTK Wireless Limited	Director	Kou-Hung Loh	Gaintech Co. Limited 84,394,826	100
	Director	David Ku	Gaintech Co. Limited 84,394,826	100
MediaTek Japan Inc.	Director	David Ku	Gaintech Co. Limited 7,100	100
MediaTek Korea Inc.	Director	Jerry Yu	Gaintech Co. Limited 200,000	100
	Director	David Ku	Gaintech Co. Limited 200,000	100
	Director	Jane Chen	Gaintech Co. Limited 200,000	100
	Supervisor	Lydia Chang	Gaintech Co. Limited 200,000	100
Smarthead Limited	Director	Iris Chen	Gaintech Co. Limited 700,000	100
MediaTek Wireless FZ-LLC	Director	Bun Suan Heng	Gaintech Co. Limited 50	100
	Director	David Ku	Gaintech Co. Limited 50	100
	Director	Iris Chen	Gaintech Co. Limited 50	100

Company Name	Title	Name or Representative	Shares	% of Holding
Nephos Cayman Co. Limited	Director	Jerry Yu	Gaintech Co. Limited 113,110,426	100
	Director	David Ku	Gaintech Co. Limited 113,110,426	100
Sigmastar Technology Inc.	Director	David Ku	Gaintech Co. Limited 1,511,579	100
MediaTek Global Holdings Limited	Director	David Ku	Gaintech Co. Limited 3,450,118,214	100
IStar Technology Ltd.	Director	David Ku	Gaintech Co. Limited 50,000	100
MediaTek India Technology Pvt. Ltd.	Director	Cheng-Te Chuang	MediaTek Bangalore Private Limited 5,499,999	100
	Director	David Ku	MediaTek Bangalore Private Limited 5,499,999	100
	Director	Anku Jain	MediaTek Bangalore Private Limited 5,499,999	100
Hsu Zhan (HK) Investment Limited	Director	Jane Chen	MediaTek Global Holdings Limited 2,383,399,545	100
MTKC Global Holdings Co. Limited	Director	David Ku	MediaTek Global Holdings Limited 12	100
Digimoc Holdings Limited	Director	David Ku	MediaTek Global Holdings Limited 915,638,880	100
MStar Software R&D (Shenzhen), Ltd.	Executive director/ Legal representative	MStar Co., Ltd. Hai Wang	Not applicable	100
	Supervisor	MStar Co., Ltd. Iris Chen	Not applicable	100
Mountain Capital Fund, L.P.	Not applicable	Not applicable	Not applicable	90
Zelus (Shenzhen) Technology Ltd.	Executive director/ Legal representative	Ningbo Meishan Bonded Port Area Zhifa Investment Partnership Hai Wang	Not applicable	7
	Director	Gaintech Co. Limited Vincent Hsu	Not applicable	88
	Director	Gaintech Co. Limited David Ku	Not applicable	88
	Supervisor	Gaintech Co. Limited Amy Chung	Not applicable	88
Nephos (Hefei) Co. Ltd.	Executive director/ Legal representative	Nephos Cayman Co. Limited Ching-Jiang Hsieh	Not applicable	100
	Director	Nephos Cayman Co. Limited Jerry Yu	Not applicable	100
	Director	Nephos Cayman Co. Limited David Ku	Not applicable	100
	Supervisor	Nephos Cayman Co. Limited Amy Chung	Not applicable	100
MediaTek (Hefei) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
MediaTek (Beijing) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100

Company Name	Title	Name or Representative	Shares	% of Holding
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
MediaTek (ShenZhen) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
MediaTek (Chengdu) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
MediaTek (Wuhan) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
MediaTek (Shanghai) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
Xuxin Investment (Shanghai) Inc.	Executive director/ Legal representative	MediaTek China Limited Hai Wang	Not applicable	100
	Supervisor	MediaTek China Limited Amy Chung	Not applicable	100
Xuxi (Shanghai) Management Consulting Co., Ltd.	Executive director/ Legal representative	Xuxin Investment (Shanghai) Inc. Hai Wang	Not applicable	100
	Supervisor	Xuxin Investment (Shanghai) Inc. Iris Chen	Not applicable	100
Hefei Xuhui Management Consulting Co., Ltd.	Executive director/ Legal representative	Xuxi (Shanghai) Management Consulting Co., Ltd. Hai Wang	Not applicable	100
	Supervisor	Xuxi (Shanghai) Management Consulting Co., Ltd. Iris Chen	Not applicable	100
MStar France SAS	Director	David Ku	MTK Wireless Limited 458,900	100
MStar Semiconductor UK Ltd.	Director	David Ku	MTK Wireless Limited -	100
MediaTek Sweden AB	Director	David Ku	MTK Wireless Limited 1,008,371	100
	Director	Eric Tell	MTK Wireless Limited 1,008,371	100
MediaTek USA Inc.	Director	David Ku	MTK Wireless Limited 111,815	100
	Director	Kevin Jou	MTK Wireless Limited 111,815	100
MediaTek Wireless Finland Oy	Director	Jane Chen	MTK Wireless Limited 1,000	100
	Director	Ville Salmi	MTK Wireless Limited 1,000	100
	Director	Eric Tell	MTK Wireless Limited 1,000	100
MediaTek North America Inc.	Director	David Ku	MTK Wireless Limited 10,000	100
Lepower (HK) Limited	Director	Jane Chen	MTKC Global Holdings Co. Limited 85,050,000	100

Company Name	Title	Name or Representative	Shares	% of Holding
MediaTek Germany GmbH	Director	Jane Chen	MediaTek Wireless Finland Oy 500,000	100
Cloud Ranger Limited	Director	Iris Chen	Digimoc Holdings Limited 23,139,000	100
Gold Rich International (Samoa) Limited	Director	Iris Chen	Digimoc Holdings Limited 4,290,000	100
Gold Rich International (HK) Limited	Director	Benson Tsai	Gold Rich International (Samoa) Limited 4,190,000	100
Hsu Chia (Samoa) Investment Ltd.	Director	Iris Chen	MediaTek Investment HK Limited 1,000,000,000	100
Hsu Fa (Samoa) Investment Ltd.	Director	Iris Chen	MediaTek Investment HK Limited 1,000,000,000	100
Hsu Kang (Samoa) Investment Ltd.	Director	Iris Chen	MediaTek Investment HK Limited 1,000,000,000	100
Richtek Technology Corp.	Chairman	MediaTek Inc. (Rep.:Rick Tsai)	148,482,806	100
	Director	MediaTek Inc. (Rep.:Kou-Hung Loh)	148,482,806	100
	Director	MediaTek Inc. (Rep.:David Ku)	148,482,806	100
Li-We Technology Corp.	Executive director/ Legal representative	Richtek Technology Corp. Chris Yuan	Not applicable	100
	Supervisor	Richtek Technology Corp. Evelyn Lee	Not applicable	100
Richpower Microelectronics Co., Ltd.	Executive director/ Legal representative	Richtek Technology Corp. Chris Yuan	Not applicable	100
	Supervisor	Richtek Technology Corp. Evelyn Lee	Not applicable	100
Richtek Japan Inc.	Director	Chris Yuan	Richtek Technology Corp. 1,900	100
Richtek USA Inc.	Director	Tom Kuo	Richtek Technology Corp. 1,000,000	100
	Director	Rob Chiacchia	Richtek Technology Corp. 1,000,000	100
	Director	Nick Liu	Richtek Technology Corp. 1,000,000	100
Richtek Holding International Limited	Director	Chris Yuan	Richtek Technology Corp. 30,000	100
Richnex Microelectronics Corp.	Chairman	Shen Tu	1,481,500	4
	Director	Richtek Technology Corp. (Rep.:Tom Kuo)	26,963,153	82
	Director	Richtek Technology Corp. (Rep.:Nick Liu)	26,963,153	82
	Supervisor	York Chang	-	-
Richtek Korea LLC.	Director	James Kim	Richtek Technology Corp. 10,000	100

Company Name	Title	Name or Representative	Shares	% of Holding
	Director	Tom Kuo	Richtek Technology Corp. 10,000	100
Richtek Europe Holding B.V.	Director	Chris Yuan	Richtek Technology Corp. 2,000,000	100
	Director	Nick Liu	Richtek Technology Corp. 2,000,000	100
Richtek Europe B.V.	Director	Chris Yuan	Richtek Europe Holding B.V. 1,500,000	100
	Director	Nick Liu	Richtek Europe Holding B.V. 1,500,000	100
Airoha Technology Corp.	Chairman & President	MediaTek Inc. (Rep.:Ching-Jiang Hsieh)	111,235,745	76
	Director	MediaTek Inc. (Rep.:David Ku)	111,235,745	76
	Independent director	Ji-Ren Lee	-	-
	Independent director	Lee-Feng Chien	-	-
	Independent director	Chen-Fu Chien	-	-
Shadow Investment Limited	Director	Hsu-Feng Ho	Airoha Technology Corp. 15,000,000	100
Airoha Technology India Private Limited	Director	Kuldeep Malik	Airoha Technology Corp.	100
		Bomin Wang	9,500,000	100
		Anderson Liao	Airoha (Cayman) Inc. 95	100
Airoha Technology USA Inc.	Director	Wei-Chung Peng	Airoha Technology Corp. 10,000	100
	Director	Yuchuan Yang		100
	Director	Anderson Liao		100
Airoha (Cayman) Inc.	Director	Ching-Jiang Hsieh	Airoha Technology Corp. 9,581,167	100
Airoha Technology (HK) Limited	Director	Hsu-Feng Ho	Airoha Technology Corp. 67,534,520	100
Airotek (Chengdu) Inc.	Executive director/ Legal representative	Airoha (Cayman) Inc. Yuchuan Yang	Not applicable	100
	Supervisor	Airoha (Cayman) Inc. David Liang	Not applicable	100
Airotek (Shenzhen) Inc.	Executive director/ Legal representative	Airoha (Cayman) Inc. Yuchuan Yang	Not applicable	100
	Supervisor	Airoha (Cayman) Inc. David Liang	Not applicable	100
Airoha Technology (Suzhou) Limited	Chairman/ Legal representative	Airoha Technology (HK) Limited Ching-Jiang Hsieh	Not applicable	100
	Director	Airoha Technology (HK) Limited Bomin Wang	Not applicable	100
	Director	Airoha Technology (HK) Limited Anderson Liao	Not applicable	100
	Supervisor	Airoha Technology (HK) Limited Larry Huang	Not applicable	100
EcoNet Limited	Director	Hsu-Feng Ho	Airoha Technology (Suzhou) Limited 400,000	100

1.6. Operation Highlights of the Company's Affiliated Companies

Dec. 31, 2022; Unit: NT\$ thousands

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
MediaTek Singapore Pte. Ltd.	4,260,288	101,480,818	34,333,422	67,147,396	171,652,717	60,425,291	58,657,566	312.82
Hsu-Ta Investment Corp.	5,925,801	14,463,072	325,034	14,138,038	804,892	804,743	800,266	1.35
HFI Innovation Inc.	1,746,918	1,457,044	5,379	1,451,665	762,716	291,009	189,571	1.09
MediaTek Investment Singapore Pte. Ltd.	68,608,097	203,445,206	61,796	203,383,410	5,325,524	5,324,575	5,270,316	2.36
MStar Co., Ltd.	410,019	644,729	503,448	141,281	21,975	21,843	21,717	1.63
MediaTek Bangalore Private Limited	7,426	1,626,716	1,067,041	559,675	2,018,760	284,468	265,148	132.53
MediaTek Capital Co.	1,118,000	783,910	48,672	735,238	22,602	(78,852)	(78,851)	(0.71)
Hsu-Yuan Investment Corp.	500,000	5,317,210	4,825,980	491,230	-	(933)	(8,770)	(0.18)
MediaTek Research UK Limited	10,352	38,056	7,002	31,054	58,222	3,809	8,469	30.25
Spidcom Technologies	4,795	525	-	525	-	(1,049)	(1,049)	(7.18)
Hsiang Fa Co.	2,368,011	12,219,698	330,059	11,889,639	717,044	716,603	716,868	3.03
Chingis Technology Corporation	1,059,370	919,965	384,483	535,482	626,525	(24,041)	20,755	0.20
MediaTek Research Corp.	800	20,193	10,904	9,289	38,162	2,497	2,005	25.06
InnoFusion Technology Corp.	1,270,000	346,344	67,383	278,961	381,897	22,431	32,224	0.25
Gaintech Co. Limited	34,495,998	217,092,623	14,061,868	203,030,755	13,295,262	13,385,118	13,070,114	11.64
Core Tech Resources Inc.	3,138,869	4,991,093	-	4,991,093	58,088	58,005	58,005	0.57
MediaTek Investment HK Limited	17,033,045	16,538,738	-	16,538,738	522,043	521,941	521,941	0.94
MediaTek China Limited	12,020,665	27,807,501	1,525,007	26,282,494	1,922,703	1,922,549	1,173,963	0.39
MTK Wireless Limited	3,120,272	8,153,469	3,323,484	4,829,985	888,713	58,140	352,448	4.18
MediaTek Japan Inc.	233	217,857	132,622	85,235	243,224	15,912	234	32.96
MediaTek Korea Inc.	48,827	887,957	613,592	274,405	929,957	61,141	23,716	118.58
Smarthead Limited	21,499	40,917	-	40,917	-	(965)	(965)	(1.38)
MediaTek Wireless FZ-LLC	418	24,310	13,282	11,028	47,367	2,257	2,239	44,780.00
Nepos Cayman Co. Limited	3,473,961	13,820	180,197	(166,377)	-	(53,298)	(53,298)	(0.47)
Sigmastar Technology Inc.	46,425	8,570,552	849,341	7,721,211	773,123	772,624	591,759	391.48
MediaTek Global Holdings Limited	105,963,481	106,364,410	-	106,364,410	359,578	359,578	359,578	0.1
IStar Technology Ltd.	1,536	3,883	-	3,883	-	(3,481)	(3,481)	(69.62)
MediaTek India Technology Pvt. Ltd.	20,421	1,379,455	511,932	867,523	884,009	124,410	97,504	17.73
Hsu Zhan (HK) Investment Limited	73,201,350	74,183,813	-	74,183,813	962,815	951,645	951,645	0.4
MTKC Global Holdings Co. Limited	-	11,067,546	-	11,067,546	174,509	174,115	174,115	14,509,583.33
Digimoc Holdings Limited	28,122,017	21,102,186	-	21,102,186	243,132	243,014	243,014	0.27
MStar Software R&D (Shenzhen), Ltd.	921,390	513,116	-	513,116	-	(78)	19,811	Not applicable

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
Zelus (Shenzhen) Technology Ltd.	158,172	340,855	164,679	176,176	291,597	15,882	12,102	Not applicable
Nephos (Hefei) Co., Ltd.	1,266,911	452,857	485,892	(33,035)	-	(17)	(52,564)	Not applicable
MediaTek (Hefei) Inc.	522,121	2,363,805	1,552,661	811,144	2,782,249	208,898	193,435	Not applicable
MediaTek (Beijing) Inc.	3,071,300	7,145,099	2,869,842	4,275,257	3,429,015	448,168	459,555	Not applicable
MediaTek (Shenzhen) Inc.	2,764,170	10,386,525	4,562,195	5,824,330	4,439,381	536,102	761,125	Not applicable
MediaTek (Chengdu) Inc.	1,529,507	3,188,135	1,517,457	1,670,678	1,687,039	124,639	155,527	Not applicable
MediaTek (Wuhan) Inc.	743,255	2,291,725	1,482,846	808,879	664,792	49,281	33,213	Not applicable
MediaTek (Shanghai) Inc.	1,322,532	5,546,756	3,111,695	2,435,061	1,988,774	147,307	233,517	Not applicable
Xuxin Investment (Shanghai) Inc.	1,904,206	3,470,419	84,461	3,385,958	-	(23,771)	(23,058)	Not applicable
Xuxi (Shanghai) Management Consulting Co., Ltd.	1,581,027	2,801,880	-	2,801,880	-	(21,799)	(21,799)	Not applicable
Hefei Xuhui Management Consulting Co., Ltd.	1,580,804	3,135,295	342,426	2,792,869	30,098	30,074	(21,740)	Not applicable
MStar France SAS	150,512	163,300	699	162,601	-	(1,453)	(1,453)	(3.17)
MStar Semiconductor UK Ltd.	-	-	-	-	-	(141)	(108)	(108,126.35)
MediaTek Sweden AB	2,972	76,133	56,808	19,326	141,666	9,268	9,648	9.57
MediaTek USA Inc.	3	9,497,690	4,162,316	5,335,374	7,666,227	502,616	279,421	2,498.96
MediaTek Wireless Finland Oy	82	713,260	402,737	310,523	1,093,015	71,506	72,615	72,615.00
MediaTek North America Inc.	-	386,279	210,321	175,958	325,708	15,509	7,364	736.40
LePower (HK) Limited	2,405,700	2,705,950	-	2,705,950	115,309	114,813	114,813	1.35
MediaTek Germany GmbH	16,399	38,661	19,825	18,836	53,592	3,034	2,944	5.89
Cloud Ranger Limited	710,668	1,923,139	-	1,923,139	8,160	7,411	7,411	0.32
Gold Rich International (Samoa) Limited	131,759	6,137,778	-	6,137,778	-	(16,754)	(16,754)	(3.91)
Gold Rich International (HK) Limited	128,687	6,519,063	383,783	6,135,280	-	(16,689)	(16,689)	(3.98)
Hsu Chia (Samoa) Investment Ltd.	4,452,970	5,525,969	-	5,525,969	167,407	159,892	159,892	0.16
Hsu Fa (Samoa) Investment Ltd.	4,452,970	5,519,857	-	5,519,857	183,727	176,018	176,018	0.18
Hsu Kang (Samoa) Investment Ltd.	4,452,970	5,489,936	-	5,489,936	196,157	185,418	185,418	0.19
Richtek Technology Corp.	1,484,828	18,168,901	6,468,706	11,700,195	28,370,112	6,319,062	5,579,400	37.58
Li-We Technology Corp.	76,783	110,131	72,222	37,909	241,639	38,774	39,741	Not applicable
Richpower Microelectronics Co., Ltd.	98,282	56,606	40,372	16,234	101,500	10,583	17,442	Not applicable
Richtek Japan Inc.	22,132	96,280	81,316	14,964	37,031	(27,781)	(27,893)	(14,680.53)
Richtek USA Inc.	30,713	315,442	148,511	166,931	883,238	21,502	3,318	3.32
Richtek Holding International Limited	92,139	72,628	9,397	63,231	111,113	21,244	18,727	624.23
Richnex Microelectronics Corp.	330,000	67,888	9,646	58,242	52,775	10,902	10,545	0.32
Richtek Korea LLC.	27,254	78,069	65,935	12,134	237,674	17,245	10,366	1,036.60
Richtek Europe Holding B.V.	65,597	46,222	66	46,156	-	(119)	169	0.08

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
Richtek Europe B.V.	49,198	35,356	5,174	30,182	24,648	251	385	0.26
Airoha Technology Corp.	1,455,057	15,567,649	6,917,588	8,650,061	9,763,837	589,069	2,895,379	19.9
Shadow Investment Limited	460,695	80,942	-	80,942	-	(51)	1,311	0.09
Airoha Technology India Private Limited	35,274	34,665	3,312	31,353	4,605	(3,632)	(3,976)	(0.42)
Airoha Technology USA Inc.	-	19,283	6,195	13,088	12,491	814	814	81.4
Airoha (Cayman) Inc.	147,133	568,124	-	568,124	-	(38,241)	(38,241)	(3.99)
Airoha Technology (HK) Limited	2,074,188	5,699,105	1,392	5,697,713	-	(8,541)	2,730,911	40.44
Airotek (Chengdu) Inc.	29,177	122,977	55,605	67,372	263,517	(16,778)	(15,854)	Not applicable
Airotek (Shenzhen) Inc.	29,177	109,168	47,183	61,985	242,105	(24,752)	(26,550)	Not applicable
Airoha Technology (Suzhou) Limited	307,130	5,430,432	854,367	4,576,065	8,229,739	2,530,830	2,597,535	Not applicable
EcoNet Limited	12,285	149,376	-	149,376	-	(85)	858	2.15

Note: The amount of capital, asset, liabilities, and net worth in the table were calculated using the exchange rate at the end of 2022. The net sales, income from operation, net income, and EPS were calculated using the average exchange rate in 2022.

2. Private Placement Securities

None.

3. Holding or Disposition of the Shares of the Company by Subsidiaries

Unit: NTS thousands / share / %

Subsidiary	Paid-in Capital	Source of Funding	The Company Ownership	Transaction Date	Number of shares acquired and its amount	Number of shares Disposed and its amount	Investment gain / loss	Balance (share & amount)	Balance of Pledged Shares	Balance of Guarantee Provided by the Company	Balance of Financing Provided by the Company
Hsiang Fa Co.	2,368,011	None	100%	-	-	-	-	7,794,085 shares; NT\$55,970 thousand	-	-	-

4. Events Having Significant Impacts on Shareholders' Rights or Security Prices as Stated in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act

None.

5. Other Necessary Supplement

None.

IX. Financial Information

1. Condensed Balance Sheets

1.1. 2018-2022 Condensed Balance Sheets – Consolidated

Unit: NT\$ thousands

Item		2018	2019	2020	2021	2022
Current assets		236,037,524	266,729,101	291,862,293	346,864,726	297,653,607
Funds and investments		49,261,788	73,277,847	116,766,859	128,123,366	123,489,098
Property, plant and equipment		37,603,586	38,889,940	38,971,343	49,111,180	53,861,629
Intangible assets		73,788,598	70,917,102	76,271,667	73,525,649	73,454,530
Other assets		6,144,548	8,887,804	10,034,165	63,251,827	59,940,610
Total assets		402,836,044	458,701,794	533,906,327	660,876,748	608,399,474
Current liabilities	Before distribution	122,592,079	131,098,015	143,798,425	211,106,280	141,570,389
	After distribution	136,879,929	147,780,944	202,643,021	327,838,462	263,143,962
Non-current liabilities		5,918,058	13,204,241	15,023,451	16,122,574	23,770,846
Total liabilities	Before distribution	128,510,137	144,302,256	158,821,876	227,228,854	165,341,235
	After distribution	142,797,987	160,985,185	217,666,472	343,961,036	286,914,808
Equity attributable to owners of the parent						
Share capital		15,915,070	15,900,253	15,902,755	15,988,903	15,994,466
Capital surplus	Before distribution	85,237,214	82,392,203	76,745,750	59,776,045	47,185,281
	After distribution	80,474,597	73,653,526	51,299,438	34,190,909	24,790,149
Retained earnings	Before distribution	148,009,403	169,237,532	217,635,230	302,649,721	348,747,173
	After distribution	138,484,170	161,293,280	184,236,946	211,502,675	249,568,732
Other equity		23,840,504	45,276,326	61,606,056	53,656,597	28,238,340
Treasury shares		(55,970)	(55,970)	(55,970)	(55,970)	(55,970)
Total equity attributable to owners of the parent	Before distribution	272,946,221	312,750,344	371,833,821	432,015,296	440,109,290
	After distribution	258,658,371	296,067,415	312,989,225	315,283,114	318,535,717
Non-controlling interests		1,379,686	1,649,194	3,250,630	1,632,598	2,948,949
Total equity	Before distribution	274,325,907	314,399,538	375,084,451	433,647,894	443,058,239
	After distribution	260,038,057	297,716,609	316,239,855	316,915,712	321,484,666

1.2. 2018-2022 Condensed Balance Sheets – Parent Company

Unit: NTS thousands

Item	2018	2019	2020	2021	2022	
Current assets	92,454,434	137,776,031	143,621,071	154,562,926	96,261,324	
Funds and investments	194,393,642	196,537,558	244,691,569	316,693,591	324,873,794	
Property, plant and equipment	12,988,180	20,003,889	20,388,079	29,877,083	32,197,708	
Intangible assets	28,975,722	54,646,668	58,505,350	57,272,022	57,005,420	
Other assets	3,226,374	5,228,970	6,139,793	37,871,610	32,426,283	
Total assets	332,038,352	414,193,116	473,345,862	596,277,232	542,764,529	
Current liabilities	Before distribution	57,235,307	95,302,921	93,079,755	146,384,287	92,352,475
	After distribution	71,523,157	111,985,850	151,924,351	263,116,469	213,926,048
Non-current liabilities	1,856,824	6,139,851	8,432,286	17,877,649	10,302,764	
Total liabilities	Before distribution	59,092,131	101,442,772	101,512,041	164,261,936	102,655,239
	After distribution	73,379,981	118,125,701	160,356,637	280,994,118	224,228,812
Share capital	15,915,070	15,900,253	15,902,755	15,988,903	15,994,466	
Capital surplus	Before distribution	85,237,214	82,392,203	76,745,750	59,776,045	47,185,281
	After distribution	80,474,597	73,653,526	51,299,438	34,190,909	24,790,149
Retained earnings	Before distribution	148,009,403	169,237,532	217,635,230	302,649,721	348,747,173
	After distribution	138,484,170	161,293,280	184,236,946	211,502,675	249,568,732
Other equity	23,840,504	45,276,326	61,606,056	53,656,597	28,238,340	
Treasury shares	(55,970)	(55,970)	(55,970)	(55,970)	(55,970)	
Total equity	Before distribution	272,946,221	312,750,344	371,833,821	432,015,296	440,109,290
	After distribution	258,658,371	296,067,415	312,989,225	315,283,114	318,535,717

2. Condensed Statements of Comprehensive Income

2.1. 2018-2022 Condensed Statements of Comprehensive Income – Consolidated

Unit: NTS thousands

Item	2018	2019	2020	2021	2022
Net sales	238,057,346	246,221,731	322,145,988	493,414,582	548,796,030
Gross profit	91,723,688	103,045,508	141,535,516	231,604,595	270,904,435
Operating income	16,182,476	22,567,452	43,219,239	108,040,234	126,788,452
Non-operating income and expenses	7,509,009	4,459,917	4,363,447	18,811,819	8,772,791
Net income before income tax	23,691,485	27,027,369	47,582,686	126,852,053	135,561,243
Net income	20,782,396	23,204,310	41,438,573	111,872,533	118,625,021
Other comprehensive Income, net of tax	78,580	29,821,023	31,140,808	3,804,201	(9,211,006)
Total comprehensive income	20,860,976	53,025,333	72,579,381	115,676,734	109,414,015
Net income (loss) for the periods attributable to:					
Owners of the parent	20,760,498	23,032,721	40,916,800	111,421,062	118,141,106
Non-controlling interests	21,898	171,589	521,773	451,471	483,915
Total comprehensive income for the periods attributable to:					
Owners of the parent	20,860,790	52,896,235	72,047,329	115,241,937	108,918,586
Non-controlling interests	186	129,098	532,052	434,797	495,429
Earnings per share (NT\$)	13.26	14.69	26.01	70.56	74.59
Earnings per share – adjusted (NT\$)	13.26	14.69	26.01	70.56	74.59

2.2. 2018-2022 Condensed Statements of Comprehensive Income – Parent Company

Unit: NTS thousands

Item	2018	2019	2020	2021	2022
Net sales	88,795,775	136,467,915	168,337,908	305,571,342	332,181,124
Gross profit	36,371,930	55,615,165	73,991,394	131,335,280	155,185,053
Operating income	2,872,510	9,459,305	15,957,148	51,677,078	54,214,177
Non-operating income and expenses	17,981,150	15,879,699	27,677,569	69,227,264	73,380,010
Net income before income tax	20,853,660	25,339,004	43,634,717	120,904,342	127,594,187
Net income	20,760,498	23,032,721	40,916,800	111,421,062	118,141,106
Other Comprehensive Income, net of tax	100,292	29,863,514	31,130,529	3,820,875	(9,222,520)
Total comprehensive income	20,860,790	52,896,235	72,047,329	115,241,937	108,918,586
Earnings per share (NT\$)	13.26	14.69	26.01	70.56	74.59
Earnings per share – adjusted (NT\$)	13.26	14.69	26.01	70.56	74.59

3. Five-Year Auditors' Opinions

Year	Accounting Firm	Name of Auditors (CPA)	Audio Opinion
2018	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions
2019	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions
2020	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions
2021	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions
2022	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions

4. Five-Year Financial Analysis

4.1. 2018-2022 Financial Analysis – Consolidated

Item		2018	2019	2020	2021	2022
Capital structure analysis	Debt ratio (%)	31.90	31.45	29.74	34.38	27.17
	Long-term fund to property, plant and equipment ratio (%)	731.98	811.63	971.75	886.42	824.18
Liquidity Analysis	Current ratio (%)	192.53	203.45	202.96	164.30	210.25
	Quick ratio (%)	166.02	181.21	175.75	128.74	157.38
	Times interest earned (Times)	14.74	17.59	80.97	659.62	366.46
Operating performance analysis	Average collection turnover (Times)	10.38	8.82	10.74	10.75	11.03
	Days sales outstanding	35	41	34	34	33
	Average inventory turnover (Times)	5.08	4.88	5.53	4.71	3.86
	Average payment turnover (Times)	7.09	7.15	6.36	6.71	8.54
	Average inventory turnover days	72	75	66	77	95
	Property, plant and equipment turnover (Times)	6.38	6.43	8.27	11.20	10.65
	Total assets turnover (Times)	0.59	0.57	0.64	0.82	0.86
Profitability analysis	Return on total assets (%)	5.55	5.68	8.44	18.75	18.73
	Return on equity attributable to owners of the parent (%)	7.76	7.88	12.02	27.66	27.06
	Pre-tax income to paid-in capital (%)	148.86	169.98	299.21	793.37	847.55
	Net margin (%)	8.72	9.42	12.86	22.67	21.61
	Earnings per share (NT\$)					
	Before adjustments	13.26	14.69	26.01	70.56	74.59
	After adjustments	13.26	14.69	26.01	70.56	74.59
Cash flow	Cash flow ratio (%)	16.59	32.49	55.32	22.30	102.12
	Cash flow adequacy ratio (%)	83.83	97.91	149.55	96.92	104.14
	Cash flow reinvestment ratio (%)	2.17	10.67	19.34	(3.30)	7.59
Leverage	Operating leverage	11.54	8.30	5.77	3.63	3.56
	Financial leverage	1.12	1.08	1.01	1.00	1.00
Explanation for changes that exceed 20% between the latest two years:						
(1) Debt ratio decreased by 21%, current ratio increased by 28% and quick ratio increased by 22%: Mainly due to decrease in borrowings.						
(2) Times interest earned decreased by 44%: Mainly due to increase in interest expense.						
(3) Average payment turnover increased by 27%: Mainly due to decrease in average payment.						
(4) Average inventory turnover days increased by 18 days: Mainly due to increase in average inventory.						
(5) Cash flow ratio increased by 358% and cash flow reinvestment ratio increased by 330%: Mainly due to increase in net cash flow from operating activities						

4.2. 2018-2022 Financial Analysis – Parent Company

Item		2018	2019	2020	2021	2022	
Capital structure analysis	Debt ratio (%)	17.79	24.49	21.44	27.54	18.91	
	Long-term fund to property, plant and equipment ratio (%)	2,103.86	1,567.54	1,835.23	1,479.23	1,368.54	
Liquidity Analysis	Current ratio (%)	161.53	144.56	154.29	105.58	104.23	
	Quick ratio (%)	144.92	130.31	131.33	77.25	59.76	
	Times interest earned (Times)	23.00	26.84	98.76	1,067.72	426.39	
Operating performance analysis	Average collection turnover (Times)	11.65	11.64	10.40	11.80	11.29	
	Days sales outstanding	31	31	35	31	32	
	Average inventory turnover (Times)	6.61	7.37	5.57	5.64	4.41	
	Average payment turnover (Times)	10.73	9.55	5.33	7.11	8.96	
	Average inventory turnover days	55	50	66	65	83	
	Property, plant, and equipment turnover (Times)	6.98	8.27	8.33	12.15	10.70	
	Total assets turnover (Times)	0.26	0.36	0.37	0.57	0.58	
Profitability analysis	Return on total assets (%)	6.52	6.38	9.30	20.85	20.78	
	Return on equity attributable to shareholders of the parent (%)	7.79	7.86	11.95	27.72	27.09	
	Pre-tax income to paid-in capital (%)	131.03	159.36	274.38	756.17	797.73	
	Net margin (%)	23.38	16.87	24.30	36.46	35.56	
	Basic earnings per share (NT\$)	Before adjustments	13.26	14.69	26.01	70.56	74.59
		After adjustments	13.26	14.69	26.01	70.56	74.59
Cash flow	Cash flow ratio (%)	18.78	29.12	55.29	33.32	101.89	
	Cash flow adequacy ratio (%)	99.03	69.34	112.21	87.82	82.23	
	Cash flow reinvestment ratio (%)	(1.97)	5.00	10.57	(2.66)	(5.81)	
Leverage	Operating leverage	21.81	10.60	7.68	4.64	4.84	
	Financial leverage	1.49	1.12	1.03	1.00	1.01	

Explanation for changes that exceed 20% between the latest two years:

- (1) Debt ratio decreased by 31% and quick ratio increased by 23%; Mainly due to decrease in borrowings.
- (2) Times interest earned decreased by 60%; Mainly due to increase in interest expense.
- (3) Average inventory turnover decreased by 22% and average inventory turnover days increased by 18 days; Mainly due to increase in average inventory.
- (4) Average payment turnover increased by 26%; Mainly due to decrease in average payment.
- (5) Cash flow ratio increased by 206% and cash flow reinvestment ratio increased by 118%; Mainly due to increase in net cash flow from operating activities

Glossary:**1. Capital Structure Analysis:**

- (1). Debt ratio = Total liabilities / Total assets
- (2). Long-term fund to property, plant and equipment ratio = (Shareholders' equity + non-current liabilities) / Net property, plant and equipment

2. Liquidity Analysis:

- (1). Current ratio = Current assets / Current liabilities
- (2). Quick ratio = (Current assets – inventories – prepaid expenses) / Current liabilities
- (3). Times interest earned = Earnings before interest and taxes / Interest expenses

3. Operating Performance Analysis:

- (1). Average collection turnover = Net sales / Average trade receivables
- (2). Days sales outstanding = 365 / Average collection turnover
- (3). Average inventory turnover = Operating costs / Average inventory
- (4). Average payment turnover = operating costs / Average trade payables
- (5). Average inventory turnover days = 365 / Average inventory turnover
- (6). Property, plant and equipment turnover = Net sales / Average property, plant and equipment
- (7). Total assets turnover = Net sales / total assets

4. Profitability Analysis:

- (1). Return on total assets = [Net income + Interest expenses x (1 – tax rate)] / Average total assets
- (2). Return on equity attributable to shareholders of the parent = Net income attributable to shareholders of the parent / Average equity attributable to shareholders of the parent
- (3). Net margin = Net income / Net sales
- (4). Earnings per share = (Net income attributable to shareholders of the parent – preferred stock dividend) / Weighted average number of shares outstanding

5. Cash Flow:

- (1). Cash flow ratio = Net cash provided by operating activities / Current Liabilities
- (2). Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
- (3). Cash flow reinvestment ratio = (Cash provided by operating activities – cash dividends) / (Gross property, plant and equipment + long-term investments + other noncurrent assets + working capital)

6. Leverage:

- (1). Operating leverage = (Net sales – variable cost) / Operating income
- (2). Financial leverage = Operating income / (Operating income – interest expenses)

5. Audit Committee's Review Report

MediaTek Inc. Audit Committee's Report

The Board of Directors has prepared the Company's 2022 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. 2023 Annual General Shareholders' Meeting

MediaTek Inc.

Chairman of the Audit Committee: Chung-Yu Wu

Feb 24, 2023

6. Financial Statements and Independent Auditors' Report – Consolidated (Page F1 – Page F153)

7. Financial Statements and Independent Auditors' Report – Parent Company (Page F154 – Page F299)

8. The Impact on the Company's Financial Status in Cases where the Company or its Affiliates have Financial Difficulties

None.

English Translation of a Report and Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2022 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

MediaTek Inc.

Chairman: Ming-Kai Tsai

February 24, 2023

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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 the Standards on Auditing of 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 2022 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\$548,796,030 thousand as net sales, which includes sale of goods in the amount of NT\$543,013,101 thousand and services and other operating revenues in the amount of NT\$5,782,929 thousand for the year ended December 31, 2022. 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 the Standards on Auditing of 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 the Standards on Auditing of 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 2022 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, 2022 and 2021.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 24, 2023

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 the Standards on Auditing of 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.

MEDIA TEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2022		December 31, 2021	
		\$	%	\$	%
Current assets					
Cash and cash equivalents	4, 6(1)	147,502,155	24	183,704,594	28
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	8,541,857	1	10,695,832	2
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	3,169,019	-	6,705,920	1
Financial assets measured at amortized cost-current	4, 5, 6(4)	5,596,485	1	3,657,229	1
Notes receivables, net	6(22)	2,811	-	2,811	-
Trade receivables, net	4, 5, 6(5), 6(22)	40,804,936	7	58,577,900	9
Trade receivables from related parties, net	4, 5, 6(5), 6(22), 7	34,593	-	79,236	-
Other receivables	6(6)	15,823,997	3	6,931,246	1
Current tax assets	4, 5, 6(30)	133,072	-	140,950	-
Inventories, net	4, 5, 6(7)	70,703,336	12	73,270,606	11
Prepayments	6(8), 9	4,138,284	1	1,809,392	-
Other current assets		1,203,062	-	1,289,010	-
Total current assets		297,653,607	49	346,864,726	53
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	6,624,993	1	4,458,892	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	73,801,249	12	52,196,718	8
Financial assets measured at amortized cost-noncurrent	4, 5, 6(4), 8	25,264,394	4	11,180,498	2
Investments accounted for using the equity method	4, 6(9)	17,798,462	3	60,287,258	9
Property, plant and equipment	4, 6(10)	53,861,629	9	49,111,180	7
Right-of-use assets	4, 6(23)	8,927,750	2	3,478,527	1
Investment property, net	4, 6(11)	2,086,194	-	1,605,354	-
Intangible assets	4, 6(12), 6(13)	73,454,530	12	73,525,649	11
Deferred tax assets	4, 5, 6(30)	11,511,991	2	8,412,894	1
Refundable deposits	9	7,316,702	1	9,334,669	1
Long-term financing lease receivables, net	4, 6(22), 6(23)	1,455,784	-	1,455,784	-
Net defined benefit assets-noncurrent	4, 6(18)	15,852	-	-	-
Other non-current assets-others	9	28,626,337	5	38,964,599	6
Total non-current assets		310,745,867	51	314,012,022	47
Total assets		\$ 608,399,474	100	\$ 660,876,748	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, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022		December 31, 2021	
		\$	%	\$	%
Current liabilities					
Short-term borrowings	6(14)	3,700,000	1	51,267,307	8
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	6,097	-	4,252	-
Contract liabilities-current	4, 5, 6(21)	4,900,894	1	6,368,483	1
Trade payables	7	19,754,156	3	41,327,057	6
Trade payables to related parties	6(15)	1,763,794	-	2,176,635	-
Other payables	7	52,384,543	9	53,126,366	8
Other payables to related parties	4, 5, 6(30)	125,059	-	117,547	-
Current tax liabilities	4, 6(23)	12,022,458	2	11,532,644	2
Lease liabilities-current	6(16)	795,500	-	501,153	-
Other current liabilities	6(17)	43,249,196	7	40,991,045	6
Current portion of long-term liabilities		2,868,692	-	3,693,791	1
Total current liabilities		141,570,389	23	211,106,280	32
Non-current liabilities					
Long-term borrowings	6(17)	-	-	827,660	-
Long-term payables	7	771,209	-	662,179	-
Long-term payables to related parties	4, 6(18)	92,139	-	193,718	-
Net defined benefit liabilities-noncurrent	7	762,337	-	856,412	-
Deposits received	4, 5, 6(30)	189,707	-	227,570	-
Deferred tax liabilities	4, 6(23)	11,584,725	3	8,323,476	1
Lease liabilities-noncurrent		8,308,237	1	2,989,923	1
Other non-current liabilities-others		2,062,492	-	2,041,636	-
Total non-current liabilities		23,770,846	4	16,122,574	2
Total liabilities		165,341,235	27	227,228,854	34
Equity attributable to owners of the parent					
Share capital	6(19)	15,994,353	3	15,988,420	3
Common stock		113	-	483	-
Capital collected in advance	6(19), 6(20), 6(34)	47,185,281	8	59,776,045	9
Capital surplus	6(19)				
Retained earnings		62,058,498	10	50,217,220	8
Legal reserve		286,688,675	47	252,432,501	38
Undistributed earnings		28,238,340	5	53,656,597	8
Other equity		(55,970)	-	(55,970)	-
Treasury shares		440,109,290	73	432,015,296	66
Equity attributable to owners of the parent	4, 6(19), 6(34)	2,948,949	-	1,632,598	-
Non-controlling interests		443,058,239	73	433,647,894	66
Total equity		608,399,474	100	660,876,748	100
Total liabilities and equity					

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2022	%	2021	%
Net sales	4, 5, 6(21), 7	\$ 548,796,030	100	\$ 493,414,582	100
Operating costs	4, 5, 6(7), 6(24), 7	(277,891,595)	(51)	(261,809,987)	(53)
Gross profit		270,904,435	49	231,604,595	47
Operating expenses	6(22), 6(23), 6(24), 7				
Selling expenses		(14,239,563)	(3)	(17,195,853)	(4)
Administrative expenses		(13,001,319)	(2)	(10,287,281)	(2)
Research and development expenses		(116,874,655)	(21)	(96,080,761)	(19)
Expected credit losses		(446)	-	(466)	-
Total operating expenses		(144,115,983)	(26)	(123,564,361)	(25)
Operating income		126,788,452	23	108,040,234	22
Non-operating income and expenses					
Interest income	4, 6(25)	3,218,334	1	1,650,698	-
Other income	4, 6(26), 7	2,540,459	1	6,579,633	2
Other gains and losses	4, 6(27)	2,006,590	-	9,795,607	2
Finance costs	6(28)	(370,930)	-	(192,601)	-
Share of profit of associates and joint ventures accounted for using the equity method	4, 6(9)	1,378,338	-	978,482	-
Total non-operating income and expenses		8,772,791	2	18,811,819	4
Net income before income tax		135,561,243	25	126,852,053	26
Income tax expense	4, 5, 6(30)	(16,936,222)	(3)	(14,979,520)	(3)
Net income		118,625,021	22	111,872,533	23
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		91,938	-	62,281	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(17,764,837)	(3)	5,686,940	1
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(13,097,831)	(3)	2,797,189	1
Income tax relating to those items not to be reclassified to profit or loss		758,670	-	40,096	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		25,183,401	5	(6,043,055)	(1)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		(44,073)	-	(2,084)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(4,338,274)	(1)	1,262,834	-
Other comprehensive income, net of tax		(9,211,006)	(2)	3,804,201	1
Total comprehensive income		\$ 109,414,015	20	\$ 115,676,734	24
Net income for the periods attributable to :					
Owners of the parent	6(31)	\$ 118,141,106		\$ 111,421,062	
Non-controlling interests	6(19)	483,915		451,471	
		\$ 118,625,021		\$ 111,872,533	
Total comprehensive income for the periods attributable to :					
Owners of the parent		\$ 108,918,586		\$ 115,241,937	
Non-controlling interests		495,429		434,797	
		\$ 109,414,015		\$ 115,676,734	
Basic Earnings Per Share (in New Taiwan Dollars)	6(31)	\$ 74.59		\$ 70.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(31)	\$ 74.23		\$ 70.22	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(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			Treasury shares	Equity attributable to owners of the parent		
	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, 2021	\$ 15,900,622	\$ 2,133	\$ 76,745,750	\$ 44,583,025	\$ 173,052,205	\$ (8,710,844)	\$ 70,646,473	\$ (329,573)	\$ (55,970)	\$ 371,833,821	\$ 3,250,630	\$ 375,084,451
Appropriation and distribution of 2020 earnings:	-	-	-	-	(5,634,195)	-	-	-	-	(33,398,284)	-	(33,398,284)
Legal reserve	-	-	-	5,634,195	(5,634,195)	-	-	-	-	(33,398,284)	-	(33,398,284)
Cash dividends	-	-	-	5,634,195	(39,032,479)	-	-	-	-	(33,398,284)	-	(33,398,284)
Total	-	-	-	-	(39,032,479)	-	-	-	-	(33,398,284)	-	(33,398,284)
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	-	-	-	-	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)	(4,310)	(176,812)
Changes in ownership interests in subsidiaries	-	-	609,264	-	-	-	-	-	-	609,264	(430,508)	178,756
Changes in ownership interests in subsidiaries	82,554	-	6,376,784	-	(17,252)	-	-	(4,761,369)	-	1,680,717	-	1,680,717
Issuance of restricted stock for employees	-	-	(30,259)	-	-	-	-	-	-	(30,259)	-	(30,259)
Changes in other capital surplus	-	-	-	-	-	-	-	-	-	-	-	-
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	(5,090,942)	(55,970)	432,015,296	1,632,598	433,647,894
Appropriation and distribution of 2021 earnings:	-	-	-	-	(1,841,278)	-	-	-	-	(91,147,046)	-	(91,147,046)
Legal reserve	-	-	-	1,841,278	(1,841,278)	-	-	-	-	(91,147,046)	-	(91,147,046)
Cash dividends	-	-	-	1,841,278	(102,988,324)	-	-	-	-	(91,147,046)	-	(91,147,046)
Total	-	-	-	-	(102,988,324)	-	-	-	-	(91,147,046)	-	(91,147,046)
Cash dividends distributed from capital surplus	-	-	(25,585,136)	-	-	-	-	-	-	(25,585,136)	-	(25,585,136)
Profit for the year ended December 31, 2022	-	-	-	-	118,141,106	-	-	-	-	118,141,106	483,915	118,625,021
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	73,778	(20,834,513)	(30,130,811)	-	-	(22,222,520)	11,514	(9,211,006)
Total comprehensive income	-	-	-	-	118,214,884	(20,834,513)	(30,130,811)	-	-	108,918,586	495,429	109,414,015
Share-based payment transactions	2,596	(370)	76,329	-	-	-	-	-	-	78,555	353,540	432,095
Adjustments due to dividends that subsidiaries received from parent company	-	-	568,977	-	-	-	-	-	-	568,977	-	568,977
Changes in associates and joint ventures accounted for using the equity method	-	-	2,882,085	-	-	-	-	-	-	2,882,085	-	2,882,085
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	8,637,434	-	-	-	-	-	-	8,637,434	781,621	9,419,055
Changes in ownership interests in subsidiaries	-	-	(95,784)	-	-	-	-	-	-	(95,784)	534,551	438,767
Changes in ownership interests in subsidiaries	3,337	-	935,957	-	17,604	-	-	2,890,051	-	3,846,949	-	3,846,949
Issuance of restricted stock for employees	-	-	(10,626)	-	-	-	-	-	-	(10,626)	-	(10,626)
Changes in other capital surplus	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	19,012,010	-	(19,012,010)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(848,790)	(848,790)
Balance as of December 31, 2022	\$ 15,994,353	\$ 113	\$ 47,185,281	\$ 62,038,498	\$ 286,688,675	\$ 7,359,676	\$ 23,079,555	\$ (2,200,891)	\$ (55,970)	\$ 440,109,290	\$ 2,948,949	\$ 443,058,239

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

Chairman : Ming-Kai Tsai

President : Lih-Syng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 135,561,243	\$ 126,852,053
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	9,282,258	5,542,630
Amortization	5,697,401	5,078,447
Expected credit losses	446	466
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(48,164)	274,696
Interest expenses	370,930	192,601
Gains on derecognition of financial assets measured at amortized cost	(34,739)	(10,404)
Interest income	(3,218,334)	(1,650,698)
Dividend income	(1,902,463)	(5,781,848)
Share-based payment expenses	4,174,973	1,757,079
Share of profit of associates and joint ventures accounted for using the equity method	(1,378,338)	(978,482)
Losses on disposal of property, plant and equipment	17,852	4,649
Property, plant and equipment transferred to expenses	51	1,065
Losses on disposal of intangible assets	529	9
Losses (gains) on disposal of investments	12,466	(8,429,982)
Gains on disposal of investments accounted for using the equity method	(698,914)	(938,753)
Others	3,068	(4,018)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	454,918	(2,529,497)
Notes receivables	-	40,626
Trade receivables	19,892,114	(26,345,561)
Trade receivables from related parties	44,643	(78,606)
Other receivables	730,946	(1,780,705)
Inventories	2,287,011	(36,957,513)
Prepayments	(2,697,004)	(470,229)
Other current assets	85,948	(253,146)
Other non-current assets-others	12,799,865	(38,964,599)
Contract liabilities	(1,467,589)	(5,257,168)
Trade payables	(21,642,357)	9,160,159
Trade payables to related parties	(417,441)	532,216
Other payables	(444,456)	14,542,537
Other payables to related parties	(4,644)	(38,112)
Other current liabilities	540,957	13,313,793
Net defined benefit liabilities	(17,989)	8,575
Other non-current liabilities-others	56,932	(399,736)
Cash generated from operating activities:	158,042,119	46,432,544
Interest received	2,828,894	1,492,138
Dividend received	2,580,975	7,227,944
Interest paid	(368,063)	(191,293)
Income tax paid	(18,501,123)	(7,866,589)
Net cash provided by operating activities	144,582,802	47,094,744
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(6,793,174)	(6,331,739)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,568,974	5,991,715
Proceeds from capital return of financial assets at fair value through other comprehensive income	68,255	647,146
Acquisition of financial assets measured at amortized cost	(19,206,050)	(4,026,881)
Proceeds from redemption of financial assets measured at amortized cost	3,895,491	1,330,972
Acquisition of investments accounted for using the equity method	(315,905)	(900,366)
Proceeds from disposal of investments accounted for using the equity method	89,260	1,125,782
Net cash outflows from acquisition of subsidiary	(976,731)	-
Proceeds from capital return of investments accounted for using the equity method	27,642	230,165
Disposal of subsidiary	-	4,102,707
Acquisition of property, plant and equipment	(13,622,110)	(16,985,369)
Proceeds from disposal of property, plant and equipment	6,433	13,242
Decrease (increase) in refundable deposits	2,018,790	(9,123,750)
Acquisition of intangible assets	(5,292,395)	(4,998,345)
Proceeds from disposal of intangible assets	-	237
Acquisition of investment property	(3,153)	-
Net cash used in investing activities	(37,534,673)	(28,924,484)
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(48,016,474)	29,948,992
Proceeds from long-term borrowings	-	1,385,720
Repayment of long-term borrowings	(558,060)	-
Decrease in deposits received	(37,863)	(203,166)
Cash payment for the principal portion of the lease liabilities	(604,013)	(608,068)
Proceeds from exercise of employee stock options	67,929	107,936
Cash dividends	(116,140,659)	(58,584,650)
Acquisition of ownership interests in subsidiaries	(48,413)	(175,288)
Disposal of ownership interests in subsidiaries (without losing control)	9,467,468	1,801
Change in non-controlling interests	(410,023)	175,431
Net cash used in financing activities	(156,280,108)	(27,951,292)
Effect of changes in exchange rate on cash and cash equivalents	13,029,540	(3,094,119)
Net decrease in cash and cash equivalents	(36,202,439)	(12,875,151)
Cash and cash equivalents at the beginning of the year	183,704,594	196,579,745
Cash and cash equivalents at the end of the year	\$ 147,502,155	\$ 183,704,594

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. Organization and Operation

As officially approved, MediaTek Inc. (“MTK”) was incorporated at Hsinchu Science-based Industrial Park on May 28, 1997. Since then, it has been specialized in the R&D, production, manufacturing and marketing of multimedia integrated circuits (ICs), computer peripherals oriented ICs, high-end consumer-oriented ICs and other ICs of extraordinary application. Meanwhile, it has rendered design, test runs, maintenance and repair and technological consultation services for software & hardware of the aforementioned products, import and export trades for the aforementioned products, sale and delegation of patents and circuit layout rights for the aforementioned products.

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 24, 2023.

3. Newly Issued or Revised Standards and Interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

MTK and its subsidiaries (“the Company”) applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. The application of these new standards and amendments had no material effect on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standard Board (“IASB”) and endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IAS 1	“Disclosure Initiative - Accounting Policies” (Amendment)	January 1, 2023
IAS 8	“Definition of Accounting Estimates” (Amendment)	January 1, 2023
IAS 12	“Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Amendment)	January 1, 2023

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023, and have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 10 and IAS 28	“Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)	To be determined by IASB
IFRS 17	“Insurance Contracts”	January 1, 2023
IAS 1	“Classification of Liabilities as Current or Non-current” (Amendment)	January 1, 2024
IFRS 16	“Lease Liability in a Sale and Leaseback” (Amendment)	January 1, 2024
IAS 1	“Non-current Liabilities with Covenants” (Amendment)	January 1, 2024

- A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)

The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” (IFRS 10) and IAS 28 “Investments in Associates and Joint Ventures” (IAS 28), in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture. IFRS 10 requires full profit or loss recognition on the loss of control of a subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (IFRS 3) between an investor and its associate or joint venture is recognized in full.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

The abovementioned standards and interpretations issued by IASB have not yet been recognized by FSC at the date of issuance of the Company's financial statements, the local effective dates are to be determined by FSC. As the Company is currently determining the potential impact of the standards and interpretations listed under A, it is not practicable to estimate the impact on the Company at this point in time. All other standards and interpretations have no material impact on the Company.

4. Summary of Significant Accounting Policies Information

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and TIFRS as endorsed by FSC.

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

Basis of Consolidation

Preparation principle of consolidated financial statements

Control is achieved when MTK is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, MTK controls an investee if and only if MTK has:

- (1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (2) exposure, or rights, to variable returns from its involvement with the investee, and
- (3) the ability to use its power over the investee to affect its returns.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

When MTK has less than a majority of the voting or similar rights of an investee, MTK considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (1) the contractual arrangement with the other vote holders of the investee;
- (2) rights arising from other contractual arrangements;
- (3) MTK's voting rights and potential voting rights.

MTK re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If loses control of a subsidiary, it:

- (1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (2) derecognizes the carrying amount of any non-controlling interest;
- (3) recognizes the fair value of the consideration received;
- (4) recognizes the fair value of any investment retained;
- (5) recognizes any surplus or deficit in profit or loss; and
- (6) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

MEDIATEK INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
MTK	Hsu-Ta Investment Corp.	General investing	100%	100%	-
MTK	MediaTek Singapore Pte. Ltd.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Investment Singapore Pte. Ltd.	General investing	100%	100%	-
MTK	MStar International Technology Inc.	Research	-	-	1
MTK	HFI Innovation Inc.	Intellectual property right management	100%	100%	-
MTK	MStar Co., Ltd.	General investing	100%	100%	-
MTK	Digimoc Holdings Limited	General investing	-	-	2
MTK	Spidcom Technologies	Intellectual property right management	100%	100%	-
MTK	Hsu-Si Investment Corp.	General investing	-	-	4
MTK	Richtek Technology Corp.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Capital Co.	General investing	100%	100%	5
MTK	Airoha Technology (Cayman) Inc.	General investing	-	66%	4
MTK	Airoha Technology Corp.	Research, manufacturing and sales	76%	5%	3,4
MTK	Hsu-Yuan Investment Corp.	General investing	100%	-	6
MTK	MediaTek Research UK Limited	Research	100%	-	7
MTK	MediaTek Bangalore Private Limited	Research	100%	-	8

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
Hsu-Ta Investment Corp.	Core Tech Resources Inc.	General investing	-	-	9
Hsu-Ta Investment Corp.	Hsiang Fa Co.	General investing	100%	100%	35
Hsu-Ta Investment Corp.	MediaTek Bangalore Private Limited	Research	0%	0%	-
Hsiang Fa Co.	Chingis Technology Corporation	Research	100%	100%	35
Hsiang Fa Co.	MediaTek Research Corp.	Research	100%	100%	35
Hsiang Fa Co.	InnoFusion Technology Corp.	Technical services	100%	100%	35
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	General investing	100%	100%	9
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	General investing	100%	-	10
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Research	0%	0%	-
Hsu-Si Investment Corp.	Airoha Technology Corp.	Research, manufacturing and sales	-	-	3
Hsu-Si Investment Corp.	Airoha Technology (Cayman) Inc.	General investing	-	-	3
Hsu-Si Investment Corp.	Airoha (Cayman) Inc.	General investing	-	-	4
Richtek Technology Corp.	Richtek Europe Holding B.V.	General investing	100%	100%	-
Richtek Technology Corp.	Richtek Holding International Limited	General investing	100%	100%	-
Richtek Technology Corp.	Li-Yu Investment Corp.	General investing	-	-	11
Richtek Technology Corp.	Richtek Microelectronics Corp.	Research, manufacturing and sales	82%	82%	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
Richtek Technology Corp.	Richtek Korea LLC.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richtek USA Inc.	Sales, research and technical services	100%	100%	-
Richtek Technology Corp.	Richpower Microelectronics Co., Ltd.	Technical services	100%	100%	-
Richtek Technology Corp.	Li-We Technology Corp.	Technical services	100%	100%	-
Richtek Technology Corp.	Richtek IC Design Ireland Limited	Research	-	100%	12
Richtek Technology Corp.	Richtek Japan Inc.	Research and technical services	100%	-	13
Richtek Europe Holding B.V.	Richtek Europe B.V.	Marketing services	100%	100%	-
Airoha (Cayman) Inc.	Airotek (Shenzhen) Inc.	Research and technical services	100%	100%	-
Airoha (Cayman) Inc.	Airotek (Chengdu) Inc.	Research	100%	100%	-
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Research	0%	-	15
Airoha Technology Corp.	Airoha (Cayman) Inc.	General investing	100%	100%	3,4
Airoha Technology Corp.	Shadow Investment Limited	General investing	100%	-	3,4
Airoha Technology Corp.	MediaTek Research UK Limited	Research	-	-	3,4,7
Airoha Technology Corp.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	100%	-	3,4

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
Airoha Technology Corp.	Airoha Technology USA Inc.	Research	100%	-	14
Airoha Technology Corp.	Airoha Technology India Private Limited	Research	100%	-	15
Airoha Technology Corp.	Audiowise Technology Inc.	Research, manufacturing and sales	-	-	16
Gaintech Co. Limited	MediaTek China Limited	General investing	100%	100%	-
Gaintech Co. Limited	MTK Wireless Limited	Research	100%	100%	-
Gaintech Co. Limited	MediaTek Japan Inc.	Research	100%	100%	-
Gaintech Co. Limited	MediaTek India Technology Pvt. Ltd.	Research	-	100%	17
Gaintech Co. Limited	MediaTek Korea Inc.	Research	100%	100%	-
Gaintech Co. Limited	Gold Rich International (Samoa) Limited	General investing	-	-	18
Gaintech Co. Limited	Smarthead Limited	General investing	100%	100%	-
Gaintech Co. Limited	Ralink Technology (Samoa) Corp.	General investing	-	-	19
Gaintech Co. Limited	Airoha Technology (Cayman) Inc.	General investing	-	25%	3,4
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Technical services	100%	100%	-
Gaintech Co. Limited	Hsu Chia (Samoa) Investment Ltd.	General investing	-	-	20
Gaintech Co. Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	-	-	20

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
Gaintech Co. Limited	Hsu Kang (Samoa) Investment Ltd.	General investing	-	-	20
Gaintech Co. Limited	Nephos Pte. Ltd.	Research	-	100%	21
Gaintech Co. Limited	Nephos Cayman Co. Limited	General investing	100%	100%	-
Gaintech Co. Limited	Zelus (Shenzhen) Technology Ltd.	Research and sales	88%	88%	22
Gaintech Co. Limited	IStar Technology Ltd.	General investing	100%	100%	-
Gaintech Co. Limited	LePower (HK) Limited	General investing	-	-	23
Gaintech Co. Limited	Sigmastar Technology Inc.	General investing	100%	100%	-
Gaintech Co. Limited	Mountain Capital Fund, L.P.	General investing	90%	90%	-
Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	General investing	-	100%	24,25
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	General investing	-	100%	24,25
Gaintech Co. Limited	Digimoc Holdings Limited	General investing	-	100%	2,25
Gaintech Co. Limited	MediaTek Investment HK Limited	General investing	-	100%	10,24
Gaintech Co. Limited	MediaTek Global Holdings Limited	General investing	100%	100%	24
Gaintech Co. Limited	Airoha Technology Corp.	Research, manufacturing and sales	-	-	3,4, 26
MediaTek China Limited	MediaTek (Hefei) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Beijing) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Chengdu) Inc.	Research	100%	100%	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
MediaTek China Limited	MediaTek (Wuhan) Inc.	Research	100%	100%	-
MediaTek China Limited	Xuxin Investment (Shanghai) Inc.	General investing	100%	100%	-
MediaTek China Limited	MediaTek (Shanghai) Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Sweden AB	Research	100%	100%	-
MTK Wireless Limited	MediaTek USA Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Wireless Finland Oy	Research	100%	100%	-
MTK Wireless Limited	MStar Semiconductor UK Ltd.	Research and technical services	100%	100%	-
MTK Wireless Limited	MStar France SAS	Research	100%	100%	-
MTK Wireless Limited	MediaTek North America Inc.	Technical services	100%	-	27
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	General investing	100%	100%	-
Airoha Technology (Cayman) Inc.	Airoha Technology Corp.	Research, manufacturing and sales	-	89%	3,4
Airoha Technology (Cayman) Inc.	Shadow Investment Limited	General investing	-	100%	3,4
Airoha Technology (Cayman) Inc.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	-	100%	3,4, 28
Airoha Technology (Cayman) Inc.	MediaTek Research UK Limited	Research	-	100%	3,4
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	100%	100%	28,29
Airoha Technology (Suzhou) Limited	EcoNet Limited	General investing and sales	100%	100%	29

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Research	-	100%	8
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	General investing	100%	100%	-
MediaTek Investment Singapore Pte. Ltd.	Cloud Ranger Limited	General investing	-	-	30
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Research	100%	-	17
Sigmastar Technology Inc.	Sigmastar Technology Ltd.	Research, manufacturing and sales	-	-	31
Sigmastar Technology Ltd.	Shenzhen Sing Chen Technology Inc.	Research	-	-	31
Sigmastar Technology Ltd.	SigmaStar Technology Inc. (Shanghai)	Research	-	-	31
MStar Co., Ltd.	MStar Software R&D (Shenzhen), Ltd.	Technical services	100%	100%	-
IStar Technology Ltd.	Beijing Ilitek Technology Co., Ltd.	Research and technical services	-	100%	32
IStar Technology Ltd.	ShenZhen ZhongChen Semiconductor Ltd.	Technical services	-	-	33
Nephos Cayman Co. Limited	Nephos (Hefei) Co., Ltd.	Research, manufacturing and sales	100%	100%	-
Xuxin Investment (Shanghai) Inc.	Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	100%	100%	-
Xuxi (Shanghai) Management Consulting Co., Ltd.	Hefei Xuhui Management Consulting Co., Ltd.	General investing	100%	100%	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
Digimoc Holdings Limited	Cloud Ranger Limited	General investing	100%	100%	30
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	General investing	100%	100%	18
MTKC Global Holdings Co. Limited	LePower (HK) Limited	General investing	100%	100%	23
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	General investing	100%	100%	20
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	100%	100%	20
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	General investing	100%	100%	20
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Technical services	100%	100%	34
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	General investing	100%	-	25
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	General investing	100%	-	25
MediaTek Global Holdings Limited	Digimoc Holdings Limited	General investing	100%	-	25

1. For the purpose of reorganization, MStar International Technology Inc. was dissolved due to merger with Hsu-Ta Investment Corp. in June 2021.
2. For the purpose of reorganization, the 100% ownership of Digimoc Holdings Limited, which was previously owned by MTK, was transferred to MediaTek Investment Singapore Pte. Ltd. in September 2021. Moreover, the 100% ownership of Digimoc Holdings Limited, was transferred to Gaintech Co. Limited in the same month.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

3. For the purpose of reorganization, the 100% ownership of Airoha Technology Corp, which was previously owned by Hsu-Si Investment Corp., was transferred to EcoNet (Cayman) Inc. on January 1, 2021. By this transfer, Hsu-Si Investment Corp. acquired the ownership of EcoNet (Cayman) Inc. Furthermore, EcoNet (Cayman) Inc. was renamed Airoha Technology (Cayman) Inc. in January 2021. Airoha Technology Corp. was renamed Airoha Technology Corp. in February 2021. (Only Chinese name was renamed.)
4. For the purpose of reorganization, Hsu-Si Investment Corp. spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021. Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month. Hsu-Si Investment Corp. was dissolved due to merger with MTK in December 2021. The 66% ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to MTK. Moreover, Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022. Airoha Technology (Cayman) Inc. was dissolved on the same day. The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp. Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.
5. MTK established MediaTek Capital Co. in July 2021.
6. MTK established Hsu-Yuan Investment Corp. in May 2022.
7. For the purpose of reorganization, the 100% ownership of MediaTek Research UK Limited, which was previously owned by Airoha Technology Corp., was transferred to MTK in April 2022.
8. For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.
9. For the purpose of reorganization, Hsu-Ta Investment Corp. spun-off the 100% ownership of Core Tech Resources Inc. to MediaTek Singapore Pte. Ltd. in November 2021.
10. For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.
11. For the purpose of reorganization, Li-Yu Investment Corp. was dissolved due to merger with Richtek Technology Corp. in December 2021.
12. For the purpose of reorganization, Richtek IC Design Ireland Limited has been liquidated in June 2022.
13. Richtek Technology Corp. established Richtek Japan Inc. in July 2022.
14. Airoha Technology Corp. established Airoha Technology USA Inc. in June 2022.
15. Airoha Technology Corp. established Airoha Technology India Private Limited in July 2022, and transferred portion of its shares to Airoha (Cayman) Inc. in December 2022.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

16. Airoha Technology Corp. accomplished the acquisition of 100% shares of Audiowise Technology Inc. in July 2022. Moreover, Audiowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.
17. For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022.
18. For the purpose of reorganization, the 100% ownership of Gold Rich International (Samoa) Limited, which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in December 2021.
19. For the purpose of reorganization, Ralink Technology (Samoa) Corp. has been liquidated in September 2021.
20. For the purpose of reorganization, the 100% ownership of Hsu Chia (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd., which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Investment HK Limited in October 2021.
21. For the purpose of reorganization, Nephos Pte. Ltd. has been liquidated in October 2022.
22. Zelus Technology (HangZhou) Ltd. was renamed Zelus (Shenzhen) Technology Ltd. in November 2022.
23. For the purpose of reorganization, the 100% ownership of LePower (HK) Limited, which was previously owned by Gaintech Co. Limited, was transferred to MTKC Global Holdings Co. Limited in September 2021.
24. Gaintech Co. Limited established Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited, MediaTek Investment HK Limited and MediaTek Global Holdings Limited in August 2021.
25. For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited and Digimoc Holdings Limited, which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Global Holdings Limited in December 2022.
26. Gaintech Co. Limited has completed the transfer of 9% shareholding rights of Airoha Technology Corp. by June 2022.
27. MTK Wireless Limited established MediaTek North America Inc. in June 2022.
28. EcoNet (HK) Limited was renamed Airoha Technology (HK) Limited in February 2021.
29. EcoNet (Suzhou) Limited was renamed Airoha Technology (Suzhou) Limited in February 2021.
30. For the purpose of reorganization, the 100% ownership of Cloud Ranger Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in September 2021. Moreover, the 100% ownership of Cloud Ranger Limited, was transferred to Digimoc Holdings Limited in the same month.
31. Xiamen Sigmastar Technology Inc. (renamed Sigmastar Technology Ltd. in May 2021) and its subsidiaries had been deconsolidated by the Company since February 2021 as the Company lost control over them.
32. For the purpose of reorganization, Beijing Ilitek Technology Co., Ltd. has been liquidated in November 2022.
33. For the purpose of reorganization, ShenZhen ZhongChen Semiconductor Ltd., has been liquidated in November 2021.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

34. MediaTek Wireless Finland Oy established MediaTek Germany GmbH in November 2021.

35. MediaTek Capital Co. was renamed Hsiang Fa Co. in August 2021. (Only English name was renamed.)

Foreign currency transactions

The Company's consolidated financial statements are presented in NT\$, which is also the parent company's functional currency. Each entity in the Company determines its functional currency upon its primary economic environment and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate prevailing at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.
- (3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considered disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

Current and non-current distinction

An asset is classified as current when:

- (1) the Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (2) the Company holds the asset primarily for the purpose of trading.
- (3) the Company expects to realize the asset within twelve months after the reporting period.
- (4) the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A liability is classified as current when:

- (1) the Company expects to settle the liability in its normal operating cycle.
- (2) the Company holds the liability primarily for the purpose of trading.
- (3) the liability is due to be settled within twelve months after the reporting period.
- (4) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

- A.the Company's business model for managing the financial assets and
- B.the contractual cash flow characteristics of the financial asset.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

b. Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Recognitions of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - I. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - II. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should be recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

c. Financial assets measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss and trade receivables.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- A. at an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
- B. at an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. for trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. for financing lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

- A. the rights to receive cash flows from the asset have expired.
- B. the Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- C. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

A. Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

B. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

C. Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. Gains or losses on the subsequent measurement of liabilities held for trading including interest paid are recognized in profit or loss.

A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the company is provided internally on that basis to the key management personnel.

b. Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

c. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as effective hedging instruments and are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (1) in the principal market for the asset or liability; or
- (2) in the absence of a principal market, in the most advantageous market for the asset or liability.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques which are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Inventories

Inventory costs include costs incurred in bringing each inventory to its present location and condition. Raw materials are valued at purchase cost. Finish goods and work in progress include cost of direct materials and related manufacturing overheads. Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventories that were not sold or moved for further production were assessed allowance and set aside to reflect the potential loss from stock obsolescence.

Rendering of services is accounted in accordance with IFRS 15 but not within the scoping of inventories.

Investments accounted for using the equity method

The Company's investment in its associates is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new shares, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in capital surplus and investments accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and facilities	3-50 years
Machinery and equipment	3-8 years
Computer and telecommunication equipment	3-5 years
Testing equipment	3-5 years
Miscellaneous equipment	2-10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	40-50 years
Right-of-use assets	29-50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company decides to transfer to or from investment properties based on the actual usage of the assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the contract, throughout the period of use, has both of the following:

- (1) the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- (2) the right to direct the use of the identified asset.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

A. The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable by the lessee under residual value guarantees;
- d. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- e. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a. the amount of the initial measurement of the lease liability;
- b. any lease payments made at or before the commencement date, less any lease incentives received;
- c. any initial direct costs incurred by the lessee; and
- d. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use asset applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associated with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and presents them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

Expenditures related to research activities as well as those expenditures not meeting the criteria for capitalization are expensed when incurred. Expenditures related to development activities meeting the criteria for capitalization are capitalized.

The Company's intangible assets mainly include trademarks, patents, software, customer relationship, IPs and others which are acquired from third parties or business combinations. A summary of the amortization policies information applied to the Company's intangible assets is as follows:

Trademarks	Patents	Software	Customer relationship	IPs and others
2-7 years	2-7 years	2-5 years	7-10 years	2-7 years

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Abovementioned intangible assets are amortized on a straight-line basis over the estimated useful life.

The Company's intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Sales returns and allowances (Refund liabilities)

The Company estimates sales returns and allowances based on past experience and other known factors in accordance with IFRS 15, which are recognized as deduction of operating revenue and refund liabilities.

Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Company's types of revenue are explained as follows:

Sale of goods

The Company manufactures and sells merchandise. Sales are recognized when goods have been shipped and customers have obtained the control (the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits from the goods). The main product of the Company is multimedia integrated circuit chip and revenue is recognized based on the consideration stated in the contract. However, sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Based on previous experience, the Company uses the expected value method to estimate volume discounts. However, revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Refund liability is also recognized during the period specified in the contract.

The credit period of the Company's sale of goods is from 30 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Company transfers the goods to customers and when the customers pay for that goods is usually short and there is no significant financing component to the contract. For a small part of the contracts, the Company has the right to transfer the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Company provides non-recurring engineering services. Revenues are recognized based on the stage of completion of the contracts. Besides, if there are sale transactions included in the service contracts, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contracts, net of the estimated volume discounts. Based on previous experience, the Company uses the expected value method to estimate volume discounts. However, revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Contract liabilities are also recognized during the period specified in the contract.

The contractual considerations of the Company are received in accordance with the payment schedule set by the contracts. When the Company has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, then the Company has the obligation to provide the services subsequently and it should be recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Silicon intellectual property license

Licensing is to provide customers the right to use intellectual properties. The amount allocated to performance obligation-licenses of intellectual property is recognized as revenue at a point in time in which the licence is granted.

Post-employment benefits

All regular employees of MTK and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with MTK and its domestic subsidiaries. Therefore, fund assets are not included in the Company's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and branches are provided in accordance with the respective local regulations.

For the defined contribution plan, MTK and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment; and
- B. the date that the Company recognizes related restructuring or termination costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Share-based payment transactions

The cost of equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it fully vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award substitutes for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The cost of restricted shares issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognizes unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period. When a subsidiary issues restricted shares, the subsidiary shall follow the same accounting policy, and any equity variances resulted shall be attributed to non-controlling interests in the consolidated financial statements.

Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

A. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by shareholders.

B. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- a. where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 “Financial Instruments” either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The judgments and estimates made by the Company are based on historical experience and other related factors and continuously being evaluated and adjusted. Please refer to below description:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

A. Fair value of Level 3 financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Valuation of inventory- estimation of obsolescence provision

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time period, therefore it may cause material adjustments.

C. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could cause future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

D. Revenue recognition - sales returns and discounts

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6. (16) for more details.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	\$ 1,122	\$ 1,224
Checking and savings accounts	15,941,203	19,883,365
Time deposits	131,559,830	163,820,005
Total	<u>\$ 147,502,155</u>	<u>\$ 183,704,594</u>

Time deposits include deposits whose maturities are within twelve months and are readily convertible to known amounts of cash with values subject to an insignificant risk of changes.

Cash and cash equivalents were not pledged.

(2) Financial assets and financial liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 7,284,992	\$ 8,208,379
Linked deposits	987,899	2,241,187
Bonds	146,981	19,372
Stocks	46,631	215,678
Forward exchange contracts	75,354	11,216
Total	<u>\$ 8,541,857</u>	<u>\$ 10,695,832</u>
<u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 6,097</u>	<u>\$ 4,252</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Linked deposits	\$ 4,005,545	\$ 1,770,607
Bonds	1,482,712	1,345,141
Trust funds	985,956	1,151,690
Stocks	150,780	191,454
Total	<u>\$ 6,624,993</u>	<u>\$ 4,458,892</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
<u>Current</u>		
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	\$ 3,155,612	\$ 6,667,680
Unlisted company stocks	13,407	38,240
Total	<u>\$ 3,169,019</u>	<u>\$ 6,705,920</u>
<u>Noncurrent</u>		
<u>Debt instrument investments measured at fair value through other comprehensive income</u>		
Bonds	\$ 1,181,885	\$ 440,777
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	9,730,075	15,417,934
Capital	49,386,393	25,373,262
Unlisted company stocks	10,418,092	7,701,904
Funds	3,084,804	3,262,841
Subtotal	<u>72,619,364</u>	<u>51,755,941</u>
Total	<u>\$ 73,801,249</u>	<u>\$ 52,196,718</u>

Financial assets at fair value through other comprehensive income were not pledged.

No impairment was recognized for debt instrument investments measured at fair value through other comprehensive income. Please refer to Note 12 for more details on credit risk.

The Company has equity instrument investments measured at fair value through other comprehensive income. Details on dividends recognized for the years ended 2022 and 2021 are as follows:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the years ended	
	December 31	
	2022	2021
Related to investments held at the end of the reporting period	\$ 1,902,355	\$ 5,756,177
Related to investments derecognized during the period	-	25,671
Dividends recognized during the period	\$ 1,902,355	\$ 5,781,848

In consideration of disposition according to the Company's investment strategy, the Company derecognized certain equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of the investments for the years ended December 31, 2022 and 2021 are as follows:

	For the years ended	
	December 31	
	2022	2021
The fair value of the investments at the date of derecognition	\$ 2,568,974	\$ 4,791,329
The cumulative gain on disposal reclassified from other equity to retained earnings	\$ 1,421,040	\$ 361,937

(4) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
<u>Current</u>		
Bonds	\$ 3,775,220	\$ 3,212,849
Time deposits	1,821,265	444,380
Total	\$ 5,596,485	\$ 3,657,229
<u>Noncurrent</u>		
Bonds	\$ 24,303,097	\$ 8,625,557
Time deposits (including the portion with maturity later than one year)	961,297	2,554,941
Total	\$ 25,264,394	\$ 11,180,498

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

No loss allowance was recognized for financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for more details on credit risk.

(5) Trade receivables and trade receivables from related parties

	December 31, 2022	December 31, 2021
Trade receivables	\$ 40,806,576	\$ 58,620,551
Less: allowance for doubtful debts	(1,640)	(42,651)
Subtotal	40,804,936	58,577,900
Trade receivables from related parties	34,593	79,236
Less: allowance for doubtful debts	-	-
Subtotal	34,593	79,236
Total	<u>\$ 40,839,529</u>	<u>\$ 58,657,136</u>

Trade receivables and trade receivables from related parties were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts were NT\$40,841,169 thousand and NT\$58,699,787 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6. (22) for more details on impairment of trade receivables for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

Trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$2,151,487 thousand and NT\$2,609,493 thousand as of December 31, 2022 and 2021, respectively.

(6) Other receivables

	December 31, 2022	December 31, 2021
Factoring receivables	\$ 3,557,643	\$ 4,972,572
Others	12,266,354	1,958,674
Total	<u>\$ 15,823,997</u>	<u>\$ 6,931,246</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company entered into several factoring agreements without recourse with financial institutions. According to those agreements, the Company does not take the risk of uncollectible trade receivables, but only the risk of loss due to commercial disputes. The Company did not provide any collateral, and the factoring agreements met the criteria of financial asset derecognition. The Company derecognized related trade receivables after deducting the estimated value of commercial disputes. Receivables from banks due to factoring agreement were NT\$3,557,643 thousand and NT\$4,972,572 thousand as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2022:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
BNP Paribas	-	\$ 7,334	\$ -	\$ 7,334	\$ 155,000
Taishin International Bank	-	107,240	-	107,240	227,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	400
SinoPac	-	1,261	-	1,261	10,000
CHB	-	-	-	-	1,500
Total		\$ 115,835	\$ -	\$ 115,835	\$ 411,900

B. As of December 31, 2021:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
BNP Paribas	-	\$ 32,463	\$ -	\$ 32,463	\$ 155,000
Taishin International Bank	-	138,908	-	138,908	201,000
SMBC	-	5,370	-	5,370	14,000
CTBC	-	680	-	680	1,900
SinoPac	-	1,350	-	1,350	5,000
CHB	-	913	-	913	1,200
Total		\$ 179,684	\$ -	\$ 179,684	\$ 378,100

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(7) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 1,656,255	\$ 4,282,954
Work in progress	47,138,249	43,358,780
Finished goods	21,908,832	25,628,872
Net amount	<u>\$ 70,703,336</u>	<u>\$ 73,270,606</u>

The operating cost related to inventories included the write-down of inventories of NT\$19,778,526 thousand and NT\$8,071,875 thousand for the years ended December 31, 2022 and 2021, respectively.

Inventories were not pledged.

(8) Prepayments

	December 31, 2022	December 31, 2021
Prepaid expenses	\$ 1,005,158	\$ 638,817
Input tax	140,137	199,959
Others	2,992,989	970,616
Total	<u>\$ 4,138,284</u>	<u>\$ 1,809,392</u>

(9) Investments accounted for using the equity method

Details of investments in associates and jointly controlled entities are as follows:

Investees	December 31, 2022		December 31, 2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Vanchip (Tianjin) Technology Co., Ltd.	\$ 4,595,566	25	\$ 1,778,726	28
FONTAINE CAPITAL FUND, L.P.	642,825	57	667,327	57
Sigmastar Technology Ltd.	8,566,099	32	7,659,507	32
Zilltek Technology Corp.	1,773,079	18	-	-
Others	2,220,893	-	1,792,888	-
Subtotal	<u>17,798,462</u>		<u>11,898,448</u>	

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

Investees	December 31, 2022		December 31, 2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in jointly controlled entities:				
Yuan Ke (Pingtan) Investment Fund Limited Partnership	-	-	48,388,810	94
Total	<u>\$ 17,798,462</u>		<u>\$ 60,287,258</u>	

In May 2021, subsidiary Gaintech Co. Limited disposed of a portion of Vanchip shares and its ownership was reduced to 28%. Furthermore, Vanchip increased capital by cash in April and September 2022, and the Company did not subscribe to the new share proportionate to its original ownership interest. Its ownership was therefore reduced to 25%. Since the Company does not have the ability to direct the relevant activities of Vanchip and therefore does not have control, the Company accounts for the Vanchip investment using the equity method.

Subsidiary Sigmastar Technology Inc. disposed of a portion of Sigmastar Technology Ltd. shares in February 2021, and its ownership was reduced to 34%. Furthermore, Sigmastar Technology Ltd. increased capital by cash in the second and third quarter of 2021, and the Company did not subscribe to the new share proportionate to its original ownership interest. Its ownership was therefore reduced to 32%. Since the Company does not have the ability to direct the relevant activities of Sigmastar Technology Ltd. and therefore does not have control, the Company accounts for the Sigmastar Technology Ltd. investment using the equity method.

Subsidiary Hsu-Ta Investment Corp. won two seats of the board of directors of Zilltek Technology Corp. in November 2022. Since Hsu-Ta Investment Corp. can exercise significant influence over Zilltek Technology Corp. through its board of directors but still does not have a control, Hsu-Ta Investment Corp. reclassified Zilltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method.

The investment in Yuan Ke (Pingtan) Investment Fund Limited Partnership originally accounted for using the equity method was reclassified to equity instrument investments measured at fair value through other comprehensive income-noncurrent as it was dissolved in November 2022.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

Although partial of the Company's ownership in the aforementioned investments were higher than 50%, those investments were Limited Partnership and the Company merely served as a Limited Partner who had no ability to direct the relevant activities of them. Therefore, the Company had no control over them and they were not included in the consolidated entities.

The Company's investments in associates and jointly controlled entities were not individually material. The following table summarizes financial information of the Company's ownership in the associates and jointly controlled entities:

A. Investments in associates

	For the years ended	
	December 31	
	2022	2021
Profit from continuing operations	\$ 807,622	\$ 979,764
Other comprehensive income (post-tax)	(35,490)	1,846
Total comprehensive income	<u>\$ 772,132</u>	<u>\$ 981,610</u>

B. Investments in jointly controlled entities

	For the years ended	
	December 31	
	2022	2021
Profit from continuing operations	\$ 509,383	\$ 271,565
Other comprehensive income (post-tax)	-	-
Total comprehensive income	<u>\$ 509,383</u>	<u>\$ 271,565</u>

The associates and jointly controlled entities had no contingent liabilities or capital commitments and investments in associates and jointly controlled entities were not pledged as of December 31, 2022 and 2021.

(10) Property, plant and equipment

	December 31,	December 31,
	2022	2021
Owner-occupied property, plant and equipment	<u>\$ 53,861,629</u>	<u>\$ 49,111,180</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment		Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
				equipment	equipment				
Cost:									
As of January 1, 2022	\$ 8,389,887	\$ 30,286,267	\$ 1,255,907	\$ 13,892,276	\$ 15,177,343	\$ 4,275,527	\$ 1,155,286	\$ 74,432,493	
Additions-acquired separately	502,275	454,868	93,699	1,675,139	3,266,360	5,699,057	1,618,103	13,309,501	
Additions-acquired through business combinations	-	-	-	6,490	26,322	5,259	-	38,071	
Disposals	-	(7,753)	(17,695)	(318,396)	(177,461)	(113,506)	-	(634,811)	
Transfers	176,224	1,502,834	-	-	41,445	16,405	(2,183,172)	(446,264)	
Exchange differences	-	300,683	104	120,713	100,599	174,778	(42,692)	654,185	
As of December 31, 2022	\$ 9,068,386	\$ 32,536,899	\$ 1,332,015	\$ 15,376,222	\$ 18,434,608	\$ 10,057,520	\$ 547,525	\$ 87,353,175	
As of January 1, 2021	\$ 5,479,386	\$ 29,536,371	\$ 1,189,789	\$ 8,680,284	\$ 12,631,796	\$ 1,627,882	\$ 1,185,926	\$ 60,331,434	
Additions-acquired separately	2,909,841	623,920	176,168	5,822,082	2,625,353	4,050,553	1,034,858	17,242,775	
Disposals	-	(8,688)	(1,071)	(561,771)	(103,643)	(1,341,449)	(3,168)	(2,019,790)	
Transfers	660	175,058	13,047	2,241	60,264	44,454	(1,027,133)	(731,409)	
Exchange differences	-	(40,394)	(1,833)	(48,915)	(36,427)	(40,972)	54,712	(113,829)	
Others	-	-	(120,193)	(1,645)	-	(64,941)	(89,909)	(276,688)	
As of December 31, 2021	\$ 8,389,887	\$ 30,286,267	\$ 1,255,907	\$ 13,892,276	\$ 15,177,343	\$ 4,275,527	\$ 1,155,286	\$ 74,432,493	

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:								
As of January 1, 2022	\$ -	\$ 6,467,480	\$ 802,967	\$ 6,921,861	\$ 9,360,753	\$ 1,768,252	\$ -	\$ 25,321,313
Depreciation	-	844,636	149,969	2,496,738	1,940,189	2,982,128	-	8,413,660
Disposals	-	(4,111)	(17,695)	(312,200)	(169,104)	(107,001)	-	(610,111)
Transfers	-	45,216	-	-	199	(1,370)	-	44,045
Exchange differences	-	41,390	104	95,385	73,028	112,732	-	322,639
As of December 31, 2022	\$ -	\$ 7,394,611	\$ 935,345	\$ 9,201,784	\$ 11,205,065	\$ 4,754,741	\$ -	\$ 33,491,546
As of January 1, 2021								
As of January 1, 2021	\$ -	\$ 5,704,895	\$ 678,283	\$ 6,064,960	\$ 7,863,842	\$ 1,048,111	\$ -	\$ 21,360,091
Depreciation	-	852,886	158,385	1,457,340	1,624,546	805,237	-	4,898,394
Disposals	-	(2,262)	-	(558,448)	(100,653)	(14,416)	-	(675,779)
Transfers	-	(82,379)	(8,346)	173	8,394	(12,518)	-	(94,676)
Exchange differences	-	(5,660)	(1,911)	(41,913)	(35,376)	(34,246)	-	(119,106)
Others	-	-	(23,444)	(251)	-	(23,916)	-	(47,611)
As of December 31, 2021	\$ -	\$ 6,467,480	\$ 802,967	\$ 6,921,861	\$ 9,360,753	\$ 1,768,252	\$ -	\$ 25,321,313
Net carrying amount as of:								
December 31, 2022	\$ 9,068,386	\$ 25,142,288	\$ 396,670	\$ 6,174,438	\$ 7,229,543	\$ 5,302,779	\$ 547,525	\$ 53,861,629
December 31, 2021	\$ 8,389,887	\$ 23,818,787	\$ 452,940	\$ 6,970,415	\$ 5,816,590	\$ 2,507,275	\$ 1,155,286	\$ 49,111,180

The property, plant and equipment were not pledged.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(11) Investment property

The Company's investment properties include both owned investment properties and investment properties held by the Company as right-of-use assets.

The Company has entered into commercial property leases for its owned investment properties with terms between 40 and 50 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Company as right-of-use assets with non-cancellable period of 3 to 50 years. Some of these contracts provide the Company options to extend the leases.

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2022	\$ 176,224	\$ 1,685,164	\$ 81,128	\$ 1,942,516
Additions from subsequent expenditure	-	3,153	-	3,153
Transfers	(176,224)	606,791	34,937	465,504
Exchange differences	-	31,219	94	31,313
As of December 31, 2022	<u>\$ -</u>	<u>\$ 2,326,327</u>	<u>\$ 116,159</u>	<u>\$ 2,442,486</u>
As of January 1, 2021	\$ 176,884	\$ 965,049	\$ 83,303	\$ 1,225,236
Transfers	(660)	722,086	(2,155)	719,271
Exchange differences	-	(1,971)	(20)	(1,991)
As of December 31, 2021	<u>\$ 176,224</u>	<u>\$ 1,685,164</u>	<u>\$ 81,128</u>	<u>\$ 1,942,516</u>
Depreciation and impairment:				
As of January 1, 2022	\$ -	\$ 329,216	\$ 7,946	\$ 337,162
Depreciation	-	53,501	3,242	56,743
Transfers	-	(44,045)	-	(44,045)
Exchange differences	-	6,411	21	6,432
As of December 31, 2022	<u>\$ -</u>	<u>\$ 345,083</u>	<u>\$ 11,209</u>	<u>\$ 356,292</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings and facilities	Right-of-use assets	Total
As of January 1, 2021	\$ -	\$ 207,653	\$ 5,627	\$ 213,280
Depreciation	-	39,578	2,811	42,389
Transfers	-	82,370	(489)	81,881
Exchange differences	-	(385)	(3)	(388)
As of December 31, 2021	<u>\$ -</u>	<u>\$ 329,216</u>	<u>\$ 7,946</u>	<u>\$ 337,162</u>
Net carrying amount as of:				
December 31, 2022	<u>\$ -</u>	<u>\$ 1,981,244</u>	<u>\$ 104,950</u>	<u>\$ 2,086,194</u>
December 31, 2021	<u>\$ 176,224</u>	<u>\$ 1,355,948</u>	<u>\$ 73,182</u>	<u>\$ 1,605,354</u>

	For the years ended December 31	
	2022	2021
Rental income from investment properties	\$ 139,555	\$ 146,510
Less:		
Direct operating expenses from investment properties generating rental income	(56,743)	(42,389)
Total	<u>\$ 82,812</u>	<u>\$ 104,121</u>

Investment properties were not pledged.

The following fair value has been determined at balance sheet date partially based on comparative approach, and partially based on the weighted average calculation of comparative approach and income approach valuations, which were performed by an independent valuer. The significant assumptions and the fair value are as follows:

Based on comparative approach:	December 31, 2022	December 31, 2021
Fair value	<u>\$ 3,067,378</u>	<u>\$ 2,571,956</u>
Based on comparative approach and income approach:	December 31, 2022	December 31, 2021
Fair value	<u>\$ -</u>	<u>\$ 201,317</u>
Income capitalization rate	<u>-</u>	<u>1.36%-3.21%</u>

For those right-of-use assets leased as operating leases and presented in investment properties, please refer to Note 6. (23) for relevant disclosure as required by IFRS 16.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(12) Intangible assets	Cost:					Total
	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	
As of January 1, 2022	\$ 772,487	\$ 1,202,118	\$ 5,114,146	\$ 22,587,568	\$ 65,343,022	\$ 95,019,341
Additions-acquired separately	450	207,659	-	3,971,229	-	4,179,338
Additions-acquired through business combinations	-	2,851	333,800	234,093	645,539	1,216,283
Disposals	(420,882)	(271,999)	(2,866,006)	(3,603,799)	-	(7,162,686)
Transfers	-	46,724	-	(31,027)	-	15,697
Exchange differences	-	1,171	-	207,012	54,326	262,509
As of December 31, 2022	\$ 352,055	\$ 1,188,524	\$ 2,581,940	\$ 23,365,076	\$ 66,042,887	\$ 93,530,482
As of January 1, 2021	\$ 772,487	\$ 777,061	\$ 5,114,146	\$ 20,909,970	\$ 65,357,866	\$ 92,931,530
Additions-acquired separately	-	498,888	-	2,046,346	-	2,545,234
Disposals	-	(43,596)	-	(63,060)	-	(106,656)
Transfers	-	(4,178)	-	1,909	-	(2,269)
Exchange differences	-	(435)	-	(115,817)	(14,844)	(131,096)
Others	-	(25,622)	-	(191,780)	-	(217,402)
As of December 31, 2021	\$ 772,487	\$ 1,202,118	\$ 5,114,146	\$ 22,587,568	\$ 65,343,022	\$ 95,019,341

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Amortization and impairment:						
As of January 1, 2022	\$ 717,845	\$ 628,332	\$ 4,271,093	\$ 15,876,422	\$ -	\$ 21,493,692
Amortization	47,602	294,422	239,675	5,115,702	-	5,697,401
Disposals	(420,882)	(271,476)	(2,866,006)	(3,603,793)	-	(7,162,157)
Transfers	-	517	-	(517)	-	-
Exchange differences	-	130	-	46,886	-	47,016
As of December 31, 2022	\$ 344,565	\$ 651,925	\$ 1,644,762	\$ 17,434,700	\$ -	\$ 20,075,952
As of January 1, 2021						
As of January 1, 2021	\$ 670,331	\$ 425,628	\$ 4,015,066	\$ 11,548,838	\$ -	\$ 16,659,863
Amortization	47,514	257,116	256,027	4,517,790	-	5,078,447
Disposals	-	(43,600)	-	(62,810)	-	(106,410)
Transfers	-	-	-	8	-	8
Exchange differences	-	(98)	-	(48,641)	-	(48,739)
Others	-	(10,714)	-	(78,763)	-	(89,477)
As of December 31, 2021	\$ 717,845	\$ 628,332	\$ 4,271,093	\$ 15,876,422	\$ -	\$ 21,493,692
Net carrying amount as of:						
December 31, 2022	\$ 7,490	\$ 536,599	\$ 937,178	\$ 5,930,376	\$ 66,042,887	\$ 73,454,530
December 31, 2021	\$ 54,642	\$ 573,786	\$ 843,053	\$ 6,711,146	\$ 65,343,022	\$ 73,525,649

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(13) Impairment testing of goodwill

The Company's goodwill allocated to each of cash-generating units or groups of cash-generating units is expected to benefit from synergies of the business combination. Key assumptions used in impairment testing are as follows:

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from financial budgets approved by management covering a five-year period. The projected cash flows reflect the change in demand for products and services. As a result of the analysis, the Company did not identify any impairment for goodwill of NT\$66,042,887 thousand.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rates of sales of budget period

Gross margins - Gross margins are based on the gross margins of latest fiscal year and future trend of the market.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.

Growth rates of sales estimates - The growth rates of sales were estimated by historical experience. The long-term average growth rate the Company predicted was adjusted by considering the product life cycle and the macroeconomic environment.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(14) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ 3,700,000	\$ 51,267,307
Interest rates	1.83%-2.35%	(0.5)%-1.69%

(15) Other payables

	December 31, 2022	December 31, 2021
Accrued salaries and bonuses	\$ 37,802,481	\$ 37,956,787
Accrued royalties	3,359,937	1,892,470
Others	11,222,125	13,277,109
Total	\$ 52,384,543	\$ 53,126,366

(16) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liabilities	\$ 42,396,837	\$ 40,364,929
Others	852,359	626,116
Total	\$ 43,249,196	\$ 40,991,045

(17) Long-term borrowings

Details of long-term loans as of December 31, 2022 are as follows:

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
Less: current portion	(827,660)		
Noncurrent portion	\$ -		

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Details of long-term loans as of December 31, 2021 are as follows:

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
JP Morgan Chase Bank	558,060	(0.4)%	Effective from October 26, 2021 to November 25, 2022, principal is repaid once due.
Total	1,385,720		
Less: current portion	(558,060)		
Noncurrent portion	\$ 827,660		

Long-term borrowings were not pledged.

(18) Post-employment benefits plans

Defined contribution plan

MTK and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. MTK and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts. Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts. Pension benefits for employees of foreign subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$2,480,649 thousand and NT\$2,067,508 thousand, respectively.

Defined benefits plan

MTK and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, MTK and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$27,277 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefit obligations were 10 to 16 years and 11 to 17 years as of December 31, 2022 and 2021, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended	
	December 31	
	2022	2021
Current service cost	\$ 8,001	\$ 7,079
Net interest on the net defined benefit liabilities	6,551	4,517
Past service cost	-	26,694
Total	\$ 14,552	\$ 38,290

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	December 31,	December 31,
	2022	2021
Defined benefit obligation	\$ 1,136,253	\$ 1,201,250
Plan assets at fair value	(389,768)	(344,838)
Net defined benefit assets	15,852	-
Net defined benefit liabilities	\$ 762,337	\$ 856,412

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2022	\$ 1,201,250	\$ (344,838)	\$ 856,412
Current service cost	8,001	-	8,001
Interest expenses (income)	9,080	(2,529)	6,551
Subtotal	17,081	(2,529)	14,552

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	16,267	-	16,267
Actuarial gains and losses arising from changes in financial assumptions	(98,311)	-	(98,311)
Experience adjustments	15,601	-	15,601
Remeasurements of the defined benefit assets	-	(25,495)	(25,495)
Subtotal	(66,443)	(25,495)	(91,938)
Payment of benefit obligation	(15,635)	15,635	-
Contributions by employer	-	(32,541)	(32,541)
As of December 31, 2022	\$ 1,136,253	\$ (389,768)	\$ 746,485

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2021	\$ 1,232,141	\$ (322,023)	\$ 910,118
Current service cost	7,079	-	7,079
Interest expenses (income)	6,177	(1,660)	4,517
Past service cost	26,694	-	26,694
Subtotal	39,950	(1,660)	38,290
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(9,607)	-	(9,607)
Actuarial gains and losses arising from changes in financial assumptions	(67,486)	-	(67,486)
Experience adjustments	18,651	-	18,651
Remeasurements of the defined benefit assets	-	(3,839)	(3,839)
Subtotal	(58,442)	(3,839)	(62,281)
Payment of benefit obligation	(14,781)	14,781	-
Contributions by employer	-	(32,097)	(32,097)
Others	2,382	-	2,382
As of December 31, 2021	\$ 1,201,250	\$ (344,838)	\$ 856,412

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	December 31, 2022	December 31, 2021
Discount rate	1.25%-1.41%	0.55%-0.82%
Expected rate of salary increases	2.50%-4.50%	2.25%-4.50%

Sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (76,992)	\$ -	\$ (87,021)
Discount rate decreases by 0.5%	83,779	-	95,176	-
Rate of future salary increases by 0.5%	82,023	-	92,590	-
Rate of future salary decreases by 0.5%	-	(76,218)	-	(85,652)

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(19) Equity

A. Share capital

MTK's authorized capital as of December 31, 2022 and 2021 was NT\$20,000,000 thousand, divided into 2,000,000,000 shares (including 20,000,000 shares reserved for exercise of employee stock options at each period), each at a par value of NT\$10. MTK's issued capital was NT\$15,994,353 thousand and NT\$15,988,420 thousand divided into 1,599,435,327 shares and 1,598,841,998 shares, as of December 31, 2022 and 2021, respectively. Each share has one voting right and a right to receive dividends.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2022, 8,810,489 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

MTK has redeemed and cancelled 95,598 shares and 125,822 shares of issued restricted stocks for employees during the years ended December 31, 2022 and 2021, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

MTK issued 222,635 new shares for the year ended December 31, 2022, at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$113 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2022.

MTK issued 359,451 new shares for the year ended December 31, 2021, at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$483 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2021.

B. Capital surplus

	December 31, 2022	December 31, 2021
Additional paid-in capital	\$ 22,510,861	\$ 45,612,340
Treasury share transactions	2,617,042	2,048,065
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	9,477,276	839,842
Changes in ownership interests in subsidiaries	3,003,434	2,968,846
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,105,933	1,223,848
Employee stock options	391,175	391,175
Restricted stocks for employees	4,787,238	6,388,981
Others	291,061	301,687
Total	\$ 47,185,281	\$ 59,776,045

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the Company Act, the capital surplus shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the par value of share capital (including the shares issued for mergers and the surplus from treasury shares transactions) and donations. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

As of December 31, 2022 and 2021, 7,794,085 shares of MTK's common shares amounting to NT\$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares held by Hsiang Fa Co. were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

As of December 31, 2022 and 2021, MTK did not hold any other treasury shares.

D. Retained earnings and dividend policy

According to the MTK's previous version of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. reserve for tax payments;
- b. offset accumulated losses in previous years, if any;
- c. legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds MTK's total capital stock;
- d. allocation or reverse of special reserves as required by law or government authorities;
- e. the remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

On May 31, 2022, MTK's shareholders resolved to amend the earnings distribution clause of the Articles of Incorporation according to the Articles 240 and 241 of the Company Act. According to the amendment, MTK's current year earnings, if any, shall be distributed in the following order:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- a. reserve for tax payments;
- b. offset accumulated losses in previous years, if any;
- c. legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds MTK's total capital stock;
- d. allocation or reverse of special reserves as required by law or government authorities;
- e. 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 according to laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such distribution to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

Based on the authorization from the amendment of the Articles of Incorporation as mentioned above, Board of Directors may resolve (by a majority vote in a meeting attended by over two thirds of the Directors) to distribute cash dividends and report such resolution to the shareholders' meeting.

Shareholders' dividends may be distributed in the form of shares or cash and cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, MTK needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of MTK. When MTK incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Pursuant to existing regulations, MTK is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The appropriations of earnings for 2022 and 2021 were resolved by the Board of Directors' meeting on February 24, 2023, and the general shareholders' meeting on May 31, 2022, respectively. The details of the distribution are as follows:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Appropriation of earnings		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve (Note)	\$ 13,724,450	\$ 11,841,278	-	-
Cash dividends-common stock	99,178,441	91,147,046	\$ 62.00	\$ 57.00
Total	<u>\$ 112,902,891</u>	<u>\$ 102,988,324</u>		

Note: Legal reserve for 2022 is subject to the resolution of general shareholders' meeting which will be held on May 31, 2023.

In addition, the Board of Directors' meeting on February 24, 2023 and the general shareholders' meeting on May 31, 2022 resolved to distribute the additional paid-in capital by cash in the amount of NT\$22,395,132 thousand and NT\$25,585,136 thousand, or NT\$14 per share and NT\$16 per share, respectively.

E. Non-controlling interests

	For the years ended of December 31	
	2022	2021
Beginning balance	\$ 1,632,598	\$ 3,250,630
Gains attributable to non-controlling interests	483,915	451,471
Other comprehensive income (losses), attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plans	900	(446)
Exchange differences resulting from translating the financial statements of foreign operations	10,614	(16,228)
Share-based payment transactions	353,540	9,585
Changes in ownership interests in subsidiaries	534,551	(430,508)
Acquisition of additional interest in a subsidiary	781,621	(14,310)
Loss of control of subsidiaries	-	(1,617,596)
Others	(848,790)	-
Ending balance	<u>\$ 2,948,949</u>	<u>\$ 1,632,598</u>

(20) Share-based payment plans

Certain employees of the Company are entitled to share-based payments as part of their remuneration. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Employee stock option plans of MTK

In August 2012 and August 2013, MTK was authorized by the FSC, Executive Yuan, to issue employee stock options of 3,500,000 units, each unit eligible to subscribe for one common share. The options may be granted to qualified employees of MTK or any of its domestic or foreign subsidiaries, in which MTK's shareholding with voting rights, directly or indirectly, is more than fifty percent. The options are valid for ten years and exercisable at certain percentage subsequent to the second anniversary of the granted date. Under the terms of the plan, the options are granted at an exercise price equal to the closing price of MTK's common shares listed on the Taiwan Stock Exchange Corporation ("TWSE") on the grant date.

Detail information relevant to the share-based payment plans are as follows:

Date of grant	Total number of options granted	Total number of options outstanding	Shares available for option holders	Exercise price (NT\$) (Note)
2012.08.14	1,346,795	-	-	\$ 280.4
2013.08.22	1,436,343	218,120	218,120	\$ 368.0

Note: The exercise prices have been adjusted to reflect the change of outstanding shares (e.g. shares issued for cash, the appropriations of earnings, issuance of new shares in connection with merger, or issuance of new shares to acquire shares of other companies) in accordance with the plan.

The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Employee Stock Option
Expected dividend yield (%)	2.43%-3.07%
Expected volatility (%)	32.9%-38.5%
Risk free interest rate (%)	1.0479%-1.65%
Expected life (Years)	6.5 years

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The following table contains further details on the aforementioned share-based payment plans:

Employee Stock Option	For the years ended December 31			
	2022		2021	
	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)
Outstanding at beginning of period	456,479	\$ 334.5	879,147	\$ 316.8
Granted	-	-	-	-
Exercised (Note)	(222,635)	305.1	(359,451)	300.4
Forfeited (Expired)	(15,724)	284.9	(63,217)	278.7
Outstanding at end of period	<u>218,120</u>	368.0	<u>456,479</u>	334.5
Exercisable at end of period	<u>218,120</u>		<u>456,479</u>	
Weighted-average fair value of options granted during the period (in NT\$)	<u>\$ -</u>		<u>\$ -</u>	

Note: The weighted average share price at the date of exercise of those options was NT\$770.7 and NT\$940.2 for the years ended December 31, 2022 and 2021, respectively.

The information on the outstanding share-based payment plans as of December 31, 2022 and 2021 is as follows:

Date of grant	Range of Exercise Price (NT\$)	December 31, 2022		December 31 2021	
		Expected Remaining Years	Weighted- average Exercise Price per Share (NT\$)	Expected Remaining Years	Weighted- average Exercise Price per Share (NT\$)
2012.08.09	\$ 280.4	-	\$ 280.4	-	\$ 280.4
2013.08.09	368.0	-	368.0	-	368.0

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Restricted stocks plan for employees of MTK

On July 5, 2021, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 19,080,000 common shares. MTK shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

MTK issued 8,381,181, 157,274 and 272,034 gratuitous restricted stocks on August 31, 2021, February 23, 2022 and August 31, 2022, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT\$824.81-NT\$901, NT\$1,024.8-NT\$1,120, and NT\$610.31-NT\$667 per share, respectively. The estimated compensation expenses amounted to NT\$7,426,455 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2022, MTK had recognized NT\$5,202,661 thousand as compensation expense and NT\$2,200,891 thousand as unearned employee compensation, which were recorded under salary expense and other equity, respectively.

The restricted stocks plans for employees of 2022 and 2021 were evaluated under the fair value method. Assumptions used in calculating the fair value are disclosed as follows:

	<u>Restricted stocks plan for employees</u>
Expected volatility (%)	40%
Risk free interest rate (%)	0.24%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees of the 2021 plan are as follows:

- A. To issue common shares of MTK with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2022 are 34%, and the cumulative maximum portions of vesting shares from 2022 to 2023 and 2022 to 2024 are 67%, 100%, respectively. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Restrictions on the rights and vesting conditions of the second restricted stocks for employees of the 2021 plan are as follows:

- A. To issue common shares of MTK with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2023 are 50%, and the cumulative maximum portions of vesting shares from 2023 to 2024 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based payment plans of subsidiaries

On May 21, 2018, Board of Directors of Airoha (Cayman) Inc. resolved to issue 486,873 common shares for the exercise of employee stock options of Airotek (Shenzhen) Inc. and Airotek (Chengdu) Inc.

Each unit of employee stock options is eligible to subscribe for one common share of Airoha (Cayman) Inc. The options may be granted to qualified employees of Airotek (Shenzhen) Inc. and Airotek (Chengdu) Inc. with exercise price of US\$3.48 per share. Total outstanding stock options of Airoha (Cayman) Inc. was 325,100 units as of December 31, 2020. During the years ended December 31, 2022 and 2021, totally 0 unit was granted and 0 unit and 325,100 units expired, respectively. Total outstanding stock options of Airoha (Cayman) Inc. were 0 unit as of December 31, 2022 and 2021.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On November 29, 2021, Board of Directors of Airoha Technology Corp. approved the option plans for Taiwanese employees and foreign employees. The total units of the stock options are 2,155,464 units for Taiwanese optionees and 1,111,727 units for foreign optionees, each unit of employee stock options is eligible to subscribe for one common share of Airoha Technology Corp. The options may be granted to qualified employees of Airoha Technology Corp. or any of its domestic or foreign subsidiaries. Settlement upon the exercise of the options will be made through the issuance of new shares by Airoha Technology Corp. The rights of the new shares are the same as those of common shares.

The issuance date, the exercisable periods and the exercise price of the Taiwanese employee stock options were determined to be on January 3, 2022, from January 3, 2022 to January 7, 2022 and NT\$264 per share, respectively. The options have all been exercised, with January 10, 2022 being the record date of the capital increase. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The issuance date of foreign employee stock options was determined to be on January 10, 2022. The option holders of the employee stock options may exercise the options within two months after the date that the stocks of Airoha Technology Corp. are listed on a centralized exchange market and the designated accounts required by the relevant regulators are opened. The exercise price ranged between NT\$67 to NT\$137 per share. In accordance with the plan, the number of exercisable shares is subject to adjustments in the situation that Airoha Technology Corp. increases its capital through the capitalization of retained earnings or capital surplus. On February 8, 2022, the general shareholders' meeting of Airoha Technology Corp. resolved to issue 41,573 thousand new common shares through capitalization of capital surplus. Accordingly, the number of exercisable shares was adjusted upward by 441,986 common shares. The incremental fair value thus incurred would be recognized as an expense during the remaining vesting period.

Airoha Technology Corp. adopted the methods that applied in determining the fair value and the compensation cost and the Black-Scholes Option Pricing Model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Employee Stock Option
Expected dividend yield (%)	0.00%
Expected volatility (%)	35.91%-54.66%
Risk free interest rate (%)	0.41%
Expected life (Years)	0.01-1.61 years

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

The expected life of the shares options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plans:

	For the years ended December 31			
	2022		2021	
	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)
Employee Stock Option				
Outstanding at beginning of period	-	\$ -	-	\$ -
Granted	3,709,177	188	-	-
Exercised (Note)	(2,155,464)	264	-	-
Forfeited (Expired)	(61,874)	91	-	-
Outstanding at end of period	<u>1,491,839</u>	82	<u>-</u>	-
Exercisable at end of period	<u>-</u>		<u>-</u>	
Weighted-average fair value of options granted during the period (in NT\$)	<u>\$ 131</u>		<u>\$ -</u>	

Note: The weighted average share price at the date of exercise of those options was NT\$334.08 for the year ended December 31, 2022.

The information on the outstanding share-based payment plans is as follows:

	December 31, 2022				December 31, 2021			
	Outstanding Option Plans		Outstanding Option Plans		Outstanding Option Plans		Outstanding Option Plans	
	Weighted-average	Weighted-average	Weighted-average	Weighted-average	Weighted-average	Weighted-average	Weighted-average	
	Expected	Exercise Price	Expected	Exercise Price	Expected	Exercise Price	Expected	
	Remaining	per Share	Remaining	per Share	Remaining	per Share	Remaining	
Date of grant	Price (NT\$)	Years	Price (NT\$)	Years	Price (NT\$)	Years	Price (NT\$)	
2022.01.10	\$ 67-137	0.75	\$ 67-137	-	\$ -	-	\$ -	

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On March 15, 2021, Board of Directors of Airoha Technology (Cayman) Inc. resolved to issue 814,217 common shares for restricted stocks plan for employees of Airoha Technology (Cayman) Inc. and its affiliates with subscription price of US\$7.19 per share. The total fair value amounted to NT\$31,095 thousand. Restricted stocks were granted in March 2021 and their lock-up periods were 4 years from the grant date. On November 24, 2021, the Board of Directors of Airoha Technology (Cayman) Inc. resolved to extend the vesting period of the plan to November 30, 2021.

New common shares of Airoha Technology (Cayman) Inc. would be issued for its restricted stocks plans. During the vesting period, employees may not sell the restricted stocks to others, and the voting rights of the restricted stocks will be exercised by the custodian organizations on behalf of employees according to the trust contract. If the employees receiving the grant of restricted stocks terminate employment within the vesting period, the restricted stocks during the vesting period are clawed back by the Company.

Airoha Technology (Cayman) Inc. adopted the methods that applied in determining the fair value and the compensation cost and the Black-Scholes Option Pricing Model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	<u>Restricted stocks plan for employee</u>
Expected dividend yield (%)	0.00%
Expected volatility (%)	47.65%
Risk free interest rate (%)	0.04%
Expected life (Years)	0.1205 years

The expected life is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Share-based compensation expenses recognized for employee services received for the years ended December 31, 2022 and 2021 are shown in the following table:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the years ended December 31	
	2022	2021
Employee stock options	\$ 353,540	\$ 10,719
Restricted stocks for employees	3,821,433	1,746,360
Total	<u>\$ 4,174,973</u>	<u>\$ 1,757,079</u>

Except for the share-based payment plan of Airoha Technology Corp. whose exercisable shares had been increased due to the capitalization of capital surplus, the Company did not modify or cancel any other share-based payment plans during the year ended December 31, 2022. The amendment of Airoha Technology Corp.'s share-based payment plan did not incur any incremental fair value.

Except for the share-based payment plan of Airoha Technology (Cayman) Inc. whose vesting period had been advanced to November 30, 2021, the Company did not modify or cancel any other share-based payment plans during the year ended December 31, 2021. The amendment of Airoha's share-based payment plan did not incur any incremental fair value.

(21) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2022 and 2021 is as follows:

A. Disaggregation of revenues

	For the years ended December 31	
	2022	2021
Sale of goods	\$ 543,013,101	\$ 488,900,520
Services and other operating revenues	5,782,929	4,514,062
Total	<u>\$ 548,796,030</u>	<u>\$ 493,414,582</u>
Revenue recognition point:		
At a point in time	\$ 546,277,147	\$ 491,013,293
Satisfies the performance obligation over time	2,518,883	2,401,289
Total	<u>\$ 548,796,030</u>	<u>\$ 493,414,582</u>

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

B. Contract balances

Contract liabilities-current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Sales of goods	\$ 4,043,364	\$ 5,930,981	\$ 11,560,361
Services and other operating revenues	<u>857,530</u>	<u>437,502</u>	<u>132,556</u>
Total	<u>\$ 4,900,894</u>	<u>\$ 6,368,483</u>	<u>\$ 11,692,917</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2022 and 2021 are as follows:

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognized during the period that was included in the beginning balance	<u>\$ 5,958,222</u>	<u>\$ 11,342,427</u>
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 4,435,055</u>	<u>\$ 6,065,844</u>

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2022 and 2021, no disclosure of the unsatisfied performance obligations is needed as the contract terms with customers about the sales of goods are all shorter than one year. Besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations about rendering of services are NT\$6,419,324 thousand and NT\$1,026,152 thousand. The Company recognizes revenues in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

(22) Expected credit losses

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Operating expense-Expected credit losses Trade receivables	<u>\$ 446</u>	<u>\$ 466</u>

Please refer to Note 12 for more details on credit risk.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company measures the loss allowance of its receivables (including note receivables, trade receivables and trade receivables from related parties) and financing lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2022 and 2021 is as follows:

The Company considers the grouping of receivables by counterparties' credit ratings, geographical regions and industry sectors. Loss allowance is measured by using a provision matrix. Details are as follows:

2022.12.31

	Neither past due	Past due				Total
	(Note)	Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 39,842,984	\$ 815,777	\$ 25,932	\$ 119,169	\$ 2,714	\$ 40,806,576
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(1,640)	-	(1,640)
Carrying amount of trade receivables	\$ 39,842,984	\$ 815,777	\$ 25,932	\$ 117,529	\$ 2,714	\$ 40,804,936

2021.12.31

	Neither past due	Past due				Total
	(Note)	Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 58,349,480	\$ 178,102	\$ 9,480	\$ 7,867	\$ 75,622	\$ 58,620,551
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(766)	(41,885)	(42,651)
Carrying amount of trade receivables	\$ 58,349,480	\$ 178,102	\$ 9,480	\$ 7,101	\$ 33,737	\$ 58,577,900

Note: Neither the Company's note and trade receivables from related parties nor financing lease receivables were past due.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The movements in the provision for impairment of receivables and financing lease receivables for the years ended December 31, 2022 and 2021 are as follows:

	Note receivables	Trade receivables (including related parties)	Financing lease receivables
As of January 1, 2022	\$ -	\$ 42,651	\$ -
Allowance for the current period	-	446	-
Written off	-	(43,809)	-
Effect of changes in exchange rate	-	2,352	-
As of December 31, 2022	\$ -	\$ 1,640	\$ -
As of January 1, 2021	\$ -	\$ 43,315	\$ -
Allowance for the current period	-	466	-
Effect of changes in exchange rate	-	(1,130)	-
As of December 31, 2021	\$ -	\$ 42,651	\$ -

(23) Leases

A. The Company as lessee

The Company leases various property (land and buildings), machinery equipment, transportation equipment and office equipment. The leases have terms between 1 and 70 years.

a. Right-of-use asset

	December 31, 2022	December 31, 2021
Land	\$ 6,652,269	\$ 1,662,523
Buildings and facilities	2,172,719	1,635,123
Machinery equipment	83,797	158,384
Transportation equipment	14,537	17,204
Office equipment	4,428	5,293
Total	\$ 8,927,750	\$ 3,478,527

During the years ended December 31, 2022 and 2021, the additions to right-of-use assets of the Company amounted to NT\$6,221,328 thousand and NT\$1,268,802 thousand, respectively.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Lease liability

	December 31, 2022	December 31, 2021
Lease liability-current	\$ 795,500	\$ 501,153
Lease liability-noncurrent	8,308,237	2,989,923
Total	<u>\$ 9,103,737</u>	<u>\$ 3,491,076</u>

Please refer to Note 6. (28) for the interest on lease liability recognized during 2022 and 2021 and Note 12. (2) C. for the maturity analysis of lease liabilities as of December 31, 2022.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2022	2021
Land	\$ 86,365	\$ 48,427
Buildings and facilities	636,195	464,735
Machinery equipment	74,467	67,667
Transportation equipment	8,635	7,760
Office equipment	6,193	13,258
Total	<u>\$ 811,855</u>	<u>\$ 601,847</u>

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2022	2021
The expense relating to short-term leases	<u>\$ 83,409</u>	<u>\$ 156,800</u>
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	<u>\$ 5,907</u>	<u>\$ 3,902</u>
Income from subleasing right-of-use assets	<u>\$ 29,780</u>	<u>\$ 35,095</u>

e. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounted to NT\$779,459 thousand and NT\$828,714 thousand, respectively.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

f. Other information relating to leasing activities

Subsidiary Hsu-Yuan Investment Corp. (“Hsu-Yuan”) signed a contract with Railway Bureau, MOTC (“RB”) to obtain land use right. The contract contains variable payment terms that are linked to certain percentages of sales generated from the leased land. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The variable rental payment will be 1% (when Hsu-Yuan’s sales range between NT\$350,000-430,000 thousand), 2% (when Hsu-Yuan’s sales range between NT\$430,000-520,000 thousand), and 3% (when Hsu-Yuan’s sales exceed NT\$520,000 thousand) of Hsu-Yuan’s sales, respectively.

B. The Company as a lessor

Please refer to Note 6.(11) for details on the Company’s owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

The Company has entered into machinery and equipment lease agreements with terms from the year 2020 to 2025. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to ownership of the underlying assets.

	For the years ended	
	December 31	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 254,345	\$ 246,601
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	15,657
Total	<u>\$ 277,638</u>	<u>\$ 262,258</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The undiscounted lease payments to be received for the remaining years as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Not later than one year	\$ 23,293	\$ 23,293
Later than one year and not later than two years	746,853	23,292
Later than two years and not later than three years	735,143	746,853
Later than three years and not later than four years	-	735,143
Later than four years and not later than five years	-	-
Total non-discounted lease payments	1,505,289	1,528,581
Less: unearned finance income of finance lease	(49,505)	(72,797)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	<u>\$ 1,455,784</u>	<u>\$ 1,455,784</u>
Current	<u>\$ -</u>	<u>\$ -</u>
Noncurrent	<u>\$ 1,455,784</u>	<u>\$ 1,455,784</u>

(24) Employee benefits, depreciation and amortization expenses are summarized by function as follows:

	For the years ended December 31					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 53,157	\$ 2,442,044	\$ 2,495,201	\$ 47,685	\$ 2,058,113	\$ 2,105,798
Others	\$ 1,605,540	\$ 95,095,377	\$ 96,700,917	\$ 1,445,001	\$ 80,713,514	\$ 82,158,515
Depreciation	\$ 126,521	\$ 9,155,737	\$ 9,282,258	\$ 130,390	\$ 5,412,240	\$ 5,542,630
Amortization	\$ 5,893	\$ 5,691,508	\$ 5,697,401	\$ 625	\$ 5,077,822	\$ 5,078,447

According to the Articles of Incorporation of MTK, no lower than 1% of profit of the current year is distributable as employees' compensation and no higher than 0.5% of profit of the current year is distributable as remuneration to directors. However, MTK's accumulated losses shall have been covered (if any). MTK may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

MTK accrued employees' compensation and remuneration to directors based on a specific rate of profit for the year ended December 31, 2022. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, MTK will recognize the change as an adjustment to income of next year. If the Board of Directors resolves to distribute employees' compensation in stock, the number of shares distributed is determined by dividing the amount of bonuses by the closing price (after considering the effect of cash and stock dividends) of shares on the day preceding the Board of Directors' meeting. A resolution was approved at a Board of Directors' meeting held on February 24, 2023 to distribute NT\$1,596,127 thousand and NT\$96,000 thousand in cash as employees' compensation and remuneration to directors and supervisors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2022.

A resolution was approved in a meeting of the Board of Directors held on March 16, 2022 to distribute NT\$1,513,219 thousand and NT\$153,213 thousand in cash as employees' compensation and remuneration to directors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2021.

(25) Interest income

	For the years ended	
	December 31	
	2022	2021
Financial assets measured at amortized cost	\$ 3,112,271	\$ 1,546,154
Financial assets at fair value through other comprehensive income	106,063	104,544
Total	\$ 3,218,334	\$ 1,650,698

(26) Other income

	For the years ended	
	December 31	
	2022	2021
Rental income	\$ 254,345	\$ 246,601
Dividend income	1,902,463	5,781,848
Others	383,651	551,184
Total	\$ 2,540,459	\$ 6,579,633

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(27) Other gains and losses

	For the years ended	
	December 31	
	2022	2021
Losses on disposal of property, plant and equipment	\$ (17,852)	\$ (4,649)
Losses on disposal of intangible assets	(529)	(9)
Gains (losses) on disposal of investments		
Debt instruments measured at fair value through other comprehensive income	-	9,777
Investments accounted for using the equity method	698,914	938,753
Financial assets measured at amortized cost	(1,231)	-
Subsidiary	(12,466)	8,420,205
Foreign exchange (losses) gains	(709,904)	310,074
Gains on financial assets at fair value through profit or loss	2,101,331	52,451
Losses on financial liabilities at fair value through profit or loss	(6,097)	(4,252)
Others	(45,576)	73,257
Total	\$ 2,006,590	\$ 9,795,607

(28) Finance costs

	For the years ended	
	December 31	
	2022	2021
Interest expenses on borrowings	\$ 284,800	\$ 132,657
Interest expenses on lease liabilities	86,130	59,944
Total	\$ 370,930	\$ 192,601

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(29) Components of other comprehensive income

For the year ended December 31, 2022 :

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 91,938	\$ -	\$ 91,938	\$ (17,260)	\$ 74,678
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(17,764,837)	-	(17,764,837)	775,930	(16,988,907)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(13,097,831)	-	(13,097,831)	-	(13,097,831)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	25,170,937	12,464	25,183,401	-	25,183,401
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	(44,073)	-	(44,073)	-	(44,073)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(3,797,113)	(541,161)	(4,338,274)	-	(4,338,274)
Total	\$ (9,440,979)	\$ (528,697)	\$ (9,969,676)	\$ 758,670	\$ (9,211,006)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2021 :

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 62,281	\$ -	\$ 62,281	\$ (11,077)	\$ 51,204
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	5,686,940	-	5,686,940	51,173	5,738,113
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	2,797,189	-	2,797,189	-	2,797,189
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(5,950,668)	(92,387)	(6,043,055)	-	(6,043,055)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	7,693	(9,777)	(2,084)	-	(2,084)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	1,269,974	(7,140)	1,262,834	-	1,262,834
Total	\$ 3,873,409	\$ (109,304)	\$ 3,764,105	\$ 40,096	\$ 3,804,201

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of NT\$0 dollar and NT\$9,777 thousand for the years ended December 31, 2022 and 2021, respectively, were reclassified from other comprehensive income to profit or loss.

(30) Income tax

The major components of income tax expense are as follows:

	For the years ended	
	December 31	
	2022	2021
Current income tax	\$ 17,697,890	\$ 14,603,737
Deferred tax income	(1,175,024)	(48,568)
Others	413,356	424,351
Income tax expense recognized in profit or loss	\$ 16,936,222	\$ 14,979,520

Income tax recognized in other comprehensive income

	For the years ended	
	December 31	
	2022	2021
Deferred tax expense (income):		
Remeasurements of defined benefit plans	\$ 17,260	\$ 11,077
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(775,930)	(51,173)
Income tax relating to components of other comprehensive income	\$ (758,670)	\$ (40,096)

Income tax charged directly to equity

	For the years ended	
	December 31	
	2022	2021
Current income tax expense:		
Realized gains from equity instrument investments measured at fair value through other comprehensive income	\$ 216,532	\$ 246,457

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended	
	December 31	
	2022	2021
Accounting profit before tax from continuing operations	\$ 135,561,243	\$ 126,852,053
Tax at the domestic rates applicable to profits in the country concerned	\$ 40,249,284	\$ 35,789,395
Tax effect of revenues exempt from taxation	(7,600,679)	(6,929,089)
Tax effect of expenses not deductible for tax purposes	1,580,058	307,966
Investment tax credits	(6,985,909)	(5,643,030)
Tax effect of deferred tax assets/liabilities	(12,318,737)	(10,260,068)
Corporate income surtax on undistributed retained earnings	672,085	872,613
Others	1,340,120	841,733
Total income tax expense recognized in profit or loss	\$ 16,936,222	\$ 14,979,520

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in			Ending balance
			other comprehensive income	Charged directly to equity	Acquired from business combinations	
Temporary differences						
Unrealized allowance for inventory obsolescence	\$ 2,863,016	\$ 2,319,981	\$ -	\$ -	\$ -	\$ 5,182,997
Allowance for sales returns and discounts	3,463,310	(866,935)	-	-	-	2,596,375
Amortization of difference for tax purpose	333,293	25,710	-	-	-	359,003
Amortization of goodwill difference for tax purpose	(3,330,737)	(686,653)	-	-	-	(4,017,390)
Unused tax losses	20,818	(521)	-	-	-	20,297
Unused tax credits	289,154	394,121	-	-	-	683,275
Others	(3,549,436)	(1,773,357)	758,670	(216,532)	(116,636)	(4,897,291)
Deferred tax income (expense)		\$ (587,654)	\$ 758,670	\$ (216,532)	\$ (116,636)	
Net deferred tax assets	\$ 89,418					\$ (72,734)
Reflected in balance sheet as follows:						
Deferred tax assets	\$ 8,412,894					\$ 11,511,991
Deferred tax liabilities	\$ (8,323,476)					\$ (11,584,725)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2021

	Beginning balance	Recognized in			Transfer to associates	Ending balance
		Recognized in profit or loss	other comprehensive income	Charged directly to equity		
Temporary differences						
Unrealized allowance for inventory obsolescence	\$ 1,845,594	\$ 1,017,422	\$ -	\$ -	\$ -	\$ 2,863,016
Allowance for sales returns and discounts	2,193,142	1,270,168	-	-	-	3,463,310
Amortization of difference for tax purpose	305,190	28,103	-	-	-	333,293
Amortization of goodwill difference for tax purpose	(2,644,084)	(686,653)	-	-	-	(3,330,737)
Unused tax losses	21,502	(684)	-	-	-	20,818
Unused tax credits	484,702	(195,548)	-	-	-	289,154
Others	(2,503,833)	(821,892)	40,096	(246,457)	(17,350)	(3,549,436)
Deferred tax income (expense)		\$ 610,916	\$ 40,096	\$ (246,457)	\$ (17,350)	
Net deferred tax assets	\$ (297,787)					\$ 89,418
Reflected in balance sheet as follows:						
Deferred tax assets	\$ 5,676,629					\$ 8,412,894
Deferred tax liabilities	\$ (5,974,416)					\$ (8,323,476)

The assessment of income tax returns

As of December 31, 2022, the assessments of the income tax returns of MTK and its material subsidiaries are as follows:

	<u>The assessment of income tax returns</u>	<u>Note</u>
MTK	Assessed and approved up to 2019	
Subsidiary- Hsu-Ta Investment Corp.	Assessed and approved up to 2020	(1)
Subsidiary- Richtek Technology Corp.	Assessed and approved up to 2020	
Subsidiary- Airoha Technology Corp.	Assessed and approved up to 2020	

Note 1: Hsu-Ta Investment Corp. ("Hsu-Ta") disagreed with the decision made in the tax assessment notice for the year 2020 and applied for corrections.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(31) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended	
	December 31	
	2022	2021
A. Basic earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Basic earnings per share (NT\$)	\$ 74.59	\$ 70.56
B. Diluted earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Effect of dilution:		
Employees' compensation-stock (share)	2,768,917	1,399,199
Employee stock options (share)	227,521	462,010
Restricted stocks for employees (share)	4,833,086	5,845,245
Weighted average number of ordinary shares outstanding after dilution (share)	1,591,630,277	1,586,781,030
Diluted earnings per share (NT\$)	\$ 74.23	\$ 70.22

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(32) Business Combination

For resource integration and market development purposes, subsidiary Airoha Technology Corp. acquired the 100% of voting shares of Audiowise Technology Inc. (“Audiowise”) on July 1, 2022. The acquisition price was NT\$33 per share. Audiowise has been specialized in Bluetooth audio system ICs R&D, production, design, manufacturing and marketing.

The fair values of the identifiable assets and liabilities of Audiowise as of the acquisition date were :

	Fair value recognized on the acquisition date
Cash and cash equivalents	\$ 13,269
Other current assets	174,369
Property, plant and equipment	38,071
Intangible assets-computer software, IPs, core techniques and customer relationship	570,744
Other non-current assets	2,823
	<u>799,276</u>
Short-term borrowings	(253,000)
Other current liabilities	(85,179)
Deferred tax liabilities	(116,636)
	<u>(454,815)</u>
The fair value of net identifiable assets	<u>\$ 344,461</u>

Goodwill of Audiowise is as follows:

	Fair value recognized on the acquisition date
Cash consideration	\$ 990,000
Less : identifiable net assets at fair value	<u>(344,461)</u>
Goodwill	<u>\$ 645,539</u>

Cash flows on acquisition:

	Amount
Net cash acquired from the subsidiary	\$ 13,269
Transaction costs attributable to cash paid	<u>(990,000)</u>
Net cash flow-out on acquisition	<u>\$ (976,731)</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The goodwill comprises the fair value of expected synergies arising from acquisition. The goodwill recognized is expected to be fully deductible for income tax purpose.

If the combination had taken place on January 1, 2022, revenues and net income of the Company for the year ended December 31, 2022 would have been NT\$548,849,339 thousand and NT\$118,284,090 thousand, respectively. The amounts are not to reflect the revenues and operating results that the Company could have generated if the merger had been completed at the beginning of the year, nor should it be used as a forecast of future operating results.

(33) Loss of control of subsidiary

On January 27, 2021, the Company's Board of Directors approved to sell the 16% shares of Sigmastar Technology Ltd. Total sale price was US\$115 million and the Company recognized a gain on disposal of a subsidiary of NT\$2,767,468 thousand. After the sale, the Company lost control over Sigmastar Technology Ltd. The remaining 34% shares were remeasured at the fair value of NT\$6,671,441 thousand on the date of disposal and the Company recognized a holding gain of NT\$5,652,737 thousand. Assets and liabilities of the disposed subsidiary as of February 28, 2021 are shown as follows:

	<u>As of February 28, 2021</u>
Assets	
Cash and cash equivalents	\$ 1,285,672
Financial assets at fair value through profit or loss-current	837,002
Trade receivables, net	576,876
Other receivables	18,397
Current tax assets	13
Inventories, net	1,388,345
Prepayments	110,238
Financial assets measured at amortized cost-noncurrent	2,013
Property, plant and equipment	229,077
Right-of-use assets	85,555
Intangible assets	127,925
Deferred tax assets	17,350
Refundable deposits	69,170
	<u>4,747,633</u>

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

	<u>As of February 28, 2021</u>
Liabilities	
Contract liabilities-current	(67,266)
Trade payables (including related parties)	(425,769)
Other payables (including related parties)	(682,095)
Current tax liabilities	(51,437)
Other current liabilities	(276,859)
Lease liabilities (including current and noncurrent)	(11,017)
	<u>(1,514,443)</u>
Net assets carrying amount	<u>\$ 3,233,190</u>

On February 24, 2021, the Company completed the transfer of shareholding rights of Sigmastar Technology Ltd.

(34) Changes in ownership interests in subsidiaries

Changes in ownership of subsidiaries

Airoha Technology (Cayman) Inc. increased its capital by cash in April 2021. The Company did not subscribe to the new shares proportionate to its original ownership interest this time and its ownership rose to 91%. As the control over these two subsidiaries remained, the Company accounted for the change as an equity transaction.

In June 2021, the Company acquired the additional 0.35% of voting shares of Airoha (Cayman) Inc. from other shareholders. Furthermore, as Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha (Cayman) Inc. on October 1, 2021, the Company's ownership of Airoha Technology Corp. and Airoha (Cayman) Inc. rose to 86%.

Airoha Technology Corp. increased capital by cash in January 2022. The Company did not subscribe to the new shares proportionate to its original ownership interest that resulted in a change in ownership interest but control remained. In February 2022, the Company acquired the additional 1.07% of voting shares of Airoha Technology Corp. from other shareholders. The Company disposed of a portion of Airoha Technology Corp. shares in June 2022. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 76%. As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The differences between the fair value of purchased equity investments and the increase in the non-controlling interest were NT\$8,541,650 thousand and NT\$446,762 thousand for the years ended December 31, 2022 and 2021, respectively, and have been recorded in equity.

7. Related Party Transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Intelligo Technology Inc. and its subsidiaries	Associate (Note 1)
Cyberon Corp.	Associate (Note 1)
ASIX Electronics Corporation	Associate
IC PLUS CORP.	Associate
Amobile Intelligent Holding Corporation	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate (Note 2)
Andes Technology Corp.	Substantive related party (Note 3)
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party
MediaTek Foundation	Substantive related party
Richtek Education Foundation	Substantive related party

Note 1: Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Note 2: The Company lost control over Sigmastar Technology Ltd. in February 2021. As a result, Sigmastar Technology Ltd. has become an associate of the Company since that month.

Note 3: Andes Technology Corp. became a non-related party as the chairman of MTK resigned as the chairman of Andes Technology Crop. in July 2021.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**Significant transactions with the related parties

(1) Sales

Sales of goods

	For the years ended	
	December 31	
	2022	2021
Associates		
Intelligo Technology Inc. and its subsidiaries	\$ 11,574	\$ 14,114
IC PLUS CORP.	45,832	21,797
ASIX Electronics Corporation	291,541	202,756
Amobile Intelligent Holding Corporation	466	-
Subtotal	349,413	238,667

Services and other operating revenues

Associates		
ASIX Electronics Corporation	12,000	3,184
Sigmastar Technology Ltd. and its subsidiaries	99,897	118,697
Intelligo Technology Inc. and its subsidiaries	8,419	-
Subtotal	120,316	121,881
Total	\$ 469,729	\$ 360,548

The trade credit terms for associates were 30 days and third-party customers were 30 to 150 days. Third-party customers may pay their accounts in advance.

(2) IC testing, experimental services, and manufacturing technology services

	For the years ended	
	December 31	
	2022	2021
Associates		
ASIX Electronics Corporation	\$ 1,814	\$ 27,184
IC PLUS CORP.	843	
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	8,301,806	9,148,479
Total	\$ 8,304,463	\$ 9,175,663

The trade credit terms for related parties and third-party customers were both 60 to 75 days.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Payments of operating expenses (mainly license expense)

	For the years ended	
	December 31	
	2022	2021
Associate		
Cyberon Corp.	\$ 10,645	\$ 21,902
Intelligo Technology Inc. and its subsidiaries	9,183	-
Other related parties		
Andes Technology Corp.	-	19,963
King Yuan Electronics Co., Ltd. and its subsidiaries	2,243	-
Total	\$ 22,071	\$ 41,865

(4) Other income

	For the years ended	
	December 31	
	2022	2021
Associate		
ASIX Electronics Corporation	\$ 3,930	\$ -

(5) Donation expense

	For the years ended	
	December 31	
	2022	2021
Other related parties		
MediaTek Foundation	\$ -	\$ 120,000
Richtek Education Foundation	-	7,000
Total	\$ -	\$ 127,000

(6) Rental income

	For the years ended	
	December 31	
	2022	2021
Associate		
Sigmastar Technology Ltd. and its subsidiaries	\$ 22,681	\$ 15,884

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

(7) Trade receivables from related parties

	December 31, 2022	December 31, 2021
Associate		
Intelligo Technology Inc. and its subsidiaries	\$ 1,836	\$ 2,375
ASIX Electronics Corporation	19,694	29,203
Sigmastar Technology Ltd. and its subsidiaries	13,063	39,324
IC PLUS CORP.	-	8,334
Total	<u>\$ 34,593</u>	<u>\$ 79,236</u>

(8) Trade payables to related parties

	December 31, 2022	December 31, 2021
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	\$ 1,763,794	\$ 2,174,955
Associate		
ASIX Electronics Corporation	-	1,680
Total	<u>\$ 1,763,794</u>	<u>\$ 2,176,635</u>

(9) Other payables to related parties

	December 31, 2022	December 31, 2021
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	\$ 384	\$ -
Associate		
Cyberon Corp.	-	6,851
Intelligo Technology Inc. and its subsidiaries	124,675	110,696
Total	<u>\$ 125,059</u>	<u>\$ 117,547</u>

(10) Long-term payables to related parties

	December 31, 2022	December 31, 2021
Associate		
Intelligo Technology Inc. and its subsidiaries	\$ 92,139	\$ 193,718

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(11) Deposits received

	December 31, 2022	December 31, 2021
Associate		
Sigmastar Technology Ltd. and its subsidiaries	\$ 3,989	\$ 3,718

(12) Others

A. During the year ended December 31, 2021, the Company acquired patent from Andes Technology Corp. in the amount of NT\$37,852 thousand which was recorded as intangible assets.

B. During the year ended December 31, 2022 and 2021, the Company acquired computer software from Intelligo Technology Inc. in the amount of NT\$61,298 thousand and NT\$335,158 thousand which was recorded as intangible assets, respectively.

C. Intelligo Technology Inc. acquired 3,431,722 shares of Cyberon Corp. from Hsiang Fa Co. by paying cash of NT\$89,260 thousand, issuing 1,335,626 shares in August 2022. A disposal gain of NT\$7,903 thousand was recognized.

(13) Key management personnel compensation

	For the years ended December 31	
	2022	2021
Short-term employee benefits (Note)	\$ 2,079,634	\$ 2,464,166
Share-based payment	1,045,299	490,036
Post-employment benefits	4,889	4,912
Total	\$ 3,129,822	\$ 2,959,114

Note: The compensation (including remuneration to directors) to key management personnel was determined by the Compensation Committee of MTK in accordance with individual performance and the market trends.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

8. Assets Pledged as Collateral

The following table lists assets of the Company pledged as collateral:

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2022	December 31, 2021	
Financial assets measured at amortized cost-noncurrent	\$ 12,095	\$ 9,986	Lease execution deposits
Financial assets measured at amortized cost-noncurrent	79,292	84,283	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	63,135	30,890	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	170,000	24,900	Performance bond
Total	\$ 324,522	\$ 150,059	

9. Contingencies and Off Balance Sheet Commitments

(1) Commitment

Hsu-Yuan signed a contract with RB on June 14, 2022, to obtain a land use right of Shuxing Section in Zhubei City which is of 17,363.24 square meters. The duration of the superficies is from the date the registration was completed (July 6, 2022) to June 13, 2092.

Hsu-Yuan shall pay the land rent and a royalty as agreed by both parties during the contract period. Hsu-Yuan also needs to pay NT\$170,000 thousand as a performance bond.

(2) Significant Commitments

The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the supplier shall provide agreed production capacity with the Company after prepayments by the Company. During the year ended December 31, 2022, the Company determined that certain prepayments (recorded as refundable deposits) were not recoverable

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

and the Company wrote them off.

(3) Legal claim contingency

A. Nippon Telegraph and Telephone Corporation (“NTT”) and Essential WiFi, LLC (“EWF”) filed complaints in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on March 25, 2020, alleging infringement of United States Patent Nos. 7,280,551, 7,545,781, 7,400,616, and 7,242,720. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek USA Inc. on July 5, 2022.

B. Koninklijke Philips N.V., and Philips North America LLC (“Philips”) filed a complaint in the United States District Court for the District of Delaware against MTK and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

C. Ocean Semiconductor LLC (“Ocean”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on December 31, 2020, alleging infringement of U.S. Patent Nos. 6,660,651, 6,907,305, 6,725,402, 6,968,248, 7,080,330, 6,836,691, and 8,676,538. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek USA on October 3, 2022.

D. DivX, LLC (“DivX”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK and its subsidiary MediaTek Singapore Pte. Ltd. on August 11, 2021, alleging claims arising out of breach of contract. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek Singapore Pte. Ltd. on January 28, 2022.

E. NXP USA Inc. (“NXP”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on August 24, 2021, alleging infringement of U.S. Patent Nos. 10,038,518, 10,560,158, and 10,742,780. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against MTK and subsidiary MediaTek USA Inc. on May 11, 2022.

NXP Semiconductors Inc. filed 8 complaint in the People’s Republic of China for the Nanjing Intellectual Property Court against MTK on September 26, 2021, September 27, 2021, September 29, 2021 and October 9, 2021 alleging infringement of China Patent Nos.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ZL201510695445.0, ZL200580026196.0, ZL02820012.8 and ZL200780002987.9.
Plaintiff has submitted a petition for voluntary dismissal on July 13, 2022.

NXP USA Inc. and NXP Semiconductors NV filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on November 1, 2021 alleging infringement of U.S. Patent Nos. 7,593,202, 8,482,136, 9,729,214, 10,904,058 and 8,558,591. Pursuant to the parties' joint motion to terminate, the Administrative Law Judge issued an Initial Determination terminating MTK and its subsidiaries from the investigation on July 13, 2022.

NXP filed a complaint in the United States District Court for the Central District of California against MTK and subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of the same patents listed above. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek USA on July 21, 2022.

NXP asserted counterclaims in the United States District Court for the Central District of California against MTK and subsidiary MediaTek USA Inc. on December 15, 2021, alleging infringement of U.S. Patent Nos. 9,480,018, 10,278,224, 10,404,839 and 10,764,874. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek USA Inc. on July 21, 2022.

F. NorthStar Systems LLC ("NorthStar") filed a complaint in the United States District Court for the Eastern District of Texas against MTK on May 5, 2022, alleging infringement of U.S. Patent Nos. 6,995,708, 6,681,181, 6,947,840 and 8,805,416. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on July 6, 2022.

G. Tyche Licensing LLC ("Tyche") filed a complaint in the United States District Court for the Eastern District of Texas against MTK on May 16, 2022, alleging infringement of U.S. Patent Nos. 6,900,087 and 7,084,481. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on February 6, 2023.

H. American Patents LLC ("AP") filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on June 6, 2022, alleging infringement of U.S. Patent Nos. 7,088,782, 7,310,304 and 7,706,458. The operations of MTK and its subsidiary will not be materially affected by this case.

I. Daedalus Prime LLC ("Daedalus") filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080,

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

10,394,300 and 10,705,588. The Commission determined not to institute an investigation into MTK and subsidiary MediaTek USA Inc. on October 7, 2022.

Daedalus Prime LLC (“Daedalus”) filed a complaint in the United States District Court for the District of Delaware against MTK and subsidiary MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against MTK and subsidiary MediaTek USA Inc. on November 14, 2022.

J. Cedar Lane Technologies Inc. (“Cedar”) filed a complaint in the United States District Court for the Western District of Texas against MTK on October 4, 2022, alleging infringement of U.S. Patent Nos. 6,972,790 and 8,537,242. The operations of MTK will not be materially affected by this case.

K. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against MTK on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513. The operations of MTK will not be materially affected by this case.

L. Winterspring Digital LLC (“Winterspring”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK on January 12, 2023, alleging infringement of U.S. Patent Nos. 7,420,975, 7,164,692 and 7,774,468. The operations of MTK will not be materially affected by this case.

The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

None

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 75,354	\$ 11,216
Mandatorily measured at fair value through profit or loss (Note 1)	17,242,983	17,753,001
Subtotal	<u>17,318,337</u>	<u>17,764,217</u>
Financial assets at fair value through other comprehensive income	76,970,268	58,902,638
Financial assets measured at amortized cost (Note 2)	<u>234,332,546</u>	<u>262,978,581</u>
Total	<u>\$ 328,621,151</u>	<u>\$ 339,645,436</u>

Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 6,097	\$ 4,252
Financial liabilities at amortized cost:		
Short-term borrowings	3,700,000	51,267,307
Trade payables (including related parties)	21,517,950	43,503,692
Other payables (including related parties)	52,509,602	53,243,913
Long-term payables (including current portion and related parties)	2,904,380	3,991,628
Long-term borrowings (including current portion)	827,660	1,385,720
Lease liabilities	9,103,737	3,491,076
Subtotal	<u>90,563,329</u>	<u>156,883,336</u>
Total	<u>\$ 90,569,426</u>	<u>\$ 156,887,588</u>

Notes:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT\$2,151,487 thousand and NT\$2,609,493 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6.(5) for further explanation.
2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, notes receivable, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$2,151,487 thousand and NT\$2,609,493 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6.(5) for further explanation.), other receivables and financing lease receivables, net.

B. Fair values of financial instruments

- a. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables, short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

- (e) The fair value of other financial assets and liabilities is determined using discounted cash flow analysis; the interest rate and discount rate are selected with reference to those of similar financial instruments.

b. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

c. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets measured at fair value on a non-recurring

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

basis; the following table presents the fair value measurement hierarchy of the Company's assets and liabilities on a recurring basis:

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value				
through profit or loss				
Bonds	\$ 149,300	\$ -	\$ 1,480,393	\$ 1,629,693
Linked deposits	-	-	4,993,444	4,993,444
Stocks	197,411	-	-	197,411
Funds	1,729,818	-	5,555,174	7,284,992
Trust funds	985,956	-	-	985,956
Forward exchange contracts	-	75,354	-	75,354
Financial assets at fair value				
through other comprehensive				
income				
Equity instruments measured				
at fair value through other				
comprehensive income	15,799,525	170,966	59,817,892	75,788,383
Debt instruments measured at				
fair value through other				
comprehensive income	540,702	-	641,183	1,181,885
Total	<u>\$ 19,402,712</u>	<u>\$ 246,320</u>	<u>\$ 72,488,086</u>	<u>\$ 92,137,118</u>

Liabilities measured at fairvalue:

Financial liabilities at fair value

through profit or loss

Forward exchange contracts	\$ -	\$ 6,097	\$ -	\$ 6,097
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MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets measured at fair value:</u>				
Financial assets at fair value				
through profit or loss				
Bonds	\$ -	\$ -	\$ 1,364,513	\$ 1,364,513
Linked deposits	387,121	-	3,624,673	4,011,794
Stocks	394,598	-	12,534	407,132
Funds	1,502,219	-	6,706,160	8,208,379
Trust funds	1,151,690	-	-	1,151,690
Forward exchange contracts	-	11,216	-	11,216
Financial assets at fair value				
through other comprehensive				
income				
Equity instruments measured				
at fair value through other				
comprehensive income				
	25,348,455	-	33,113,406	58,461,861
Debt instruments measured at				
fair value through other				
comprehensive income				
	-	-	440,777	440,777
Total	<u>\$ 28,784,083</u>	<u>\$ 11,216</u>	<u>\$ 45,262,063</u>	<u>\$ 74,057,362</u>

Liabilities measured at fairvalue:

Financial liabilities at fair value

through profit or loss

Forward exchange contracts	\$ -	\$ 4,252	\$ -	\$ 4,252
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For the years ended December 31, 2022 and 2021, amounts transferred from level 2 of the fair value hierarchy to level 1 due to the removal of the stock transfer restrictions were NT\$0 dollar and NT\$164,621, respectively.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**The detail movement of recurring fair value measurements in Level 3:

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy during the period is as follows:

	Asset							Total
	Mandatorily measured at fair value through profit or loss				Measured at fair value through other comprehensive income			
	Stocks	Bonds	Funds	Link deposits	Bonds	Capital	Stocks	
As of January 1, 2022	\$ 12,534	\$ 1,364,513	\$ 6,706,160	\$ 3,624,673	\$ 440,777	\$ 25,373,262	\$ 7,740,144	\$ 45,262,063
Amount recognized in profit or loss	(7,194)	75,101	217,325	(75,232)	-	-	-	210,000
Amount recognized in OCI	-	-	-	-	(9,283)	(3,195,511)	1,943,569	(1,261,225)
Amount recognized in OCI-exchange differences	238	(6,072)	164,424	199,976	9,689	1,899,867	821,729	3,089,851
Acquisitions	-	46,851	11,515,893	4,582,762	200,000	57,978,112	207,253	74,530,871
Settlements	(5,578)	-	(13,048,628)	(3,338,735)	-	(32,669,337)	(82,660)	(49,144,938)
Transfer out of level 3	-	-	-	-	-	-	(198,536)	(198,536)
As of December 31, 2022	\$ -	\$ 1,480,393	\$ 5,555,174	\$ 4,993,444	\$ 641,183	\$ 49,386,393	\$ 10,431,499	\$ 72,488,086

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Assets							Total	
	Mandatorily measured at fair value through profit or loss			Measured at fair value through other comprehensive income					
	Stocks	Bonds	Funds	Link deposits	Capital	Bonds	Capital		Stocks
As of January 1, 2021	\$ 12,569	\$ 363,584	\$ 5,573,450	\$ 4,506,359	\$ 43,690	\$ 694,083	\$ 17,263,503	\$ 5,547,578	\$ 34,004,816
Amount recognized in profit or loss	-	(248,182)	147,083	9,722	10,895	707	-	-	(79,775)
Amount recognized in OCI	-	-	-	-	-	4,670	7,860,527	2,536,229	10,401,426
Amount recognized in OCI-exchange differences	(35)	(9,899)	(18,748)	(115,268)	(127)	(7,021)	(276,786)	(143,725)	(571,609)
Acquisitions	-	1,332,088	13,472,602	1,365,778	-	-	1,560,175	2,475,618	20,206,261
Settlements	-	(73,078)	(11,637,370)	(2,141,918)	(54,458)	(251,662)	(1,034,157)	(574,475)	(15,767,118)
Others	-	-	(830,857)	-	-	-	-	-	(830,857)
Transfer out of level 3	-	-	-	-	-	-	-	(2,101,081)	(2,101,081)
As of December 31, 2021	\$ 12,534	\$ 1,364,513	\$ 6,706,160	\$ 3,624,673	\$ -	\$ 440,777	\$ 25,373,262	\$ 7,740,144	\$ 45,262,063

Total gains (losses) related to assets recognized for the years ended December 31, 2022 and 2021 amounted to NT\$ 88,214 thousand and NT\$(231,977) thousand, respectively.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Information on significant unobservable inputs to valuation of fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's recurring fair value measurements in Level 3 of the fair value hierarchy and significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy are as follows:

As of December 31, 2022:

	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through profit or loss					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's profit (loss) for the year ended December 31, 2022 by NT\$0 dollar.
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2022 by NT\$488,423 thousand.
Capital	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2022 by NT\$138,578 thousand.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2021:

	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through profit or loss					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's profit (loss) for the year ended December 31, 2021 by NT\$1,253 thousand.
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2021 by NT\$45,812 thousand.
Capital	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2021 by NT\$17,306 thousand.

The Company's linked-deposits and funds of the fair value hierarchy are based on unadjusted quoted price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and updating the latest quoted price of trading partners periodically to ensure that the results of the valuation are in line with market conditions, based on stable, independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure the measurement or assessment are reasonable.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method	\$ 723,310	\$ 14,602,609	\$ -	\$ 15,325,919
Investment property	-	-	3,067,378	3,067,378

As of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method	\$ 1,020,466	\$ 2,403,467	\$ -	\$ 3,423,933
Investment property	-	-	2,773,273	2,773,273

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Derivative financial instruments

The Company's derivative financial instruments held for trading were forward exchange contracts. The related information is as follows:

The Company entered into forward exchange contracts to manage its exposure to financial risk, but these contracts were not designated as hedging instruments. The table below lists the information related to outstanding forward exchange contracts:

Forward exchange contracts	Currency	Contract amount ('000)	Maturity
As of December 31, 2022	TWD to USD	Buy USD 30,000	January 2023
As of December 31, 2022	TWD to USD	Sell USD 19,000	January 2023
As of December 31, 2022	CNY to USD	Buy USD 246,947	January 2023
As of December 31, 2022	CNY to USD	Buy USD 120,000	February 2023
As of December 31, 2022	TWD to USD	Sell USD 12,000	February 2023
As of December 31, 2022	CNY to USD	Buy USD 309,504	February 2023
As of December 31, 2022	GBP to USD	Buy USD 90,817	February 2023
As of December 31, 2022	TWD to USD	Buy USD 60,000	March 2023
As of December 31, 2022	JPY to USD	Buy USD 1,538	June 2023
As of December 31, 2021	TWD to USD	Sell USD 28,000	January 2022
As of December 31, 2021	CNY to USD	Sell USD 9,000	January 2022
As of December 31, 2021	TWD to USD	Sell USD 15,000	February 2022
As of December 31, 2021	CNY to USD	Sell USD 12,000	February 2022
As of December 31, 2021	TWD to USD	Buy USD 10,000	February 2022
As of December 31, 2021	CNY to USD	Sell USD 5,000	March 2022
As of December 31, 2021	TWD to USD	Buy USD 20,000	March 2022
As of December 31, 2021	CNY to USD	Sell USD 2,000	April 2022
As of December 31, 2021	CNY to USD	Sell USD 5,000	May 2022
As of December 31, 2021	JPY to USD	Buy USD 1,766	June 2022

The Company entered into forward foreign exchange contracts to hedge foreign currency risk of net assets or net liabilities. As there will be corresponding cash inflows or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk tendency.

The Company has established appropriate policies, procedures and internal controls for financial risk management. The plans for material treasury activities are reviewed by Board of Directors and Audit Committee in accordance with relevant regulations and internal controls. The Company complies with its financial risk management policies at all times.

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

a. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenues or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts is to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD and CNY. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by NT\$31,382 thousand and NT\$27,447 thousand, while equity decreases/increases by NT\$199,965 thousand and NT\$46,080 thousand, respectively.

When NTD appreciates or depreciates against CNY by 0.1%, the profit for the years ended December 31, 2022 and 2021 increases/decreases by NT\$176 thousand and NT\$13 thousand, while equity decreases/increases by NT\$26,419 thousand and NT\$21,820 thousand, respectively.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment of debt instruments at variable interest rates, bank borrowings with fixed and variable interest rates. Moreover, the market value of the Company's investments in credit-linked deposits and interest rate-linked deposits are affected by interest rates. The market value would decrease (even lower than the principal) when the interest rate increases, and vice versa. The market values of exchange rate-linked deposits are affected by interest rates and changes in the value and volatility of the underlying. The following sensitivity analysis focuses on interest rate risk and does not take into account the interdependencies between risk variables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$1,762 thousand and NT\$3,875 thousand, respectively.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

c. Other price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's equity securities are classified under the category of equity instrument investments measured at fair value through profit or loss and equity instrument investments measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves certain equity investments according to level of authority.

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$1,974 thousand and NT\$3,946 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$159,705 thousand and NT\$242,167 thousand, respectively.

Please refer to Note 12. (1) B for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3 of the fair value hierarchy.

B. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables) and from its financing activities, including bank deposits and other financial instruments.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Credit risk is managed by each business unit subject to the Company's established policies, procedures and controls relating to credit risk management. Credit limits are established for all trading partners based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain trading partners' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2022 and 2021, receivables from top ten customers represented 57.27%, and 48.63% of the total trade receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

The Company's exposure to credit risk arises from potential default of the counter-party or other third-party. The level of exposure depends on several factors including concentrations of credit risk, components of credit risk, the price of contract and other receivables of financial instruments. Since the counter-party or third-party to the foregoing forward exchange contracts and cross currency swap contracts are all reputable financial institutions, management believes that the Company's exposure to default by those parties is minimal.

Credit risk of credit-linked deposits, interest rate-linked deposits, exchange-linked deposits, index-linked deposits and convertible bonds arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the credit risk by only transacting with counter-party who is reputable, transparent and in good financial standing.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables and financing lease receivables which are measured at lifetime expected credit losses, for debt instrument investments which are not measured at fair value through profit or loss and are at low credit risk upon acquisition, an assessment is made at each reporting date as to whether the credit risk has substantially increased in order to determine the method of measuring the loss allowance and the loss ratio. The measurement indicators of the Company are described as follows:

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2022	December 31, 2021
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 28,325,072	\$ 12,279,183
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ 935,130	\$ -
	Contract payment overdue 30 days			
Credit-impaired	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days			
	Other impaired evidence			
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 42,299,764	\$ 60,158,382

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes notes receivables, trade receivables (including related parties) and financing lease receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on a debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which is available without undue cost and effort) is mainly based on the macroeconomic information and industrial information and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

C. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2022</u>				
Short-term borrowings	\$ 3,713,922	\$ -	\$ -	\$ 3,713,922
Trade payables (including related parties)	21,517,950	-	-	21,517,950
Other payables (including related parties)	52,502,732	-	-	52,502,732
Lease liabilities	856,378	1,948,109	8,980,835	11,785,322
Long-term borrowings	827,660	-	-	827,660
Long-term payables (including related parties)	2,041,032	863,348	-	2,904,380
Total	<u>\$ 81,459,674</u>	<u>\$ 2,811,457</u>	<u>\$ 8,980,835</u>	<u>\$ 93,251,966</u>
<u>As of December 31, 2021</u>				
Short-term borrowings	\$ 51,275,086	\$ -	\$ -	\$ 51,275,086
Trade payables (including related parties)	43,503,692	-	-	43,503,692
Other payables (including related parties)	53,239,910	-	-	53,239,910
Lease liabilities	569,403	1,519,801	1,987,708	4,076,912
Long-term borrowings	558,060	827,660	-	1,385,720
Long-term payables (including related parties)	3,135,731	855,897	-	3,991,628
Total	<u>\$ 152,281,882</u>	<u>\$ 3,203,358</u>	<u>\$ 1,987,708</u>	<u>\$ 157,472,948</u>

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
<u>As of December 31, 2022</u>			
Gross settlement			
Forward exchange contracts			
Inflow	\$ 2,508,242	\$ -	\$ 2,508,242
Outflow	(2,523,668)	-	(2,523,668)
Net	<u>\$ (15,426)</u>	<u>\$ -</u>	<u>\$ (15,426)</u>
Net settlement			
Forward exchange contracts	(3,353)	-	(3,353)
Total	<u>\$ (18,779)</u>	<u>\$ -</u>	<u>\$ (18,779)</u>

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
<u>As of December 31, 2021</u>			
Net settlement			
Forward exchange contracts	\$ (4,252)	\$ -	\$ (4,252)

The table above contains the undiscounted net cash flows of derivative financial liabilities.

D. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2022	\$ 51,267,307	\$ 1,385,720	\$ 3,491,076	\$ 227,570	\$ 56,371,673
Cash flows	(48,016,474)	(558,060)	(604,013)	(37,863)	(49,216,410)
Non-cash movement	-	-	6,216,674	-	6,216,674
Acquisition	253,000	-	-	-	253,000
Foreign exchange movement	196,167	-	-	-	196,167
As of December 31, 2022	<u>\$ 3,700,000</u>	<u>\$ 827,660</u>	<u>\$ 9,103,737</u>	<u>\$ 189,707</u>	<u>\$ 13,821,104</u>

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2021	\$ 21,470,853	\$ -	\$ 2,845,369	\$ 430,736	\$ 24,746,958
Cash flows	29,948,992	1,385,720	(608,068)	(203,166)	30,523,478
Non-cash movement	-	-	1,253,775	-	1,253,775
Foreign exchange movement	(152,538)	-	-	-	(152,538)
As of December 31, 2021	<u>\$ 51,267,307</u>	<u>\$ 1,385,720</u>	<u>\$ 3,491,076</u>	<u>\$ 227,570</u>	<u>\$ 56,371,673</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2022		
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 6,010,478	30.713	\$ 184,599,812
CNY	\$ 39,598	4.453	\$ 176,329
Non-monetary item:			
USD	\$ 2,403,997	30.713	\$ 73,833,961
CNY	\$ 5,923,841	4.453	\$ 26,378,685
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 1,060,940	30.713	\$ 32,584,650
CNY	\$ 69,928	4.453	\$ 311,385
December 31, 2021			
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 3,993,471	27.674	\$ 110,515,481
CNY	\$ 5,460	4.357	\$ 23,790
Non-monetary item:			
USD	\$ 1,708,693	27.674	\$ 47,286,358
CNY	\$ 5,001,399	4.357	\$ 21,789,443
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 3,001,013	27.674	\$ 83,049,771
CNY	\$ 1,464	4.357	\$ 6,379

The above information is disclosed based on the carrying amounts of foreign currencies (after conversion to the Company's functional currency.)

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (losses) gains were NT\$(709,904) thousand and NT\$310,074 thousand for the years ended December 31, 2022 and 2021, respectively.

(4) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosures

(1) The following are additional disclosures for the Company and its affiliates:

- A. Financing provided to others for the year ended December 31, 2022: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2022: Please refer to Attachment 2.
- C. Securities held as of December 31, 2022: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 4.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 5.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 6.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2022: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.
- J. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 8.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control (excluding investees in Mainland China). Please refer to Attachment 9.

(3) Investment in Mainland China

A. Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control, which discloses investee company name, main business and products, total amount of capital, method of investment, accumulated inflows and outflows of investments from Taiwan, percentage of ownership, net income (loss), investment income (loss), carrying amount of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 10.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1 and Attachment 8

(4) Main shareholder information

None.

14. Segment Information

(1) General information

The major sales of the Company come from multimedia and mobile phone chips and other integrated circuit design products. The chief operating decision maker reviews the overall operating results to make decisions about resources to be allocated to and evaluates the overall performance. Therefore, the Company is aggregated into a single segment.

(2) Geographical information

A. Net sales from external customers

	For the years ended	
	December 31	
	2022	2021
Taiwan	\$ 33,794,698	\$ 36,194,072
Asia	507,712,143	450,894,697
Others	7,289,189	6,325,813
Total	<u>\$ 548,796,030</u>	<u>\$ 493,414,582</u>

Net sales are classified by customers' countries.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Non-current assets

	December 31, 2022	December 31, 2021
Taiwan	\$ 130,288,768	\$ 127,280,201
Asia	34,854,722	37,827,951
Others	1,812,950	1,577,157
Total	<u>\$ 166,956,440</u>	<u>\$ 166,685,309</u>

(3) Major customers

Customers accounting for 10% (or above) of net sales are as follows:

	For the years ended December 31	
	2022	2021
Customer A	\$ 71,890,831	\$ 51,255,548
Customer B	66,242,678	70,405,724
Customer C	60,116,603	54,477,584
Total	<u>\$ 198,250,112</u>	<u>\$ 176,138,856</u>

MEDIATEK INC. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2022

Attachment 1

No.	Financing Company (Note 1)	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	Hsu Chia (Samoa) Investment Ltd. (Note 1)	MediaTek (Shanghai) Inc. MediaTek China Limited	Other receivables from related party Other receivables from related party	Yes Yes	\$ 1,804,488 CNY 400,000,000 \$ 676,683 CNY 150,000,000	\$ 1,514,010 CNY 340,000,000 \$ 667,946 CNY 150,000,000	\$ 1,514,010 CNY 340,000,000	3.00% 3.00%	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 5,525,969 CNY 1,240,962,477 \$ 5,525,969 CNY 1,240,962,477	\$ 5,525,969 CNY 1,240,962,477 \$ 5,525,969 CNY 1,240,962,477
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	MediaTek (Shenzhen) Inc. MediaTek (Hefei) Inc.	Other receivables from related party Other receivables from related party	Yes Yes	\$ 315,785 CNY 70,000,000 \$ 315,785 CNY 70,000,000	\$ 676,851 CNY 152,000,000 \$ - -	\$ 676,851 CNY 70,000,000 \$ - -	3.00% 3.00%	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 5,489,936 CNY 1,232,870,615 \$ 5,519,857 CNY 1,239,589,912	\$ 5,489,936 CNY 1,232,870,615 \$ 5,519,857 CNY 1,239,589,912
3	Hsu Fa (Samoa) Investment Ltd. (Note 1)	MediaTek (Chengdu) Inc. MediaTek (Wuhan) Inc.	Other receivables from related party Other receivables from related party	Yes Yes	\$ 315,785 CNY 70,000,000 \$ 1,172,917 CNY 260,000,000	\$ 311,708 CNY 70,000,000 \$ 1,157,772 CNY 260,000,000	\$ 311,708 CNY 70,000,000 \$ 1,157,772 CNY 260,000,000	3.00% 3.00%	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 5,519,857 CNY 1,239,589,912 \$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912 \$ 5,519,857 CNY 1,239,589,912
4	Hsu Zhan (HK) Investment Limited (Note 1)	MediaTek Inc. MediaTek Japan Inc.	Other receivables from related party Other receivables from related party	Yes Yes	\$ 23,020,920 USD 780,000,000 \$ 73,242 JPY 300,000,000	\$ - - \$ 69,891 JPY 300,000,000	\$ - - \$ 46,594 JPY 200,000,000	0.84% 1.00%	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 74,183,813 USD 2,415,388,033 \$ 74,183,813 USD 2,415,388,033	\$ 74,183,813 USD 2,415,388,033 \$ 74,183,813 USD 2,415,388,033
5	Airoha Technology Corp. (Note 2)	Airoha Technology (Suzhou) Limited	Other receivables from related party	Yes	\$ 386,196 USD 12,000,000	\$ - -	\$ - -	1.35%	Short-term financing	-	Operating Capital	-	-	-	\$ 866,812 USD 162,507,505	\$ 1,733,624 USD 162,507,505
6	Core Tech Resources Inc. (Note 1)	MediaTek China Limited	Other receivables from related party	Yes	\$ 4,563,300 USD 150,000,000	\$ - -	\$ - -	0.00%	Short-term financing	-	Operating Capital	-	-	-	\$ 4,991,093 USD 162,507,505	\$ 4,991,093 USD 162,507,505
7	Digimoc Holdings Limited (Note 1)	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 8,045,750 USD 250,000,000	\$ 7,678,250 USD 250,000,000	\$ 7,371,120 USD 240,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	\$ 21,102,186 USD 687,076,681	\$ 21,102,186 USD 687,076,681
8	MTKC Global Holdings Co. Limited (Note 1)	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 5,471,110 USD 170,000,000	\$ 5,221,210 USD 170,000,000	\$ 3,085,560 USD 120,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	\$ 11,067,546 USD 360,353,794	\$ 11,067,546 USD 360,353,794
9	Gaintech Co. Limited (Note 1)	Hsu Zhan (HK) Investment Limited MediaTek Inc.	Other receivables from related party Other receivables from related party	Yes Yes	\$ 9,654,900 USD 300,000,000 \$ 17,700,650 USD 550,000,000	\$ 9,213,900 USD 300,000,000 \$ 16,892,150 USD 550,000,000	\$ 9,274,712 USD 301,980,000	NA 0.00%	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 203,030,755 USD 6,610,580,368 \$ 203,030,755 USD 6,610,580,368	\$ 203,030,755 USD 6,610,580,368 \$ 203,030,755 USD 6,610,580,368
10	MediaTek Singapore Pte. Ltd. (Note 1)	Gaintech Co. Limited Hsu Zhan (HK) Investment Limited	Other receivables from related party Other receivables from related party	Yes Yes	\$ 20,918,950 USD 650,000,000 \$ 9,654,900 USD 300,000,000	\$ 19,963,450 USD 650,000,000 \$ 9,213,900 USD 300,000,000	\$ - -	2.82%-3.29% NA	Short-term financing Short-term financing	- -	Operating Capital Operating Capital	- -	- -	- -	\$ 67,208,289 USD 2,188,268,444 \$ 67,208,289 USD 2,188,268,444	\$ 67,208,289 USD 2,188,268,444 \$ 67,208,289 USD 2,188,268,444

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd. and Hsu Zhan (HK) Investment Limited, Core Tech Resources Inc., Digimoc Holdings Limited, MTKC Global Holdings Co. Limited, Gaintech Co. Limited, Mediatek Singapore Pte. Ltd. required:

- A. The total amount for lending shall not exceed 20% of the lender's net worth.
- B. The maximum amount lendable to a single company is 10% of the lender's net worth or 30% of the borrower's net worth, whichever is lower, and
- C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks shall be excluded from the above limitations. However, total financing amount limits and financing limits for each borrowing company shall not exceed the lender's net worth.

Note 2: The operating procedures of financing provided to others of Airoha Technology Corp. required:

- A. The total amount for lending shall not exceed 20% of the lender's net worth.
- B. The maximum amount lendable to a single company is 10% of the lender's net worth.

Note 3: Maximum accumulated balance of financing amount as of the declaration month for the period.

MEDIA TEK INC. AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2022

Attachment 2

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 2)	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relationship (Note 2)										
0	MediaTek Inc.	MediaTek USA Inc.	A	\$ 88,021,858 (Note 1)	\$ 9,538 USD 342,857	\$ -	\$ -	\$ -	0.00%	\$220,054,645 (Note 1)	Y	N	N
		Gaintech Co. Limited	A	\$ 88,021,858 (Note 1)	\$ 24,000,000	\$ -	\$ -	\$ -	5.45%		Y	N	N
		MediaTek China Limited	A	\$ 88,021,858 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	\$ -	2.04%		Y	N	N

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Note 1: Based on the rules of operating procedures of endorsement/guarantee of MediaTek Inc., the limiting amount of endorsement/guarantee rendered to any single company shall not exceed 20% of MediaTek Inc.'s net worth as stated in the latest financial statements.

Note 2: The total amount of guarantee shall not exceed 50% of the Company's net worth from the latest financial statements.

Note 3: The nature of relationship between endorser/guarantor and guaranteed party is as follows:

A. The Company directly and indirectly holds more than 50% of the voting shares.

B. A company that directly and indirectly holds more than 50% of the voting shares in the Company.

Note 3: Amounts converted at the highest exchange rate.

MEDIA TEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

Attachment 3

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
Mediatek Inc.	Funds	KGI Fungli Fund	45,886,514	\$ 738,680	-	\$ 738,680	-
		KGI Full Strategic Fund	69,339,442	\$ 991,138	-	\$ 991,138	-
		Cathay No.1 Real Estate Investment Trust	8,120,000	\$ 1,468,096	-	\$ 1,468,096	-
		Cathay No.2 Real Estate Investment Trust	64,503,000	\$ 1,148,154	-	\$ 1,148,154	-
		Fubon No.1 Real Estate Investment Trust	16,744,000	\$ 264,555	-	\$ 264,555	-
		Fubon No.2 Real Estate Investment Trust	13,421,000	\$ 203,999	-	\$ 203,999	-
		TAIWAN MANSK CORPORATION 3rd Unsecured Convertible Bond	-	\$ 129,497	-	\$ 129,497	-
		Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	\$ 197,759	-	\$ 197,759	-
		CLN of Aclbel Polytex Inc. 1st Domestic Unsecured Convertible Bonds	-	\$ 289,908	-	\$ 289,908	-
		CLN of Tanshin Financial Holding Co., Ltd.	-	\$ 295,626	-	\$ 295,626	-
		CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bonds	-	\$ 70,141	-	\$ 70,141	-
		CLN of Serocom Corporation 6th Domestic Unsecured Convertible Bonds	-	\$ 290,653	-	\$ 290,653	-
		CLN of Giant Manufacturing Co., Ltd. 1st Domestic Unsecured Convertible Bonds	-	\$ 292,092	-	\$ 292,092	-
		WALSN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	\$ 201,088	-	\$ 201,088	-
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	-	\$ 79,940	-	\$ 79,940	-		
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	\$ 150,152	-	\$ 150,152	-		
CLN of Wistron NetWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	\$ 90,515	-	\$ 90,515	-		
Shin Kong Financial Holding Co., Ltd. Preferred Stock A	4,200,000	\$ 150,780	0%	\$ 150,780	-		
Foot&L Limited	640,000	\$ 1,769	6%	\$ 1,769	-		
Chialose Finance Co., Ltd. Preferred Stock A	2,750,000	\$ 269,225	0%	\$ 269,225	-		
WT Microelectronics Preferred Stock A	8,241,000	\$ 393,508	1%	\$ 393,508	-		
Shin Kong Financial Holding Co., Ltd. Preferred Stock B	12,888,000	\$ 462,679	0%	\$ 462,679	-		
WPG Holdings Limited Preferred Share A	10,900,000	\$ 534,100	1%	\$ 534,100	-		
FUBON Financial Holding Co., Ltd. Preferred Stock A	1,786,666	\$ 107,914	0%	\$ 107,914	-		
FUBON Financial Holding Co., Ltd. Preferred Stock B	15,000,000	\$ 862,500	0%	\$ 862,500	-		
FUBON Financial Holding Co., Ltd. Preferred Stock C	7,056,243	\$ 388,799	0%	\$ 388,799	-		
Cathay Financial Holdings preferred stock A	2,405,000	\$ 136,123	0%	\$ 136,123	-		
Cathay Financial Holdings common stock	196,293	\$ 7,852	0%	\$ 7,852	-		
Tanshin Financial Holding Co., Ltd. exchangeable preferred stock	45,325,000	\$ 777,324	0%	\$ 777,324	-		
Taihang Commercial Bank Bond	-	\$ 20,396	-	\$ 20,396	-		
Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	-	\$ 290,000	-	\$ 290,000	-		
WEIBO CORP DUE 050724	-	\$ 268,510	-	\$ 268,510	-		
Fencent Music Entertainment GT DUE 202-80903	-	\$ 157,481	-	\$ 157,481	-		
BAIDU INC DUE 070425	-	\$ 44,700	-	\$ 44,700	-		
China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	-	\$ 580,000	-	\$ 580,000	-		
YANGHEO Corporation 2nd unsecured corporate bond	-	\$ 100,000	-	\$ 100,000	-		
TSMC 1st Unsecured Corporate Bond in 2022-Triple A (Green Bond)	-	\$ 200,000	-	\$ 200,000	-		
TSMC 1st Unsecured Corporate Bond in 2022-Triple B (Green Bond)	-	\$ 200,000	-	\$ 200,000	-		
Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	-	\$ 100,000	-	\$ 100,000	-		
Tanshin Financial Holding Co., Ltd. 1st Exchangeable Bond	-	\$ 100,200	-	\$ 100,200	-		
ELITE MATERIAL CO., LTD 5th Convertible Bond	-	\$ -	-	\$ -	-		
Chialose Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	\$ -	-	\$ -	-		
SERAPHIC Information Technology (Shanghai) Co., Ltd.	-	\$ 200,949	-	\$ 200,949	-		
Celestar Capital I, L.P.	-	\$ 505,904	-	\$ 505,904	-		
Celestar Capital II, L.P.	-	\$ 2,377,306	-	\$ 2,377,306	-		
Celestar Capital III, L.P.	-	\$ 9,700,330	-	\$ 9,700,330	-		
Celestar Capital IV, L.P.	-	\$ 16,334,311	-	\$ 16,334,311	-		
Walden Catalyst Ventures, L.P.	-	\$ 4,541,796	-	\$ 4,541,796	-		
KIBOU FUND L.P.	-	\$ 2,084,187	-	\$ 2,084,187	-		
Digimove Holding Limited	Capital	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ -	-	\$ -	-

(To be continued)

MEDIA TEK, INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Note	
			Units/Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Digmoe Holdings Limited	Capital	Amit Fund II, L.P.	-	USD 11,658,740	-	USD 11,658,740	-	
		Cypress Frontline Venture Fund L.P.	-	USD 2,422,221	-	USD 2,422,221	-	
		Walden Technology Ventures IV, L.P.	-	USD 2,978,092	-	USD 2,978,092	-	
		Ashi Capital Partners Fund LP	-	USD 3,345,613	-	USD 3,345,613	-	
	Stocks	Credo Technology Group Holding Ltd.	Financial assets mandatorily measured at fair value through profit or loss - current	114,070	USD 1,518,272	0%	USD 1,518,272	-
		Valeo Semiconductor Ltd.	Equity instrument measured at fair value through other comprehensive income - noncurrent	846,010	USD 4,543,074	1%	USD 4,543,074	-
		AutoX, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	55,009,500	USD 80,832,280	3%	USD 80,832,280	-
		Eta Compute Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	1,069,976	USD 460,090	4%	USD 460,090	-
		DSR Concepts, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	1,132,118	USD 4,132,231	2%	USD 4,132,231	-
		GIO Tech Ltd.	Equity instrument measured at fair value through other comprehensive income - noncurrent	6,000,000	USD 126,000	12%	USD 126,000	-
Hsiang Fa Co.	Capital	Ausbj Micro, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	8,305,734	USD 19,447,590	3%	USD 19,447,590	-
		MCUBE, INC.	Equity instrument measured at fair value through other comprehensive income - noncurrent	3,114,984	USD 5,338,922	5%	USD 5,338,922	-
		Genent Mobile Corporation	Equity instrument measured at fair value through other comprehensive income - noncurrent	5,000,000	USD 150,000	18%	USD 150,000	-
		SIMO Holdings, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,923,840	USD 1,514,549	4%	USD 1,514,549	1
	Stocks	Faciant Corporation	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,000,000	USD 205	11%	USD 205	-
		CLN of Taiwan Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 80,185	-	USD 80,185	-
		CLN of Watson NewWeb Corporation 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 201,347	-	USD 201,347	-
		CLN of ADVANCED INTERNATIONAL MULTITECH CO., LTD. 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 100,546	-	USD 100,546	-
		ANDES TECHNOLOGY CORP.	Equity instrument measured at fair value through other comprehensive income - current	1,857,008	USD 20,613	5%	USD 20,613	-
		CHUNGHWA PRECISION TEST TECH. CO., LTD.	Equity instrument measured at fair value through other comprehensive income - current	5,657,234	USD 2,814,519	11%	USD 2,814,519	-
Hsiang Fa Co.	Capital	MediTek Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	7,794,085	USD 4,871,303	0%	USD 4,871,303	2
		ESTINET TECHNOLOGIES INCORPORATION	Equity instrument measured at fair value through other comprehensive income - noncurrent	500,000	USD 521	2%	USD 521	-
		Mars Semiconductor Corp.	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,103,982	USD 132,761	7%	USD 132,761	-
		Taiwanic Capital Buffalo Fund Co., Ltd.	Equity instrument measured at fair value through other comprehensive income - noncurrent	231,500,000	USD 214,482	5%	USD 214,482	-
	Stocks	International Trust Machines Corporation.	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,500,000	USD 271	2%	USD 271	-
		MasTech Technology Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	600,000	USD 30,000	15%	USD 30,000	-
		Mesh Cooperative Ventures Fund LP	Equity instrument measured at fair value through other comprehensive income - noncurrent	-	USD 38,143	-	USD 38,143	-
		ENNOCONN CORPORATION 1st privately placed domestic unsecured convertible bond	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 1,017,554	-	USD 1,017,554	-
		CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 135,951	-	USD 135,951	-
		ACSP TECHNOLOGY CORP.	Equity instrument measured at fair value through other comprehensive income - current	327,707	USD 3,638	1%	USD 3,638	-
Hsiang Fa Investment Corp.	Capital	ANDES TECHNOLOGY CORPORATION	Equity instrument measured at fair value through other comprehensive income - current	63,275	USD 31,479	0%	USD 31,479	-
		FUBON Financial Holding Co., Ltd. Preferred Stock B	Equity instrument measured at fair value through other comprehensive income - noncurrent	3,333,000	USD 191,648	0%	USD 191,648	-
		FUBON Financial Holding Co., Ltd. Preferred Stock C	Equity instrument measured at fair value through other comprehensive income - noncurrent	77,284	USD 4,258	0%	USD 4,258	-
		Chiaese Finance Co., Ltd. Preferred Stock A	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,000,000	USD 195,800	0%	USD 195,800	-
	Stocks	WT Microelectronics Preferred Stock A	Equity instrument measured at fair value through other comprehensive income - noncurrent	5,800,000	USD 276,950	1%	USD 276,950	-
		China Life Insurance Company Limited Cumulative Perpetual Subordinated bond 09-1	Financial assets measured at amortized cost - noncurrent	-	USD 290,000	-	USD 290,000	-
		Callable Credit Linked Dual Range due 2023	Financial assets mandatorily measured at fair value through profit or loss - current	-	USD 8,982,000	-	USD 8,982,000	-
		Link Wood Limited	Equity instrument measured at fair value through other comprehensive income - current	1,381,814	USD 4,865,116	29%	USD 4,865,116	-
		W/HARPER INC FUND VI LTD.	Equity instrument measured at fair value through other comprehensive income - noncurrent	3,000	USD 590,235	2%	USD 590,235	-
		INNOVATION WORKS LIMITED	Equity instrument measured at fair value through other comprehensive income - noncurrent	2,000,000	USD 75,162	4%	USD 75,162	-
Gaintech Co. Limited	Capital	AutoX, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	5,444,300	USD 7,999,985	0%	USD 7,999,985	-
		Easylogic technology holding (ayam) Limited	Equity instrument measured at fair value through other comprehensive income - noncurrent	842,734	USD 1,011,281	4%	USD 1,011,281	-
		Innoviz Technologies Ltd.	Equity instrument measured at fair value through other comprehensive income - noncurrent	668,423	USD 2,626,922	1%	USD 2,626,922	-
		Expelera, Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	7,151,685	USD 6,364,466	8%	USD 6,364,466	-
	Stocks	ETH Corporation	Equity instrument measured at fair value through other comprehensive income - noncurrent	53,889,085	USD 70,926,028	15%	USD 70,926,028	-
		China Walden Venture Investments II, L.P.	Equity instrument measured at fair value through other comprehensive income - noncurrent	-	USD 15,378,112	-	USD 15,378,112	-
		ALL-STAR INVESTMENT FUND	Equity instrument measured at fair value through other comprehensive income - noncurrent	-	USD 1,030,082	-	USD 1,030,082	-
		Core Tech Resources Inc.	Equity instrument measured at fair value through other comprehensive income - noncurrent	-	USD 8,982,000	-	USD 8,982,000	-
		Link Wood Limited	Equity instrument measured at fair value through other comprehensive income - current	1,381,814	USD 4,865,116	29%	USD 4,865,116	-
		W/HARPER INC FUND VI LTD.	Equity instrument measured at fair value through other comprehensive income - noncurrent	3,000	USD 590,235	2%	USD 590,235	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name		Securities Type	Securities Name	Financial Statement Account			December 31, 2022			Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value			
Cloud Ranger Limited	Stocks	ScaleFlux International	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,096,887	USD 17,611,331	3%	USD 17,611,331	-	-	
		Appier Holding, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	517,930	USD 5,375,832	1%	USD 5,375,832	-	-	
		Amibio Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,809,900	USD 9,029,463	1%	USD 9,029,463	-	-	
		TRANSSNET TECHNOLOGY INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,970,316	USD 11,908,709	8%	USD 11,908,709	-	-	
		QNBK 3.2 3/12/23	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-	-	
		ADBCH 2.6/08/11/23	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-	-	
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost-current	-	CNY 50,010,000	-	-	-	-	
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 33,000,000	-	-	-	-	
		4YCaltble CNH Fixed Rate Notes	Financial assets measured at amortized cost- noncurrent	-	CNY 51,000,000	-	-	-	-	
Hsu Chia (Sumvo) Investment Ltd.	Bonds	NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 2,000,000	-	-	-	-	
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		CIB unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-	-	
		Banclys PLC-CNY 3Y NONCALL2, DUE 6 April 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 55,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 55,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 07/26	Financial assets measured at amortized cost- noncurrent	-	CNY 55,000,000	-	-	-	-	
		BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 5,999,974	-	-	-	-	
		Banclys Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 49,431,500	-	CNY 49,431,500	-	-	
Hsu Fu (Sumvo) Investment Ltd.	Bonds	QNBK 3.2 3/12/23	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-	-	
		ADBCH 2.6/08/11/23	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-	-	
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost-current	-	CNY 50,010,000	-	-	-	-	
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		SG 7YCNY Callable Note	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 177,000,000	-	-	-	-	
		Banclys PLC-CNY 3Y NONCALL2, DUE 6 April 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 100,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 56,000,000	-	-	-	-	
		CACIB 4-YEARS CALLABLE FIXED RATE NOTES	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
Hsu Kang (Sumvo) Investment Ltd.	Bonds	BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-	-	
		NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 19,000,000	-	-	-	-	
		BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 65,997,684	-	-	-	-	
		Banclys Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 49,431,500	-	CNY 49,431,500	-	-	
		QNBK 3.2 3/12/23	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-	-	
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost-current	-	CNY 38,007,600	-	-	-	-	
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		CIB unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-	-	
Hsu Kang (Sumvo) Investment Ltd.	Bonds	BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 66,999,855	-	-	-	-	
		CACIB 4-YEARS CALLABLE FIXED RATE NOTES	Financial assets measured at amortized cost- noncurrent	-	CNY 67,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 53,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 3,000,000	-	-	-	-	
		The Goldman Sachs Group Inc., Formosa Bond due 07/26	Financial assets measured at amortized cost- noncurrent	-	CNY 57,000,000	-	-	-	-	
		BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-	-	
		4YCaltble CNH Fixed Rate Notes	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-	-	
		NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-	-	

(To be continued)

SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Note	
			Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value		
MediaTek (Shenzhen) Inc.	Capital	Shanghai SummitView IC M&A	-	CNY 52,647,035	-	CNY 52,647,035	-	
		Nanning AuoAV Technology Co., Ltd.	-	CNY 199,458,175	-	CNY 199,458,175	-	
		Shanghai Shansheng Chuangxin Investment Partnership (Limited Partnership)	-	CNY 385,642,460	-	CNY 385,642,460	-	
		Shanghai Univ'isa Industrial Software Group Co., Ltd.	-	CNY 73,861,911	-	CNY 73,861,911	-	
	Funds	ICBC "Happy Life" III F	-	CNY 50,000,000	-	CNY 50,000,000	-	
		China Merchants Bank Zhaonui Jinding 9 months No.12	-	CNY 50,737,936	-	CNY 50,737,936	-	
		China Merchants Bank Zhaonui Jinding 14 months No.13	-	CNY 20,760,907	-	CNY 20,760,907	-	
		Fubon Bank (China) Yue Xiang Ying An Xi Hao	-	CNY 30,000,000	-	CNY 30,000,000	-	
		Fubon Bank (China) Yue Xiang Ying An Rong Hao	-	CNY 35,000,000	-	CNY 35,000,000	-	
		Dyma Rehti CO., LTD.	9,854,272	\$ 100,514	9%	\$ 100,514	-	
Richtek Technology Corp.	Asia Global Venture Capital II	531,300	\$ 24,094	10%	\$ 24,094	-		
	Shenzhen Goodix Technology Co., Ltd.	910	USD 6,283	0%	USD 6,283	-		
Gold Rich International (HK) Limited	Stocks	Shenzhen Goodix Technology Co., Ltd.	18,206,063	USD 125,699,229	4%	USD 125,699,229	-	
	Stocks	Shanghai Shansheng Chuangxin Investment Partnership (Limited Partnership)	-	CNY 189,943,301	-	CNY 189,943,301	-	
MediaTek (Shanghai) Inc.	Capital	Zhu Hai City Yuan Tan Information Technology Co., Ltd.	-	CNY 200,000	-	CNY 200,000	-	
		Shanghai Summit View Pujing Equity Investment Limited Partnership II	-	CNY 155,003,850	-	CNY 155,003,850	-	
	Funds	Fubon Bank (China) Yue Xiang Ying An Hong Hao	-	CNY 31,260,000	-	CNY 31,260,000	-	
	Funds	Fubon Bank (China) Yue Xiang Ying An Jin Hao	-	CNY 20,000,000	-	CNY 20,000,000	-	
MediaTek China Limited	Bonds	Agricultural Development Bank of China bond	-	USD 8,997,300	-	USD 8,997,300	-	
	Bonds	China Merchants Bank Floating USD Bond	-	USD 9,000,000	-	USD 9,000,000	-	
MediaTek India Technology Pvt. Ltd.	Funds	Project Tower Note with Lion Best Transche B	-	USD 3,000,000	-	USD 3,000,000	-	
	Funds	Spice Mobility Ltd.	12,192,670	INR 327,982,823	5%	INR 327,982,823	-	
	Stocks	One97 Communication Ltd.	2,095,113	INR 1,104,543,574	0%	INR 1,104,543,574	4	
	Stocks	Paytm E-Commerce Private Limited	12,498	INR 56,480,024	1%	INR 56,480,024	4	
	Funds	Fubon Bank (China) Yue Xiang Ying Fu Tai Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
	Funds	Fubon Bank (China) Yue Xiang Ying Fu Yuan Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
	Funds	Fubon Bank (China) Yue Xiang Ying Hong Yuan Hao	-	CNY 10,990,000	-	CNY 10,990,000	-	
	Funds	Fubon Bank (China) Yue Hai Ying Tan Ye Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
	Funds	Fubon Bank (China) Yue Hai Ying Tan Fu Hao	-	CNY 14,000,000	-	CNY 14,000,000	-	
	Funds	Fubon Bank (China) Yue Hai Ying Tan Xiang Hao	-	CNY 11,000,000	-	CNY 11,000,000	-	
Held Xuhui Management Consulting Co., Ltd.	Capital	Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	-	CNY 613,115,020	-	CNY 613,115,020	-	
		Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	-	CNY 69,112,451	-	CNY 69,112,451	-	
	Funds	Kun Qiao Phase II (Shenzhen) Emerging Industry Venture Capital Partnership (L.P.)	-	CNY 10,364,697	-	CNY 10,364,697	-	
		Mawone Semiconductor (Suzhou) Co., Ltd.	-	CNY 77,247,646	-	CNY 77,247,646	-	
		Chenxin Limited	-	CNY 55,722,092	-	CNY 55,722,092	-	
		AiBoSem Inc.	-	CNY 42,880,000	-	CNY 42,880,000	-	
		Resontek Limited	-	CNY 14,477,990	-	CNY 14,477,990	-	
		NeuroBlade Ltd.	243,737	USD 8,680,937	5%	USD 8,680,937	-	
	MTKC Global Holdings Co. Limited	Bonds	SveGaN AB	193,366	USD 1,048,148	4%	USD 1,048,148	-
			Vasari Holding Company	1,800,000	USD 10,821,600	1%	USD 10,821,600	-
Stocks		Transnet FinTech Group	14,256,620	USD 17,535,643	2%	USD 17,535,643	-	
		PROTEANTICS LTD.	251,981	USD 6,501,110	1%	USD 6,501,110	-	
TXOne Networks Inc.	ViLC Technologies Ltd.	40,352	USD 576,470	0%	USD 576,470	-		
	Sinnet Corporation	706,023	USD 20,651,173	8%	USD 20,651,173	-		
		909,090	USD 4,999,995	2%	USD 4,999,995	-		

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		Fair Value	Note	
			Units/Shares	Carrying Amount			
MTKCG Global Holdings Co., Limited	Stocks	Muana Kea Semiconductor Holdings	2,483,659	USD 2,607,842	4%	-	
		Valens Semiconductor Ltd.	980,000	USD 5,262,600	1%	5,262,600	
	Linked Deposits	Vertium Metro Systems Inc.	-	USD 5,000,000	-	5,000,000	
		Katana Graph, Inc.	-	USD 1,500,000	-	1,500,000	
		Cassone Group Convertible Promissory Note	-	USD 10,284,188	-	10,284,188	
	Capital	Bonds	Imude Ventures II L.P.	-	USD 3,715,023	-	3,715,023
			Amiti Fund III L.P.	-	USD 3,427,841	-	3,427,841
			Vertex Ventures(SO) SEA IV L.P.	-	USD 3,806,054	-	3,806,054
			Palm Drive Capital III L.P.	-	USD 1,856,322	-	1,856,322
			Hsu Capital Integrated Circuit Fund L.P.	-	USD 6,059,186	-	6,059,186
			Prime Movers Growth Fund II L.P.	-	USD 4,255,897	-	4,255,897
			Viola Ventures VI L.P.	-	USD 1,792,349	-	1,792,349
			Imude ventures III L.P.	-	USD 1,414,660	-	1,414,660
			BVC Crypto Fund I-A, L.P.	-	USD 728,199	-	728,199
			Bain Capital Tech Opportunities Fund II, L.P.	-	USD 800,000	-	800,000
Amiti IV L.P.			-	USD 475,000	-	475,000	
Decibel II			-	USD 887,500	-	887,500	
Hsu Zhan (HK) Investment Limited	Linked Deposits	Online Sea Fund II	-	USD 2,000,000	-	2,000,000	
		New Trail Capital	-	USD 3,600,000	-	3,600,000	
		Callable Credit Linked Dual Range due 2023	-	USD 8,982,000	-	8,982,000	
		5Y USD DENOMINATED JMAB192E LINKED NOTE	-	USD 9,225,000	-	9,225,000	
		CTBC Credit Linked Notes	-	USD 4,976,500	-	4,976,500	
		Series C1NCH0191 USD 10m Fixed Rate Single Name CLN due 2025	-	USD 10,169,000	-	10,169,000	
		Series C1NCH0192 USD 10m Fixed Rate Single Name CLN due 2025	-	USD 10,112,000	-	10,112,000	
		Series C1NCH0193 USD 10m Fixed Rate Single Name CLN due 2025	-	USD 10,165,000	-	10,165,000	
		HSBC Credit Linked Notes	-	USD 10,142,000	-	10,142,000	
		Bank of China bond due on 2024/12/05	-	USD 5,247,850	-	5,247,850	
		Ping An Insurance (Group) Company Of China,Ltd. Bond	-	USD 7,196,684	-	7,196,684	
		CECC bond	-	USD 10,034,700	-	10,034,700	
		JP Morgan 4.08 04/26/26	-	USD 8,000,000	-	8,000,000	
		GS 1.757 01/24/25	-	USD 1,946,000	-	1,946,000	
		Hsu Zhan (HK) Investment Limited	Bonds	Bank of America Corporation 3.384 04/02/26	-	USD 5,420,250	-
CGMI-USD Fixed Rate Callable Note 2022/05	-			USD 10,000,000	-	10,000,000	
CGMI-USD Fixed Rate 2y Callable Note 2022/06	-			USD 10,000,000	-	10,000,000	
CGMI-USD Fixed Rate 3y Callable Note 2022/06	-			USD 9,816,700	-	9,816,700	
FORCANT 3.375 4/22/2025	-			USD 8,808,500	-	8,808,500	
SUMBER 09/17/26	-			USD 9,320,000	-	9,320,000	
SUMTR 0.8 09/16/24	-			USD 9,156,578	-	9,156,578	
INTEND 7/1/26	-			USD 9,619,800	-	9,619,800	
HSBC 03/10/26	-			USD 9,650,000	-	9,650,000	
ING 03/28/28	-			USD 9,830,000	-	9,830,000	
HSBC 06/09/28	-			USD 1,860,000	-	1,860,000	
HONHAI 10/28/25	-			USD 8,945,000	-	8,945,000	
MIZUHO 7/9/2027	-	USD 5,803,800	-	5,803,800			
MIZUHO 9/8/2024	-	USD 9,737,400	-	9,737,400			
TAISEM 7/22/027	-	USD 9,898,200	-	9,898,200			
UBS 08/05/27	-	USD 9,898,200	-	9,898,200			

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2022

(Continued)

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022		Fair value	Note
				Units/Shares	Carrying Amount		
		UBS 8/5/2025	Financial assets measured at amortized cost- non-current	-	USD 9,850,176	-	-
		MJFG 1/19/2028	Financial assets measured at amortized cost- non-current	-	USD 9,151,000	-	-
		TAISEM 9/28/2027	Financial assets measured at amortized cost- non-current	-	USD 8,616,500	-	-
		HONSHA 10/28/25	Financial assets measured at amortized cost- non-current	-	USD 7,422,000	-	-
		RY 8/3/2027	Financial assets measured at amortized cost- non-current	-	USD 9,900,744	-	-
		MUPG 7/19/2025	Financial assets measured at amortized cost- non-current	-	USD 9,390,000	-	-
		bbbc08/11/28	Financial assets measured at amortized cost- non-current	-	USD 9,875,664	-	-
		3YNC1 USD CALLABLE FXED COUPON NOTES) DUE 2025/8/12	Financial assets measured at amortized cost- non-current	-	USD 9,900,000	-	-
		3YNC2 USD CALLABLE FXED COUPON NOTES) DUE 2025/8/12	Financial assets measured at amortized cost- non-current	-	USD 9,900,000	-	-
		4YNC1 USD CALLABLE FXED COUPON NOTES) DUE 2026/8/12	Financial assets measured at amortized cost- non-current	-	USD 9,900,000	-	-
		4YNC3 USD CALLABLE FXED COUPON NOTES) DUE 2026/8/12	Financial assets measured at amortized cost- non-current	-	USD 9,900,000	-	-
		IBM 7/27/2025	Financial assets measured at amortized cost- non-current	-	USD 9,867,816	-	-
		CGM-USD Fixed Rate 3y Callable Note 8/8/2022	Financial assets measured at amortized cost- non-current	-	USD 9,900,000	-	-
		BNP 1/20/2028	Financial assets measured at amortized cost- non-current	-	USD 4,540,000	-	-
		BAC 3/384 04/02/26	Financial assets measured at amortized cost- non-current	-	USD 4,405,500	-	-
		BSKC 4/18/2026	Financial assets measured at amortized cost- non-current	-	USD 9,205,500	-	-
		IBM 7/27/2027	Financial assets measured at amortized cost- non-current	-	USD 9,568,506	-	-
		UBS 05/12/26	Financial assets measured at amortized cost- non-current	-	USD 9,800,000	-	-
		BNP 08/13/27	Financial assets measured at amortized cost- non-current	-	USD 4,915,000	-	-
		C 06/09/2027	Financial assets measured at amortized cost- non-current	-	USD 4,465,000	-	-
		C07/24/28	Financial assets measured at amortized cost- non-current	-	USD 9,480,000	-	-
		C 05/24/28	Financial assets measured at amortized cost- non-current	-	USD 8,808,800	-	-
		MS 7/1/26	Financial assets measured at amortized cost- non-current	-	USD 8,226,655	-	-
		MS 20/26/10	Financial assets measured at amortized cost- non-current	-	USD 8,832,200	-	-
		C03/26	Financial assets measured at amortized cost- non-current	-	USD 8,608,500	-	-
		C05/25	Financial assets measured at amortized cost- non-current	-	USD 8,867,500	-	-
		JPM 06/25	Financial assets measured at amortized cost- non-current	-	USD 8,402,400	-	-
		JPM 12/25	Financial assets measured at amortized cost- non-current	-	USD 17,425,500	-	-
		BNP 2/59 1/20/2028	Financial assets measured at amortized cost- non-current	-	USD 4,502,500	-	-
		BNP 05/12/26	Financial assets measured at amortized cost- non-current	-	USD 9,800,000	-	-
		CGM-4YNC1 Note 2022/08	Financial assets measured at amortized cost- non-current	-	USD 9,800,000	-	-
		TAISEM_1_75_102526	Debt instrument investments measured at fair value through other comprehensive income- non-current	-	USD 8,817,000	USD	8,817,000
		TAISEM_1_25_042326	Debt instrument investments measured at fair value through other comprehensive income- non-current	-	USD 8,788,000	USD	8,788,000
		Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,000,000	CNY	15,000,000
		Fubon Bank (China) Yue Hu Ying Tian Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 22,000,000	CNY	22,000,000
		Fubon Bank (China) Yue Xiang Ying Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	CNY	50,000,000
		Fubon Bank (China) Yue Xiang Ying An Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	CNY	50,000,000
		Fubon Bank (China) Yue Xiang Ying An Ji Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 49,000,000	CNY	49,000,000
		Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 14,000,000	CNY	14,000,000

Note 1 : For the purpose of reorganization, the ownership of SinoTck Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digiwin Holdings Limited in December 2022.

Note 2 : Ultimate parent entity.

Note 3 : In December 2022, Partners of Yuan Ke (Pingtan) Investment Fund Limited Partnership resolved to attribute all the economic benefits of Shenzhen Transsion Holding Co., Ltd. to Gaintech Co., Limited.

The economic benefits are calculated based on its shares owned, its percentage of ownership, the shares' carrying amount and fair value, which were 67,202,249, 8%, US\$76,452,041 and US\$76,452,041, respectively.

Note 4 : For the purpose of reorganization, the ownership of On97 Communication Ltd. and Paytm E-Commerce Private Limited, which were previously owned by Mountain Capital Fund, L.P., were transferred to MediaTek India Technology Pvt. Ltd. in December 2022.

Note 5 : For the purpose of Cusome's reorganization, Convertible Promissory Note, which was previously issued by Cusome Group Pte. Ltd., was reassigned by Cusome Group Inc. in April 2022.

INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WHICH ACCUMULATED EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
for the year ended December 31, 2022

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance				
					Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount (Note 1)	
MediaTek Inc.	Amlogic Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 5	Subsidiary	3,473,232	TWD	46,685,468	TWD	695,500	TWD	68,852	TWD	111,225,745	TWD	8,125,044
MediaTek Inc.	Hsu-Fu Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	399,380,103	TWD	7,541,670	TWD	-	TWD	-	TWD	592,580,103	TWD	9,232,568
MediaTek Inc.	MediaTek Capital Co.	Investments accounted for using the equity method	Note 3	Subsidiary	29,000,000	TWD	82,800,000	TWD	-	TWD	-	TWD	111,800,000	TWD	726,135
MediaTek Inc.	Hsu-Yuan Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	-	TWD	50,000,000	TWD	-	TWD	-	TWD	50,000,000	TWD	444,475
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	32,690,879	TWD	41,982,690	TWD	3,079,280	TWD	3,079,280	TWD	187,513,879	TWD	671,473,996
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	2,923,854,382	TWD	22,438,578	TWD	699,009,234	TWD	22,215,200	TWD	2,233,845,498	TWD	204,066,817
MediaTek Inc.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	-	TWD	1,999,999	TWD	-	TWD	-	TWD	1,999,999	TWD	559,675
MediaTek Inc.	KGI Fengli Fund	Financial assets mandatorily measured at fair value through profit or loss-current	-	-	27,806,550	TWD	18,049,564	TWD	-	TWD	-	TWD	45,856,514	TWD	738,680
MediaTek Inc.	Taiwan Fininvest Holding Co., Ltd. (exchangeable preferred stock)	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	TWD	45,325,000	TWD	-	TWD	-	TWD	45,325,000	TWD	777,224
Gaintech Co. Limited	MediaTek China Limited	Investments accounted for using the equity method	Note 3	Subsidiary	2,730,102,500	USD	837,226,545	USD	-	USD	-	USD	3,044,078,500	USD	855,744,939
Gaintech Co. Limited	Amlogic Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 6	Subsidiary	-	USD	17,867,089	USD	323,628,815	USD	56,659,856	USD	-	USD	-
Gaintech Co. Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 7	Subsidiary	5,499,999	USD	31,214,479	USD	49,885,094	USD	28,423,389	USD	-	USD	-
Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	2,053,399,545	USD	2,054,655,262	USD	2,406,283,105	USD	2,406,283,105	USD	-	USD	-
Gaintech Co. Limited	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	554,587,474	USD	566,533,278	USD	-	USD	507,099,959	USD	-	USD	-
Gaintech Co. Limited	Digimove Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	915,638,880	USD	924,884,225	USD	-	USD	687,980,967	USD	-	USD	-
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	12	USD	3,38,592,155	USD	12	USD	355,354,142	USD	-	USD	-
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 3	Subsidiary	500,000	USD	3,449,618,214	USD	-	USD	-	USD	3,450,118,214	USD	3,463,172,263
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	-	USD	554,387,474	USD	-	USD	-	USD	554,387,474	USD	538,493,068
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	1,999,999	USD	33,390,160	USD	19,009,384	USD	17,038,281	USD	-	USD	-
MediaTek Global Holdings Limited	Digimove Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	915,638,880	USD	-	USD	-	USD	915,638,880	USD	686,926,382
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	355,354,142	USD	-	USD	-	USD	12	USD	360,353,794
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	2,383,399,545	USD	-	USD	-	USD	2,383,399,545	USD	2,415,388,033
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 5	Subsidiary	-	INR	5,499,999	INR	-	INR	-	INR	5,499,999	INR	2,336,447,044
Hsu Fu (Samso) Investment Ltd.	The Goldman Sachs Group Inc. (Non-Call 2)	Financial assets measured at amortized cost-noncurrent	-	-	-	CNY	-	CNY	-	CNY	-	CNY	-	CNY	177,000,000
Hsu Fu (Samso) Investment Ltd.	Bacajays PLC-CNY CY (NONCALL 2)	Financial assets measured at amortized cost-noncurrent	-	-	-	CNY	-	CNY	-	CNY	-	CNY	-	CNY	100,000,000
Helei Xuhui Management Consulting Co., Ltd.	Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	CNY	-	CNY	-	CNY	-	CNY	-	CNY	69,112,451
MediaTek Capital Co.	Ziltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 10	-	-	TWD	3,000,000	TWD	-	TWD	-	TWD	-	TWD	-

(To be continued)

INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WHICH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Carrying Amount		Gains (Losses) on Disposal	Ending Balance	
					Units/Shares	Amounts	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount		Units/Shares	Amount (Note 1)
Hsu-Ta Investment Corp.	Ziltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Note 10	-	- TWD	7,000,000	TWD	1,932,000	- TWD	- TWD	- TWD	- TWD	-	-	TWD
Gold Rich International (HK) Limited	Shenzhen Goseek Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income - current/noncurrent	-	-	6,876,619 USD	110,682,377	- USD	-	9,937,796 USD	81,316,293 USD	8,612,530 USD	72,703,763	910 USD	6,383	USD
MediaTek (Shanghai) Inc.	Shanghai Summit View Pujiang Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	-	- CNY	30,000,000	- CNY	120,000,000	- CNY	- CNY	- CNY	- CNY	-	-	- CNY
Hsu Zhan (HK) Investment Limited	2)NCLY USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	-	- USD	-	- USD	10,000,000	- USD	9,540,000 USD	10,000,000 USD	(440,000)	-	-	USD
Hsu Zhan (HK) Investment Limited	3)NCLY USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	-	- USD	-	- USD	10,000,000	- USD	9,440,000 USD	10,000,000 USD	(540,000)	-	-	USD
MediaTek India Technology Pvt. Ltd.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Note 11	Subsidiary	- INR	-	2,095,113 INR	1,049,756,369	- INR	- INR	- INR	-	-	2,095,113 INR	1,104,543,574
Alphab Technology Corp.	Aalovise Technology Inc.	Investments accounted for using the equity method	Note 12	Subsidiary	- TWD	-	30,000,000 TWD	990,000	- TWD	- TWD	- TWD	-	-	-	TWD
Mountain Capital Fund L.P.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Note 11	Subsidiary	2,095,113 USD	40,895,209	- USD	-	2,095,113 USD	12,690,785 USD	20,720,843 USD	(8,030,859)	-	-	USD

Note 1 : Amounts shown for investments accounted for using the equity method included investment income (loss) recognized by the equity method, adjustment for foreign exchange, and unrealized gains (losses) from investments measured at fair value through other comprehensive income.

Note 2 : Alphab Technology Corp. completed a share swap and acquired the 100% ownership of Alphab Technology (Cayman) Inc. on January 1, 2022. Alphab Technology (Cayman) Inc. was dissolved on the same day.

The ownership of Shadow Investment Limited, Alphab Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Alphab Technology (Cayman) Inc. were transferred to Alphab Technology Corp.

Furthermore, the 13% ownership of Alphab Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 3 : Subscribed to the new shares issued.

Note 4 : Proceeds from capital return.

Note 5 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

The change of the ownership interest was accounted for as an equity transaction. The differences (totally USD 1,981 thousand in the amount) between the selling prices and the carrying amounts were recognized in equity.

Note 6 : For the purpose of Alphab Technology Corp.'s IPO in Taiwan, MTK and subsidiary Gaintech Co. Limited disposed of 1,070 thousand shares and 13,050 thousand shares, respectively, at NT\$659 per share, to institutional investors, Advisory recommending securities firm and Securities and Futures Investors Protection Center.

As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions. The differences (totally NT\$26,648 thousand and USD266,369 thousand in the amount) between the selling prices and the carrying amounts were recognized in equity.

Note 7 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022. The change of the ownership interest was accounted for as an equity transaction.

The differences (totally USD 21,562 thousand in the amount) between the selling prices and the carrying amounts were recognized in equity.

Note 8 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTRC Global Holdings Co. Limited and Digmaox Holdings Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Global Holdings Limited in December 2022.

The change of the ownership interest was accounted for as an equity transaction, and there was no difference between the selling prices and the carrying amounts.

Note 9 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

The change of the ownership interest was accounted for as an equity transaction, and there was no difference between the selling prices and the carrying amounts.

Note 10 : Hsu-Ta Investment Corp. won two seats of the board of directors of Ziltek Technology Corp. in November 2022. Since Hsu-Ta Investment Corp. can exercise significant influence over Ziltek Technology Corp. through its board of directors but still does not have a control.

Hsu-Ta Investment Corp. reclassified Ziltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income - noncurrent to investments accounted for using the equity method.

Note 11 : For the purpose of reorganization, the ownership of One97 Communication Ltd., which was previously owned by Mountain Capital Fund L.P., was transferred to MediaTek India Technology Pvt. Ltd. in December 2022.

Note 12 : Alphab Technology Corp. accomplished the acquisition of 100% shares of Aalovise Technology Inc. in July 2022. Moreover, Aalovise Technology Inc. was dissolved due to merger with Alphab Technology Corp. in September 2022.

MEDIA TEK INC. AND SUBSIDIARIES
ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF NTS300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

Attachment 5

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party		Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer			
MediaTek (Wuhan) Inc.	Construction in progress	2019.10.25	CNY 371,000,000	CNY 284,775,346	Jiangsu Wannanda Construction Group Co., Ltd., Lianxing Construction Hubei Co., Ltd.	None	-	-	Not applicable	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	416,250 \$	Winsome Development Company Limited	None	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Rechiek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	110,620 \$	Winsome Development Company Limited	None	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

MEDIA TEK INC. AND SUBSIDIARIES
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

Attachment 6

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction	Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/Sales	Payment Term		Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	\$ 3,245,469	1.01%	Charged by a certain period	-	\$ 179,989	0.71%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Purchases	\$ 113,050	0.04%	Charged by a certain period	-	\$ (383,656)	(2.85)%	-
MediaTek Inc.	Zelus (Shenzhen) Technology Ltd.	Subsidiary	Sales	\$ 200,938	0.06%	Charged by a certain period	-	\$ 70,295	0.28%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 3,943,380	-	75 days	-	\$ (911,898)	(6.78)%	-
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 413,551	-	75 days	-	\$ (65,330)	(0.49)%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 510,443	-	75 days	-	\$ (64,339)	(11.99)%	-
Airoha Technology Corp.	Airoha Technology (Suzhou) Limited	Subsidiary	Sales	\$ 175,668	1.80%	30 days	-	\$ 39,434	3.91%	-
Airoha Technology (HK) Limited Taiwan Branch	ASIX Electronics Corp.	Associates	Sales	\$ 291,541	5.77%	30 days	-	\$ 13,544	1.82%	-
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited Taiwan Branch	Subsidiary	Sales	CNY 1,319,626,779	71.12%	30 days	-	CNY 39,709,911	66.19%	-
Airoha Technology (Suzhou) Limited	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	CNY 29,036,419	-	75 days	-	CNY (3,754,562)	(6.87)%	-
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	\$ 566,431	1.99%	60 days	-	\$ 64,088	2.62%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 106,435,792	-	75 days	-	USD (22,237,089)	(8.26)%	-

Note 1: License revenues mainly

MEDIA TEK INC. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NTS100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2022

Attachment 7

Company Name	Counter-party	Relationship	Ending Balance of Notes/Trade Receivables from Related Party	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Doubtful Debts
					Amount	Action Taken		
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 274,487	-	\$ -	-	\$ 272,565	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 477,876	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 383,656	-	\$ -	-	\$ 139,337	\$ -
Digimac Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 7,371,120	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 9,274,712	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	\$ 2,772,923	-	\$ -	-	\$ -	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,514,010	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 311,708	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,157,772	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 676,851	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,685,560	-	\$ -	-	\$ -	\$ -
Airoha Technology (HK) Limited	Airoha Technology Corp.	Subsidiary	\$ 184,079	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited	Subsidiary	\$ 176,827	-	\$ -	-	\$ 176,827	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 757,184	-	\$ -	-	\$ 756,839	\$ -
MediaTek China Limited	MediaTek (Hefei) Inc.	Subsidiary	\$ 949,679	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Beijing) Inc.	Subsidiary	\$ 2,116,623	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 2,649,502	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Chengdu) Inc.	Subsidiary	\$ 783,751	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Wuhan) Inc.	Subsidiary	\$ 116,138	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,053,366	-	\$ -	-	\$ -	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 255,849	-	\$ -	-	\$ 255,849	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 100,689	-	\$ -	-	\$ 100,689	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 396,833	-	\$ -	-	\$ 396,833	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 160,601	-	\$ -	-	\$ 160,601	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 186,910	-	\$ -	-	\$ 186,910	\$ -

Note 1: Trade receivables and other receivables arising from technical services, sales of chips and software usage mainly.

Note 2: Loans and their interests (recorded in other receivables) mainly.

Note 3: Dividend revenues (recorded in other receivables) mainly.

MEDIATEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2022

Attachment 8

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
				Accounts	Amount	Amount		
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Trade receivables from related party	\$	179,989	By contract	0.03%
			A	Other receivables from related party	\$	94,498		0.02%
			A	Operating revenue from related party	\$	3,245,469		0.59%
		Airoha Technology Corp.	A	Trade receivables from related party	\$	82,398		0.01%
			A	Trade payables to related party	\$	383,656		0.06%
			A	Operating revenue from related party	\$	75,465		0.01%
			A	Purchases from related party	\$	113,050		0.02%
		Hsu Zhan (HK) Investment Limited	A	Finance costs	\$	56,205		0.01%
			A	Other payables to related party	\$	757,184		0.12%
		MediaTek USA Inc.	A	Research and development expenses	\$	6,240,118		1.14%
			A	Administrative expenses	\$	1,463,711		0.27%
			A	Trade receivables from related party	\$	70,295		0.01%
		Zelus (Shenzhen) Technology Ltd.	A	Other payables to related party	\$	40,734		0.01%
			A	Operating revenue from related party	\$	200,938		0.04%
		InnoFusion Technology Corp.	A	Research and development expenses	\$	40,724		0.01%
			A	Research and development expenses	\$	282,000		0.05%
		Nephos (Hefei) Co., Ltd.	A	Trade receivables from related party	\$	173,759		0.03%
A	Other receivables from related party		\$	304,117	0.05%			
MediaTek North America Inc.	A	Other payables to related party	\$	55,853	0.01%			
	A	Selling expenses	\$	338,960	0.06%			
Gaintech Co. Limited	A	Long-term payables to related party	\$	9,274,712	1.52%			
	A	Research and development expenses	\$	53,708	0.01%			
MediaTek Research UK Limited	A	Research and development expenses	\$	35,152	0.01%			
	A	Other receivables from related party	\$	192,061	0.03%			
MediaTek Research Corp.	C	Research and development expenses	\$	2,014,537	0.37%			
	C	Interest revenue	\$	36,648	0.01%			
MediaTek Bangalore Private Limited	C	Research and development expenses	\$	242,320	0.04%			
	C	Trade payables to related party	\$	54,649	0.01%			
Gaintech Co. Limited	C	Research and development expenses	\$	878,366	0.16%			
	C	Trade payables to related party	\$	100,689	0.02%			
MediaTek Singapore Pte. Ltd.	C	Research and development expenses	\$	928,389	0.17%			
	C	Selling expenses	\$	47,406	0.01%			

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2022

(Continued)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
				Accounts	Amount	Amount		
1	MediaTek Singapore Pte. Ltd.	Airoha Technology (Suzhou) Limited	C	Operating revenue from related party	\$ 47,048	By contract	0.01%	
		MTK Wireless Limited	C	Trade payables to related party	\$ 79,709		0.01%	
		MediaTek Sweden AB	C	Research and development expenses	\$ 889,800		0.16%	
		MediaTek Wireless Finland Oy	C	Research and development expenses	\$ 141,593		0.03%	
		MediaTek (Hefei) Inc.	C	Trade payables to related party	\$ 255,849		0.04%	
		MediaTek (Hefei) Inc.	C	Research and development expenses	\$ 1,097,659		0.20%	
		MediaTek (Beijing) Inc.	C	Research and development expenses	\$ 2,716,150		0.49%	
		MediaTek (Shenzhen) Inc.	C	Other receivables from related party	\$ 53,000		0.01%	
		MediaTek (Shenzhen) Inc.	C	Research and development expenses	\$ 3,427,366		0.62%	
		MediaTek (Chengdu) Inc.	C	Trade payables to related party	\$ 396,833		0.07%	
		MediaTek (Chengdu) Inc.	C	Research and development expenses	\$ 4,436,834		0.81%	
		MediaTek (Wuhan) Inc.	C	Trade payables to related party	\$ 160,601		0.03%	
		MediaTek (Wuhan) Inc.	C	Research and development expenses	\$ 1,708,418		0.31%	
2	Gainitech Co. Limited	MediaTek (Shanghai) Inc.	C	Trade payables to related party	\$ 65,074		0.01%	
		MediaTek (Shanghai) Inc.	C	Research and development expenses	\$ 664,278		0.12%	
		MediaTek Germany GmbH	C	Trade payables to related party	\$ 186,910		0.03%	
		MediaTek (Shanghai) Inc.	C	Research and development expenses	\$ 1,987,166		0.36%	
		Digimoe Holdings Limited	C	Research and development expenses	\$ 53,754		0.01%	
		MTKC Global Holdings Co. Limited	C	Long-term payables to related party	\$ 7,371,120		1.21%	
		MTK Wireless Limited	C	Long-term payables to related party	\$ 3,685,560		0.61%	
		Airoha Technology (HK) Limited	C	Other receivables from related party	\$ 2,772,923		0.46%	
		MediaTek (Hefei) Inc.	C	Trade receivables from related party	\$ 176,827		0.03%	
		Airotek (Shenzhen) Inc.	C	Operating revenue from related party	\$ 5,853,527		1.07%	
		Airotek (Chengdu) Inc.	C	Research and development expenses	\$ 53,844		0.01%	
		Hsu Chia (Samoa) Investment Ltd.	C	Research and development expenses	\$ 242,105		0.04%	
		Hsu Fa (Samoa) Investment Ltd.	C	Research and development expenses	\$ 263,518		0.05%	
3	Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	C	Other receivables from related party	\$ 1,514,010		0.25%	
		MediaTek (Chengdu) Inc.	C	Interest revenue	\$ 49,450		0.01%	
		MediaTek (Wuhan) Inc.	C	Other receivables from related party	\$ 311,708		0.05%	
4	Hsu Kang (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	C	Other receivables from related party	\$ 1,157,772		0.19%	
		MediaTek (Shenzhen) Inc.	C	Interest revenue	\$ 34,553		0.01%	
5	Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	C	Other receivables from related party	\$ 676,851		0.11%	

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2022

(Continued)

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction		Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
				Accounts	Amount		
6	Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc. MediaTek (Hefei) Inc. MediaTek (Beijing) Inc. MediaTek (Shenzhen) Inc. MediaTek (Chengdu) Inc. MediaTek (Wuhan) Inc. MediaTek (Shanghai) Inc.	C C C C C C C	Interest revenue Other receivables from related party Other receivables from related party Other receivables from related party Other receivables from related party Other receivables from related party Other receivables from related party	\$ 70,861 \$ 949,679 \$ 2,116,623 \$ 2,649,502 \$ 783,751 \$ 116,138 \$ 1,053,366	0.01% 0.16% 0.35% 0.44% 0.13% 0.02% 0.17%	
7	MediaTek China Limited	Richtek Holding International Limited Li-We Technology Corp.	C C	Selling expenses Selling expenses	\$ 114,056 \$ 241,540	0.02% 0.04%	
8	Richtek Technology Corp.	Richtek USA Inc. Richpower Microelectronics Co., Ltd. Richtek Korea LLC. Richtek Japan Inc.	C C C C	Trade receivables from related party Other payables to related party Operating revenue from related party Research and development expenses Selling expenses Selling expenses Research and development expenses Selling expenses	\$ 64,088 \$ 50,236 \$ 566,431 \$ 212,368 \$ 91,182 \$ 104,232 \$ 109,807 \$ 130,240	0.01% 0.01% 0.10% 0.04% 0.02% 0.02% 0.02% 0.02%	
9	Airoha Technology Corp.	Airoha Technology (HK) Limited Airoha Technology (Suzhou) Limited	C C	Other payables to related party Other payables to related party Operating revenue Trade receivables from related party	\$ 37,937 \$ 184,709 \$ 1,183,560 \$ 39,434	0.01% 0.03% 0.22% 0.01%	
10	Hsu Zhan (HK) Investment Limited	MediaTek Japan Inc.	C	Operating revenue Other receivables from related party	\$ 175,668 \$ 46,631	0.03% 0.01%	

Note 1: MediaTek Inc. and its subsidiaries are coded as follows:

A. MediaTek Inc. is coded 0.

B. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: There are three types of relationship categorized as follows:

A. The holding companies to subsidiaries.

B. Subsidiaries to the holding companies.

C. Subsidiaries to subsidiaries.

Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for the balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets, or for the income statement accounts, the interim accumulated amounts divided by consolidated sales.

Note 4: The disclosure standard of above transactions between the holding company and subsidiaries are amounts exceeding NT\$ 30,000 thousand, including purchases, sales, trade payables to related party and trade receivables from related party.

MEDIA TEK INC. AND SUBSIDIARIES
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
For the year ended December 31, 2022

Attachment 9

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	HPI Innovation Inc.	Note 1	Intellectual property right management	\$ 1,746,918	\$ 1,746,918	174,691,821	100%	\$ 1,043,078	\$ 177,339	\$ 143,260	Note 20
	Hsu-Fa Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 2,028,811	592,580,103	100%	\$ 9,232,568	\$ 842,456	\$ 273,154	Note 20
	MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 72,018,783	2,333,845,498	100%	\$ 204,066,817	\$ 5,270,316	\$ 5,287,033	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 72,168,974	187,513,879	100%	\$ 67,147,396	\$ 58,657,566	\$ 58,627,362	Note 20
	MStar Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 141,281	\$ 21,717	\$ 21,717	Note 20
	Sydney Technologies	Note 13	General investing	\$ 4,722	\$ 4,722	146,200	100%	\$ 525	\$ (1,049)	\$ (1,049)	Note 20
	Retiack Technology Corp.	Note 1	Intellectual property right management	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 21,363,741	\$ 5,379,400	\$ 5,312,499	Note 20
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 293,437	13,125,454	19%	\$ 324,395	\$ 150,087	\$ 281,148	-
	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 290,000	111,800,000	100%	\$ 726,135	\$ (79,389)	\$ (79,389)	Note 20
	Intellectual Property Innovation Corp.	Note 1	General investing	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 29,104	\$ 3,389	\$ (877)	-
	Arloha Technology Corp.	Note 1	Intellectual property right management	\$ 9,378,890	\$ 189,384	111,235,745	76%	\$ 8,125,045	\$ 2,895,379	\$ 1,992,886	Note 20 and Note 21
	Arloha Technology (Cayman) Inc.	Note 2	Research, manufacturing and sales	\$ -	\$ 8,422,740	-	-	\$ -	\$ -	\$ -	Note 20 and Note 21
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 500,000	\$ -	50,000,000	100%	\$ 444,475	\$ (55,525)	\$ (55,525)	Note 20 and Note 22
	MediaTek Research UK Limited	Note 12	Research	\$ 24,363	\$ -	280,000	100%	\$ 31,054	\$ 8,469	\$ 7,081	Note 20 and Note 23
	MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ -	1,993,999	100%	\$ 559,675	\$ 265,148	\$ 5,682	Note 20 and Note 24
MediaTek Investment Singapore Pte. Ltd.	Ganesh Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 6,610,380,348	USD 1,693,371.10	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	USD -	USD 339,847	-	-	USD -	\$ 265,148	-	Note 20 and Note 24
	Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,000	100%	USD 62,616,434	USD 248,649	-	Note 20
	Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 199,843,004	USD (562,141)	-	Note 20
	INTELLIGO TECHNOLOGY INC.	Note 2	General investing	USD 3,168,380	USD 3,168,380	8,928,270	15%	USD 5,623,714	USD 3,806,033	-	-
	SinoTek Holding Inc.	Note 2	General investing	USD 1	USD 1	20,000,000	39%	USD 1	USD 8,054	-	Note 25
	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 11,901,390	\$ 759,058	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	-	\$ -	\$ 265,148	-	Note 20
	Zihkek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ -	7,000,000	13%	\$ 1,241,155	\$ 515,835	-	Note 26
	MOMAGIC TECHNOLOGIES PRIVATE LIMITED	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,148,004	USD (289,691)	-	-
	E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	26%	\$ 40,436	\$ (26,776)	-	-
	Chingis Technology Corporation	Note 1	Research	\$ 777,932	\$ 827,932	105,936,991	100%	\$ 535,482	\$ 207,755	-	Note 20
	CMOS-Crystal Ltd.	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 16,029	\$ (1,740)	-	-
	Cyberton Corp.	Note 1	Research	\$ -	\$ 250,737	-	-	\$ -	\$ (2,022)	-	Note 27
	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 9,289	\$ 2,005	\$ -	Note 20
ImaFusion Technology Corp.	Note 1	Technical services	\$ 224,539	\$ 224,539	127,000,000	100%	\$ 1,218,038	\$ 31,148	-	Note 20	
INTELLIGO TECHNOLOGY INC.	Note 2	General investing	\$ 178,805	\$ -	1,335,626	2%	\$ 180,482	USD 3,800,033	-	-	
Ganesh Co. Limited	Mountain Capital Fund, L.P.	Note 2	General investing	USD 25,920,843	USD 27,200,000	-	-	USD 14,663,871	USD -	-	Note 20
	CSVI VENTURES L.P.	Note 2	General investing	USD 19,860,000	USD 15,000,000	-	-	USD 17,310,921	USD (5,281,740)	-	-
	Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 1,884,921	3,177,056	32%	USD 4,063,571	USD 1,163,081	-	-
	ZENA TECHNOLOGIES INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-
	FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD 11,428,571	USD 11,428,571	-	-	USD 20,930,045	USD (255,490)	-	-
	MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	71,100	100%	USD 2,775,204	USD (4,761)	-	Note 20
	CMC CAPITAL INVESTMENTS, L.P.	Note 2	General investing	USD 4,612,856	USD 4,612,856	-	-	USD 3,265,806	USD (60,285)	-	-
	Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,332,225	USD (32,388)	-	Note 20
	MTK Wireless Limited	Note 12	Research	USD 135,664,604	USD 135,664,604	84,394,826	100%	USD 161,831,540	USD 11,589,873	-	Note 20
	Arloha Technology (Cayman) Inc.	Note 2	General investing	USD -	USD 56,311,712	-	-	USD -	USD -	-	Note 20 and Note 21
	MediaTek Wireless FZ LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 359,062	USD 75,131	-	Note 20

(To be continued)

MEDIA TEK INC. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)

For the year ended December 31, 2022

(Continued)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2022		Carrying amount	Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership				
				USD	USD						
Gannesh Co. Limited	Nephos Pte. Ltd.	Note 7	Research	USD	USD	-	USD	-	USD	-	Note 20 and Note 28
	Nephos Cayman Co. Limited	Note 2	General investing	USD	USD	113,110,426	USD	(5,417,705)	USD	(1,988,298)	Note 20
	Hstar Technology Ltd.	Note 2	General investing	USD	USD	2,977,673	USD	126,435	USD	(116,804)	Note 20
	Sigmarstar Technology Inc.	Note 2	General investing	USD	USD	522,701	USD	251,398,785	USD	19,699,147	Note 20
	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD	USD	2,053,399,545	USD	-	USD	31,930,404	Note 20 and Note 29
	Mediatek Investment HK Limited	Note 11	General investing	USD	USD	554,587,475	USD	-	USD	17,512,617	Note 20 and Note 30
	Digimase Holdings Limited	Note 3	General investing	USD	USD	917,331,979	USD	-	USD	8,153,825	Note 20 and Note 29
	Mediatek Global Holdings Limited	Note 12	General investing	USD	USD	500,001	USD	3,450,118,214	USD	12,064,864	Note 20
	MTSC Global Holdings Co. Limited	Note 3	General investing	USD	USD	324,337,646	USD	-	USD	5,842,051	Note 20 and Note 29
	Mediatek India Technology Pvt. Ltd.	Note 4	Research	USD	USD	1,797,222	USD	-	INR	257,097,517	Note 20 and Note 31
	Mediatek Korea Inc.	Note 9	Research	USD	USD	2,074,740	USD	200,000	USD	8,934,474	Note 20
Mediatek China Limited	Note 11	General investing	USD	USD	3,914,444,293	USD	3,044,073,500	USD	39,889,798	Note 20	
Airoha Technology Corp.	Note 1	Research, manufacturing and sales	USD	USD	-	USD	-	USD	2,895,379	Note 20, Note 21 and Note 32	
Mediatek Sweden AB	Note 8	Research	GBP	GBP	19,361,957	GBP	1,008,371	GBP	11,454,122	Note 20	
Mediatek USA, Inc.	Note 6	Research	GBP	GBP	38,799,897	GBP	11,1815	GBP	144,307,291	Note 20	
Mediatek Wireless Finland Oy	Note 17	Research	GBP	GBP	4,733,036	GBP	1,000	GBP	8,398,799	Note 20	
MStar Semiconductor UK Ltd.	Note 12	Research and technical services	GBP	GBP	1,759,253	GBP	-	GBP	(2,940)	Note 20	
MStar France SAS	Note 13	Research	GBP	GBP	22,405,985	GBP	458,900	GBP	4,397,918	Note 20	
Mediatek North America Inc.	Note 6	Technical services	GBP	GBP	4,079,498	GBP	10,000	GBP	4,759,189	Note 20 and Note 33	
Gold Rich International (Samoa) Limited	Note 11	General investing	USD	USD	4,190,000	USD	4,190,000	USD	199,761,668	Note 20	
Gold Rich International (HK) Limited	Note 11	General investing	USD	USD	185,774,024	USD	1,000,000,000	USD	179,922,646	Note 20	
Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD	USD	184,907,275	USD	1,000,000,000	USD	5,910,685	Note 20	
Hsu Fu (Samoa) Investment Ltd.	Note 5	General investing	USD	USD	183,806,174	USD	1,000,000,000	USD	6,335,199	Note 20	
Hsu Kang (Samoa) Investment Ltd.	Note 4	Research	USD	USD	-	USD	1	USD	-	Note 20	
Mediatek India Technology Pvt. Ltd.	Note 3	General investing	USD	USD	160,478,723	USD	102,200,000	USD	162,207,505	Note 20	
Core Tech Resources Inc.	Note 11	General investing	USD	USD	507,099,959	USD	554,587,474	USD	538,493,068	Note 20 and Note 30	
Mediatek Investment HK Limited	Note 1	Research, manufacturing and sales	\$	\$	278,032	\$	26,963,153	\$	47,589	\$	10,545
Reichex Microelectronics Corp.	Note 16	General investing	\$	\$	84,724	\$	2,000,000	\$	46,157	\$	169
Reichex Europe Holding B.V.	Note 3	General investing	\$	\$	292,264	\$	30,000	\$	63,231	\$	18,727
Reichex Holding International Limited	Note 9	Research and technical services	\$	\$	26,696	\$	10,000	\$	12,134	\$	10,366
Reichex Korea LLC.	Note 6	Sales, research and technical services	\$	\$	133,470	\$	1,000,000	\$	166,931	\$	3,318
Reichex USA Inc.	Note 18	Research	\$	\$	-	\$	-	\$	-	\$	357
Reichex IC Design Ireland Limited	Note 10	Research and technical services	\$	\$	41,893	\$	1,900	\$	14,963	\$	(27,893)
Reichex Japan Inc.	Note 16	Marketing	EUR	EUR	1,500,000	EUR	1,500,000	EUR	920,240	EUR	12,286
Reichex Europe B.V.	Note 5	General investing	USD	USD	1,491,120	USD	-	USD	-	USD	1,311
Shadow Investment Limited	Note 11	General investing	USD	USD	67,534,520	USD	-	USD	-	USD	2,730,911
Airoha Technology (Cayman) Inc.	Note 12	Research	USD	USD	479,664	USD	-	USD	-	USD	8,469
Mediatek Research UK Limited	Note 1	Research, manufacturing and sales	USD	USD	164,278,608	USD	-	USD	-	USD	2,895,379
Airoha Technology Corp.	Note 3	General investing and sales	CNY	CNY	2,639,504	CNY	400,000	CNY	33,545,358	CNY	193,649
Airoha Technology (Suzhou) Limited	Note 1	Research, manufacturing and sales	\$	\$	495,875	\$	12,396,396	\$	559,259	\$	415,671
ASX Electronics Corporation	Note 1	Research, manufacturing and sales	\$	\$	14,311	\$	650,000	1%	16,065	\$	150,087
IC PLUS CORP.	Note 2	Research, manufacturing and sales	\$	\$	482,580	\$	9,581,167	\$	568,124	\$	(38,241)
Airoha (Cayman) Inc.	Note 5	General investing	\$	\$	71,755	\$	15,000,000	\$	80,942	\$	1,311
Shadow Investment Limited	Note 5	General investing	\$	\$	-	\$	-	\$	-	\$	-

(To be continued)

MEDIA TEK INC. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)

For the year ended December 31, 2022

(Continued)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2022		Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentages of ownership			
Airoha Technology Corp.	MediaTek Research UK Limited	Note 12	Research	\$ -	\$ -	-	-	\$ 8,469	-	Note 20, Note 21 and Note 23
	Airoha Technology USA Inc.	Note 6	Research	\$ 12,563	\$ -	10,000	100%	\$ 13,089	\$ 814	Note 20 and Note 36
	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,753,984	\$ -	67,534,520	100%	\$ 5,681,089	\$ 2,740,911	Note 20 and Note 21
	Airoha Technology India Private Limited	Note 4	Research	\$ 37,312	\$ -	9,500,000	100%	\$ 31,353	\$ (3,976)	Note 20 and Note 37
Airoha (Cayman) Inc.	Audiowise Technology Inc.	Note 1	Research, manufacturing and sales	\$ -	\$ -	-	-	\$ -	-	Note 20 and Note 38
	Airoha Technology India Private Limited	Note 4	Research	USD -	USD -	95	-	USD -	USD (40,762)	Note 20 and Note 37
	LePower (HK) Limited	Note 11	General investing	USD 81,998,125	USD 81,998,125	85,050,000	100%	USD 88,044,313	USD 3,865,874	Note 20
	Amni IV Quantum LP	Note 6	General investing	USD 2,000,000	USD -	2,000,000	92%	USD 1,985,386	USD (17,393)	Note 20
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Note 19	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 574,297	EUR 93,929	Note 20
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	INR 2,215,603,161	INR -	5,499,999	100%	INR 2,336,447,044	INR 257,097,517	Note 20 and Note 31
	Ziltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ -	3,000,000	5%	\$ 531,924	\$ 515,835	Note 26
	Digimoe Holdings Limited	Note 3	General investing	USD 687,980,967	USD -	915,638,880	100%	USD 686,926,382	USD 8,153,825	Note 20 and Note 29
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD -	2,383,399,545	100%	USD 2,415,388,033	USD 31,930,404	Note 20 and Note 29
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD 353,354,142	USD -	12	100%	USD 360,353,794	USD 5,842,051	Note 20 and Note 29

Note 1 : Taiwan

Note 5 : Western Samoa

Note 9 : Korea

Note 13 : France

Note 17 : Finland

Note 21 : For the purpose of reorganization, Hsu-Si Investment Corp. spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021.

Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month. Hsu-Si Investment Corp. was dissolved due to merger with MTK in December 2021.

The 66% ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to MTK. Moreover, Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022.

Airoha Technology (Cayman) Inc. was dissolved on the same day. The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp.

Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 22 : MTK established Hsu-Yuan Investment Corp. in May 2022.

Note 23 : For the purpose of reorganization, the 100% ownership of MediaTek Research UK Limited, which was previously owned by Airoha Technology Corp., was transferred to MTK in April 2022.

Note 24 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

Note 25 : For the purpose of reorganization, the ownership of SimoTek Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digimoe Holdings Limited in December 2022.

Note 26 : Hsu-Ta Investment Corp. won two seats of the board of directors of Ziltek Technology Corp. in November 2022. Since Hsu-Ta Investment Corp. can exercise significant influence over Ziltek Technology Corp. through its board of directors but still does not have a control,

Hsu-Ta Investment Corp. reclassified Ziltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method.

Note 27 : Inteligo Technology Inc. had accomplished acquisition of 100% shares of Cybernet Corp. in August 2022.

Note 28 : For the purpose of reorganization, Nephos Pte. Ltd. has been liquidated in October 2022.

Note 29 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited and Digimoe Holdings Limited, which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Global Holdings Limited in December 2022.

Note 30 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

Note 31 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022.

Note 32 : Gaintech Co. Limited has completed the transfer of 9% shareholding rights of Airoha Technology Corp. by June 2022.

Note 33 : MTK Wireless Limited established MediaTek North America Inc. in June 2022.

Note 34 : For the purpose of reorganization, Richtek IC Design Ireland Limited has been liquidated in June 2022.

Note 35 : Richtek Technology Corp. established Richtek Japan Inc. in July 2022.

Note 36 : Airoha Technology Corp. established Airoha Technology USA Inc. in June 2022.

Note 37 : Airoha Technology Corp. established Airoha Technology India Private Limited in July 2022, and transferred portion of its shares to Airoha (Cayman) Inc. in December 2022.

Note 38 : Airoha Technology Corp. accomplished the acquisition of 100% shares of Audiowise Technology Inc. in July 2022. Moreover, Audiowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.

Note 39 : MTKC Global Holdings Co. Limited established Amni IV Quantum LP. in July 2022.

Note 3 : Cayman Islands

Note 6 : United States

Note 10 : Japan

Note 14 : Dubai

Note 18 : Ireland

Note 4 : India

Note 7 : Singapore

Note 8 : Sweden

Note 11 : Hong Kong

Note 12 : United Kingdom

Note 15 : Seychelles

Note 16 : Netherlands

Note 19 : Germany

Note 20 : Investee is a subsidiary in consolidated group.

MEDIA TEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2022

Attachment 10

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 5, B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,764,170 USD 90,000,000	MediaTek China Limited	\$ 2,764,170 USD 90,000,000	- -	- -	\$ 2,764,170 USD 90,000,000	\$ 761,125 USD 25,537,917	100%	\$ 761,125 USD 25,537,917	\$ 5,824,330 USD 189,637,275	- -
MediaTek (Hefei) Inc.	Note 2	\$ 522,121 USD 17,000,000	MediaTek China Limited	\$ 522,121 USD 17,000,000	- -	- -	\$ 522,121 USD 17,000,000	\$ 193,435 USD 6,490,299	100%	\$ 193,435 USD 6,490,299	\$ 811,144 USD 26,410,450	- -
MediaTek (Beijing) Inc.	Note 2	\$ 3,071,300 USD 100,000,000	MediaTek China Limited	\$ 3,071,300 USD 100,000,000	- -	- -	\$ 3,071,300 USD 100,000,000	\$ 459,555 USD 15,419,384	100%	\$ 459,555 USD 15,419,384	\$ 4,275,257 USD 139,200,232	- -
MediaTek (Chengdu) Inc.	Note 2	\$ 1,529,507 USD 49,800,000	MediaTek China Limited	\$ 1,529,507 USD 49,800,000	- -	- -	\$ 1,529,507 USD 49,800,000	\$ 155,527 USD 5,218,387	100%	\$ 155,527 USD 5,218,387	\$ 1,670,678 USD 54,396,456	- -
MediaTek (Wuhan) Inc.	Note 2	\$ 743,255 USD 24,200,000	MediaTek China Limited	\$ 510,046 USD 16,606,858	- -	- -	\$ 510,046 USD 16,606,858	\$ 33,213 USD 1,114,377	100%	\$ 33,213 USD 1,114,377	\$ 808,879 USD 26,336,712	- -
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 1,904,206 USD 62,000,000	MediaTek China Limited	\$ 1,842,780 USD 60,000,000	- -	- -	\$ 1,842,780 USD 60,000,000	\$ (23,058) USD (773,658)	100%	\$ (23,058) USD (773,658)	\$ 3,385,958 USD 110,245,118	- -
MediaTek (Shanghai) Inc.	Note 2	\$ 1,322,532 CNY 297,000,000	MediaTek China Limited	\$ 1,488,635 USD 48,469,221	- -	- -	\$ 1,488,635 USD 48,469,221	\$ 233,517 USD 7,835,147	100%	\$ 233,517 USD 7,835,147	\$ 2,435,061 USD 79,284,381	- -
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 921,390 USD 30,000,000	MStar Co., Ltd.	\$ 921,390 USD 30,000,000	- -	- -	\$ 921,390 USD 30,000,000	\$ 19,811 USD 664,719	100%	\$ 19,811 USD 664,719	\$ 513,116 USD 16,706,815	- -
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,130 USD 10,000,000	Airoha Technology (HK) Limited	\$ 288,134 USD 9,381,500	- -	- -	\$ 288,134 USD 9,381,500	\$ 2,597,535 USD 87,154,683	76%	\$ 2,597,535 USD 87,154,683	\$ 4,576,065 USD 148,994,415	- -
Relpower Microelectronics Co., Ltd.	Note 2	\$ 98,282 USD 3,200,000	Richtek Technology Corp.	\$ 98,282 USD 3,200,000	- -	- -	\$ 98,282 USD 3,200,000	\$ 17,442 USD 39,741	100%	\$ 17,442 USD 39,741	\$ 16,234 USD 37,909	- -
Li-We Technology Corp.	Note 2	\$ 76,783 USD 2,500,000	Richtek Technology Corp.	\$ 76,783 USD 2,500,000	- -	- -	\$ 76,783 USD 2,500,000	\$ 39,741 USD 543,105	100%	\$ 39,741 USD 543,105	\$ 37,909 USD 1,125,497	- -
Yuan Ke (Pingtan) Investment Fund Limited Partnership	Note 4	\$ - CNY -	Gaintech Co. Limited	\$ 3,980,405 USD 129,600,000	- -	- -	\$ 3,980,405 USD 129,600,000	\$ 18,222,701 USD 406,064	-	\$ 509,383 USD 17,649,740	\$ - USD -	- -
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,172 USD 5,150,000	Gaintech Co. Limited	\$ 159,103 USD 5,180,299	- -	- -	\$ 159,103 USD 5,180,299	\$ 12,102 USD 406,064	88%	\$ 10,674 USD 358,149	\$ 157,419 USD 5,125,497	- -
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,819,570 CNY 408,619,418	Gaintech Co. Limited	\$ 1,228,520 USD 40,000,000	- -	- -	\$ 1,228,520 USD 40,000,000	\$ 389,563 USD 13,070,939	25%	\$ (41,000) USD (101,259)	\$ 4,595,566 USD 149,629,340	- -
Beijing Ititek Technology Co. Ltd.	Note 2	\$ - USD -	IStar Technology Ltd.	\$ 92,139 USD 3,000,000	- -	- -	\$ 92,139 USD 3,000,000	\$ 6,027 USD 202,227	-	\$ 6,027 USD 202,227	\$ - USD -	- -

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2022

(Continued)

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 5, B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nephos (Hefei) Co., Ltd.	Note 3	\$ 1,266,911 USD 41,250,000	Nephos Cayman Co. Limited	\$ 3,502,825 USD 114,050,238	- -	- -	\$ 3,502,825 USD 114,050,238	\$ (52,564) USD (1,763,681)	100%	\$ (52,564) USD (1,763,681)	\$ (33,035) USD (1,075,609)	- -
Airotek (Shenzhen) Inc.	Note 2	\$ 29,177 USD 950,000	Airotek (Cayman) Inc.	\$ 29,177 USD 950,000	- -	- -	\$ 29,177 USD 950,000	\$ (26,550) USD (890,836)	76%	\$ (21,499) USD (721,353)	\$ 61,985 USD 2,018,212	- -
Airotek (Chengdu) Inc.	Note 2	\$ 29,177 USD 950,000	Airotek (Cayman) Inc.	\$ 29,177 USD 950,000	- -	- -	\$ 29,177 USD 950,000	\$ (15,854) USD (531,954)	76%	\$ (12,719) USD (42,675)	\$ 67,372 USD 2,193,605	- -
Sigmastar Technology Ltd.	Note 3	\$ 1,687,441 CNY 378,947,370	Sigmastar Technology Inc.	\$ 61,426 USD 2,000,000	- -	- -	\$ 61,426 USD 2,000,000	\$ 773,001 USD 25,936,383	32%	\$ 773,001 USD 25,936,383	\$ 8,566,099 USD 278,907,932	- -
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,581,027 CNY 355,050,000	Xuxin Investment (Shanghai) Inc.	\$ 1,471,367 USD 47,906,985	\$ 96,897 USD 3,154,922	- -	\$ 1,568,264 USD 51,061,907	\$ (21,799) CNY (4,921,177)	100%	\$ (21,799) CNY (4,921,217)	\$ 2,801,880 CNY 629,216,087	- -
Shanghai KQC Financial Management	Note 4	\$ 146,948 CNY 33,000,000	Xuxin Investment (Shanghai) Inc.	\$ 30,002 USD 976,861	- -	- -	\$ 30,002 USD 976,861	\$ 1 CNY 201	20%	\$ - CNY 41	\$ 29,390 CNY 6,599,992	- -
Hefei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,580,804 CNY 355,000,000	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,471,153 USD 47,900,000	\$ 96,897 USD 3,154,922	- -	\$ 1,568,050 USD 51,054,922	\$ (21,740) CNY (4,907,984)	100%	\$ (21,740) CNY (4,907,984)	\$ 2,792,869 CNY 627,192,344	- -
Accumulated Investment in Mainland China as of December 31, 2022				Investment Amounts Authorized by Investment Commission, MOEA				Upper Limit on Investment				
\$ 25,515,802				\$ 35,411,946				\$		\$ 264,065,574		
USD 830,781,806				USD 1,152,995,338								

Note 1: Based on Regulations Governing the Approval of Investment or Technical Cooperation in the Mainland China promulgated by Investment Commission, MOEA.

Note 2: Development of consumer electronics products and software and related technology consulting services.

Note 3: Development, manufacture, and marketing of consumer electronics products and software.

Note 4: General investing.

Note 5: The methods for engaging in investment in Mainland China include the following:

- A. Direct investment in Mainland China.
- B. Indirect investment in Mainland China through companies registered in a third region.
- C. Other method.

Note 6: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 7: Amounts are listed in New Taiwan Dollars. For foreign currency conversion, net income (loss) of investee and investment income (loss) are converted by the average exchange rate during financial statement period (1 USD=29,803.74 NTD; 1 CNY=4,429.61 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30,713 NTD; 1 CNY=4,452.97 NTD)

English Translation of a Report and Financial Statements Originally Issued in Chinese

MEDIATEK INC.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2022 and 2021, 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 the Standards on Auditing of 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 2022 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\$332,181,124 thousand as net sales, which includes sale of goods in the amount of NT\$324,816,989 thousand and services and other operating revenues in the amount of NT\$7,364,135 thousand for the year ended December 31, 2022. 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 the Standards on Auditing of 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 the Standards on Auditing of 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 2022 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 24, 2023

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 the Standards on Auditing of 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.

MEDIA TEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2022	%	December 31, 2021	%
ASSETS					
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 22,417,724	4	\$ 71,349,370	12
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	1,747,234	1	1,712,245	-
Financial assets measured at amortized cost-current	4, 6(4)	20,396	-	84,211	-
Trade receivables, net	4, 6(5), 6(21)	25,012,979	5	32,683,641	6
Trade receivables from related parties, net	4, 6(5), 6(21), 7	508,276	-	612,535	-
Other receivables	6(6)	3,927,095	1	5,150,696	1
Other receivables from related parties	7	399,764	-	275,373	-
Current tax assets	4, 5, 6(29)	-	-	82	-
Inventories, net	4, 5, 6(7)	39,408,674	7	40,813,724	7
Prepayments	6(8), 9	1,654,250	-	666,330	-
Other current assets		1,164,932	-	1,214,719	-
Total current assets		96,261,324	18	154,562,926	26
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	2,387,451	1	797,350	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	7,227,546	1	6,517,755	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	2,023,508	-	1,516,539	-
Investments accounted for using the equity method	4, 6(9)	313,235,289	58	307,861,947	52
Property, plant and equipment	4, 6(10)	32,197,708	6	29,877,083	5
Right-of-use assets	4, 6(22)	2,355,779	-	1,733,789	-
Intangible assets	4, 6(11), 6(12)	57,005,420	11	57,272,022	10
Deferred tax assets	4, 5, 6(29)	8,527,393	2	6,780,908	1
Refundable deposits	9	6,638,424	1	8,670,550	2
Long-term financing lease receivables, net	4, 6(21), 6(22)	1,455,784	-	1,455,784	-
Other non-current assets-others	9	13,448,903	2	19,230,579	3
Total non-current assets		446,503,205	82	441,714,306	74
Total assets		\$ 542,764,529	100	\$ 596,277,232	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

MEDIA,TEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2022	%	December 31, 2021	%
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings	6(13)	\$ -	-	\$ 45,327,350	8
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	3,353	-	4,252	-
Contract liabilities-current	4, 5, 6(20)	2,122,229	-	3,409,104	1
Trade payables	7	12,068,347	2	24,456,912	4
Trade payables to related parties	6(14)	1,386,107	-	1,533,675	-
Other payables	7	35,878,684	7	37,150,786	6
Other payables to related parties	7	10,129,960	2	32,187	-
Current tax liabilities	4, 5, 6(29)	2,518,768	-	7,102,836	1
Lease liabilities-current	4, 6(22)	263,466	-	155,571	-
Other current liabilities	4, 6(15)	25,525,176	5	24,628,819	4
Current portion of long-term liabilities	6(16)	2,456,385	1	2,562,795	1
Total current liabilities		92,352,475	17	146,384,287	25
Non-current liabilities					
Long-term borrowings	6(16)	-	-	827,660	-
Long-term payables	7	529,406	-	490,525	-
Long-term payables to related parties	4, 6(17)	-	-	8,618,791	2
Net defined benefit liabilities-noncurrent	7	607,180	-	672,027	-
Deposits received	4, 5, 6(29)	56,309	-	106,299	-
Deferred tax liabilities	4, 5, 6(29)	6,252,799	1	4,966,610	1
Lease liabilities-noncurrent	4, 6(22)	2,133,549	1	1,587,347	-
Other non-current liabilities-others		723,521	-	608,390	-
Total non-current liabilities		10,302,764	2	17,877,649	3
Total liabilities		102,655,239	19	164,261,936	28
Equity					
Share capital	6(18)				
Common stock		15,994,353	3	15,988,420	3
Capital collected in advance		113	-	483	-
Capital surplus	6(18), 6(19)	47,185,281	9	59,776,045	10
Retained earnings	6(18)				
Legal reserve		62,058,498	11	50,217,220	8
Undistributed earnings		286,688,675	53	252,432,501	42
Other equity	6(19)	28,238,340	5	53,656,597	9
Treasury shares	4, 6(18)	(55,970)	-	(55,970)	-
Total equity		440,109,290	81	432,015,296	72
Total liabilities and equity		\$ 542,764,529	100	\$ 596,277,232	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

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

Description	Notes	2022	%	2021	%
Net sales	4, 5, 6(20), 7	\$ 332,181,124	100	\$ 305,571,342	100
Operating costs	4, 5, 6(7), 6(23), 7	(176,996,071)	(53)	(174,236,062)	(57)
Gross profit		155,185,053	47	131,335,280	43
Unrealized gross profit on sales		(657)	-	(566,377)	-
Realized gross profit on sales		170,395	-	163,622	-
Gross profit, net		155,354,791	47	130,932,525	43
Operating expenses	6(21), 6(23), 7				
Selling expenses		(8,800,102)	(2)	(9,600,509)	(3)
Administrative expenses		(9,970,588)	(3)	(6,371,111)	(2)
Research and development expenses		(82,369,154)	(25)	(63,298,834)	(21)
Expected credit (losses) gains		(770)	-	15,007	-
Total operating expenses		(101,140,614)	(30)	(79,255,447)	(26)
Operating income		54,214,177	17	51,677,078	17
Non-operating income and expenses					
Interest income	4, 6(24)	695,486	-	595,264	-
Other income	4, 6(25), 7	511,693	-	621,613	-
Other gains and losses	4, 6(26), 7	910,789	-	546,510	-
Finance costs	6(27), 7	(299,940)	-	(113,342)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	71,561,982	22	67,577,219	22
Total non-operating income and expenses		73,380,010	22	69,227,264	22
Net income before income tax		127,594,187	39	120,904,342	39
Income tax expense	4, 5, 6(29)	(9,453,081)	(3)	(9,483,280)	(3)
Net income		118,141,106	36	111,421,062	36
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		57,848	-	47,672	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(448,568)	-	(57,688)	-
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		(29,610,670)	(9)	8,606,502	3
Income tax relating to those items not to be reclassified to profit or loss		(11,570)	-	(9,534)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		20,834,513	6	(4,763,993)	(1)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		949	-	-	-
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		(45,022)	-	(2,084)	-
Other comprehensive income, net of tax		(9,222,520)	(3)	3,820,875	2
Total comprehensive income		\$ 108,918,586	33	\$ 115,241,937	38
Basic Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 74.59		\$ 70.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 74.23		\$ 70.22	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIA TEK INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Exchange differences resulting from translating the financial statements of foreign operations	Other equity		Treasury shares	Total equity
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 2021	\$ 15,900,622	\$ 2,133	\$ 76,745,750	\$ 44,583,025	\$ 173,052,205	\$ (8,710,844)	\$ 70,646,473	\$ (329,573)	\$ (55,970)	\$ 371,833,821
Appropriation and distribution of 2020 earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-
Cash dividends	-	-	-	(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)
Profit for the year ended December 31, 2021	-	-	-	-	111,421,062	-	8,533,218	-	-	111,421,062
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	51,650	(4,763,993)	-	-	-	3,820,875
Total comprehensive income	-	-	-	-	111,472,712	(4,763,993)	8,533,218	-	-	115,241,937
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
Issuance of restricted stock for employees	82,554	-	6,376,784	(17,252)	-	-	-	(4,761,369)	-	1,680,717
Changes in other capital surplus	-	-	(50,259)	-	-	-	-	-	-	(50,259)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,957,315	-	(6,957,315)	-	(55,970)	-
Balance as of December 31, 2021	15,988,420	483	59,776,045	50,217,220	257,432,501	(13,474,837)	72,222,376	(5,090,942)	-	432,015,296
Appropriation and distribution of 2021 earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	11,841,278	(11,841,278)	-	-	-	-	-
Cash dividends	-	-	-	(91,147,046)	(91,147,046)	-	-	-	-	(91,147,046)
Total	-	-	-	11,841,278	(102,988,324)	-	-	-	-	(91,147,046)
Cash dividends distributed from capital surplus	-	-	(25,585,136)	-	-	-	-	-	-	(25,585,136)
Profit for the year ended December 31, 2022	-	-	-	-	118,141,106	-	(30,130,811)	-	-	118,141,106
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	73,778	20,834,513	(30,130,811)	-	-	(9,222,520)
Total comprehensive income	-	-	-	-	118,214,884	20,834,513	(30,130,811)	-	-	108,918,586
Share-based payment transactions	2,596	(370)	76,329	-	-	-	-	-	-	78,555
Adjustments due to dividends that subsidiaries received from parent company	-	-	568,977	-	-	-	-	-	-	568,977
Changes in associates and joint ventures accounted for using the equity method	-	-	2,882,085	-	-	-	-	-	-	2,882,085
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	8,637,434	-	-	-	-	-	-	8,637,434
Changes in ownership interests in subsidiaries	-	-	(95,784)	-	-	-	-	-	-	(95,784)
Issuance of restricted stock for employees	3,337	-	935,957	17,604	-	-	-	2,890,051	-	3,846,949
Changes in other capital surplus	-	-	(10,626)	-	-	-	-	-	-	(10,626)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	19,012,010	-	(19,012,010)	-	-	-
Balance as of December 31, 2022	\$ 15,994,353	\$ 113	\$ 47,185,281	\$ 62,058,498	\$ 286,688,675	\$ 7,359,676	\$ 23,079,555	\$ (2,200,891)	\$ (55,970)	\$ 440,109,290

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

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 127,594,187	\$ 120,904,342
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	5,648,634	3,311,072
Amortization	3,340,491	2,928,106
Expected credit losses (gains)	770	(15,007)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	81,629	(117,813)
Interest expenses	299,940	113,342
Losses on derecognition of financial assets measured at amortized cost	36	-
Interest income	(695,486)	(595,264)
Dividend income	(123,722)	(40,116)
Share-based payment expenses	3,261,615	1,545,455
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(71,561,982)	(67,577,219)
Losses (gains) on disposal of property, plant and equipment	2,312	(972)
Unrealized gross profit on sales	657	80
Realized gross profit on sales	(170,395)	(163,622)
Others	26	(204)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(1,712,413)	(976,587)
Trade receivables	7,669,892	(14,819,576)
Trade receivables from related parties	104,259	26,315
Other receivables	1,162,037	(1,147,936)
Other receivables from related parties	(124,391)	8,210
Inventories	1,405,050	(19,910,833)
Prepayments	(1,177,201)	(190,333)
Other current assets	49,787	(288,445)
Other non-current assets-others	5,970,957	(19,230,579)
Contract liabilities	(1,286,875)	(4,443,125)
Trade payables	(12,388,565)	4,166,482
Trade payables to related parties	(167,568)	(1,102,309)
Other payables	(1,029,935)	10,960,127
Other payables to related parties	823,061	(25,295)
Other current liabilities	896,357	8,674,157
Long-term payables to related parties	(8,618,791)	8,618,791
Net defined benefit liabilities	(6,999)	(10,189)
Other non-current liabilities-others	(14,528)	(278,285)
Cash generated from operating activities:	59,232,846	30,322,770
Interest received	762,768	656,620
Dividend received	48,921,938	22,242,681
Interest paid	(303,261)	(114,386)
Income tax paid	(14,508,933)	(4,327,866)
Net cash provided by operating activities	94,105,358	48,779,819
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(1,157,410)	(1,997,691)
Acquisition of financial assets measured at amortized cost	(500,000)	(120,703)
Proceeds from redemption of financial assets measured at amortized cost	55,887	113,559
Acquisition of investments accounted for using the equity method	(4,693,510)	(19,501,530)
Proceeds from disposal of investments accounted for using the equity method	693,414	10,466
Proceeds from capital return of investments accounted for using the equity method	25,294,580	1,382,800
Cash received through merger	-	63,799
Acquisition of property, plant and equipment	(7,974,778)	(13,722,045)
Proceeds from disposal of property, plant and equipment	2,427	8,032
Decrease (increase) in refundable deposits	2,032,126	(8,597,388)
Acquisition of intangible assets	(3,266,551)	(3,294,683)
Proceeds from disposal of intangible assets	-	226
Net cash provided by (used in) investing activities	10,486,185	(45,655,158)
Cash flows from financing activities :		
(Decrease) increase in short-term borrowings	(45,327,350)	29,075,610
Proceeds from long-term borrowings	-	1,385,720
Repayment of long-term borrowings	(558,060)	-
Decrease in deposits received	(49,990)	(207,382)
Other payables to related parties	9,274,712	-
Cash payment for the principal portion of the lease liabilities	(220,793)	(181,976)
Proceeds from exercise of employee stock options	67,929	107,936
Cash dividends	(116,709,637)	(58,873,032)
Net cash used in investing activities	(153,523,189)	(28,693,124)
Net decrease in cash and cash equivalents	(48,931,646)	(25,568,463)
Cash and cash equivalents at the beginning of the year	71,349,370	96,917,833
Cash and cash equivalents at the end of the year	\$ 22,417,724	\$ 71,349,370

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.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. Organization and Operation

As officially approved, MediaTek Inc. (“the Company”) was incorporated at Hsinchu Science-based Industrial Park on May 28, 1997. Since then, it has been specialized in the R&D, production, manufacturing and marketing of multimedia integrated circuits (ICs), computer peripherals oriented ICs, high-end consumer-oriented ICs and other ICs of extraordinary application. Meanwhile, it has rendered design, test runs, maintenance and repair and technological consultation services for software & hardware of the aforementioned products, import and export trades for the aforementioned products, sale and delegation of patents and circuit layout rights for the aforementioned products.

2. Date and Procedures of Authorization of Financial Statements for Issue

The parent company only financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 24, 2023.

3. Newly Issued or Revised Standards and Interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. The application of these new standards and amendments had no material effect on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standard Board (“IASB”) and endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below:

<u>Standards or Interpretations Numbers</u>	<u>The Projects of Standards or Interpretations</u>	<u>Effective Dates</u>
IAS 1	“Disclosure Initiative - Accounting Policies” (Amendment)	January 1, 2023
IAS 8	“Definition of Accounting Estimates” (Amendment)	January 1, 2023
IAS 12	“Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Amendment)	January 1, 2023

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023, and have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 10 and IAS 28	“Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)	To be determined by IASB
IFRS 17	“Insurance Contracts”	January 1, 2023
IAS 1	“Classification of Liabilities as Current or Non-current” (Amendment)	January 1, 2024
IFRS 16	“Lease Liability in a Sale and Leaseback” (Amendment)	January 1, 2024
IAS 1	“Non-current Liabilities with Covenants” (Amendment)	January 1, 2024

- A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)

The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” (IFRS 10) and IAS 28 “Investments in Associates and Joint Ventures” (IAS 28), in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture. IFRS 10 requires full profit or loss recognition on the loss of control of a subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (IFRS 3) between an investor and its associate or joint venture is recognized in full.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

The abovementioned standards and interpretations issued by IASB have not yet been recognized by FSC at the date of issuance of the Company's financial statements, the local effective dates are to be determined by FSC. As the Company is currently determining the potential impact of the standards and interpretations listed under A, it is not practicable to estimate the impact on the Company at this point in time. All other standards and interpretations have no material impact on the Company.

4. Summary of Significant Accounting Policies Information

Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

Basis of Preparation

According to article 21 of the Regulations, the profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investments in subsidiaries will be disclosed under "Investments accounted for using the equity method" in the parent company only financial report and change in value will be adjusted.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$.

Transactions in foreign currencies are initially recorded by the Company's functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate prevailing at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.
- (3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Translation of financial statements in foreign currency

Each foreign operation of the Company determines its function currency upon its primary economic environment and items included in the financial statements of each operation are measured using that functional currency. The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the rate prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considered a disposal.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is adjusted in “investments accounted for using the equity method”. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

Current and non-current distinction

An asset is classified as current when:

- (1) the Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (2) the Company holds the asset primarily for the purpose of trading.
- (3) the Company expects to realize the asset within twelve months after the reporting period.
- (4) the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (1) the Company expects to settle the liability in its normal operating cycle.
- (2) the Company holds the liability primarily for the purpose of trading.
- (3) the liability is due to be settled within twelve months after the reporting period.
- (4) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

- A. the Company's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

a. Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

b. Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognitions of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- I. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- II. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should be recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

c. Financial assets measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss and trade receivables.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- A. at an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
- B. at an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. for trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. for financing lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

- A. the rights to receive cash flows from the asset have expired.
- B. the Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

A. Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

B. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

C. Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. Gains or losses on the subsequent measurement of liabilities held for trading including interest paid are recognized in profit or loss.

A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

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NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the company is provided internally on that basis to the key management personnel.

b. Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

c. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as effective hedging instruments which and are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (1) in the principal market for the asset or liability; or
- (2) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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NOTES TO FINANCIAL STATEMENTS-(Continued)

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The Company uses valuation techniques which are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Inventories

Inventory costs include costs incurred in bringing each inventory to its present location and condition. Raw materials are valued at purchase cost. Finish goods and work in progress include cost of direct materials and related manufacturing overheads. Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventories that were not sold or moved for further production were assessed allowance and set aside to reflect the potential loss from stock obsolescence.

Rendering of services is accounted in accordance with IFRS 15 but not within the scoping of inventories.

Investments accounted for using the equity method

The Company's investment in its associates is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

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NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

When the associate or joint venture issues new shares, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in capital surplus and investments accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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NOTES TO FINANCIAL STATEMENTS-(Continued)

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Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and facilities	3-50 years
Machinery and equipment	3-5 years
Computer and telecommunication equipment	3-5 years
Testing equipment	3-5 years
Miscellaneous equipment	2-5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the contract, throughout the period of use, has both of the following:

- (1) the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- (2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable by the lessee under residual value guarantees;
- d. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- e. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a. the amount of the initial measurement of the lease liability;
- b. any lease payments made at or before the commencement date, less any lease incentives received;
- c. any initial direct costs incurred by the lessee; and

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NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- d. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use asset applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associated with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

B. The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and presents them as a receivable at an amount equal to the net investment in the lease.

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NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

Expenditures related to research activities as well as those expenditures not meeting the criteria for capitalization are expensed when incurred. Expenditures related to development activities meeting the criteria for capitalization are capitalized.

The Company's intangible assets mainly include trademarks, patents, software, IPs and others which are acquired from third parties or business combinations. A summary of the amortization policies information applied to the Company's intangible assets is as follows:

<u>Trademarks</u>	<u>Patents</u>	<u>Software</u>	<u>IPs and others</u>
6 years	2-7 years	2-5 years	2-7 years

Abovementioned intangible assets are amortized on a straight-line basis over the estimated useful life.

The Company's intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Sales returns and allowances (Refund liabilities)

The Company estimates sales returns and allowances based on past experience and other known factors in accordance with IFRS 15, which are recognized as deduction of operating revenue and refund liabilities.

Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Company's types of revenue are explained as follows:

Sale of goods

The Company manufactures and sells merchandise. Sales are recognized when goods have been shipped and customers have obtained the control (the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits from the goods). The main product of the Company is multimedia integrated circuit chip and revenue is recognized based on the consideration stated in the contract. However, sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Based on previous experience, the Company uses the expected value method to estimate volume discounts. However, revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Refund liability is also recognized during the period specified in the contract.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The credit period of the Company's sale of goods is from 45 to 60 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Company transfers the goods to customers and when the customers pay for that goods is usually short and there is no significant financing component to the contract. For a small part of the contracts, the Company has the right to transfer the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Company provides non-recurring engineering services. Revenues are recognized based on the stage of completion of the contracts. Besides, if there are sale transactions included in the service contracts, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contracts, net of the estimated volume discounts. Based on previous experience, the Company uses the expected value method to estimate volume discounts. However, revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Contract liabilities are also recognized during the period specified in the contract.

The contractual considerations of the Company are received in accordance with the payment schedule set by the contracts. When the Company has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, then the Company has the obligation to provide the services subsequently and it should be recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

Silicon intellectual property license

Licensing is to provide customers the right to use intellectual properties. The amount allocated to performance obligation-licenses of intellectual property is recognized as revenue at a point in time in which the licence is granted.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment; and
- B. the date that the Company recognizes related restructuring or termination costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Share-based payment transactions

The cost of equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it fully vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award substitutes for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted shares issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognizes unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

A. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by shareholders.

B. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- a. where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 "Financial Instruments" either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's parent company only financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The judgments and estimates made by the Company are based on historical experience and other related factors and continuously being evaluated and adjusted. Please refer to below description:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

A. Fair value of Level 3 financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Valuation of inventory - estimation of obsolescence provision

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time period, therefore it may cause material adjustments.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could cause future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

D. Revenue recognition - sales returns and discounts

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6. (15) for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Checking and savings accounts	\$ 904,209	\$ 1,574,291
Time deposits	21,513,515	69,775,079
Total	<u>\$ 22,417,724</u>	<u>\$ 71,349,370</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Time deposits include deposits whose maturities are within twelve months and are readily convertible to known amounts of cash with values subject to an insignificant risk of changes.

Cash and cash equivalents were not pledged.

(2) Financial assets and financial liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 1,729,818	\$ 1,502,219
Linked deposits	-	210,026
Forward exchange contracts	17,416	-
Total	<u>\$ 1,747,234</u>	<u>\$ 1,712,245</u>
 <u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 3,353</u>	<u>\$ 4,252</u>
 <u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Stocks	\$ 150,780	\$ 178,920
Linked deposits	2,087,371	618,430
Bonds	149,300	-
Total	<u>\$ 2,387,451</u>	<u>\$ 797,350</u>

Financial assets at fair value through profit or loss were not pledged.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
<u>Noncurrent</u>		
<u>Debt instrument investment measured at fair value through other comprehensive income</u>		
Bonds	\$ 200,949	\$ -
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Funds	3,084,804	3,262,841
Listed company stocks	3,940,024	3,252,826
Unlisted company stocks	1,769	2,088
Subtotal	<u>7,026,597</u>	<u>6,517,755</u>
Total	<u>\$ 7,227,546</u>	<u>\$ 6,517,755</u>

Financial assets at fair value through other comprehensive income were not pledged.

No impairment was recognized for debt instrument investments measured at fair value through other comprehensive income. Please refer to Note 12 for more details on credit risk.

The Company has equity instrument investments measured at fair value through other comprehensive income. Details on dividends recognized for the years ended 2022 and 2021 are as follows:

	For the years ended December 31	
	2022	2021
Related to investments held at the end of the reporting period	<u>\$ 123,722</u>	<u>\$ 40,116</u>

(4) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
<u>Current</u>		
Bonds	<u>\$ 20,396</u>	<u>\$ 84,211</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2022	December 31, 2021
<u>Noncurrent</u>		
Bonds	\$ 1,940,693	\$ 1,440,694
Time deposits	82,815	75,845
Total	<u>\$ 2,023,508</u>	<u>\$ 1,516,539</u>

No loss allowance was recognized for financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for more details on credit risk.

(5) Trade receivables and trade receivables from related parties

	December 31, 2022	December 31, 2021
Trade receivables	\$ 25,014,619	\$ 32,693,312
Less: allowance for doubtful debts	(1,640)	(9,671)
Subtotal	<u>25,012,979</u>	<u>32,683,641</u>
Trade receivables from related parties	508,276	612,535
Less: allowance for doubtful debts	-	-
Subtotal	<u>508,276</u>	<u>612,535</u>
Total	<u>\$ 25,521,255</u>	<u>\$ 33,296,176</u>

Trade receivables and trade receivables from related parties were not pledged.

Trade receivables are generally on 45 to 60 day terms. The total carrying amounts were NT\$25,522,895 thousand and NT\$33,305,847 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6. (21) for more details on impairment of trade receivables for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

Trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$1,628,442 thousand and NT\$1,790,456 thousand as of December 31, 2022 and 2021, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(6) Other receivables

	December 31, 2022	December 31, 2021
Factoring receivables	\$ 2,031,467	\$ 3,778,202
Others	1,895,628	1,372,494
Total	<u>\$ 3,927,095</u>	<u>\$ 5,150,696</u>

The Company entered into several factoring agreements without recourse with financial institutions. According to those agreements, the Company does not take the risk of uncollectible trade receivables, but only the risk of loss due to commercial disputes. The Company did not provide any collateral, and the factoring agreements met the criteria of financial asset derecognition. The Company derecognized related trade receivables after deducting the estimated value of commercial disputes. Receivables from banks due to factoring agreement were NT\$2,031,467 thousand and NT\$3,778,202 thousand as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2022:

The Factor (Transferee)	Interest Rate (%)	Trade		Unutilized (US\$'000)	Credit line (US\$'000)
		receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)		
Taishin					
International Bank	-	\$ 57,939	\$ -	\$ 57,939	\$ 205,000
BNP Paribas	-	6,943	-	6,943	155,000
CHB	-	-	-	-	1,500
CTBC	-	-	-	-	400
SinoPac	-	1,261	-	1,261	10,000
Total		<u>\$ 66,143</u>	<u>\$ -</u>	<u>\$ 66,143</u>	<u>\$ 371,900</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. As of December 31, 2021:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
Taishin					
International Bank	-	\$ 107,149	\$ -	\$ 107,149	\$ 181,000
BNP Paribas	-	26,432	-	26,432	155,000
CHB	-	913	-	913	1,200
CTBC	-	681	-	681	1,900
SinoPac	-	1,350	-	1,350	5,000
Total		\$ 136,525	\$ -	\$ 136,525	\$ 344,100

(7) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 177,792	\$ 1,248,322
Work in progress	27,579,946	22,885,957
Finished goods	11,650,936	16,679,445
Net amount	\$ 39,408,674	\$ 40,813,724

The operating cost related to inventories included the write-down of inventories of NT\$14,794,109 thousand and NT\$7,293,812 thousand for the years ended December 31, 2022 and 2021, respectively.

Inventories were not pledged.

(8) Prepayments

	December 31, 2022	December 31, 2021
Prepaid expenses	\$ 685,262	\$ 421,882
Others	968,988	244,448
Total	\$ 1,654,250	\$ 666,330

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(9) Investments accounted for using the equity method

Investees	December 31, 2022		December 31, 2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Subsidiaries:				
MediaTek Investment Singapore Pte. Ltd.	\$ 204,066,817	100	\$ 224,583,578	100
Hsu-Ta Investment Corp.	9,232,568	100	7,541,670	100
MediaTek Singapore Pte. Ltd.	67,147,396	100	43,982,690	100
MStar Co., Ltd.	141,281	100	145,792	100
HFI Innovation Inc.	1,043,078	100	729,424	100
Spidcom Technologies	525	100	1,574	100
Richtek Technology Corp.	21,363,741	100	21,636,457	100
Airoha Technology Corp.	8,125,045	77	219,299	5
MediaTek Capital Co. Airoha Technology (Cayman) Inc.	726,135	100	265,767	100
Hsu-Yuan Investment Corp.	444,475	100	-	-
MediaTek Research UK Limited	31,054	100	-	-
MediaTek Bangalore Private Limited	559,675	100	-	-
Subtotal	<u>312,881,790</u>		<u>307,528,991</u>	
Investments in associates:				
IC Plus Corp. Intellectual Property Innovation Corp.	324,395	19	302,975	19
Subtotal	<u>353,499</u>		<u>332,956</u>	
Total	<u>\$ 313,235,289</u>		<u>\$ 307,861,947</u>	

The Company increased its investment in MediaTek Investment Singapore Pte. Ltd. through several cash injections in the aggregate amount of NT\$18,904,372 thousand from July to December 2021. Moreover, MediaTek Investment Singapore Pte. Ltd. issued new shares to the Company in exchange for the ownership of Digimoc Holdings Limited in September 2021. In addition, MediaTek investment Singapore Pte. Ltd. returned its capital of NT\$25,294,580 thousand to the Company in December 2022.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Hsu-Ta Investment Corp. spun-off the ownership of Core Tech Resources Inc. to MediaTek Singapore Pte. Ltd., and the Company acquired new shares of MediaTek Singapore Pte. Ltd. in November 2021.

The Company increased its investment in Hsu-Ta Investment Corp. by cash in the amount of NT\$1,932,000 thousand in April 2022.

The Company increased its investment in HFI Innovation Inc. by intellectual property in the amount of NT\$566,297 thousand in August 2021.

Hsu-Si Investment Corp returned NT\$1,310,000 thousand in June 2021 due to capital reduction, Hsu-Si Investment spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and the Company acquired 5% new shares of the capital increase of Airoha Technology Corp. in October 2021. Hsu-Si Investment Corp. was dissolved due to merger with the Company in December 2021. The ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to the Company.

Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022. Airoha Technology (Cayman) Inc. was dissolved on the same day. In addition, Airoha Technology Corp. increased capital by cash in January 2022. The Company did not subscribe to the new shares proportionate to its original ownership interest that resulted in a change in ownership interest. The Company increased its investment in Airoha Technology Corp. by cash in the amount of NT\$48,413 thousand and NT\$772,294 thousand in February and March 2022, respectively. Moreover, the Company disposed of a portion of Airoha Technology Corp. shares in the amount of NT\$693,414 thousand in June 2022. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 76%.

The Company established MediaTek Capital Co. by cash of NT\$290,000 thousand in July 2021, and increased its investment by cash of NT\$828,000 thousand in May 2022.

The Company established Hsu-Yuan Investment Corp. by cash of NT\$500,000 thousand in May 2022.

MStar International Technology Inc. returned NT\$72,800 thousand in April 2021 due to capital reduction. Moreover, MStar International Technology Inc. was dissolved due to merger with Hsu-Ta Investment Corp. in June 2021.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company increased its investment in Mediatek Research UK Limited by cash in the amount of NT\$24,363 thousand in April 2022.

The Company increased its investment in MediaTek Bangalore Private Limited by cash in the amount of NT\$581,508 thousand in December 2022.

The Company totally purchased NT\$277,158 thousand of voting shares of IC Plus Corp. from market during the period from January to February 2021 and its ownership of IC Plus Corp. has reached 19%. The Company assessed that it has significant influence over IC Plus Corp., and therefore the Company reclassified IC Plus Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method. In addition, the Company increased its investment in IC Plus Corp. by cash in the amount of NT\$6,932 thousand in March 2022.

The Company subscribed 30% new shares issued by Intellectual Property Innovation Corp. in the amount of NT\$30,000 thousand in December 2021.

Investments in subsidiaries and associates were not pledged.

(10) Property, plant and equipment

	December 31, 2022	December 31, 2021
Owner-occupied property, plant and equipment	\$ 32,197,708	\$ 29,877,083

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2022	\$ 6,867,912	\$ 15,156,732	\$ 148,506	\$ 10,820,590	\$ 10,941,511	\$ 1,692,149	\$ 270,002	\$ 45,897,402
Additions-acquired								
separately	481,030	308,165	3,825	960,065	2,471,639	2,742,428	768,780	7,735,932
Disposals	-	-	-	(160,295)	(108,729)	(306)	-	(269,330)
Transfers	-	925,481	-	-	25,698	17,575	(983,562)	(14,088)
As of December 31, 2022	\$ 7,348,942	\$ 16,390,378	\$ 152,331	\$ 11,620,360	\$ 13,330,119	\$ 4,451,846	\$ 55,220	\$ 53,349,196
As of January 1, 2021	\$ 3,966,512	\$ 14,587,244	\$ 129,395	\$ 5,883,738	\$ 8,958,413	\$ 267,077	\$ 54,035	\$ 33,846,414
Additions-acquired								
separately	2,901,400	557,965	19,088	5,420,695	2,018,133	2,692,165	344,426	13,953,872
Disposals	-	(8,604)	(1,071)	(484,741)	(84,039)	(1,324,429)	-	(1,902,884)
Transfers	-	20,127	1,094	898	49,004	57,336	(128,459)	-
As of December 31, 2021	\$ 6,867,912	\$ 15,156,732	\$ 148,506	\$ 10,820,590	\$ 10,941,511	\$ 1,692,149	\$ 270,002	\$ 45,897,402

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:								
As of January 1, 2022	\$ -	\$ 4,500,971	\$ 47,737	\$ 4,588,773	\$ 6,421,314	\$ 461,524	\$ -	\$ 16,020,319
Depreciation	-	442,769	24,096	2,144,487	1,400,006	1,384,402	-	5,395,760
Disposals	-	-	-	(160,281)	(104,076)	(234)	-	(264,591)
As of December 31, 2022	\$ -	\$ 4,943,740	\$ 71,833	\$ 6,572,979	\$ 7,717,244	\$ 1,845,692	\$ -	\$ 21,151,488
As of January 1, 2021	\$ -	\$ 4,031,158	\$ 25,678	\$ 3,875,701	\$ 5,321,843	\$ 203,955	\$ -	\$ 13,458,335
Depreciation	-	472,075	22,059	1,198,050	1,182,622	257,947	-	3,132,753
Disposals	-	(2,262)	-	(484,978)	(83,151)	(378)	-	(570,769)
As of December 31, 2021	\$ -	\$ 4,500,971	\$ 47,737	\$ 4,588,773	\$ 6,421,314	\$ 461,524	\$ -	\$ 16,020,319
Net carrying amount as of:								
December 31, 2022	\$ 7,348,942	\$ 11,446,638	\$ 80,498	\$ 5,047,381	\$ 5,612,875	\$ 2,606,154	\$ 55,220	\$ 32,197,708
December 31, 2021	\$ 6,867,912	\$ 10,655,761	\$ 100,769	\$ 6,231,817	\$ 4,520,197	\$ 1,230,625	\$ 270,002	\$ 29,877,083

The property, plant and equipment were not pledged.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(11) Intangible assets

	Trademarks	Software	Patents, IPs and others	Goodwill	Total
Cost:					
As of January 1, 2022	\$ 390,512	\$ 1,358,049	\$ 18,571,121	\$ 52,604,453	\$ 72,924,135
Additions-acquired separately	-	95,192	2,963,889	-	3,059,081
Disposals	(390,512)	(1,065,468)	(9,275,177)	-	(10,731,157)
Transfer	-	14,808	-	-	14,808
As of December 31, 2022	\$ -	\$ 402,581	\$ 12,259,833	\$ 52,604,453	\$ 65,266,867
As of January 1, 2021	\$ 390,512	\$ 1,259,255	\$ 17,049,698	\$ 52,604,453	\$ 71,303,918
Additions-acquired separately	-	111,206	1,583,798	-	1,695,004
Disposals	-	(12,412)	(62,375)	-	(74,787)
As of December 31, 2021	\$ 390,512	\$ 1,358,049	\$ 18,571,121	\$ 52,604,453	\$ 72,924,135

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Trademarks	Software	Patents, IPs and others	Goodwill	Total
Amortization and impairment:					
As of January 1, 2022	\$ 390,512	\$ 1,141,202	\$ 14,120,399	\$ -	\$ 15,652,113
Amortization	-	147,919	3,192,572	-	3,340,491
Disposals	(390,512)	(1,065,468)	(9,275,177)	-	(10,731,157)
As of December 31, 2022	\$ -	\$ 223,653	\$ 8,037,794	\$ -	\$ 8,261,447
As of January 1, 2021					
As of January 1, 2021	\$ 390,512	\$ 988,868	\$ 11,419,188	\$ -	\$ 12,798,568
Amortization	-	164,746	2,763,360	-	2,928,106
Disposals	-	(12,412)	(62,149)	-	(74,561)
As of December 31, 2021	\$ 390,512	\$ 1,141,202	\$ 14,120,399	\$ -	\$ 15,652,113
Net carrying amount as of:					
December 31, 2022	\$ -	\$ 178,928	\$ 4,222,039	\$ 52,604,453	\$ 57,005,420
December 31, 2021	\$ -	\$ 216,847	\$ 4,450,722	\$ 52,604,453	\$ 57,272,022

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(12) Impairment testing of goodwill

The Company's goodwill allocated to each of cash-generating units or groups of cash-generating units is expected to benefit from synergies of the business combination. Key assumptions used in impairment testing are as follows:

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from financial budgets approved by management covering a five-year period. The projected cash flows reflect the change in demand for products and services. As a result of the analysis, the Company did not identify any impairment for goodwill of NT\$52,604,453 thousand.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rates of sales of budget period

Gross margins - Gross margins are based on the gross margins of latest fiscal year and future trend of the market.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.

Growth rates of sales estimates - The growth rates of sales were estimated by historical experience. The long-term average growth rate the Company predicted was adjusted by considering the product life cycle and the macroeconomic environment.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(13) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ -	\$ 45,327,350
Interest rates	-	(0.5)%~0.41%

(14) Other payables

	December 31, 2022	December 31, 2021
Accrued salaries and bonuses	\$ 25,335,258	\$ 26,333,495
Accrued royalties	1,916,226	1,186,619
Others	8,627,200	9,630,672
Total	\$ 35,878,684	\$ 37,150,786

(15) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liabilities	\$ 24,812,571	\$ 24,029,774
Others	712,605	599,045
Total	\$ 25,525,176	\$ 24,628,819

(16) Long-term borrowings

Details of long-term loans as of December 31, 2022 are as follows:

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
Less: current portion	(827,660)		
Noncurrent portion	\$ -		

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Details of long-term loans as of December 31, 2021 are as follows:

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
JP Morgan Chase Bank	558,060	(0.4)%	Effective from October 26, 2021 to November 25, 2022, principal is repaid once due.
Total	<u>1,385,720</u>		
Less: current portion	<u>(558,060)</u>		
Noncurrent portion	<u>\$ 827,660</u>		

Long-term borrowings were not pledged.

(17) Post-employment benefits plans

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$1,034,383 thousand and NT\$867,086 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$8,645 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefit obligation were 16 years and 17 years as of December 31, 2022 and 2021, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended	
	December 31	
	2022	2021
Current service cost	\$ 1,399	\$ 1,315
Net interest on the net defined benefit liabilities	5,511	3,211
Total	<u>\$ 6,910</u>	<u>\$ 4,526</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	December 31, 2022	December 31, 2021
Defined benefit obligation	\$ 793,239	\$ 836,356
Plan assets at fair value	(186,059)	(164,329)
Net defined benefit liabilities	<u>\$ 607,180</u>	<u>\$ 672,027</u>

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2022	\$ 836,356	\$ (164,329)	\$ 672,027
Current service cost	1,399	-	1,399
Interest expenses (income)	6,858	(1,347)	5,511
Subtotal	<u>8,257</u>	<u>(1,347)</u>	<u>6,910</u>

(To be continued)

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(Continued)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	17,439	-	17,439
Actuarial gains and losses arising from changes in financial assumptions	(75,425)	-	(75,425)
Experience adjustments	12,187	-	12,187
Remeasurements of the defined benefit assets	-	(12,049)	(12,049)
Subtotal	(45,799)	(12,049)	(57,848)
Payment of benefit obligation	(5,575)	5,575	-
Contributions by employer	-	(13,909)	(13,909)
As of December 31, 2022	\$ 793,239	\$ (186,059)	\$ 607,180
As of January 1, 2021	\$ 891,373	\$ (161,485)	\$ 729,888
Current service cost	1,315	-	1,315
Interest expenses (income)	3,922	(711)	3,211
Subtotal	5,237	(711)	4,526
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(10,139)	-	(10,139)
Actuarial gains and losses arising from changes in financial assumptions	(55,488)	-	(55,488)
Experience adjustments	20,154	-	20,154
Remeasurements of the defined benefit assets	-	(2,199)	(2,199)
Subtotal	(45,473)	(2,199)	(47,672)
Payment of benefit obligation	(14,781)	14,781	-
Contributions by employer	-	(14,715)	(14,715)
As of December 31, 2021	\$ 836,356	\$ (164,329)	\$ 672,027

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	December 31, 2022	December 31, 2021
Discount rate	1.41%	0.82%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (59,227)	\$ -	\$ (66,579)
Discount rate decreases by 0.5%	64,643	-	73,048	-
Rate of future salary increases by 0.5%	63,280	-	71,069	-
Rate of future salary decreases by 0.5%	-	(58,624)	-	(65,537)

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(18) Equity

A. Share capital

The Company's authorized capital as of December 31, 2022 and 2021 was NT\$20,000,000 thousand, divided into 2,000,000,000 shares (including 20,000,000 shares reserved for exercise of employee stock options at each period), each at a par value of NT\$10. The Company's issued capital was NT\$15,994,353 thousand and NT\$15,988,420 thousand divided into 1,599,435,327 shares and 1,598,841,998 shares, as of December 31, 2022 and 2021, respectively. Each share has one voting right and a right to receive dividends.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2022, 8,810,489 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company has redeemed and cancelled 95,598 shares and 125,822 shares of issued restricted stocks for employees during the years ended December 31, 2022 and 2021, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company issued 222,635 new shares for the year ended December 31, 2022, at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$113 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2022.

The Company issued 359,451 new shares for the year ended December 31, 2021, at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$483 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2021.

B. Capital surplus

	December 31, 2022	December 31, 2021
Additional paid-in capital	\$ 22,510,861	\$ 45,612,340
Treasury share transactions	2,617,042	2,048,065
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	9,477,276	839,842
Changes in ownership interests in subsidiaries	3,003,434	2,968,846
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,105,933	1,223,848
Employee stock options	391,175	391,175
Restricted stocks for employees	4,787,238	6,388,981
Others	291,061	301,687
Total	\$ 47,185,281	\$ 59,776,045

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the Company Act, the capital surplus shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the par value of share capital (including the shares issued for mergers and the surplus from treasury shares transactions) and donations. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

As of December 31, 2022 and 2021, 7,794,085 shares of the Company's common shares amounting to NT\$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares held by Hsiang Fa Co. were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

As of December 31, 2022 and 2021, the Company did not hold any other treasury shares.

D. Retained earnings and dividend policy

According to the Company's previous version of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

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

On May 31, 2022, the Company's shareholders resolved to amend the earnings distribution clause of the Articles of Incorporation according to the Articles 240 and 241 of the Company Act. According to the amendment, the Company's current year earnings, if any, shall be distributed in the following order:

- a. reserve for tax payments;
- b. offset accumulated losses in previous years, if any;
- c. legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock;
- d. allocation or reverse of special reserves as required by law or government authorities;

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- e. 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 according to laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such distribution to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

Based on the authorization from the amendment of the Articles of Incorporation as mentioned above, Board of Directors may resolve (by a majority vote in a meeting attended by over two thirds of the Directors) to distribute cash dividends and report such resolution to the shareholders' meeting.

Shareholders' dividends may be distributed in the form of shares or cash and cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Pursuant to existing regulations, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The appropriations of earnings for 2022 and 2021 were resolved by the Board of Directors' meeting on February 24, 2023, and the general shareholders' meeting on May 31, 2022, respectively. The details of the distribution are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve (Note)	\$ 13,724,450	\$ 11,841,278	-	-
Cash dividends-common stock	99,178,441	91,147,046	\$ 62.00	\$ 57.00
Total	<u>\$ 112,902,891</u>	<u>\$ 102,988,324</u>		

Note: Legal reserve for 2022 is subject to the resolution of general shareholders' meeting which will be held on May 31, 2023.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

In addition, the Board of Directors' meeting on February 24, 2023 and the general shareholders' meeting on May 31, 2022 resolved to distribute the additional paid-in capital by cash in the amount of NT\$22,395,132 thousand and NT\$25,585,136 thousand, or NT\$14 per share and NT\$16 per share, respectively.

(19) Share-based payment plans

Certain employees of the Company are entitled to share-based payments as part of their remuneration. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

Employee stock option plans

In August 2012 and August 2013, the Company was authorized by the FSC, Executive Yuan, to issue employee stock options of 3,500,000 units, each unit eligible to subscribe for one common share. The options may be granted to qualified employees of the Company or any of its domestic or foreign subsidiaries, in which the Company's shareholding with voting rights, directly or indirectly, is more than fifty percent. The options are valid for ten years and exercisable at certain percentage subsequent to the second anniversary of the granted date. Under the terms of the plan, the options are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Stock Exchange Corporation ("TWSE") on the grant date.

Detail information relevant to the share-based payment plans are as follows:

Date of grant	Total number of options granted	Total number of options outstanding	Shares available for option holders	Exercise price (NT\$) (Note)
2012.08.14	1,346,795	-	-	\$ 280.4
2013.08.22	1,436,343	218,120	218,120	\$ 368.0

Note: The exercise prices have been adjusted to reflect the change of outstanding shares (e.g. shares issued for cash, the appropriations of earnings, issuance of new shares in connection with merger, or issuance of new shares to acquire shares of other companies) in accordance with the plan.

The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Employee Stock Option
Expected dividend yield (%)	2.43%-3.07%
Expected volatility (%)	32.9%-38.5%
Risk free interest rate (%)	1.0479%-1.65%
Expected life (Years)	6.5 years

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plans:

	For the years ended December 31			
	2022		2021	
Employee Stock Option	Options (Unit)	Weighted- average Exercise Price per Share (NT\$)	Options (Unit)	Weighted- average Exercise Price per Share (NT\$)
Outstanding at beginning of period	456,479	\$ 334.5	879,147	\$ 316.8
Granted	-	-	-	-
Exercised (Note)	(222,635)	305.1	(359,451)	300.4
Forfeited (Expired)	(15,724)	284.9	(63,217)	278.7
Outstanding at end of period	<u>218,120</u>	368.0	<u>456,479</u>	334.5
Exercisable at end of period	<u>218,120</u>		<u>456,479</u>	
Weighted-average fair value of options granted during the period (in NT\$)	<u>\$ -</u>		<u>\$ -</u>	

Note: The weighted average share price at the date of exercise of those options was NT\$770.7 and NT\$940.2 for the years ended December 31, 2022 and 2021, respectively.

The information on the outstanding share-based payment plans as of December 31, 2022 and 2021 is as follows:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Date of grant	Range of Exercise Price (NT\$)	December 31, 2022		December 31, 2021	
		Weighted-average Expected Remaining Years	Weighted-average Exercise Price per Share (NT\$)	Weighted-average Expected Remaining Years	Weighted-average Exercise Price per Share (NT\$)
2012.08.09	\$ 280.4	-	\$ 280.4	-	\$ 280.4
2013.08.09	368.0	-	368.0	-	368.0

Restricted stocks plan for employees

On July 5, 2021, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 19,080,000 common shares. The Company shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

The Company issued 8,381,181, 157,274 and 272,034 gratuitous restricted stocks on August 31, 2021, February 23, 2022, and August 31, 2022, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT\$824.81-NT\$901, NT\$1,024.8-NT\$1,120 and NT\$610.31-NT\$667 per share, respectively. The estimated compensation expenses amounted to NT\$7,426,455 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2022, the Company had recognized NT\$5,202,661 thousand as compensation expense and NT\$2,200,891 thousand as unearned employee compensation, and compensation expense were recorded under salary expense and share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method, respectively, unearned employee compensation were recorded under other equity.

The restricted stocks plans for employees of 2022 and 2021 were evaluated under the fair value method. Assumptions used in calculating the fair value are disclosed as follows:

	<u>Restricted stocks plan for employees</u>
Expected volatility (%)	40%
Risk free interest rate (%)	0.24%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees of the 2021 plan are as follows:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- A. To issue common shares of the Company with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2022 are 34%, and the cumulative maximum portions of vesting shares from 2022 to 2023 and 2022 to 2024 are 67%, 100%, respectively. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Restrictions on the rights and vesting conditions of the second restricted stocks for employees of the 2021 plan are as follows:

- A. To issue common shares of the Company with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2023 are 50%, and the cumulative maximum portions of vesting shares from 2023 to 2024 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based compensation expenses recognized for employee services received for the years ended December 31, 2022 and 2021 are shown in the following table:

	For the years ended December 31	
	2022	2021
Restricted stocks for employees	\$ 3,261,615	\$ 1,545,455

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2022 and 2021.

(20) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2022 and 2021 is as follows:

A. Disaggregation of revenues

	For the years ended December 31	
	2022	2021
Sale of goods	\$ 324,816,989	\$ 298,550,832
Services and other operating revenues	7,364,135	7,020,510
Total	<u>\$ 332,181,124</u>	<u>\$ 305,571,342</u>
Revenue recognition point:		
At a point in time	\$ 330,006,670	\$ 303,420,816
Satisfies the performance obligation over time	2,174,454	2,150,526
Total	<u>\$ 332,181,124</u>	<u>\$ 305,571,342</u>

B. Contract balances**Contract liabilities – current**

	December 31, 2022	December 31, 2021	January 1, 2021
Sales of goods	\$ 1,264,699	\$ 2,971,602	\$ 7,735,068
Services and other operating revenues	857,530	437,502	117,161
Total	<u>\$ 2,122,229</u>	<u>\$ 3,409,104</u>	<u>\$ 7,852,229</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2022 and 2021 are as follows:

	For the years ended December 31	
	2022	2021
Revenue recognized during the period that was included in the beginning balance	<u>\$ 3,017,654</u>	<u>\$ 7,596,679</u>
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 1,675,449</u>	<u>\$ 3,158,421</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2022, and 2021, no disclosure of the unsatisfied performance obligations is needed as the contract terms with customers about the sales of goods are all shorter than one year. Besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations about rendering of services are NT\$6,419,324 thousand and NT\$1,026,152 thousand. The Company recognizes revenues in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

(21) Expected credit losses (gains)

	For the years ended December 31	
	2022	2021
Operating expense – Expected credit losses (gains)		
Trade receivables	\$ 770	\$ (15,007)

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its receivables (including trade receivables, trade receivables from related parties) and financing lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2022, and 2021 is as follows:

The Company considers the grouping of receivables by counterparties' credit ratings, geographical regions and industry sectors. Loss allowance is measured by using a provision matrix. Details are as follows:

2022.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 24,486,121	\$ 399,473	\$ 7,841	\$ 118,470	\$ 2,714	\$ 25,014,619
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(1,640)	-	(1,640)
Carrying amount of trade receivables	\$ 24,486,121	\$ 399,473	\$ 7,841	\$ 116,830	\$ 2,714	\$ 25,012,979

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

2021.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 32,597,251	\$ 72,602	\$ 7,004	\$ 7,367	\$ 9,088	\$ 32,693,312
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(737)	(8,934)	(9,671)
Carrying amount of trade receivables	\$ 32,597,251	\$ 72,602	\$ 7,004	\$ 6,630	\$ 154	\$ 32,683,641

Note: Neither the Company's trade receivables from related parties nor financing lease receivables were past due.

The movements in the provision for impairment of receivables and financing lease receivables for the years ended December 31, 2022 and 2021 are as follows:

	Trade Receivables (including related parties)	Financing lease receivables
As of January 1, 2022	\$ 9,671	\$ -
Allowance for the current period	770	-
Written off	(8,801)	-
As of December 31, 2022	\$ 1,640	\$ -
As of January 1, 2021	\$ 24,678	\$ -
Reversal for the current period	(15,007)	-
As of December 31, 2021	\$ 9,671	\$ -

(22) Leases

A. The Company as lessee

The Company leases various property (land and buildings), machinery equipment and transportation equipment. The leases have terms between 1 and 50 years.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Right-of-use asset

	December 31, 2022	December 31, 2021
Land	\$ 1,694,529	\$ 1,436,661
Buildings and facilities	572,591	131,279
Machinery equipment	83,797	158,384
Transportation equipment	4,862	7,465
Total	<u>\$ 2,355,779</u>	<u>\$ 1,733,789</u>

During the years ended December 31, 2022 and 2021, the additions to right-of-use assets of the Company amounted to NT\$874,935 thousand and NT\$251,567 thousand, respectively.

b. Lease liability

	December 31, 2022	December 31, 2021
Lease liability-current	\$ 263,466	\$ 155,571
Lease liability-noncurrent	2,133,549	1,587,347
Total	<u>\$ 2,397,015</u>	<u>\$ 1,742,918</u>

Please refer to Note 6. (27) for the interest on lease liability recognized during 2022 and 2021 and Note 12. (3) C. for the maturity analysis of lease liabilities as of December 31, 2022.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2022	2021
Land	\$ 40,691	\$ 37,934
Buildings and facilities	135,110	70,053
Machinery equipment	74,467	67,668
Transportation equipment	2,606	2,664
Total	<u>\$ 252,874</u>	<u>\$ 178,319</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

d. Income and costs relating to leasing activities

	For the years ended	
	December 31	
	2022	2021
The expense relating to short-term leases	\$ 56,069	\$ 130,329
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	\$ 4,508	\$ 2,708
Income from subleasing right-of-use assets	\$ 23,718	\$ 23,606

e. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounted to NT\$306,391 thousand and NT\$338,899 thousand, respectively.

B. The Company as a lessor

The Company has entered into machinery and equipment lease agreements with terms from the year 2020 to 2025. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to ownership of the underlying assets.

	For the years ended	
	December 31	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 96,088	\$ 98,130
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	15,657
Total	\$ 119,381	\$ 113,787

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The undiscounted lease payments to be received for the remaining years as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Not later than one year	\$ 23,293	\$ 23,293
Later than one year and not later than two years	746,853	23,292
Later than two years and not later than three years	735,143	746,853
Later than three years and not later than four years	-	735,143
Total non-discounted lease payments	1,505,289	1,528,581
Less: unearned finance income of finance lease	(49,505)	(72,797)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	<u>\$ 1,455,784</u>	<u>\$ 1,455,784</u>
Current	<u>\$ -</u>	<u>\$ -</u>
Noncurrent	<u>\$ 1,455,784</u>	<u>\$ 1,455,784</u>

(23) Employee benefits, depreciation and amortization expenses are summarized by function as follows:

	For the years ended December 31					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 33,129	\$ 1,008,164	\$ 1,041,293	\$ 27,824	\$ 843,788	\$ 871,612
Others	\$ 913,020	\$ 60,937,960	\$ 61,850,980	\$ 730,801	\$ 52,826,015	\$ 53,556,816
Depreciation	\$ 16,507	\$ 5,632,127	\$ 5,648,634	\$ 7,230	\$ 3,303,842	\$ 3,311,072
Amortization	\$ 518	\$ 3,339,973	\$ 3,340,491	\$ -	\$ 2,928,106	\$ 2,928,106

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

According to the Articles of Incorporation of the Company, no lower than 1% of profit of the current year is distributable as employees' compensation and no higher than 0.5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered (if any). The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company accrued employees' compensation and remuneration to directors based on a specific rate of profit for the year ended December 31, 2022. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment to income of next year. If the Board of Directors resolves to distribute employees' compensation in stock, the number of shares distributed is determined by dividing the amount of bonuses by the closing price (after considering the effect of cash and stock dividends) of shares on the day preceding the Board of Directors' meeting. A resolution was approved at a Board of Directors' meeting held on February 24, 2023 to distribute NT\$1,596,127 thousand and NT\$96,000 thousand in cash as employees' compensation and remuneration to directors and supervisors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2022.

A resolution was approved in a meeting of the Board of Directors held on March 16, 2022 to distribute NT\$1,513,219 thousand and NT\$153,213 thousand in cash as employees' compensation and remuneration to directors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2021.

(24) Interest income

	For the years ended	
	December 31	
	2022	2021
Financial assets measured at amortized cost	\$ 618,940	\$ 517,531
Financial assets at fair value through other comprehensive income	76,546	77,733
Total	\$ 695,486	\$ 595,264

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(25) Other income

	For the years ended December 31	
	2022	2021
Rental income	\$ 96,088	\$ 98,130
Dividend income	123,722	40,116
Others	291,883	483,367
Total	<u>\$ 511,693</u>	<u>\$ 621,613</u>

(26) Other gains and losses

	For the years ended December 31	
	2022	2021
(Losses) gains on disposal of property, plant and equipment	\$ (2,312)	\$ 972
Losses on disposal of investments		
Financial assets measured at amortized cost	(1,231)	-
Foreign exchange (losses) gains	(975,401)	412,620
Gains on financial assets at fair value through profit or loss	1,893,111	151,293
Losses on financial liabilities at fair value through profit or loss	(3,353)	(4,252)
Others	(25)	(14,123)
Total	<u>\$ 910,789</u>	<u>\$ 546,510</u>

(27) Finance costs

	For the years ended December 31	
	2022	2021
Interest expenses on borrowings	\$ 218,714	\$ 75,936
Interest expenses on long-term payables to related parties	56,205	13,520
Interest expenses on lease liabilities	25,021	23,886
Total	<u>\$ 299,940</u>	<u>\$ 113,342</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(28) Components of other comprehensive income

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 57,848	\$ -	\$ 57,848	\$ (11,570)	\$ 46,278
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(448,568)	-	(448,568)	-	(448,568)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(29,610,670)	-	(29,610,670)	-	(29,610,670)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	20,834,513	-	20,834,513	-	20,834,513
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	949	-	949	-	949
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(45,022)	-	(45,022)	-	(45,022)
Total	\$ (9,210,950)	\$ -	\$ (9,210,950)	\$ (11,570)	\$ (9,222,520)

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 47,672	\$ -	\$ 47,672	\$ (9,534)	\$ 38,138
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(57,688)	-	(57,688)	-	(57,688)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	8,606,502	-	8,606,502	-	8,606,502
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(4,763,993)	-	(4,763,993)	-	(4,763,993)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(2,084)	-	(2,084)	-	(2,084)
Total	\$ 3,830,409	\$ -	\$ 3,830,409	\$ (9,534)	\$ 3,820,875

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of NT\$0 for the years ended December 31, 2022 and 2021, were reclassified from other comprehensive income to profit or loss.

(29) Income tax

The major components of income tax expense are as follows:

	For the years ended December 31	
	2022	2021
Current income tax	\$ 9,688,881	\$ 9,781,761
Deferred tax income	(471,866)	(486,058)
Others	236,066	187,577
Income tax expense recognized in loss	<u>\$ 9,453,081</u>	<u>\$ 9,483,280</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2022	2021
Deferred tax expense		
Remeasurements of defined benefit plans	<u>\$ 11,570</u>	<u>\$ 9,534</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31	
	2022	2021
Accounting profit before tax from continuing operations	<u>\$ 127,594,187</u>	<u>\$ 120,904,342</u>
Tax at the domestic rates applicable to profits in the country concerned	25,518,838	24,180,869
Tax effect of revenues exempt from taxation	1,607,198	(35,216)
Tax effect of expenses not deductible for tax purposes	-	21,594
Investment tax credits	(6,511,339)	(5,172,191)
Tax effect of deferred tax assets/liabilities	(11,742,287)	(10,806,860)
Corporate income surtax on undistributed retained earnings	672,085	872,613
Others	(91,414)	422,471
Total income tax expense recognized in loss	<u>\$ 9,453,081</u>	<u>\$ 9,483,280</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 2,584,075	\$ 2,070,085	\$ -	\$ 4,654,160
Allowance for sales returns and discounts	3,437,969	(878,759)	-	2,559,210
Amortization of difference for tax purpose	264,445	30,094	-	294,539
Amortization of goodwill difference for tax purpose	(3,330,737)	(686,653)	-	(4,017,390)
Others	(1,141,454)	(62,901)	(11,570)	(1,215,925)
Deferred tax income (expense)		\$ 471,866	\$ (11,570)	
Net deferred tax assets	\$ 1,814,298			\$ 2,274,594
Reflected in balance sheet as follows:				
Deferred tax assets	\$ 6,780,908			\$ 8,527,393
Deferred tax liabilities	\$ (4,966,610)			\$ (6,252,799)

For the year ended December 31, 2021

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Acquired thought business combinations	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$ 1,560,314	\$ 1,023,761	\$ -	\$ -	\$ 2,584,075
Allowance for sales returns and discounts	2,174,672	1,263,297	-	-	3,437,969
Amortization of difference for tax purpose	283,448	(19,003)	-	-	264,445
Amortization of goodwill difference for tax purpose	(2,644,084)	(686,653)	-	-	(3,330,737)
Others	(37,490)	(1,095,344)	(9,534)	914	(1,141,454)
Deferred tax income (expense)		\$ 486,058	\$ (9,534)	\$ 914	
Net deferred tax assets	\$ 1,336,860				\$ 1,814,298
Reflected in balance sheet as follows:					
Deferred tax assets	\$ 4,274,948				\$ 6,780,908
Deferred tax liabilities	\$ (2,938,088)				\$ (4,966,610)

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The assessment of income tax returns

As of December 31, 2022, the income tax returns of the Company have been assessed and approved up to 2019.

(30) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended	
	December 31	
	2022	2021
A. Basic earnings per share		
Profit (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Basic earnings per share (NT\$)	\$ 74.59	\$ 70.56
B. Diluted earnings per share		
Profit (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Effect of dilution:		
Employees' compensation-stock (share)	2,768,917	1,399,199
Employee stock options (share)	227,521	462,010
Restricted stocks for employees (share)	4,833,086	5,845,245
Weighted average number of ordinary shares outstanding after dilution (share)	1,591,630,277	1,586,781,030
Diluted earnings per share (NT\$)	\$ 74.23	\$ 70.22

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****7. Related Party Transactions**

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Airoha Technology (HK) Limited	Subsidiary
EcoNet Limited	Subsidiary
Gaintech Co. Limited	Subsidiary
MediaTek Bangalore Private Limited	Subsidiary
MediaTek India Technology Pvt. Ltd.	Subsidiary
MediaTek Singapore Pte. Ltd.	Subsidiary
MediaTek Investment Singapore Pte. Ltd.	Subsidiary
MediaTek North America Inc.	Subsidiary
MediaTek USA Inc.	Subsidiary
MediaTek Research UK Limited	Subsidiary
Richtek Technology Corp.	Subsidiary
InnoFusion Technology Corp.	Subsidiary
Zelus (Shenzhen) Technology Ltd.	Subsidiary
Airoha (Suzhou) Technology Limited	Subsidiary
HFI Innovation Inc.	Subsidiary
Nephos (Hefei) Co., Ltd.	Subsidiary
MediaTek Research Corp.	Subsidiary
Airoha Technology Corp.	Subsidiary
MediaTek Capital Co.	Subsidiary
Hsu Zhan (HK) Investment Limited	Subsidiary
MediaTek China Limited	Subsidiary
Cyberon Corp.	Associate (Note 1)
Amobile Intelligent Corp. Limited	Associate
Intelligo Technology Inc. and its subsidiaries	Associate (Note 1)
Sigmastar Technology Ltd. and its subsidiaries	Associate (Note 2)
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party
MediaTek Foundation	Substantive related party
Andes Technology Corp.	Substantive related party (Note 3)

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note 1: Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Note 2: The Company lost control over Sigmastar Technology Ltd. in February 2021. As a result, Sigmastar Technology Ltd. has become an associate of the Company since that month.

Note 3: Andes Technology Corp. became a non-related party as the chairman of the Company resigned as the chairman of Andes Technology Corp. in July 2021.

Significant transactions with the related parties

(1) Sales

	For the years ended	
	December 31	
	2022	2021
<u>Sale of goods</u>		
Subsidiaries	\$ 225,251	\$ 137,432
Associates	11,761	14,114
Subtotal	237,012	151,546
<u>Services and other operating revenues</u>		
Subsidiaries	3,345,484	3,577,795
Associates	8,420	4,183
Subtotal	3,353,904	3,581,978
Total	\$ 3,590,916	\$ 3,733,524

The trade credit terms for related parties and third-party customers were both 45 to 60 days. Third-party customers may pay their accounts in advance. Above sales include royalty revenues, which were charged based on the royalty agreement and collected with certain period.

(2) Purchases

	For the years ended	
	December 31	
	2022	2021
Subsidiaries	\$ 113,050	\$ 802,680

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The trade credit terms for related parties and third-party suppliers were both 30 days.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) IC testing, experimental services, and manufacturing technology services

	For the years ended	
	December 31	
	2022	2021
Other related parties	\$ 4,355,931	\$ 5,383,760

The trade credit terms for related parties and third-party suppliers were both 60 to 75 days.

(4) Consign research and development expenses and license expenses

	For the years ended	
	December 31	
	2022	2021
Subsidiaries		
MediaTek USA Inc.	\$ 7,703,829	\$ 318,388
Other	765,411	-
Associates	16,039	21,168
Other related parties	372	16,772
Total	\$ 8,485,651	\$ 356,328

(5) Donations expenses

	For the years ended	
	December 31	
	2022	2021
Other related parties		
MediaTek Foundation	\$ -	\$ 120,000

(6) Rental income

	For the years ended	
	December 31	
	2022	2021
Subsidiaries		
Airoha Technology Corp.	\$ 20,894	\$ 22,547
Others	286	2,599
Associates	862	-
Total	\$ 22,042	\$ 25,146

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(7) Other income due to technology service

	For the years ended	
	December 31	
	2022	2021
Subsidiaries		
Airoha Technology (Suzhou) Limited	\$ -	\$ 24,858
Others	6,622	1,538
Total	\$ 6,622	\$ 26,396

(8) Endorsement amount for office lease, bank financing and IP purchasing

	December 31, 2022		December 31, 2021	
	Endorsement limit	Actual amount	Endorsement limit	Actual amount
Subsidiaries				
Gaintech Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek China Limited	9,000,000	-	9,000,000	1,786,357
Others	-	-	9,488	9,488
Total	\$ 33,000,000	\$ -	\$ 33,009,488	\$ 1,795,845

(9) Trade receivables from related parties

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 506,440	\$ 610,160
Associates	1,836	2,375
Total	\$ 508,276	\$ 612,535

(10) Other receivables from related parties

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 399,764	\$ 275,373

Other receivables from related parties were composed mainly of dividends income, rental income and technology service revenue.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(11) Trade payables to related parties

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 408,879	\$ 388,165
Other related parties	977,228	1,165,510
Total	<u>\$ 1,386,107</u>	<u>\$ 1,553,675</u>

(12) Other payables to related parties

	December 31, 2022	December 31, 2021
Subsidiaries		
Gaintech Co. Limited	\$ 9,274,712	\$ -
Others	853,425	25,336
Associates	1,823	6,851
Total	<u>\$ 10,129,960</u>	<u>\$ 32,187</u>

Financing provided to others for the year ended December 31, 2022.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Gaintech Co. Limited	\$ 16,892,150	\$ 9,274,712	\$ -	-

(13) Long-term payables to related parties

Financing provided to others for the year ended December 31, 2022.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Hsu Zhan (HK) Investment Limited	\$ -	\$ -	\$ 56,205	0.84%

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financing provided to others for the year ended December 31, 2021.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Hsu Zhan (HK) Investment Limited	\$ 21,585,720	\$ 8,618,791	\$ 6,028	0.84%
MediaTek China Limited	-	-	7,492	0.84%

(14) Deposits received

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 708	\$ -
Associates	151	151
Total	\$ 859	\$ 151

(15) The Company sold 3,805 shares of Digimoc Holdings Limited to MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$47,027 thousand for the year ended December 31, 2021.

(16) The Company acquired 1,999,999 shares of MediaTek Bangalore Private Limited from MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$581,508 thousand for the year ended December 31, 2022.

(17) The Company acquired 280,000 shares of MediaTek Research UK Limited from Airoha Technology Corp in the amount of NT\$24,363 thousand for the year ended December 31, 2022.

(18) The Company acquired 18,990,671 shares of Airoha Technology Corp. from Gaintech Co. Limited in the amount of NT\$772,294 thousand for the year ended December 31, 2022.

(19) During the year ended December 31, 2021, the Company acquired patent from Andes Technology Corp. in the amount of NT\$37,852 thousand which was recorded as intangible assets.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(20) Key management personnel compensation

	For the years ended	
	December 31	
	2022	2021
Short-term employee benefits (Note)	\$ 1,576,938	\$ 1,929,210
Share-based payment	965,488	433,921
Post-employment benefits	2,692	2,697
Total	<u>\$ 2,545,118</u>	<u>\$ 2,365,828</u>

Note: The compensation (including remuneration to directors) to key management personnel was determined by the Compensation Committee of the Company in accordance with individual performance and the market trends.

8. Assets Pledged as Collateral

The following table lists assets of the Company pledged as collateral:

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2022	December 31, 2021	
Financial assets measured at amortized cost-noncurrent	27,180	27,180	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	55,635	23,765	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	-	24,900	Performance bond
Total	<u>\$ 82,815</u>	<u>\$ 75,845</u>	

9. Contingencies and Off Balance Sheet CommitmentsSignificant Commitments

The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the supplier shall provide agreed production capacity with the Company after prepayments by the Company. During the period ended December 31, 2022, the Company determined that certain prepayments (recorded as refundable deposits) were not recoverable and the Company wrote them off.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Legal claim contingency

- A. Nippon Telegraph and Telephone Corporation (“NTT”) and Essential WiFi, LLC (“EWF”) filed complaints in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on March 25, 2020, alleging infringement of United States Patent Nos. 7,280,551, 7,545,781, 7,400,616, and 7,242,720. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on July 5, 2022.
- B. Koninklijke Philips N.V., and Philips North America LLC (“Philips”) filed a complaint in the United States District Court for the District of Delaware against the Company and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- C. Ocean Semiconductor LLC (“Ocean”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on December 31, 2020, alleging infringement of U.S. Patent Nos. 6,660,651, 6,907,305, 6,725,402, 6,968,248, 7,080,330, 6,836,691, and 8,676,538. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on October 3, 2022.
- D. DivX, LLC (“DivX”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and its subsidiary MediaTek Singapore Pte. Ltd. on August 11, 2021, alleging claims arising out of breach of contract. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek Singapore Pte. Ltd. on January 28, 2022.
- E. NXP USA Inc. (“NXP”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on August 24, 2021, alleging infringement of U.S. Patent Nos. 10,038,518, 10,560,158, and 10,742,780. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on May 11, 2022.
- NXP Semiconductors Inc. filed 8 complaint in the People’s Republic of China for the Nanjing Intellectual Property Court against the Company on September 26, 2021, September 27, 2021, September 29, 2021 and October 9, 2021 alleging infringement of China Patent Nos. ZL201510695445.0, ZL200580026196.0, ZL02820012.8 and ZL200780002987.9. Plaintiff has submitted a petition for voluntary dismissal on July 13, 2022.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

NXP USA Inc. and NXP Semiconductors NV filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on November 1, 2021 alleging infringement of U.S. Patent Nos. 7,593,202, 8,482,136, 9,729,214, 10,904,058 and 8,558,591. Pursuant to the parties' joint motion to terminate, the Administrative Law Judge issued an Initial Determination terminating the Company and its subsidiaries from the investigation on July 13, 2022.

NXP filed a complaint in the United States District Court for the Central District of California against the Company and subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of the same patents listed above. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on July 21, 2022.

NXP asserted counterclaims in the United States District Court for the Central District of California against the Company and subsidiary MediaTek USA Inc. on December 15, 2021, alleging infringement of U.S. Patent Nos. 9,480,018, 10,278,224, 10,404,839 and 10,764,874. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on July 21, 2022.

F. NorthStar Systems LLC ("NorthStar") filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 5, 2022, alleging infringement of U.S. Patent Nos. 6,995,708, 6,681,181, 6,947,840 and 8,805,416. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against the Company on July 6, 2022.

G. Tyche Licensing LLC ("Tyche") filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 16, 2022, alleging infringement of U.S. Patent Nos. 6,900,087 and 7,084,481. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against the Company on February 6, 2023.

H. American Patents LLC ("AP") filed a complaint in the United States District Court for the Eastern District of Texas against the company and subsidiary MediaTek USA Inc. on June 6, 2022, alleging infringement of U.S. Patent Nos. 7,088,782, 7,310,304 and 7,706,458. The operations of the Company and its subsidiary will not be materially affected by this case.

I. Daedalus Prime LLC ("Daedalus") filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. The Commission determined not to institute an investigation into the Company and subsidiary MediaTek USA Inc. on October 7, 2022.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Daedalus Prime LLC (“Daedalus”) filed a complaint in the United States District Court for the District of Delaware against the Company and subsidiary MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on November 14, 2022.

J. Cedar Lane Technologies Inc. (“Cedar”) filed a complaint in the United States District Court for the Western District of Texas against the Company on October 4, 2022, alleging infringement of U.S. Patent Nos. 6,972,790 and 8,537,242. The operations of the Company will not be materially affected by this case.

K. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513. The operations of the Company will not be materially affected by this case.

L. Winterspring Digital LLC (“Winterspring”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on January 12, 2023, alleging infringement of U.S. Patent Nos. 7,420,975, 7,164,692 and 7,774,468. The operations of the Company will not be materially affected by this case.

The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

None

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 17,416	\$ -
Mandatorily measured at fair value through profit or loss (Note 1)	5,745,711	4,300,051
Subtotal	<u>5,763,127</u>	<u>4,300,051</u>
Financial assets at fair value through other comprehensive income	7,227,546	6,517,755
Financial assets measured at amortized cost (Note 2)	54,137,084	111,337,693
Total	<u>\$ 67,127,757</u>	<u>\$ 122,155,499</u>

Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 3,353	\$ 4,252
Financial liabilities at amortized cost:		
Short-term borrowings	-	45,327,350
Trade payables (including related parties)	13,454,454	26,010,587
Other payables (including related parties)	46,008,644	37,182,973
Long-term payables (including current portion)	2,158,131	11,114,051
Long-term borrowings (including current portion)	827,660	1,385,720
Lease liabilities	2,397,015	1,742,918
Subtotal	<u>64,845,904</u>	<u>122,763,599</u>
Total	<u>\$ 64,849,257</u>	<u>\$ 122,767,851</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss as of December 31, 2022 and 2021 in the amount of NT\$1,628,442 thousand and NT\$1,790,456 thousand, respectively. Please refer to Note 6. (5) for further explanation.
2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$1,628,442 thousand and NT\$1,790,456 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and financing lease receivables, net.

B. Fair values of financial instruments

- a. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(e) The fair value of other financial assets and liabilities is determined using discounted cash flow analysis; the interest rate and discount rate are selected with reference to those of similar financial instruments.

b. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

c. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets measured at fair value on a non-recurring basis; the following table presents the fair value measurement hierarchy of the Company's assets and liabilities on a recurring basis:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets measured at fair</u>				
<u>value:</u>				
Financial assets at fair				
value through profit or				
loss				
Stocks	\$ 150,780	\$ -	\$ -	\$ 150,780
Funds	1,729,818	-	-	1,729,818
Linked deposits	-	-	2,087,371	2,087,371
Bonds	149,300	-	-	149,300
Forward exchange				
contracts	-	17,416	-	17,416
Financial assets at fair				
value through other				
comprehensive income				
Equity instruments				
measured at fair value				
through other				
comprehensive income	7,024,828	-	202,718	7,227,546
Total	<u>\$ 9,054,726</u>	<u>\$ 17,416</u>	<u>\$ 2,290,089</u>	<u>\$ 11,362,231</u>
<u>Liabilities measured at fair</u>				
<u>value:</u>				
Financial liabilities at fair				
value through profit or				
loss				
Forward exchange				
contracts	\$ -	\$ 3,353	\$ -	\$ 3,353

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 178,920	\$ -	\$ -	\$ 178,920
Funds	1,502,219	-	-	1,502,219
Linked deposits	-	-	828,456	828,456
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income				
	6,515,667	-	2,088	6,517,755
Total	<u>\$ 8,196,806</u>	<u>\$ -</u>	<u>\$ 830,544</u>	<u>\$ 9,027,350</u>
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts				
	\$ -	\$ 4,252	\$ -	\$ 4,252

For the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The detail movement of recurring fair value measurements in Level 3:

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy during the period is as follows:

	Financial assets mandatorily measured at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total
	Link deposits	Stocks	Bonds		
As of January 1, 2022	\$ 828,456	\$ 2,088	\$ -	\$	830,544
Amount recognized in profit or loss	(1,997)	-	-		(1,997)
Amount recognized in OCI	-	(319)	949		630
Acquisitions	1,640,000	-	200,000		1,840,000
Settlements	(379,088)	-	-		(379,088)
As of December 31, 2022	<u>\$ 2,087,371</u>	<u>\$ 1,769</u>	<u>\$ 200,949</u>	<u>\$</u>	<u>2,290,089</u>

	Financial assets mandatorily measured at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total
	Link deposits	Stocks			
As of January 1, 2021	\$ 100,601	\$ 2,151	\$	\$	102,752
Amount recognized in profit or loss	1,269	-			1,269
Amount recognized in OCI	-	(63)			(63)
Acquisitions	840,000	-			840,000
Settlements	(113,414)	-			(113,414)
As of December 31, 2021	<u>\$ 828,456</u>	<u>\$ 2,088</u>	<u>\$</u>	<u>\$</u>	<u>830,544</u>

Total (losses) gains related to assets recognized for the years ended December 31, 2022 and 2021 amounted to NT\$(3,159) thousand and NT\$1,056 thousand, respectively.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**Information on significant unobservable inputs to valuation of fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's linked-deposits of the fair value hierarchy are based on unadjusted quoted price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and updating the latest quoted price of trading partners periodically to ensure that the results of the valuation are in line with market conditions, based on stable, independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure the measurement or assessment are reasonable.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2022:

None

As of December 31, 2021:

None

D. Derivative financial instruments

The Company's derivative financial instrument held for trading was forward exchange contracts. The related information is as follows:

The Company entered into forward exchange contracts to manage its exposure to financial risk, but these contracts were not designated as hedging instruments. The table below lists the information related to outstanding forward exchange contracts:

Forward exchange contracts	Currency	Contract amount ('000)		Maturity
As of December 31, 2022	TWD to USD	Buy USD	30,000	January 2023
As of December 31, 2022	TWD to USD	Buy USD	120,000	February 2023
As of December 31, 2022	TWD to USD	Buy USD	60,000	March 2023
As of December 31, 2021	TWD to USD	Buy USD	10,000	February 2022
As of December 31, 2021	TWD to USD	Buy USD	20,000	March 2022

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company entered into forward foreign exchange contracts to hedge foreign currency risk of net assets or net liabilities. As there will be corresponding cash inflows or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk tendency.

The Company has established appropriate policies, procedures and internal controls for financial risk management. The plans for material treasury activities are reviewed by Board of Directors and Audit Committee in accordance with relevant regulations and internal controls. The Company complies with its financial risk management policies at all times.

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

a. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenues or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts is to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2022 and 2021 decreases / increases by NT\$22,224 thousand and NT\$32,642 thousand, respectively.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment of debt instruments at variable interest rates and bank borrowings with fixed interest rates. Moreover, the market value of the Company's investments in credit-linked deposits and interest rate-linked deposits are affected by interest rate. The market value would decrease (even lower than the principal) when the interest rate increases, and vice versa. The market values of exchange rate-linked deposits are affected by interest rates and changes in the value and volatility of the underlying. The following sensitivity analysis focuses on interest rate risk and does not take into account the interdependencies between risk variables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, there is no significant impact of the related rate increase/ decrease on the Company.

c. Other price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's equity securities are classified under the category of equity instrument investments measured at fair value through profit or loss and equity instrument investments measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves certain equity investments according to level of authority.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$1,508 thousand and NT\$1,789 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$70,248 thousand and NT\$65,156 thousand, respectively.

Please refer to Note 12. (1) B for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3 of the fair value hierarchy.

B. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policies, procedures and controls relating to credit risk management. Credit limits are established for all trading partners based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain trading partners' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2022 and 2021, receivables from top ten customers represented 55.38%, and 44.94% of the total trade receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

The Company's exposure to credit risk arises from potential default of the counter-party or other third-party. The level of exposure depends on several factors including concentrations of credit risk, components of credit risk, the price of contract and other receivables of financial instruments. Since the counter-party or third-party to the foregoing forward exchange contracts and cross currency swap contracts are all reputable financial institutions, management believes that the Company's exposure to default by those parties is minimal.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Credit risk of credit-linked deposits arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the credit risk by only transacting with counter-party who is reputable, transparent and in good financial standing.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables and financing lease receivables which are measured at lifetime expected credit losses, for debt instrument investments which are not measured at fair value through profit or loss and are at low credit risk upon acquisition, an assessment is made at each reporting date as to whether the credit risk has substantially increased in order to determine the method of measuring the loss allowance and the loss ratio. The measurement indicators of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2022	December 31, 2021
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 1,848,825	\$ 1,524,905
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ 313,213	\$ -
	Contract payment overdue 30 days			
Credit-impaired	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days Other impaired evidence			
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 26,978,679	\$ 34,761,631

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes trade receivables (including related parties) and financing lease receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on a debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which available without undue cost and effort), it is mainly based on the macroeconomic information and industrial information and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2022</u>				
Trade payables (including related parties)	\$ 13,454,454	\$ -	\$ -	\$ 13,454,454
Other payables (including related parties)	46,008,644	-	-	46,008,644
Lease liabilities	289,289	670,509	1,962,183	2,921,981
Long-term borrowings	827,660	-	-	827,660
Long-term payables	1,628,725	529,406	-	2,158,131
Total	<u>\$ 62,208,772</u>	<u>\$ 1,199,915</u>	<u>\$ 1,962,183</u>	<u>\$ 65,370,870</u>
<u>As of December 31, 2021</u>				
Short-term borrowings	\$ 45,332,426	\$ -	\$ -	\$ 45,332,426
Trade payables (including related parties)	26,010,587	-	-	26,010,587
Other payables (including related parties)	37,179,652	-	-	37,179,652
Lease liabilities	178,251	353,807	1,675,881	2,207,939
Long-term borrowings	558,060	827,660	-	1,385,720
Long-term payables (including related parties)	2,077,133	9,399,105	-	11,476,238
Total	<u>\$ 111,336,109</u>	<u>\$ 10,580,572</u>	<u>\$ 1,675,881</u>	<u>\$ 123,592,562</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Derivative financial liabilities

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
<u>As of December 31, 2022</u>			
Net settlement			
Forward exchange contracts	\$ (3,353)	\$ -	\$ (3,353)

As of December 31, 2021

Net settlement

Forward exchange contracts	\$ (4,252)	\$ -	\$ (4,252)
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The table above contains the undiscounted net cash flows of derivative financial liabilities.

D. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term	Long-term	Lease	Deposits	Other payables	Total liabilities
	borrowings	borrowings	liabilities	received	(Related parties)	from financing
						activities
As of January 1, 2022	\$ 45,327,350	\$ 1,385,720	\$ 1,742,918	\$ 106,299	\$ 32,187	\$ 48,594,474
Cash flows	(45,327,350)	(558,060)	(220,793)	(49,990)	9,274,712	(36,881,481)
Non-cash movement	-	-	874,890	-	823,061	1,697,951
As of December 31, 2022	\$ -	\$ 827,660	\$ 2,397,015	\$ 56,309	\$ 10,129,960	\$ 13,410,944

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term	Long-term	Lease	Deposits	Total liabilities
	borrowings	borrowings	liabilities	received	from financing
					activities
As of January 1, 2021	\$ 16,251,740	\$ -	\$ 1,673,944	\$ 313,681	\$ 18,239,365
Cash flows	29,075,610	1,385,720	(181,976)	(207,382)	30,071,972
Non-cash movement	-	-	250,950	-	250,950
As of December 31, 2021	\$ 45,327,350	\$ 1,385,720	\$ 1,742,918	\$ 106,299	\$ 48,562,287

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2022		
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 1,485,451	30.713	\$ 45,622,663
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 971,378	30.713	\$ 29,833,936
	December 31, 2021		
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 3,049,764	27.674	\$ 84,399,362
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 2,050,232	27.674	\$ 56,738,121

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (losses) gains were NT\$(975,401) thousand and NT\$412,620 thousand for the years ended December 31,2022 and 2021, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosures

(1) The following are additional disclosures for the Company and its affiliates:

- A. Financing provided to others for the year ended December 31, 2022: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2022: Please refer to Attachment 2.
- C. Securities held as of December 31, 2022: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 4.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 5.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 6.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2022: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control (excluding investees in Mainland China). Please refer to Attachment 8.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Investment in Mainland China

- A. Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control, which discloses investee company name, main business and products, total amount of capital, method of investment, accumulated inflows and outflows of investments from Taiwan, percentage of ownership, net income (loss), investment income (loss), carrying amount of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 9.
- B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1.

(4) Main shareholder information

None.

MEDIA TEK INC.
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2022

Attachment 1

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	
													Item	Value			
1	Hsu Chia (Samoa) Investment Ltd. (Note 1)	MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	\$ 1,804,488 CNY 400,000,000	\$ 1,514,010 CNY 340,000,000	\$ 1,514,010 CNY 340,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	\$ 5,525,969 CNY 1,240,962,477	\$ 5,525,969 CNY 1,240,962,477	
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	MediaTek China Limited	Other receivables from related party	Yes	\$ 676,683 CNY 150,000,000	\$ 667,946 CNY 150,000,000	\$ 667,946 CNY 150,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 5,525,969 CNY 1,240,962,477	\$ 5,525,969 CNY 1,240,962,477
3	Hsu Fa (Samoa) Investment Ltd. (Note 1)	MediaTek (Shenzhen) Inc.	Other receivables from related party	Yes	\$ 3,154,764 CNY 699,315,000	\$ 676,851 CNY 152,000,000	\$ 676,851 CNY 152,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 5,489,936 CNY 1,232,870,615	\$ 5,489,936 CNY 1,232,870,615
4	Hsu Zhan (HK) Investment Limited (Note 1)	MediaTek Inc.	Other receivables from related party	Yes	\$ 360,898 CNY 80,000,000	\$ - CNY 80,000,000	\$ - CNY 80,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
5	Airoha Technology Corp. (Note 2)	MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 315,785 CNY 70,000,000	\$ 311,708 CNY 70,000,000	\$ 311,708 CNY 70,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
6	Core Tech Resources Inc. (Note 1)	MediaTek Inc.	Other receivables from related party	Yes	\$ 1,172,917 CNY 260,000,000	\$ 1,157,772 CNY 260,000,000	\$ 1,157,772 CNY 260,000,000	3.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
7	Digimox Holdings Limited (Note 1)	MediaTek Inc.	Other receivables from related party	Yes	\$ 23,020,920 USD 780,000,000	\$ - USD 780,000,000	\$ - USD 780,000,000	0.84%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 74,183,813 USD 2,415,388,033	\$ 74,183,813 USD 2,415,388,033
8	MTKC Global Holdings Co. Limited (Note 1)	MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 73,242 JPY 300,000,000	\$ 69,891 JPY 300,000,000	\$ 69,891 JPY 300,000,000	1.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 74,183,813 USD 2,415,388,033	\$ 74,183,813 USD 2,415,388,033
9	Gaintech Co. Limited (Note 1)	Airoha Technology (Starbuck) Limited	Other receivables from related party	Yes	\$ 386,196 USD 12,000,000	\$ - USD 12,000,000	\$ - USD 12,000,000	1.35%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 866,812 USD 2,415,388,033	\$ 866,812 USD 2,415,388,033
10	Gaintech Co. Limited (Note 1)	MediaTek China Limited	Other receivables from related party	Yes	\$ 4,563,300 USD 150,000,000	\$ - USD 150,000,000	\$ - USD 150,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 4,991,093 USD 162,507,505	\$ 4,991,093 USD 162,507,505
		Gaintech Co. Limited	Other receivables from related party	Yes	\$ 8,045,750 USD 250,000,000	\$ 7,678,250 USD 250,000,000	\$ 7,678,250 USD 250,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 21,102,186 USD 687,076,681	\$ 21,102,186 USD 687,076,681
		Gaintech Co. Limited	Other receivables from related party	Yes	\$ 5,471,110 USD 170,000,000	\$ 5,221,210 USD 170,000,000	\$ 5,221,210 USD 170,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 11,067,546 USD 360,353,794	\$ 11,067,546 USD 360,353,794
		Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,654,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	NA	Short-term financing	-	Operating Capital	-	-	-	-	\$ 203,030,755 USD 6,610,580,368	\$ 203,030,755 USD 6,610,580,368
		MediaTek Inc.	Other receivables from related party	Yes	\$ 17,700,650 USD 550,000,000	\$ 16,892,150 USD 550,000,000	\$ 16,892,150 USD 550,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 203,030,755 USD 6,610,580,368	\$ 203,030,755 USD 6,610,580,368
		Gaintech Co. Limited	Other receivables from related party	Yes	\$ 20,918,950 USD 650,000,000	\$ 19,963,450 USD 650,000,000	\$ 19,963,450 USD 650,000,000	2.82%-3.29%	Short-term financing	-	Operating Capital	-	-	-	-	\$ 67,208,289 USD 2,188,268,444	\$ 67,208,289 USD 2,188,268,444
		Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,654,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	NA	Short-term financing	-	Operating Capital	-	-	-	-	\$ 67,208,289 USD 2,188,268,444	\$ 67,208,289 USD 2,188,268,444

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd. and Hsu Zhan (HK) Investment Limited, Core Tech Resources Inc., Digimox Holdings Limited, MTKC Global Holdings Co. Limited, Gaintech Co. Limited, MediaTek Singapore Pte. Ltd. required:

- A. The total amount for lending shall not exceed 20% of the lender's net worth,
- B. The maximum amount lendable to a single company is 10% of the lender's net worth, whichever is lower, and

C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks shall be excluded from the above limitations. However, total financing amount limits and financing limits for each borrowing company shall not exceed the lender's net worth.

Note 2: The operating procedures of financing provided to others of Airoha Technology Corp. required:

- A. The total amount for lending shall not exceed 20% of the lender's net worth,
- B. The maximum amount lendable to a single company is 10% of the lender's net worth,

Note 3: Maximum accumulated balances of financing amount as of the declaration month for the period.

MEDIA TEK INC.
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2022

Attachment 2

No.	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relationship (Note 2)										
0	MediaTek Inc.	MediaTek USA Inc.	A	\$ 88,021,858 (Note 1)	\$ 9,538 USD 342,857	\$ -	\$ -	-	0.00%	\$220,054,645 (Note 1)	Y	N	N
		Giatech Co. Limited	A	\$ 88,021,858 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	-	5.45%		Y	N	N
		MediaTek China Limited	A	\$ 88,021,858 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	-	2.04%		Y	N	N

Note 1: Based on the rules of operating procedures of endorsement/guarantee of MediaTek Inc., the limiting amount of endorsement/guarantee rendered to any single company shall not exceed 20% of MediaTek Inc.'s net worth as stated in the latest financial statements.

The total amount of guarantee shall not exceed 50% of the Company's net worth from the latest financial statements.

Note 2: The nature of relationship between endorser/guarantor and guaranteed party is as follows:

A. The Company directly and indirectly holds more than 50% of the voting shares.

B. A company that directly and indirectly holds more than 50% of the voting shares in the Company.

Note 3: Amounts converted at the highest exchange rate.

MEATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

Attachment 3

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022				Note	
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value		
Funds	Funds	KGI Fung Global Fund	Financial assets mandatorily measured at fair value through profit or loss- current	45,856,514	\$ 738,680	-	\$ 738,680	-	
		KGI Full Strategic Fund	Financial assets mandatorily measured at fair value through profit or loss- current	69,239,442	\$ 991,138	-	\$ 991,138	-	
		Cathay No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	81,200,000	\$ 1,468,096	-	\$ 1,468,096	-	
		Cathay No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	64,503,000	\$ 1,148,154	-	\$ 1,148,154	-	
		Fubon No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	16,744,000	\$ 264,355	-	\$ 264,355	-	
		Fubon No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	13,421,000	\$ 203,999	-	\$ 203,999	-	
		TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 129,497	-	\$ 129,497	-	
		Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 197,759	-	\$ 197,759	-	
		CLN of Aabel Polytex Inc. 1st Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 289,908	-	\$ 289,908	-	
		CLN of Tanshin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 295,626	-	\$ 295,626	-	
Linked Deposits	Linked Deposits	CLN of ELITE MATERIAL CO., LTD-5th Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 70,141	-	\$ 70,141	-	
		CLN of Sarcenom Corporation 6th Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 290,653	-	\$ 290,653	-	
		CLN of Gian Manufacturing Co., Ltd. 1st Domestic Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 292,092	-	\$ 292,092	-	
		WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 201,088	-	\$ 201,088	-	
		ENSDCONN CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 79,940	-	\$ 79,940	-	
		Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 150,152	-	\$ 150,152	-	
		CLN of Wisdom NewWeb Corporation 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 90,515	-	\$ 90,515	-	
		Shin Kong Financial Holding Co., Ltd. Preferred Stock A	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	4,200,000	\$ 150,780	0%	\$ 150,780	-	
		Fort & Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	640,000	\$ 1,769	6%	\$ 1,769	-	
		Chalase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,750,000	\$ 269,225	0%	\$ 269,225	-	
Stocks	Stocks	WT Meratelentones Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,241,000	\$ 393,508	1%	\$ 393,508	-	
		Shin Kong Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,888,000	\$ 462,679	0%	\$ 462,679	-	
		WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	10,900,000	\$ 534,100	1%	\$ 534,100	-	
		FUBON Financial Holding Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,786,666	\$ 107,914	0%	\$ 107,914	-	
		FUBON Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	15,000,000	\$ 862,500	0%	\$ 862,500	-	
		FUBON Financial Holding Co., Ltd. Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,056,243	\$ 388,799	0%	\$ 388,799	-	
		Cathay Financial Holdings preferred stocksA	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,405,000	\$ 136,123	0%	\$ 136,123	-	
		Cathay Financial Holdings common stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	196,293	\$ 7,852	0%	\$ 7,852	-	
		Tanshin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	45,325,000	\$ 777,324	0%	\$ 777,324	-	
		Tingching Commercial Bank Bond	Financial assets measured at amortized cost- current	-	\$ 20,196	-	\$ 20,196	-	
Bonds	Bonds	Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	\$ 290,000	-	
		WEIBO CORP DUE 09/7/24	Financial assets measured at amortized cost- noncurrent	-	\$ 268,510	-	\$ 268,510	-	
		Tencent Music Entertainment Gr DUE 2025/9/03	Financial assets measured at amortized cost- noncurrent	-	\$ 157,481	-	\$ 157,481	-	
		BAIDU INC DUE 07/6/25	Financial assets measured at amortized cost- noncurrent	-	\$ 44,703	-	\$ 44,703	-	
		China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	Financial assets measured at amortized cost- noncurrent	-	\$ 580,000	-	\$ 580,000	-	
		TSMC 1st Unsecured Corporate Bond in 2022-Finable A(Green Bond)	Financial assets measured at amortized cost- noncurrent	-	\$ 100,000	-	\$ 100,000	-	
		TSMC 1st Unsecured Corporate Bond in 2022-Finable B(Green Bond)	Financial assets measured at amortized cost- noncurrent	-	\$ 200,000	-	\$ 200,000	-	
		Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	Financial assets measured at amortized cost- noncurrent	-	\$ 100,000	-	\$ 100,000	-	
		Tanshin Financial Holding Co., Ltd. 1st Exchangeable Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 100,200	-	\$ 100,200	-	
		ELITE MATERIAL CO., LTD 5th Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 49,100	-	\$ 49,100	-	
Capital	Capital	Chalase Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 200,949	-	\$ 200,949	-	
		SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 505,504	-	\$ 505,504	-	
		Golsta Capital III L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 2,377,306	-	\$ 2,377,306	-	
		Golsta Capital III L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 9,790,330	-	\$ 9,790,330	-	
		Golsta Capital III L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 16,334,311	-	\$ 16,334,311	-	
		Wildan Catalyst Ventures, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 4,541,796	-	\$ 4,541,796	-	
		KIBOU FUND L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 2,084,187	-	\$ 2,084,187	-	
		Digimoe Holdings Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 100,200	-	\$ 100,200	-	

(To be continued)

MEDIA TEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Fair Value	Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)			
Digiwin Holdings Limited	Capital	Amif Fund III L.P.	-	USD 11,658,740	-	USD 11,658,740	-	-
		Cypress Frontline Venture Fund L.P.	-	USD 2,422,221	-	USD 2,422,221	-	-
		Waldest Technology Ventures IV L.P.	-	USD 2,978,092	-	USD 2,978,092	-	-
		Aehl Capital Partners Fund LP	-	USD 3,345,613	-	USD 3,345,613	-	-
	Stocks	Credo Technology Group Holding Ltd.	114,070	USD 1,518,272	0%	USD 1,518,272	-	-
		Valens Semiconductor Ltd.	846,010	USD 4,543,074	1%	USD 4,543,074	-	-
		Aurox, Inc.	55,009,500	USD 80,832,280	3%	USD 80,832,280	-	-
		Eta Compute Inc.	1,069,976	USD 460,090	4%	USD 460,090	-	-
		DSP Concepts, Inc.	1,132,118	USD 4,132,231	2%	USD 4,132,231	-	-
		ODJ Tech Ltd.	6,009,000	USD 126,000	12%	USD 126,000	-	-
Hsu-Ta Investment Corp.	Capital	Amibq Micro, Inc.	82,057,390	USD 19,447,390	3%	USD 19,447,390	-	-
		MCUBE, INC.	3,114,984	USD 5,388,922	5%	USD 5,388,922	-	-
		General Mobile Corporation	5,000,000	USD 150,000	18%	USD 150,000	-	-
		SIMO Holdings Inc.	2,923,840	USD 1,514,549	4%	USD 1,514,549	1	-
	Linked Deposits	Facileart Corporation	2,000,000	USD 205	11%	USD 205	-	-
		CLN of Tashiro Financial Holding Co., Ltd.	-	\$ 80,185	-	\$ 80,185	-	-
		CLN of Watson NewWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	\$ 201,347	-	\$ 201,347	-	-
		CLN of ADVANCED INTERNATIONAL MULTITECH CO., LTD. 3rd Domestic Unsecured Convertible Bonds	1,857,008	\$ 20,613	5%	\$ 20,613	-	-
		ACSIP TECHNOLOGY CORP.	5,672,324	\$ 2,814,519	11%	\$ 2,814,519	-	-
		ANDES TECHNOLOGY CORPORATION	351,000	\$ 163,390	1%	\$ 163,390	-	-
Hsing Fa Co.	Capital	Media Tek Inc.	7,794,083	\$ 4,871,303	0%	\$ 4,871,303	2	-
		ESTINET TECHNOLOGIES INCORPORATION	500,000	\$ 521	2%	\$ 521	-	-
		Mars Semiconductor Corp.	2,103,982	\$ 132,761	7%	\$ 132,761	-	-
		Taiwanis Capital Buffalo Fund Co., Ltd.	231,500,000	\$ 214,482	5%	\$ 214,482	-	-
	Stocks	International Trust Machines Corporation.	2,509,000	\$ 271	2%	\$ 271	-	-
		Mavech Technology Inc.	600,000	\$ 30,000	15%	\$ 30,000	-	-
		Mech Cooperative Ventures Fund LP	-	\$ 38,143	-	\$ 38,143	-	-
		ENNOCONN CORPORATION 1st privately placed domestic unsecured convertible bond	-	\$ 1,017,554	-	\$ 1,017,554	-	-
		CLN of Gum Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	-	\$ 135,951	-	\$ 135,951	-	-
		ACSIP TECHNOLOGY CORP.	327,707	\$ 3,638	1%	\$ 3,638	-	-
Hsu-Ta Investment Corp.	Capital	ANDES TECHNOLOGY CORPORATION	63,275	\$ 31,479	0%	\$ 31,479	-	-
		FUBON Financial Holding Co., Ltd. Preferred Stock B	3,333,000	\$ 191,648	0%	\$ 191,648	-	-
		FUBON Financial Holding Co., Ltd. Preferred Stock C	772,884	\$ 4,258	0%	\$ 4,258	-	-
		Chalaise Finance Co., Ltd. Preferred Stock A	2,000,000	\$ 195,800	0%	\$ 195,800	-	-
	Linked Deposits	WT Microelectronics Preferred Stock A	5,800,000	\$ 276,950	1%	\$ 276,950	-	-
		China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	-	\$ 290,000	-	\$ 290,000	-	-
		Calable Credit Linked Dual Range due 2023	-	USD 8,982,000	-	USD 8,982,000	-	-
		Link Wood Limited	1,381,818	USD 436,516	29%	USD 436,516	-	-
		WI HARPER INC FUND VI LTD.	3,000	USD 590,235	2%	USD 590,235	-	-
		INNOVATION WORKS LIMITED	2,069,000	USD 75,162	4%	USD 75,162	-	-
Ganmech Co. Limited	Capital	Aurox, Inc.	5,444,300	USD 7,999,985	0%	USD 7,999,985	-	-
		Easy-logic technology holding (corp man) Limited	842,734	USD 1,011,281	4%	USD 1,011,281	-	-
		Innoviz Technologies Ltd.	668,428	USD 2,626,922	1%	USD 2,626,922	-	-
		Exopteron, Inc.	7,151,085	USD 6,364,466	8%	USD 6,364,466	-	-
	Stocks	HTI Corporation	53,889,083	USD 70,926,028	13%	USD 70,926,028	-	-
		China Walken Venture Investments II L.P.	-	USD 15,378,112	-	USD 15,378,112	-	-
		ALLSTARS INVESTMENT FUND	-	USD 1,000,082	-	USD 1,000,082	-	-
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	-	-	-	-	-
		Equity instrument investments measured at fair value through profit or loss - current	-	-	-	-	-	-
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	-	-	-	-	-

(To be continued)

MEDIA TEK INC.
SUCRITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account				Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
December 31, 2022							
(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)							
Gaintek Co. Limited	Capital	NOZOMI FUND	-	USD 252	-	USD 252	-
		Innovation Works Development Fund, L.P.	-	USD 5,193,076	-	USD 5,193,076	-
		Shanghai Walden Venture Capital Enterprise	-	USD 41,790,422	-	USD 41,790,422	-
		China Broadband Capital Partners II, L.P.	-	USD 12,166,605	-	USD 12,166,605	-
		China Broadband Capital Partners III, L.P.	-	USD 13,699,900	-	USD 13,699,900	-
		SoftBank Princeville Investments, L.P.	-	USD 3,246,703	-	USD 3,246,703	-
		PVG GCN Ventures, L.P.	-	USD 3,772,438	-	USD 3,772,438	-
		Shanghai Summitview IC, M AND A Investment Limited partnership	-	USD 155,160,992	-	USD 155,160,992	-
		Beijing Integrated Circuit Industry International Fund, L.P.	-	USD 8,819,840	-	USD 8,819,840	-
		China Prosperity Capital Mobile	-	USD 6,242,255	-	USD 6,242,255	-
		AI-Sinus SP VI Limited	-	USD 34,514,980	-	USD 34,514,980	-
		HOPU USD Master Fund III, L.P.	-	USD 37,591,678	-	USD 37,591,678	-
		China Walden Venture Investments III, L.P.	-	USD 54,956,049	-	USD 54,956,049	-
		Phi Fund, L.P.	-	USD 8,867,779	-	USD 8,867,779	-
		Bank Capital Tech Opportunities Fund, L.P.	-	USD 5,531,725	-	USD 5,531,725	-
Suzhou Fochu Technology Co., Ltd	-	USD 1,744,770	-	USD 1,744,770	-		
III Strategic M&A Fund, L.P.	-	USD 1,321,406	-	USD 1,321,406	-		
Yuan Ke (Piguan) Investment Fund Limited Partnership	-	USD 771,710,435	-	USD 771,710,435	3		
Yekens Venture Co-Investment LLC	-	USD 2,206,224	-	USD 2,206,224	-		
AMobile Intelligent Corp. Limited convertible bonds	-	USD 1,186,536	-	USD 1,186,536	-		
Agricultural Development Bank of China bond	-	USD 8,999,149	-	USD 8,999,149	-		
China Merchants Bank Floating USD Bond	-	USD 9,000,000	-	USD 9,000,000	-		
Chinese 2020 offshore USD Bond	-	USD 30,000,000	-	USD 30,000,000	-		
Project Tower Note with Lion Best	-	USD 10,000,000	-	USD 10,000,000	-		
CYPRESS SELECTED SECURED LENDING FUND SEGREGATED PORTFOLIO	-	USD 9,335,428	-	USD 9,335,428	-		
ICBC "Happy Life" III F	-	CNY 30,000,000	-	CNY 30,000,000	-		
ICBC "Ruyi Life" Core Optimization of 90 Days Holding Fixed-income Open Financial Products for Legal Person	-	CNY 50,808,489	-	CNY 50,808,489	-		
Fubon Bank (China) Yue Xiang Ying Fu Tai Hao	-	CNY 50,000,000	-	CNY 50,000,000	-		
Fubon Bank (China) Yue Hu Ying Tian Fu Hao	-	CNY 49,779,282	-	CNY 49,779,282	-		
ICBC Finance "Heng Rui Rishengyong" Embased Open Financial Products of 90 Days Holding and Profiling for Legal Person	-	CNY 45,000,000	-	CNY 45,000,000	-		
Fubon Bank (China) Yue Xiang Ying Au Hong Hao	-	CNY 29,670,415	-	CNY 29,670,415	-		
ICBC Finance "Xin Wen Yi" One-month Open Financial Products for Legal Person	-	CNY 29,645,659	-	CNY 29,645,659	-		
ICBC Finance "Xin Wen Yi" Three-month Open Financial Products for Legal Person	-	CNY 30,014,659	-	CNY 30,014,659	-		
ICBC Finance Core Optimization of 14 Days Holding Fixed-income Open Financial Products for Legal Person	-	CNY 30,000,000	-	CNY 30,000,000	-		
Fubon Bank (China) Yue Xiang Ying Au Jin Hao	-	CNY 15,000,000	-	CNY 15,000,000	-		
Fubon Bank (China) Yue Hu Ying No.22010105	-	CNY 214,607,562	-	CNY 214,607,562	-		
Hubei Changjiang Nio new energy industry investment fund partnership firm (limited partnership)	-	CNY 88,884,456	-	CNY 88,884,456	-		
Shanghai Internet OT Things VC Fund II	-	CNY 55,393,697	1%	CNY 55,393,697	-		
AI Speech Co., Ltd.	-	CNY 51,103,348	2%	CNY 51,103,348	-		
Shenzhen ORVIBO Technology Co., Ltd.	-	CNY 38,393,546	1%	CNY 38,393,546	-		
Orbico Inc.	-	CNY 3,088,881	-	CNY 3,088,881	-		
Shanghai Yitai Information Technology Co., Ltd.	-	CNY 15,022,225	-	CNY 15,022,225	-		
Ningbo ABAX Sensing Co., Ltd	-	CNY 985,261	-	CNY 985,261	-		
Hainan zhibeiht entrepreneurial partnership	-	CNY 13,147,162	-	CNY 13,147,162	-		
Hangzhou Ultraseptor Technology Co., Ltd.	-	USD 3,246,136	-	USD 3,246,136	-		
HEVC Advance LLC	-	USD 32,102,244	-	USD 32,102,244	-		
MediaTek (Beijing) Inc.	-	USD 32,102,244	-	USD 32,102,244	-		
MediaTek USA Inc.	-	USD 32,102,244	-	USD 32,102,244	-		

(To be continued)

MEDIA TEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account			December 31, 2022		Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value		
Cloud Ranger Limited	Stocks	SaaSFlex International	2,096,587	USD 17,611,331	3%	USD 17,611,331	-	
		Appler Holding, Inc.	517,930	USD 5,375,832	1%	USD 5,375,832	-	
		Ambiq Micro, Inc.	3,809,900	USD 9,029,463	1%	USD 9,029,463	-	
		FRANSNET TECHNOLOGY INC.	1,970,216	USD 11,900,799	8%	USD 11,900,799	-	
		QNBK 3.2 3/1/23	-	CNY 50,000,000	-	-	-	
		ADBCH2.60 08/1/23	-	CNY 50,000,000	-	-	-	
		QNBK 3.63 09/24/23	-	CNY 50,000,000	-	-	-	
		ADBCH3.4 1/06/24	-	CNY 50,000,000	-	-	-	
		BBPLC 10/25/26	-	CNY 33,000,000	-	-	-	
		4Y Callable CNH Fixed Rate Notes	-	CNY 51,000,000	-	-	-	
Hsu Chia (Sumo) Investment Ltd.	Bonds	NRK 2026	-	CNY 2,000,000	-	-	-	
		Fubon Bank (China) Co., Ltd. 2019-1 unsecured bond	-	CNY 50,000,000	-	-	-	
		CIB unsecured bond	-	CNY 50,000,000	-	-	-	
		ADBCH 2.9 1/02/24	-	CNY 50,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	-	CNY 66,000,000	-	-	-	
		Barclays PLC-CNY 3Y NONCALL2 DUE 6 April 2025	-	CNY 55,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	-	CNY 55,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 07/26	-	CNY 60,000,000	-	-	-	
		BBPLC FIXED COUPON NOTES DUE 2025	-	CNY 5,999,974	-	-	-	
		Barclays Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	-	CNY 49,431,500	-	CNY 49,431,500	-	
Hsu Fu (Sumo) Investment Ltd.	Bonds	QNBK 3.2 3/1/23	-	CNY 50,000,000	-	-	-	
		ADBCH 2.60 08/1/23	-	CNY 50,000,000	-	-	-	
		QNBK 3.63 09/24/23	-	CNY 50,000,000	-	-	-	
		Fubon Bank (China) Co., Ltd. 2019-1 unsecured bond	-	CNY 50,000,000	-	-	-	
		SG 7Y CNY Callable Note	-	CNY 50,000,000	-	-	-	
		ADBCH 2.9 1/02/24	-	CNY 50,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	-	CNY 177,000,000	-	-	-	
		Barclays PLC-CNY 3Y NONCALL2 DUE 6 April 2025	-	CNY 100,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	-	CNY 56,000,000	-	-	-	
		CACIB 4 YEARS CALLABLE FIXED RATE NOTES	-	CNY 50,000,000	-	-	-	
Hsu Kang (Sumo) Investment Ltd.	Bonds	BBPLC 10/25/26	-	CNY 66,000,000	-	-	-	
		NRK 2026	-	CNY 19,000,000	-	-	-	
		BBPLC FIXED COUPON NOTES DUE 2025	-	CNY 65,997,684	-	-	-	
		Barclays Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	-	CNY 49,431,500	-	CNY 49,431,500	-	
		QNBK 3.2 3/1/23	-	CNY 50,000,000	-	-	-	
		QNBK 3.63 09/24/23	-	CNY 38,007,600	-	-	-	
		ADBCH 3.4 1/06/24	-	CNY 50,000,000	-	-	-	
		Fubon Bank (China) Co., Ltd. 2019-1 unsecured bond	-	CNY 50,000,000	-	-	-	
		CIB unsecured bond	-	CNY 50,000,000	-	-	-	
		ADBCH 2.9 1/02/24	-	CNY 50,000,000	-	-	-	
Hsu Kang (Sumo) Investment Ltd.	Bonds	BBPLC FIXED COUPON NOTES DUE 2025	-	CNY 66,999,855	-	-	-	
		CACIB 4 YEARS CALLABLE FIXED RATE NOTES	-	CNY 67,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	-	CNY 53,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	-	CNY 3,000,000	-	-	-	
		The Goldman Sachs Group Inc. Formosa Bond due 07/26	-	CNY 57,000,000	-	-	-	
		BBPLC 10/25/26	-	CNY 66,000,000	-	-	-	
		4Y Callable CNH Fixed Rate Notes	-	CNY 65,000,000	-	-	-	
		NRK 2026	-	CNY 65,000,000	-	-	-	
		Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-	
		Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-	

(To be continued)

MEDIATEK INC.
SUBSIDIARIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Fair value	Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)			
Mediatek (Shenzhen) Inc.	Capital	Shanghai Sunmankview IC M&A	-	CNY 52,647,035	-	CNY 52,647,035	-	
		Nanjing Aisuo AI Technology Co., Ltd.	-	CNY 199,458,175	-	CNY 199,458,175	-	
		Shanghai Shangsheng Changsheng Investment Partnership (Limited Partnership)	-	CNY 385,642,460	-	CNY 385,642,460	-	
Mediatek (Shenzhen) Inc.	Funds	Shanghai Yin Vista Industrial Software Group Co., Ltd.	-	CNY 73,861,911	-	CNY 73,861,911	-	
		ICBC "Happy Life" III F	-	CNY 50,000,000	-	CNY 50,000,000	-	
		China Merchants Bank Zhongnai Jiefang 9 months No.12	-	CNY 50,757,936	-	CNY 50,757,936	-	
		China Merchants Bank Zhaonai Jiefang 14 months No.13	-	CNY 20,760,907	-	CNY 20,760,907	-	
		Fubon Bank (China) Yue Xiang Ying Ai Xi Hao	-	CNY 30,000,000	-	CNY 30,000,000	-	
		Fubon Bank (China) Yue Xiang Ying Ai Rong Hao	-	CNY 35,000,000	-	CNY 35,000,000	-	
		Dyma Beeth CO., LTD.	9,854,272	\$ 100,514	9%	\$ 100,514	-	
		Asia Global Venture Capital II	531,300	\$ 24,094	10%	\$ 24,094	-	
		Shenzhen Goodx Technology Co., Ltd.	910	USD 6,283	0%	USD 6,283	-	
		Shenzhen Goodx Technology Co., Ltd.	18,206,063	USD 125,699,229	4%	USD 125,699,229	-	
Gold Rich International (HK) Limited	Capital	Shanghai Shangsheng Changsheng Investment Partnership (Limited Partnership)	-	CNY 189,943,301	-	CNY 189,943,301	-	
		Zhu Hai City Yuan Tan Information Technology Co., Ltd.	-	CNY 200,000	-	CNY 200,000	-	
Mediatek (Shanghai) Inc.	Capital	Shanghai Sunmankview Pujiang Equity Investment Limited Partnership II	-	CNY 155,003,850	-	CNY 155,003,850	-	
		Fubon Bank (China) Yue Xiang Ying Ai Hong Hao	-	CNY 31,260,000	-	CNY 31,260,000	-	
Mediatek (Taipei) Inc.	Funds	Fubon Bank (China) Yue Xiang Ying Ai Jin Hao	-	CNY 20,000,000	-	CNY 20,000,000	-	
		Agricultural Development Bank of China bond	-	USD 8,997,300	-	USD 8,997,300	-	
Mediatek (Taipei) Inc.	Bonds	China Merchants Bank Floating USD Bond	-	USD 9,000,000	-	USD 9,000,000	-	
		Project Tower Note with Lion Best Trustee B	-	USD 3,000,000	-	USD 3,000,000	-	
Mediatek India Technology Pvt. Ltd.	Funds	CYPRESS SELECTED SECURED LENDING FUND SEGREGATED PORTFOLIO	-	USD 3,112,215	-	USD 3,112,215	-	
		Syze Mobility Ltd.	12,152,670	INR 337,982,823	5%	INR 337,982,823	-	
MStar Software R&D (Shenzhen), Ltd.	Funds	One97 Communication Ltd.	2,095,113	INR 1,004,543,574	0%	INR 1,004,543,574	4	
		Paytm E-Commerce Private Limited	12,408	CNY 56,480,024	1%	INR 56,480,024	4	
		Fubon Bank (China) Yue Xiang Ying Fu Ti Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
		Fubon Bank (China) Yue Xiang Ying Fu Yuan Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
		Fubon Bank (China) Yue Xiang Ying Hong Yuan Hao	-	CNY 10,990,000	-	CNY 10,990,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Ye Hao	-	CNY 14,000,000	-	CNY 14,000,000	-	
		Fubon Bank (China) Yue Xiang Ying Ai Tai Hao	-	CNY 11,000,000	-	CNY 11,000,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Wen Hao	-	CNY 50,000,000	-	CNY 50,000,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Xiang Hao	-	CNY 48,000,000	-	CNY 48,000,000	-	
		Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	-	CNY 613,115,020	-	CNY 613,115,020	-	
Hefei Xinhui Management Consulting Co., Ltd.	Capital	Kun Qiao Phase II (Xinmen) Semiconductor Industry Equity Investment Partnership (L.P.)	-	CNY 69,112,451	-	CNY 69,112,451	-	
		Kun Qiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (L.P.)	-	CNY 10,364,697	-	CNY 10,364,697	-	
LePower (HK) Limited	Capital	Mwone Semiconductor (Suzhou) Co., Ltd.	-	CNY 77,247,646	-	CNY 77,247,646	-	
		Cloavis Limited	-	CNY 55,722,092	-	CNY 55,722,092	-	
LePower (HK) Limited	Bonds	Receivex Limited	-	CNY 42,880,000	-	CNY 42,880,000	-	
		Receivex Limited	-	CNY 14,477,990	-	CNY 14,477,990	-	
MTRC Global Holdings Co. Limited	Stocks	Nanorblade Ltd.	243,737	USD 8,680,937	5%	USD 8,680,937	-	
		SweGAN AB	19,366	USD 1,048,148	4%	USD 1,048,148	-	
		Vasini Baking Company	1,809,000	USD 10,831,600	1%	USD 10,831,600	-	
		Transnet Fin Tech Group	14,256,620	USD 17,535,643	2%	USD 17,535,643	-	
		PROTEANTICS LTD.	251,981	USD 6,501,110	1%	USD 6,501,110	-	
		ViaC Technology Ltd.	40,352	USD 576,470	0%	USD 576,470	-	
		SandT Corporation	706,023	USD 20,651,173	8%	USD 20,651,173	-	
		TXOne Networks Inc.	909,090	USD 4,999,995	2%	USD 4,999,995	-	

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2022		Fair value	Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)			
MTK Global Holdings Co., Limited	Stocks	Maana Koa Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	2,483,659	USD 2,607,842	4%	USD 2,607,842	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	980,000	USD 3,262,600	1%	USD 3,262,600	-
	Linked Deposits	Yemina Micro Systems Inc.	Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 5,000,000	-	USD 5,000,000	-
			Financial assets mandatorily measured at fair value through profit or loss - current	-	USD 1,500,000	-	USD 1,500,000	-
			Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 10,284,188	-	USD 10,284,188	5
	Bonds	Canome Group Convertible Promissory Note	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 3,715,023	-	USD 3,715,023	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 3,427,841	-	USD 3,427,841	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 3,806,054	-	USD 3,806,054	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 1,856,322	-	USD 1,856,322	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 6,059,186	-	USD 6,059,186	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 4,255,897	-	USD 4,255,897	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 1,792,349	-	USD 1,792,349	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 1,414,660	-	USD 1,414,660	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 728,199	-	USD 728,199	-
			Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 800,000	-	USD 800,000	-
Capital	Barr Capital Tech Opportunities Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 475,000	-	USD 475,000	-	
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 887,500	-	USD 887,500	-	
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 2,000,000	-	USD 2,000,000	-	
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 3,600,000	-	USD 3,600,000	-	
		Equity instrument investments measured at fair value through other comprehensive income - noncurrent	-	USD 5,982,000	-	USD 5,982,000	-	
		Financial assets mandatorily measured at fair value through profit or loss - current	-	USD 9,225,000	-	USD 9,225,000	-	
		Financial assets mandatorily measured at fair value through profit or loss - current	-	USD 4,976,500	-	USD 4,976,500	-	
		Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 10,169,000	-	USD 10,169,000	-	
		Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 10,112,000	-	USD 10,112,000	-	
		Financial assets mandatorily measured at fair value through profit or loss - noncurrent	-	USD 10,165,000	-	USD 10,165,000	-	
Bonds	HSBC Credit Linked Notes	Financial assets measured at amortized cost - noncurrent	-	USD 10,142,000	-	USD 10,142,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 5,247,830	-	USD 5,247,830	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 7,196,684	-	USD 7,196,684	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 10,034,700	-	USD 10,034,700	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 8,000,000	-	USD 8,000,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 1,946,000	-	USD 1,946,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 5,450,250	-	USD 5,450,250	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 10,000,000	-	USD 10,000,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 10,000,000	-	USD 10,000,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 10,000,000	-	USD 10,000,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,816,700	-	USD 9,816,700	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,858,000	-	USD 9,858,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 8,880,500	-	USD 8,880,500	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,230,000	-	USD 9,230,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,156,578	-	USD 9,156,578	-	
Bonds	HSBC 03/10/26	Financial assets measured at amortized cost - noncurrent	-	USD 9,609,800	-	USD 9,609,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,650,000	-	USD 9,650,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,830,000	-	USD 9,830,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 1,860,000	-	USD 1,860,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 8,945,000	-	USD 8,945,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 5,803,800	-	USD 5,803,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,737,400	-	USD 9,737,400	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,898,200	-	USD 9,898,200	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,609,800	-	USD 9,609,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,650,000	-	USD 9,650,000	-	
Bonds	HSBC 06/09/28	Financial assets measured at amortized cost - noncurrent	-	USD 9,830,000	-	USD 9,830,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 1,860,000	-	USD 1,860,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 8,945,000	-	USD 8,945,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 5,803,800	-	USD 5,803,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,737,400	-	USD 9,737,400	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,898,200	-	USD 9,898,200	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,609,800	-	USD 9,609,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,650,000	-	USD 9,650,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,830,000	-	USD 9,830,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 1,860,000	-	USD 1,860,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 8,945,000	-	USD 8,945,000	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 5,803,800	-	USD 5,803,800	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,737,400	-	USD 9,737,400	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,898,200	-	USD 9,898,200	-	
		Financial assets measured at amortized cost - noncurrent	-	USD 9,609,800	-	USD 9,609,800	-	

(To be continued)

MEDIA TEK INC.
SUCRITIES HOLD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022				Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	
		UBS 8/5/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,850,176	-	-	-
		MDFG 1/19/2028	Financial assets measured at amortized cost- noncurrent	-	USD 9,151,000	-	-	-
		TASEM 9/28/2027	Financial assets measured at amortized cost- noncurrent	-	USD 8,616,500	-	-	-
		HONHAI 10/28/25	Financial assets measured at amortized cost- noncurrent	-	USD 7,422,000	-	-	-
		RY 8/3/2027	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,744	-	-	-
		MDFG 7/19/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,390,000	-	-	-
		bsbc 08/11/28	Financial assets measured at amortized cost- noncurrent	-	USD 9,875,664	-	-	-
		3YNC1 USD CALLABLE FIXED COUPON NOTE(S) DUE 2/02/5/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		3YNC2 USD CALLABLE FIXED COUPON NOTE(S) DUE 2/02/5/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		4YNC1 USD CALLABLE FIXED COUPON NOTE(S) DUE 2/02/6/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		4YNC3 USD CALLABLE FIXED COUPON NOTE(S) DUE 2/02/6/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		IBM 7/27/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,867,816	-	-	-
		COMH USD Fixed Rate 3y Callable Note 8/8/2022	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		BNP 1/20/2028	Financial assets measured at amortized cost- noncurrent	-	USD 4,540,000	-	-	-
		BAC 3.384 04/02/26	Financial assets measured at amortized cost- noncurrent	-	USD 4,405,500	-	-	-
		HSBC 4/18/2026	Financial assets measured at amortized cost- noncurrent	-	USD 9,205,500	-	-	-
		IBM 7/27/2027	Financial assets measured at amortized cost- noncurrent	-	USD 9,568,506	-	-	-
		UBS 05/12/26	Financial assets measured at amortized cost- noncurrent	-	USD 9,800,000	-	-	-
		BNP 03/13/27	Financial assets measured at amortized cost- noncurrent	-	USD 4,935,000	-	-	-
		C 06/09/2027	Financial assets measured at amortized cost- noncurrent	-	USD 4,465,000	-	-	-
		C 07/24/28	Financial assets measured at amortized cost- noncurrent	-	USD 948,000	-	-	-
		C 05/24/28	Financial assets measured at amortized cost- noncurrent	-	USD 8,808,800	-	-	-
		MS 7/17/26	Financial assets measured at amortized cost- noncurrent	-	USD 8,826,655	-	-	-
		MS 2036/10	Financial assets measured at amortized cost- noncurrent	-	USD 8,832,200	-	-	-
		C 03/26	Financial assets measured at amortized cost- noncurrent	-	USD 8,608,500	-	-	-
		C 05/25	Financial assets measured at amortized cost- noncurrent	-	USD 8,867,500	-	-	-
		JPW 06/25	Financial assets measured at amortized cost- noncurrent	-	USD 8,462,400	-	-	-
		JPW 12/25	Financial assets measured at amortized cost- noncurrent	-	USD 17,425,500	-	-	-
		BNP 2.591 1/20/2028	Financial assets measured at amortized cost- noncurrent	-	USD 4,502,500	-	-	-
		BNP 05/12/26	Financial assets measured at amortized cost- noncurrent	-	USD 980,000	-	-	-
		COM-HYNC1 Note 2022/08	Financial assets measured at amortized cost- noncurrent	-	USD 9,800,000	-	-	-
		TASEM 1.75_103526	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,817,000	-	USD 8,817,000	-
		TASEM_1.25_042336	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,786,000	-	USD 8,786,000	-
		Fubon Bank (China) Yue Xiang Ying Au Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,000,000	-	CNY 15,000,000	-
		Fubon Bank (China) Yue Hui Ying Tian Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 22,000,000	-	CNY 22,000,000	-
		Fubon Bank (China) Yue Xiang Ying Fu Yu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		Fubon Bank (China) Yue Xiang Ying Au Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		Fubon Bank (China) Yue Xiang Ying Au Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 49,000,000	-	CNY 49,000,000	-
		Fubon Bank (China) Yue Xiang Ying Au Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 14,000,000	-	CNY 14,000,000	-

Note 1 : For the purpose of reorganization, the ownership of Sinotek Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digmone Holdings Limited in December 2022.

Note 2 : Ultimate parent entity.

Note 3 : In December 2022, Partners of Yuan Ke (Pingtan) Investment Fund Limited Partnership resolved to attribute all the economic benefits of Shenzhen Transmission Holding Co., Ltd. to Guintech Co. Limited.

The economic benefits are calculated based on its shares owned, its percentage of ownership, the shares carrying amount and fair value, which were 67,202,249, 8%, US\$76,452,041 and US\$76,452,041, respectively.

Note 4 : For the purpose of reorganization, the ownership of Ono97 Communication Ltd. and Paytm E-Commerce Private Limited, which were previously owned by Mountain Capital Fund, L.P., were transferred to Mediatek India Technology Pvt. Ltd. in December 2022.

Note 5 : For the purpose of Canosme's reorganization, Convertible Promissory Note, which was previously issued by Canosme Group Pte. Ltd., was released by Canosme Group Inc. in April 2022.

INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WHICH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
MEDIA TEK INC.
For the year ended December 31, 2022

Attachment 4

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal		Gains (Losses) on Disposal	Ending Balance	Amount (Note 1)		
					Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount				Units/Shares	Amount
MediaTek Inc.	Aroha Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 5	Subsidiary	3,473,292	TWD	219,299	66,685,468	TWD	9,197,397	68,852	TWD	111,235,745	TWD	8,125,044
MediaTek Inc.	Hsu-Ta Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	399,380,103	TWD	7,541,670	193,200,000	TWD	1,932,000	-	TWD	592,580,103	TWD	9,232,568
MediaTek Inc.	MediaTek Capital Co.	Investments accounted for using the equity method	Note 3	Subsidiary	29,000,000	TWD	265,767	82,800,000	TWD	828,000	-	TWD	111,800,000	TWD	726,135
MediaTek Inc.	Hsu-Yuan Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	-	TWD	-	50,000,000	TWD	500,000	-	TWD	50,000,000	TWD	444,475
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	326,907,879	TWD	43,982,690	-	TWD	-	3,079,280	TWD	187,513,879	TWD	67,147,396
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	2,932,854,882	TWD	224,583,578	-	TWD	-	22,215,300	TWD	2,233,845,498	TWD	204,066,817
MediaTek Inc.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	-	TWD	-	1,999,999	TWD	581,508	-	TWD	1,999,999	TWD	559,675
MediaTek Inc.	KGI Fongli Fund	Financial assets mandatorily measured at fair value through profit or loss-current	-	-	27,806,950	TWD	456,192	18,049,564	TWD	300,000	-	TWD	45,856,514	TWD	738,680
MediaTek Inc.	Tashin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	TWD	-	45,325,000	TWD	799,986	-	TWD	45,325,000	TWD	777,324
Gaintech Co. Limited	MediaTek China Limited	Investments accounted for using the equity method	Note 3	Subsidiary	2,730,102,500	USD	837,226,355	313,976,000	USD	40,000,000	-	USD	3,044,078,500	USD	855,744,939
Gaintech Co. Limited	Aroha Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 6	Subsidiary	-	USD	-	17,867,089	USD	113,067,351	-	USD	56,659,856	USD	-
Gaintech Co. Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 7	Subsidiary	5,499,999	USD	31,214,579	-	USD	-	49,985,094	USD	28,423,389	USD	-
Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	2,053,399,545	USD	2,054,655,262	330,000,000	USD	330,000,000	2,406,283,105	USD	2,406,283,105	USD	-
Gaintech Co. Limited	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	554,587,474	USD	566,533,378	-	USD	-	507,099,959	USD	507,099,959	USD	-
Gaintech Co. Limited	Digimove Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	915,638,880	USD	924,884,325	-	USD	-	687,980,967	USD	687,980,967	USD	-
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	12	USD	338,292,355	-	USD	-	355,354,142	USD	355,354,142	USD	-
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 3	Subsidiary	500,001	USD	500,018	3,449,618,213	USD	3,449,618,214	-	USD	-	USD	3,463,172,263
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	-	USD	-	554,587,474	USD	507,099,959	-	USD	554,587,474	USD	53,849,068
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	1,999,999	USD	33,399,160	-	USD	-	19,009,384	USD	17,028,281	USD	-
MediaTek Global Holdings Limited	Digimove Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	-	915,638,880	USD	687,980,967	-	USD	915,638,880	USD	686,926,382
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	-	12	USD	355,354,142	-	USD	-	USD	360,355,794
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD	-	2,383,399,545	USD	2,406,283,105	-	USD	-	USD	2,415,388,033
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 5	Subsidiary	-	INR	-	5,499,999	INR	2,215,603,161	-	INR	5,499,999	INR	2,336,447,044
Hsu Fu (Samoa) Investment Ltd.	The Goldman Sachs Group Inc. Promissory Bond due 03/11/22	Financial assets measured at amortized cost-noncurrent	-	-	-	CNY	-	-	CNY	177,000,000	-	CNY	-	CNY	177,000,000
Hsu Fu (Samoa) Investment Ltd.	Barclays PLC-CNY CY NONCALL2 04/06/25	Financial assets measured at amortized cost-noncurrent	Note 3	-	-	CNY	-	-	CNY	100,000,000	-	CNY	-	CNY	100,000,000
Hefei Xuhui Management Consulting Co., Ltd.	Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	CNY	-	-	CNY	79,500,000	-	CNY	-	CNY	69,112,451
MediaTek Capital Co.	Zilltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 10	-	-	TWD	-	3,000,000	TWD	828,000	-	TWD	-	TWD	-

(To be continued)

INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WHICH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount (Note 1)
Hsu-Ta Investment Corp.	Zilltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income-nonrecurring	Note 10	-	-	7,000,000	TWD	-	-	-	-	TWD
Gold Rich International (HK) Limited	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-nonrecurring	-	-	110,682,377	USD	-	-	8,316,293	USD	72,703,763	USD
MediaTek (Shanghai) Inc.	Shanghai Summit View Pujing Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income-nonrecurring	-	-	30,000,000	CNY	-	-	-	CNY	-	CNY
Hsu Zhan (HK) Investment Limited	2xNCLy USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss-nonrecurring	-	-	-	USD	-	10,000,000	9,560,000	USD	(440,000)	USD
Hsu Zhan (HK) Investment Limited	3xNCLy USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss-nonrecurring	-	-	-	USD	-	10,000,000	9,460,000	USD	(540,000)	USD
MediaTek India Technology Pvt. Ltd.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income-nonrecurring	Note 11	Subsidiary	-	INR	2,095,113	INR	-	INR	-	INR
Arloha Technology Corp.	Audowise Technology Inc.	Investments accounted for using the equity method	Note 12	Subsidiary	-	TWD	30,000,000	TWD	990,000	-	-	TWD
Moomtain Capital Fund L.P.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income-nonrecurring	Note 11	Subsidiary	2,095,113	USD	-	-	12,690,785	USD	20,720,843	USD

Note 1 : Amounts shown for investments accounted for using the equity method included investment income (loss) recognized by the equity method, adjustment for foreign exchange, and unrealized gains (losses) from investments measured at fair value through other comprehensive income.

Note 2 : Arloha Technology Corp. completed a share swap and acquired the 100% ownership of Arloha Technology (Cayman) Inc. on January 1, 2022. Arloha Technology (Cayman) Inc. was dissolved on the same day.

The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp.

Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 3 : Subscribed to the new shares issued.

Note 4 : Proceeds from capital return.

Note 5 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

Note 6 : For the purpose of reorganization, the 100% ownership of Taiwan, MTK and subsidiary Gaintech Co. Limited disposed of 1,070 thousand shares and 13,050 thousand shares, respectively by NT\$659 per share to institutional investors. Advisory recommending securities firm and Securities and Futures Investors Protection Center.

As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions. The differences between the selling prices and the carrying amounts were recognized in equity, which increased by NT\$626,648 thousand and USD266,969 thousand, respectively.

Note 7 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022. The change of the ownership interest was accounted for as an equity transaction.

The differences between the selling prices and the carrying amounts were recognized in equity, which increased by USD 21,562 thousand.

Note 8 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTRC Global Holding Co. Limited and Digihome Holdings Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Global Holdings Limited in December 2022.

Note 9 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

The change of the ownership interest was accounted for as an equity transaction, and there was no difference between the selling prices and the carrying amounts.

Note 10 : Hsu-Ta Investment Corp. reclassified Zilltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-nonrecurring to investments accounted for using the equity method.

Note 11 : For the purpose of reorganization, the ownership of One97 Communication Ltd., which was previously owned by Moomtain Capital Fund, L.P., was transferred to MediaTek India Technology Pvt. Ltd. in December 2022.

Note 12 : Airoha Technology Corp. accomplished the acquisition of 100% shares of Audowise Technology Inc. in July 2022. Moreover, Audowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.

MEDIATEK INC.
ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF NTS300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

Attachment 5

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party			Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer	Transfer Date			
MediaTek (Wuhan) Inc.	Construction in progress	2019.10.25	CNY 371,000,000	CNY 284,775,346	Jiangsu Wannanda Construction Group Co., Ltd., Lianxing Construction Hubei Co., Ltd.	None	-	-	-	Not applicable	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	\$ 416,250	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Rehtek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	\$ 110,620	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None

MEDIATEK INC.
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2022

Attachment 6

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/Sales	Payment Term	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	Notes/Trade Receivables (Payables)		
									Amount	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	\$ 3,245,469	1.01%	Charged by a certain period	\$ -	\$ 179,989	0.71%	-	
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Purchases	\$ 113,050	0.04%	Charged by a certain period	\$ -	\$ (383,656)	(2.85)%	-	
MediaTek Inc.	Zelus (Shenzhen) Technology Ltd.	Subsidiary	Sales	\$ 200,938	0.06%	Charged by a certain period	\$ -	\$ 70,295	0.28%	-	
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 3,942,380	-	75 days	\$ -	\$ (911,898)	(6.78)%	-	
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 413,551	-	75 days	\$ -	\$ (65,330)	(0.49)%	-	
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 510,443	-	75 days	\$ -	\$ (64,339)	(11.99)%	-	
Airoha Technology Corp.	Airoha Technology (Suzhou) Limited	Subsidiary	Sales	\$ 175,668	1.80%	30 days	\$ -	\$ 39,434	3.91%	-	
Airoha Technology (HK) Limited Taiwan Branch	ASIX Electronics Corp.	Associates	Sales	\$ 291,541	5.77%	30 days	\$ -	\$ 13,544	1.82%	-	
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited Taiwan Branch	Subsidiary	Sales	CNY 1,319,626,779	71.12%	30 days	-	CNY 39,709,911	66.19%	-	
Airoha Technology (Suzhou) Limited	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	CNY 29,036,419	-	75 days	-	CNY (3,754,562)	(6.87)%	-	
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	\$ 566,431	1.99%	60 days	-	\$ 64,088	2.62%	-	
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 106,435,792	-	75 days	-	USD (22,237,089)	(8.26)%	-	

Note 1: License revenues mainly

MEDIA TEK INC.
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2022

Attachment 7

Company Name	Counter-party	Relationship	Ending Balance of Notes/Trade Receivables from Related Party	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Doubtful Debts
					Amount	Action Taken		
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 274,487	-	\$ -	-	\$ 272,565	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 477,876	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 383,656	-	\$ -	-	\$ 139,337	\$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 7,371,120	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 9,274,712	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	\$ 2,772,923	-	\$ -	-	\$ -	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,514,010	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 311,708	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,157,772	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 676,851	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,685,560	-	\$ -	-	\$ -	\$ -
Airoha Technology (HK) Limited	Airoha Technology Corp.	Subsidiary	\$ 184,079	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited	Subsidiary	\$ 176,827	-	\$ -	-	\$ 176,827	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 757,184	-	\$ -	-	\$ 756,839	\$ -
MediaTek China Limited	MediaTek (Hefei) Inc.	Subsidiary	\$ 949,679	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Beijing) Inc.	Subsidiary	\$ 2,116,623	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 2,649,502	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Chengdu) Inc.	Subsidiary	\$ 783,751	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Wuhan) Inc.	Subsidiary	\$ 116,138	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,053,366	-	\$ -	-	\$ -	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 255,849	-	\$ -	-	\$ 255,849	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 100,689	-	\$ -	-	\$ 100,689	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 396,833	-	\$ -	-	\$ 396,833	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 160,601	-	\$ -	-	\$ 160,601	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 186,910	-	\$ -	-	\$ 186,910	\$ -

Note 1: Trade receivables and other receivables arising from technical services, sales of chips and software usage mainly.

Note 2: Loans and their interests (recorded in other receivables) mainly.

Note 3: Dividend revenues (recorded in other receivables) mainly.

Mediatek Inc.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
For the year ended December 31, 2022

Attachment 8

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Mediatek Inc.	HF1 Innovation Inc.	Note 1	Intellectual property right management	\$ 1,746,918	\$ 1,746,918	174,691.821	100%	\$ 1,043,078	\$ 177,339	\$ 143,260	Note 20
	Hsu-Ta Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 2,028,811	592,580.103	100%	\$ 9,232,568	\$ 842,456	\$ 273,154	Note 20
	MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 72,018,783	2,233,845.498	100%	\$ 204,066,817	\$ 5,270,316	\$ 5,287,033	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 72,168,974	187,513,879	100%	\$ 67,147,396	\$ 58,657,566	\$ 58,627,362	Note 20
	MSIAR Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 141,281	\$ 21,717	\$ 21,717	Note 20
	Spidrom Technologies	Note 13	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ 525	\$ (1,049)	\$ (1,049)	Note 20
	Realtek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 21,363,741	\$ 5,579,400	\$ 5,312,499	Note 20
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 293,437	13,125,454	19%	\$ 324,395	\$ 150,087	\$ 28,148	-
	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 290,000	111,800,000	100%	\$ 726,135	\$ (79,389)	\$ (79,389)	Note 20
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 29,104	\$ 3,389	\$ (877)	-
	Alibaba Technology Corp.	Note 1	Research, manufacturing and sales	\$ 9,378,890	\$ 189,384	111,235,745	76%	\$ 8,125,045	\$ 2,895,379	\$ 1,992,886	Note 20 and Note 21
	Alibaba Technology (Cayman) Inc.	Note 2	General investing	\$ -	\$ 8,422,740	-	-	\$ -	\$ -	\$ -	Note 20 and Note 21
	Hsu-Yun Investment Corp.	Note 1	General investing	\$ 500,000	\$ -	50,000,000	100%	\$ 444,475	\$ (55,525)	\$ (55,525)	Note 20 and Note 22
	MediaTek Research UK Limited	Note 12	Research	\$ 24,563	\$ -	280,000	100%	\$ 31,054	\$ 8,469	\$ 7,081	Note 20 and Note 23
MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ -	1,999,999	100%	\$ 559,675	\$ 265,148	\$ 5,662	Note 20 and Note 24	
Ganesh Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 6,610,800,348	USD 169,633,710	-	Note 20	
MediaTek Investment Singapore Pte. Ltd.	Note 4	Research	USD -	USD 339,847	-	-	USD -	\$ 265,148	-	Note 20 and Note 24	
Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,900	100%	USD 62,616,434	USD 248,649	-	Note 20	
Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 199,843,004	USD (562,141)	-	Note 20	
INTELLEGO TECHNOLOGY INC.	Note 2	General investing	USD 3,168,380	USD 3,168,380	8,928,270	15%	USD 5,623,714	USD 3,806,033	-	-	
Sinopek Holding Inc.	Note 2	General investing	USD 1	USD -	20,000,000	39%	USD 1	USD 8,054	-	Note 25	
Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 1,901,390	\$ 759,058	-	Note 20	
MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	-	\$ -	\$ 265,148	-	Note 20	
Ziltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ -	7,000,000	13%	\$ 1,241,155	\$ 515,835	-	Note 26	
MOMAGIC TECHNOLOGIES PRIVATE LIMITED	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,148,004	USD (289,691)	-	-	
E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	26%	\$ 40,436	\$ (26,776)	-	Note 20	
Changis Technology Corporation	Note 1	Research	\$ 777,932	\$ 827,932	105,936,991	100%	\$ 535,482	\$ 20,755	-	-	
CMOS-Crystal Ltd.	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 16,029	\$ (1,740)	-	-	
Cyberon Corp.	Note 1	Research	\$ -	\$ 2,507,737	-	-	\$ -	\$ (2,022)	-	Note 27	
MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 9,289	\$ 2,005	-	Note 20	
Imofusion Technology Corp.	Note 1	Technical services	\$ 224,539	\$ 224,539	127,000,000	100%	\$ 1,218,038	\$ 31,148	-	Note 20	
INTELLEGO TECHNOLOGY INC.	Note 2	General investing	\$ 178,805	\$ -	1,335,626	2%	\$ 180,482	USD 3,800,033	-	-	
Mountain Capital Fund L.P.	Note 2	General investing	USD 25,920,843	USD 27,200,000	-	-	USD 14,663,871	USD -	-	Note 20	
CSVI VENTURES, L.P.	Note 2	General investing	USD 19,860,000	USD 15,000,000	-	-	USD 17,310,921	USD (5,281,740)	-	-	
Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 1,848,921	31,770,516	32%	USD 4,063,571	USD 1,163,081	-	-	
ZENA TECHNOLOGIES INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-	
Fontaine Capital Fund L.P.	Note 2	General investing	USD 11,428,571	USD 11,428,571	-	-	USD 20,930,045	USD (255,490)	-	-	
MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	7,100	100%	USD 2,775,204	USD (4,761)	-	Note 20	
CMC CAPITAL INVESTMENTS, L.P.	Note 2	General investing	USD 4,612,856	USD 4,612,856	-	-	USD 3,245,806	USD (60,285)	-	-	
Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,332,225	USD (32,388)	-	Note 20	
MTK Wireless Limited	Note 12	Research	USD 135,664,604	USD 135,664,604	843,944,826	100%	USD 161,831,540	USD 11,819,873	-	Note 20	
Alibaba Technology (Cayman) Inc.	Note 2	General investing	USD -	USD 56,311,712	-	-	USD -	USD -	-	Note 20 and Note 21	
MediaTek Wireless FZ LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 359,062	USD 75,131	-	Note 20	

(To be continued)

MEDIA TEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
For the year ended December 31, 2022

(Continued)

Investor Company	Investee Company	Location	Main business	Original Investment Amount			Balance as of December 31, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount				
								USD	USD			
Gaintech Co. Limited	Nephoe Pte. Ltd.	Note 7	Research	USD -	USD -	-	-	USD -	-	-	Note 20 and Note 28	
	Nephoe Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD (5,417,705)	USD (1,888,298)	-	Note 20	
	UStar Technology Ltd.	Note 2	General investing	USD 2,977,673	USD 2,977,673	50,000	100%	USD 126,433	USD (116,804)	-	Note 20	
	Sigmastar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 251,398,785	USD 19,699,147	-	Note 20	
	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD -	USD 2,053,399,545	-	-	USD -	USD 31,930,404	-	Note 20 and Note 29	
	MediaTek Investment HK Limited	Note 11	General investing	USD -	USD 554,587,475	-	-	USD -	USD 17,512,617	-	Note 20 and Note 30	
	Digimac Holdings Limited	Note 3	General investing	USD -	USD 917,331,979	-	-	USD -	USD 8,153,825	-	Note 20 and Note 29	
	MediaTek Global Holdings Limited	Note 12	General investing	USD 3,450,118,215	USD 500,001	3,450,118,214	100%	USD 3,463,172,263	USD 12,064,864	-	Note 20	
	MTK Global Holdings Co. Limited	Note 3	General investing	USD -	USD 324,337,646	-	-	USD -	USD 5,842,051	-	Note 20 and Note 29	
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD -	USD 1,797,222	-	-	USD -	INR 257,097,517	-	Note 20 and Note 31	
Media Tek Korea Inc.	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 8,934,474	USD 771,078	-	Note 20		
MediaTek China Limited	Note 11	General investing	USD 391,444,293	USD 351,444,293	3,044,078,500	100%	USD 855,444,939	USD 39,889,798	-	Note 20		
Airoha Technology Corp.	Note 1	Research, manufacturing and sales	USD -	USD -	-	-	USD -	\$ 2,895,379	-	Note 20, Note 21 and Note 32		
MTK Wireless Limited	Media Tek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 11,454,122	GBP 262,293	-	Note 20	
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 38,799,897	111,815	100%	GBP 144,307,291	GBP 7,808,467	-	Note 20	
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 8,398,799	GBP 1,981,792	-	Note 20	
	MStar Semiconductor UK Ltd.	Note 12	Research and technical services	GBP -	GBP 1,759,253	-	-	GBP -	GBP (2,940)	-	Note 20	
	MStar France SAS	Note 13	Research	GBP 22,405,985	GBP 22,405,985	458,900	100%	GBP 4,397,918	GBP (39,643)	-	Note 20	
	Media Tek North America Inc.	Note 6	Technical services	GBP 4,079,498	GBP -	10,000	100%	GBP 4,759,189	GBP 209,199	-	Note 20 and Note 33	
	Gold Rich International (Samoa) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 199,761,668	USD (559,963)	-	Note 20	
	Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD 185,774,024	1,000,000,000	100%	USD 179,922,646	USD 5,169,377	-	Note 20	
	Hsu Fu (Samoa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD 184,907,275	1,000,000,000	100%	USD 179,233,643	USD 5,910,685	-	Note 20	
	Hsu Kang (Samoa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD 183,806,174	1,000,000,000	100%	USD 178,749,437	USD 6,235,199	-	Note 20	
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD -	USD -	1	-	USD -	INR 257,097,517	-	Note 20	
	Core Tech Resources Inc.	Note 3	General investing	USD 160,478,723	USD 160,478,723	102,200,000	100%	USD 162,507,505	USD 1,946,220	-	Note 20	
	MediaTek Investment HK Limited	Note 11	General investing	USD 507,099,959	USD -	554,587,474	100%	USD 538,493,068	USD 17,512,617	-	Note 20 and Note 30	
	Reihex Microelectronics Corp.	Note 1	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 47,589	\$ 10,545	-	Note 20	
	Reihex Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 46,157	\$ 169	-	Note 20	
	Reihex Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 63,231	\$ 18,727	-	Note 20	
	Reihex Korea LLC	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 12,134	\$ 10,366	-	Note 20	
	Reihex USA Inc.	Note 6	Sales, research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 166,931	\$ 3,318	-	Note 20	
	Reihex IC Design Ireland Limited	Note 18	Research	\$ -	\$ -	-	-	\$ -	\$ 357	-	Note 20 and Note 34	
	Reihex Japan Inc.	Note 10	Research and technical services	\$ 41,893	\$ -	1,900	100%	\$ 14,963	\$ (27,893)	-	Note 20 and Note 35	
Reihex Europe Holding B.V.	Reihex Europe B.V.	Note 16	Marketing	EUR 1,500,000	EUR 1,500,000	1,500,000	100%	EUR 920,240	EUR 12,286	-	Note 20	
	Shadow Investment Limited	Note 5	General investing	USD -	USD 1,491,120	-	-	USD -	\$ 1,311	-	Note 20 and Note 21	
Airoha Technology (Cayman) Inc.	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	USD -	USD 67,534,520	-	-	USD -	\$ 2,730,911	-	Note 20 and Note 21	
	MediaTek Research UK Limited	Note 12	Research	USD -	USD 479,664	-	-	USD -	\$ 8,469	-	Note 20 and Note 21	
Airoha Technology (Suzhou) Limited	MediaTek Research Corp.	Note 1	Research, manufacturing and sales	USD -	USD 164,276,608	-	-	USD -	\$ 2,895,379	-	Note 20 and Note 21	
	FeonNet Limited	Note 3	General investing and sales	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 33,545,358	CNY 193,649	-	Note 20	
Airoha Technology Corp.	ASIX Electronics Corporation	Note 1	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,396	20%	\$ 559,259	\$ 415,671	-	-	
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ 14,311	650,000	1%	\$ 16,065	\$ 150,087	-	-	
	Airoha (Cayman) Inc.	Note 2	General investing	\$ 482,580	\$ 482,580	9,581,167	100%	\$ 568,124	\$ (38,241)	-	Note 20	
	Shadow Investment Limited	Note 5	General investing	\$ 71,755	\$ -	15,000,000	100%	\$ 80,942	\$ 1,311	-	Note 20 and Note 21	

(To be continued)

MEDIA TEK INC.

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)

For the year ended December 31, 2022

(Continued)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
	MediaTek Research UK Limited	Note 12	Research	\$ -	\$ -	-	-	\$ -	8,469	Note 20, Note 21 and Note 23	
	Airoha Technology USA Inc.	Note 6	Research	\$ 12,563	\$ -	10,000	100%	\$ 13,089	814	Note 20 and Note 36	
Airoha Technology Corp.	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,753,984	\$ -	67,534,520	100%	\$ 5,681,089	2,730,911	Note 20 and Note 21	
	Airoha Technology India Private Limited	Note 4	Research	\$ 37,312	\$ -	9,500,000	100%	\$ 31,353	(3,976)	Note 20 and Note 37	
	Audiowise Technology Inc.	Note 1	Research, manufacturing and sales	\$ -	\$ -	-	-	\$ -	(40,762)	Note 20 and Note 38	
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Note 4	Research	USD 12	USD -	95	-	USD 10	(3,976)	Note 20 and Note 37	
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Note 11	General investing	USD 81,998,125	USD 81,998,125	85,050,000	100%	USD 88,104,313	3,865,874	Note 20	
	Amii IV Quantum L.P.	Note 6	General investing	USD 2,000,000	USD -	2,000,000	92%	USD 1,985,386	(17,393)	Note 20	
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Note 19	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 574,297	93,929	Note 20	
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Note 4	Research	INR 2,215,603,161	INR -	5,499,999	100%	INR 2,336,447,044	257,097,517	Note 20 and Note 31	
MediaTek Capital Co.	Ziltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ -	3,000,000	5%	\$ 531,924	-	Note 26	
	Digimove Holdings Limited	Note 3	General investing	USD 687,980,967	USD -	915,638,880	100%	USD 686,926,382	8,153,825	Note 20 and Note 29	
MediaTek Global Holdings Limited	Hsu-Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD -	2,383,399,545	100%	USD 2,415,388,033	31,930,404	Note 20 and Note 29	
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD 355,354,142	USD -	12	100%	USD 360,353,794	5,842,051	Note 20 and Note 29	

(Amounts in Thousands of New Taiwan Dollars/foreign Currencies in Dollars)

Note 1 : Taiwan

Note 5 : Western Samoa

Note 9 : Korea

Note 13 : France

Note 17 : Finland

Note 21 : For the purpose of reorganization, Hsu-Si Investment Corp. spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021.

Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month. Hsu-Si Investment Corp. was dissolved due to merger with MTK in December 2021.

The 66% ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to MTK. Moreover, Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022.

Airoha Technology (Cayman) Inc. was dissolved on the same day. The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp.

Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 22 : MTK established Hsu-Yuan Investment Corp. in May 2022.

Note 23 : For the purpose of reorganization, the 100% ownership of MediaTek Research UK Limited, which was previously owned by Airoha Technology Corp., was transferred to MTK in April 2022.

Note 24 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

Note 25 : For the purpose of reorganization, the ownership of Sino Tek Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digimove Holdings Limited in December 2022.

Note 26 : Hsu-Ta Investment Corp. won two seats of the board of directors of Ziltek Technology Corp. in November 2022. Since Hsu-Ta Investment Corp. can exercise significant influence over Ziltek Technology Corp. through its board of directors but still does not have a control.

Hsu-Ta Investment Corp. reclassified Ziltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-measurement to investments accounted for using the equity method.

Note 27 : Indigo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Note 28 : For the purpose of reorganization, Nephos Pte. Ltd. has been liquidated in October 2022.

Note 29 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited and Digimove Holdings Limited, which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Global Holdings Limited in December 2022.

Note 30 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

Note 31 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022.

Note 32 : Gaintech Co. Limited has completed the transfer of 9% shareholding rights of Airoha Technology Corp. by June 2022.

Note 33 : MTK Wireless Limited established MediaTek North America Inc. in June 2022.

Note 34 : For the purpose of reorganization, Rchitek IC Design Ireland Limited has been liquidated in June 2022.

Note 35 : Rchitek Technology Corp. established Rchitek Japan Inc. in July 2022.

Note 36 : Airoha Technology Corp. established Airoha Technology USA Inc. in June 2022.

Note 37 : Airoha Technology Corp. established Airoha Technology India Private Limited in July 2022, and transferred portion of its shares to Airoha (Cayman) Inc. in December 2022.

Note 38 : Airoha Technology Corp. accomplished the acquisition of 100% shares of Audiowise Technology Inc. in July 2022. Moreover, Audiowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.

Note 39 : MTKC Global Holdings Co. Limited established Amii IV Quantum L.P. in July 2022.

Note 2 : Cayman Islands

Note 3 : British Virgin Islands

Note 7 : Singapore

Note 11 : Hong Kong

Note 15 : Seychelles

Note 18 : Ireland

Note 19 : Germany

Note 20 : Investee is a subsidiary in consolidated group.

Note 4 : India

Note 8 : Sweden

Note 12 : United Kingdom

Note 16 : Netherlands

Note 20 : Investee is a subsidiary in consolidated group.

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2022

Attachment 9

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 5, B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,764,170 USD 90,000,000	MediaTek China Limited	\$ 2,764,170 USD 90,000,000	- -	- -	\$ 2,764,170 USD 90,000,000	\$ 761,125 USD 25,537,917	100%	\$ 761,125 USD 25,537,917	\$ 5,824,330 USD 189,637,275	-
MediaTek (Hefei) Inc.	Note 2	\$ 522,121 USD 17,000,000	MediaTek China Limited	\$ 522,121 USD 17,000,000	- -	- -	\$ 522,121 USD 17,000,000	\$ 193,435 USD 6,490,299	100%	\$ 193,435 USD 6,490,299	\$ 81,144 USD 26,410,450	-
MediaTek (Beijing) Inc.	Note 2	\$ 3,071,300 USD 100,000,000	MediaTek China Limited	\$ 3,071,300 USD 100,000,000	- -	- -	\$ 3,071,300 USD 100,000,000	\$ 459,555 USD 15,419,384	100%	\$ 459,555 USD 15,419,384	\$ 4,275,257 USD 139,200,232	-
MediaTek (Chengdu) Inc.	Note 2	\$ 1,529,507 USD 49,800,000	MediaTek China Limited	\$ 1,529,507 USD 49,800,000	- -	- -	\$ 1,529,507 USD 49,800,000	\$ 155,527 USD 5,218,387	100%	\$ 155,527 USD 5,218,387	\$ 1,670,678 USD 54,396,456	-
MediaTek (Wuhan) Inc.	Note 2	\$ 743,255 USD 24,200,000	MediaTek China Limited	\$ 743,255 USD 24,200,000	- -	- -	\$ 743,255 USD 24,200,000	\$ 33,213 USD 1,114,377	100%	\$ 33,213 USD 1,114,377	\$ 808,879 USD 26,336,712	-
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 1,904,206 USD 62,000,000	MediaTek China Limited	\$ 1,842,780 USD 60,000,000	- -	- -	\$ 1,842,780 USD 60,000,000	\$ (23,058) USD (773,658)	100%	\$ (23,058) USD (773,658)	\$ 3,385,958 USD 110,245,118	-
MediaTek (Shanghai) Inc.	Note 2	\$ 1,322,532 CNY 297,000,000	MediaTek China Limited	\$ 1,488,635 USD 48,469,221	- -	- -	\$ 1,488,635 USD 48,469,221	\$ 233,517 USD 7,835,147	100%	\$ 233,517 USD 7,835,147	\$ 2,435,061 USD 79,284,381	-
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 921,390 USD 30,000,000	MStar Co., Ltd.	\$ 921,390 USD 30,000,000	- -	- -	\$ 921,390 USD 30,000,000	\$ 19,811 USD 664,719	100%	\$ 19,811 USD 664,719	\$ 513,116 USD 16,706,815	-
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,130 USD 10,000,000	Airoha Technology (HK) Limited	\$ 288,134 USD 9,381,500	- -	- -	\$ 288,134 USD 9,381,500	\$ 2,597,535 USD 87,154,683	76%	\$ 2,194,022 USD 73,615,677	\$ 4,576,065 USD 148,994,415	-
Richpower Microelectronics Co., Ltd.	Note 2	\$ 98,282 USD 3,200,000	Richtek Technology Corp.	\$ 98,282 USD 3,200,000	- -	- -	\$ 98,282 USD 3,200,000	\$ 17,442	100%	\$ 17,442	\$ 16,234	-
Li-We Technology Corp.	Note 2	\$ 76,783 USD 2,500,000	Richtek Technology Corp.	\$ 76,783 USD 2,500,000	- -	- -	\$ 76,783 USD 2,500,000	\$ 39,741	100%	\$ 39,741	\$ 37,909	-
Yuan Ke (Pingnan) Investment Fund Limited Partnership	Note 4	\$ - CNY -	Gaitech Co. Limited	\$ 3,980,405 USD 129,600,000	- -	- -	\$ 3,980,405 USD 129,600,000	\$ 543,105 USD 18,222,701	-	\$ 509,383 USD 17,649,740	\$ - USD -	-
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,172 USD 5,150,000	Gaitech Co. Limited	\$ 159,103 USD 5,180,299	- -	- -	\$ 159,103 USD 5,180,299	\$ 12,102 USD 406,064	88%	\$ 10,674 USD 358,149	\$ 157,419 USD 5,125,497	-
Vanship (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,819,570 CNY 408,619,418	Gaitech Co. Limited	\$ 1,228,520 USD 40,000,000	- -	- -	\$ 1,228,520 USD 40,000,000	\$ 389,563 USD 13,070,939	25%	\$ (4,100) USD (101,259)	\$ 4,595,566 USD 149,629,340	-
Beijing Ilitek Technology Co., Ltd.	Note 2	\$ - USD -	ISStar Technology Ltd.	\$ 92,139 USD 3,000,000	- -	- -	\$ 92,139 USD 3,000,000	\$ 6,027 USD 202,227	-	\$ 6,027 USD 202,227	\$ - USD -	-

(To be continued)

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2022

(Continued)

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 5, B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nephos (Hebei) Co., Ltd.	Note 3	\$ 1,266,911 USD 41,250,000	Nephos Cayman Co. Limited	\$ 3,502,825 USD 114,050,238	- -	- -	\$ 3,502,825 USD 114,050,238	\$ (52,564) USD (1,763,681)	100%	\$ (52,564) USD (1,763,681)	\$ (33,035) USD (1,075,609)	- -
Airotek (Shenzhen) Inc.	Note 2	\$ 29,177 USD 950,000	Airoha (Cayman) Inc.	\$ 29,177 USD 950,000	- -	- -	\$ 29,177 USD 950,000	\$ (26,550) USD (890,836)	76%	\$ (21,499) USD (721,353)	\$ 61,985 USD 2,018,212	- -
Airotek (Chengdu) Inc.	Note 2	\$ 29,177 USD 950,000	Airoha (Cayman) Inc.	\$ 29,177 USD 950,000	- -	- -	\$ 29,177 USD 950,000	\$ (15,854) USD (531,954)	76%	\$ (12,719) USD (426,757)	\$ 67,372 USD 2,193,605	- -
Sigmastar Technology Ltd.	Note 3	\$ 1,687,441 CNY 378,947,370	Sigmastar Technology Inc.	\$ 61,426 USD 2,000,000	- -	- -	\$ 61,426 USD 2,000,000	\$ 773,001 USD 25,936,383	32%	\$ 773,001 USD 25,936,383	\$ 8,566,099 USD 278,907,932	- -
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,581,027 CNY 355,050,000	Xuxin Investment (Shanghai) Inc.	\$ 1,471,367 USD 47,906,985	\$ 96,897 USD 3,154,922	- -	\$ 1,568,264 USD 51,061,907	\$ (21,799) CNY (4,921,177)	100%	\$ (21,799) CNY (4,921,217)	\$ 2,801,880 CNY 629,216,087	- -
Shanghai KOC Financial Management	Note 4	\$ 146,948 CNY 33,000,000	Xuxin Investment (Shanghai) Inc.	\$ 30,002 USD 976,861	- -	- -	\$ 30,002 USD 976,861	\$ 1 CNY 201	20%	\$ - CNY 41	\$ 29,390 CNY 6,599,992	- -
Hebei Xihui Management Consulting Co., Ltd.	Note 4	\$ 1,580,804 CNY 355,000,000	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,471,153 USD 47,900,000	\$ 96,897 USD 3,154,922	- -	\$ 1,568,050 USD 51,054,922	\$ (21,740) CNY (4,907,984)	100%	\$ (21,740) CNY (4,907,984)	\$ 2,792,869 CNY 627,192,344	- -
Accumulated Investment in Mainland China as of December 31, 2022				Investment Amounts Authorized by Investment Commission, MOEA								
\$ 25,515,802 USD 830,781,806				\$ 35,411,946 USD 1,152,995,338		Upper Limit on Investment \$ 264,065,574						

Note 1: Based on Regulations Governing the Approval of Investment or Technical Cooperation in the Mainland China promulgated by Investment Commission, MOEA.

Note 2: Development of consumer electronics products and software and related technology consulting services.

Note 3: Development, manufacture, and marketing of consumer electronics products and software.

Note 4: General investing.

Note 5: The methods for engaging in investment in Mainland China include the following:

- A. Direct investment in Mainland China.
- B. Indirect investment in Mainland China through companies registered in a third region.
- C. Other method.

Note 6: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 7: Amounts are listed in New Taiwan Dollars. For foreign currency conversion, net income (loss) of investee and investment income (loss) are converted by the average exchange rate during financial statement period (1 USD=29.80374 NTD; 1 CNY=4.42961 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30.713 NTD; 1 CNY=4.45297 NTD)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				
Foreign currency deposits		\$ 164,054	USD 4,446 CNY 4,387 EUR 242 EUR 154	1. Cash and cash equivalents were not pledged. 2. USD1=NTD30.713 CNY1=NTD4.45297 EUR1=NTD32.79841 JPY1=NTD0.23297
Savings and checking deposits		<u>740,155</u>		
Subtotal		<u>904,209</u>		
Time Deposits				
Time Deposits - NT Dollars		10,500,000		
Time Deposits - US Dollars		<u>11,013,515</u>	USD 358,595	
Subtotal		<u>21,513,515</u>		
Total		<u>\$ 22,417,724</u>		

MEDIA TEK INC.

2. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Financial Instruments	Description	Units	Contract Amount/ Acquisition Cost	Contract Period	Fair Value	Note
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss						
Fund			Acquisition Cost			
KGI Fengli Fund		45,856,514	\$ 610,097		\$ 738,680	
KGI Fuli Strategic Fund		69,339,442	854,184		991,138	
Total			\$ 1,464,281		\$ 1,729,818	
Forward exchange contracts			Contract Amount			
Forward exchange contracts - purchase US dollars			USD 180,000	2022.12-2023.3	\$ 17,416	
Financial liabilities at fair value through profit or loss						
Held for trading financial liabilities			Contract Amount			
Forward exchange contracts - purchase US dollars			USD 30,000	2022.12-2023.2	\$ (3,353)	

MEDIATEK INC.
3. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
Taichung Commercial Bank Bond		20,396	4.39%	2021/03/11 - 2023/12/05	
Total		<u>\$ 20,396</u>			

MEDIATEK INC.

4. STATEMENT OF TRADE RECEIVABLES AND TRADE RECEIVABLES FROM RELATED PARTIES

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 4,908,366	
Client B		4,903,517	
Client C		1,834,120	
Client D		1,326,789	
Others	The amount of individual client in others does not exceed 5% of the account balance.	12,041,827	
Subtotal		<u>25,014,619</u>	
Less: Allowance for doubtful debts		<u>(1,640)</u>	
Net amount		<u>25,012,979</u>	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		179,989	
Nephos (Hefei) Co., Ltd.		173,759	
Airoha Technology Corp.		82,398	
Zelus (Shenzhen) Technology Ltd.		70,294	
Other	The amount of individual client in others does not exceed 5% of the account balance.	1,836	
Subtotal		<u>508,276</u>	
Total		<u>\$ 25,521,255</u>	

MEDIATEK INC.
5. STATEMENT OF OTHER RECEIVABLES AND OTHER RECEIVABLES FROM
RELATED PARTIES
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 2,031,467	
VAT deductibles		1,809,215	
Interest receivables		86,322	
Others		<u>91</u>	
Total		<u>\$ 3,927,095</u>	
Other receivables from related parties			
Nephos (Hefei) Co., Ltd.	Technical service revenue	304,117	
MediaTek Singapore Pte. Ltd.		94,498	
Others	The amount of individual item in others does not exceed 5% of the account balance.	1,149	
Total		<u>\$ 399,764</u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 1,613,262	\$ 1,694,096	Inventories were not pledged.
Work in process		50,877,806	105,965,978	
Finished goods		20,161,601	44,594,258	
Total		72,652,669	\$ 152,254,332	
Less : Allowance for inventory valuation losses		(33,243,995)		
Net Amount		<u>\$ 39,408,674</u>		

MEDIATEK INC.

7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepaid supplies inventory		\$ 894,401	
Prepaid expenses		685,262	
Others	The amount of individual item in others does not exceed 5% of the account balance.	74,587	
Subtotal		<u>1,654,250</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	1,037,618	
Others	The amount of individual item in others does not exceed 5% of the account balance.	127,314	
Subtotal		<u>1,164,932</u>	
Total		<u>\$ 2,819,182</u>	

MEDIA TEK INC.

8. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NONCURRENT
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount		Units	Fair Value		
Financial assets mandatorily measured at fair value through profit or loss											
Stock											
Shin Kong Financial Holding Co., Ltd., Preferred Stock A	4,200,000	\$ 178,920	-	\$ -	-	\$ -	\$ (28,140)	4,200,000	\$ 150,780	None	
Linked Deposits											
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	130,177	-	75,000	-	-	(4,089)	-	201,088	None	
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	-	137,946	-	-	-	(7,900)	(549)	-	129,497	None	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	200,178	-	-	-	-	(2,419)	-	197,759	None	
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	150,129	-	-	-	-	23	-	150,152	None	
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	-	-	-	80,000	-	-	(60)	-	79,940	None	
CLN of AcBei Polytech Inc. 1st Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	(92)	-	289,908	None	
CLN of Taishin Financial Holding Co., Ltd.	-	-	-	295,000	-	-	626	-	295,626	None	
CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bonds	-	-	-	120,000	-	(50,000)	141	-	70,141	None	
CLN of Sercomm Corporation 6th Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	653	-	290,653	None	
CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	2,092	-	292,092	None	
CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	-	-	200,000	-	(110,000)	515	-	90,515	None	
Subtotal		618,430		1,640,000		(167,900)	(3,159)		2,087,371		
Bonds											
Taishin Financial Holding Co., Ltd. 1st Exchangeable Bond	-	-	-	101,000	-	-	(800)	-	100,200	None	
ELITE MATERIAL CO., LTD 5th Convertible Bond	-	-	-	50,500	-	-	(1,400)	-	49,100	None	
Subtotal		-		151,500		-	(2,200)		149,300		
Total		\$ 797,350		\$ 1,791,500		\$ (167,900)	\$ (33,499)		\$ 2,387,451		

MEDIATEK INC.
9. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Adjustments	Ending Balance		Accumulated Impairment	Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount		Units	Fair Value			
Equity instrument investments measured at fair value through other comprehensive income												
Funds												
Cathay No.1 Real Estate Investment Trust	81,200,000	\$ 1,486,772	-	\$ -	-	\$ -	\$ (18,676)	81,200,000	\$ 1,468,096	Not applicable	None	
Cathay No.2 Real Estate Investment Trust	64,503,000	1,264,904	-	-	-	-	(116,750)	64,503,000	1,148,154	Not applicable	None	
Fubon No.1 Real Estate Investment Trust	16,744,000	300,053	-	-	-	-	(35,498)	16,744,000	264,555	Not applicable	None	
Fubon No.2 Real Estate Investment Trust	13,421,000	211,112	-	-	-	-	(7,113)	13,421,000	203,999	Not applicable	None	
Subtotal		<u>3,262,841</u>					<u>(178,037)</u>		<u>3,084,804</u>			
Stocks												
EosTek Limited (Cayman)	640,000	2,088	-	-	-	-	(319)	640,000	1,769	Not applicable	None	
Challease Finance Co., Ltd., Preferred Stock A	2,750,000	279,125	-	-	-	-	(9,900)	2,750,000	269,225	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	403,397	-	-	-	-	(9,889)	8,241,000	393,508	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	12,888,000	552,251	-	-	-	-	(89,572)	12,888,000	462,679	Not applicable	None	
WPG Holdings Limited Preferred Share A	10,900,000	540,095	-	-	-	-	(5,995)	10,900,000	534,100	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	107,378	-	-	-	-	536	1,786,666	107,914	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	946,500	-	-	-	-	(84,000)	15,000,000	862,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	424,080	-	-	-	-	(35,281)	7,056,243	388,799	Not applicable	None	
Cathay Financial Holdings preferred stockA	-	-	2,405,000	150,553	-	-	(14,430)	2,405,000	136,123	Not applicable	None	
Cathay Financial Holdings common stock	-	-	2,405,000	6,870	-	-	982	196,293	7,852	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	-	-	45,325,000	799,986	-	-	(22,662)	45,325,000	777,324	Not applicable	None	
Subtotal		<u>3,254,914</u>		<u>957,409</u>			<u>(270,530)</u>		<u>3,941,793</u>			
Total		<u>\$ 6,517,755</u>		<u>\$ 957,409</u>		<u>\$ -</u>	<u>\$ (448,567)</u>		<u>\$ 7,026,597</u>			
Debt instrument investments measured at fair value through other comprehensive income												
Bonds												
Challease Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	\$ -	-	\$ 200,000	-	\$ -	\$ 949	-	\$ 200,949			

MEDIATEK INC.
10. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - NONCURRENT
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)					
Item	Description	Amount	Interest Rate	Period	Note
Time deposits					
Taiwan Cooperative Bank	Science Park Administration Lease execution deposits	\$ 40,712	1.035% - 1.325%	2019/05/12 - 2023/11/07	Please refer to Note 8 of the notes to the financial statements.
	Customs clearance deposits	3,180	1.035%	2019/05/12 - 2023/05/12	
Mega Bank	Science Park Administration Lease execution deposits	14,923	0.22% - 1.45%	2020/02/02 - 2023/12/23	
	Customs clearance deposits	24,000	0.73%	2020/03/30 - 2022/08/28	
	Subtotal	<u>82,815</u>			
Financial assets measured at amortized cost - noncurrent					
	Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	\$ 290,000			
	WEIBO CORP DUE 050724	268,510			
	Tencent Music Entertainment Gr DUE 20250903	157,481			
	BAIDU INC DUE 070425	44,703			
	China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	580,000			
	YAGEO Corporation 2nd unsecured corporate bond (Green Bond)	100,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche A. (Green Bond)	200,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche B. (Green Bond)	200,000			
	Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	100,000			
	Subtotal	<u>1,940,694</u>			
	Total	<u>\$ 2,023,509</u>			

MEDIA TEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Acquisition (Note 1)		Disposal (Note 2)		Investment Income (Loss)	Ending Balance		Net Assets Value/Fair Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount	Unit price		
HFI Innovation Inc.	174,691,821	\$ 729,424	-	\$ 170,394	-	\$ -	\$ 143,260	174,691,821	100%	\$ 1,043,078	\$ 5.97	None	
Hsu-Ta Investment Corp.	399,380,103	7,541,670	193,200,000	2,513,370	-	(1,095,626)	273,154	592,580,103	100%	9,232,568	15.58	None	
MediaTek Investment Singapore Pte. Ltd.	2,932,854,882	224,583,578	-	45,748,207	(699,009,384)	(71,552,001)	5,287,033	2,233,845,498	100%	204,066,817	91.35	None	
MediaTek Singapore Pte. Ltd.	326,907,879	43,982,690	-	6,701,349	(139,394,000)	(42,164,005)	58,627,362	187,513,879	100%	67,147,396	358.09	None	
MStar Co., Ltd.	13,350,000	145,792	-	-	-	(26,228)	21,717	13,350,000	100%	141,281	10.58	None	
Spidecom Technologies	146,200	1,574	-	-	-	-	(1,049)	146,200	100%	525	3.59	None	
Richtek Technology Corp.	148,482,806	21,636,457	-	129,301	-	(5,714,516)	5,312,499	148,482,806	100%	21,363,741	143.88	None	
IC Plus Corp.	13,025,454	302,975	100,000	6,933	-	(13,661)	28,148	13,125,454	19%	324,395	52.50	None	
MediaTek Capital Co.	29,000,000	265,767	82,800,000	836,870	-	(297,113)	(79,389)	111,800,000	100%	726,135	(Note 3) 6.49	None	
Intellectual Property Innovation Corp.	3,000,000	29,981	-	-	-	-	(877)	3,000,000	30%	29,104	9.70	None	
Airoha Technology Corp.	3,473,292	219,299	108,832,453	10,605,491	(1,070,000)	(4,692,631)	1,992,886	111,235,745	76%	8,125,045	530.87	None	
Airoha Technology (Cayman) Inc.	61,092,908	8,422,740	-	-	(61,092,908)	(8,422,740)	-	-	-	-	(Note 4)	None	
Hsu-Yuan Investment Corp.	-	-	50,000,000	500,000	-	-	(55,525)	50,000,000	100%	444,475	8.89	None	
MediaTek Research UK Limited	-	-	280,000	24,363	-	(390)	7,081	280,000	100%	31,054	110.91	None	
MediaTek Bangalore Private Limited	-	-	1,999,999	773,351	-	(219,358)	5,682	1,999,999	100%	559,675	279.84	None	
Total		<u>\$ 307,861,947</u>		<u>\$ 68,009,629</u>		<u>\$ (134,198,269)</u>	<u>\$ 71,561,982</u>			<u>\$ 313,235,289</u>			

Note 1: The increase in the current period includes changes in the net value of the equity of the invested company, unrealized gains from financial assets measured at fair value through other comprehensive income, unrealized gross profit on sales, exchange differences resulting from translating the financial statements of foreign operations, profit or loss of the defined benefit plan, income tax related to other comprehensive income components, etc.

Note 2: The decrease in the current period includes changes in the net value of the equity of the invested company, unrealized profit or loss of financial assets measured at fair value through other comprehensive income, cash dividends distribution, capital reduction and return of shares, exchange differences resulting from translating the financial statements of foreign operations, profit or loss of the defined benefit plan, income tax related to other comprehensive income, etc.

Note 3: Calculated based on the closing price of Taipei Exchange on December 30, 2022.

Note 4: Calculated based on the average strike price of Taipei Exchange on December 30, 2022.

MEDIATEK INC.

12. STATEMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS
AND OTHER NON-CURRENT ASSETS

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 32,197,708</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 57,005,420</u>	
Other non-current assets			Please refer to Note 6(11) of the notes to the financial statements.
Deferred tax assets		\$ 8,527,393	
Refundable deposits		6,638,424	
Long-term financing lease receivables, net		1,455,784	
Other non-current assets-others		<u>13,448,903</u>	
Total		<u>\$ 30,070,504</u>	

MEDIATEK INC.
13. RIGHT-OF-USE ASSET
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,550,463	\$ 298,560	\$ (1)	\$ 1,849,022	
Buildings and facilities	227,502	576,375	(31,610)	772,267	
Machinery equipment	238,156	-	(3,783)	234,373	
Transportation equipment	9,567	-	3	9,570	
Total	\$ 2,025,688	\$ 874,935	\$ (35,391)	\$ 2,865,232	
Amortization and impairment					
Land	\$ 113,802	\$ 40,691	\$ -	\$ 154,493	
Buildings and facilities	96,223	135,110	(31,657)	199,676	
Machinery equipment	79,772	74,467	(3,663)	150,576	
Transportation equipment	2,102	2,606	-	4,708	
Total	\$ 291,899	\$ 252,874	\$ (35,320)	\$ 509,453	

MEDIATEK INC.
14 STATEMENT OF TRADE PAYABLES AND TRADE PAYABLES TO RELATED PARTIES
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Vendor A		\$ 2,007,791	
Vendor B		1,152,829	
Vendor C		1,046,035	
Vendor D		919,658	
Vendor E		908,990	
Vendor F		739,209	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	5,293,835	
Subtotal		<u>12,068,347</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		\$ 911,898	
Airoha Technology Corp.		383,656	
King Long Tech (Suzhou) Ltd.		65,330	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	25,223	
Subtotal		<u>1,386,107</u>	
Total		<u>\$ 13,454,454</u>	

MEDIATEK INC.
15. STATEMENT OF OTHER PAYABLES
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 25,335,258	
Selling expenses		704,195	
Others	The amount of individual item in others does not exceed 5% of the account balance.	9,839,231	
Subtotal		<u>35,878,684</u>	
Other Payables to related parties			
Gaintech Co. Limited		\$ 9,274,712	
Other	The amount of individual item in others does not exceed 5% of the account balance.	855,248	
Subtotal		<u>10,129,960</u>	
Total		<u>\$ 46,008,644</u>	

MEDIATEK INC.
 16. STATEMENT OF OTHER CURRENT LIABILITIES
 As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 24,812,571	
Temporary receipts		712,605	
Total		<u>\$ 25,525,176</u>	

MEDIATEK INC.
17. STATEMENT OF LEASE LIABILITIES
As of December 31, 2022

Item	Lease term	(Amounts in Thousands of New Taiwan Dollars)		Note
		Discount rates (annual)	Ending Balance	
Land	2019/01/01~2068/04/30	1.480%	\$ 1,732,861	
Buildings and facilities	2019/01/01~2040/03/31	0.163%~0.775%	588,624	
Machinery equipment	2021/03/25~2022/03/24	0.655%	70,650	
Transportation equipment	2020/11/01~2025/02/28	0.48%~0.73%	4,880	
Total			2,397,015	
Less: current portion			(263,466)	
Noncurrent portion			\$ 2,133,549	

MEDIATEK INC.
 18. STATEMENT OF LONG-TERM BORROWINGS
 As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Type	Description	Amount	Contract Period	Interest Rate	Loan Commitments	Collateral	Note
Unsecured loans							
	JPMorgan chase bank	\$ 827,660	2021/6/11 - 2023/9/11	0.00%	TWD 1,400,000	None	
	Less : current portion	<u>(827,660)</u>					
	Noncurrent portion	<u>\$ -</u>					

MEDIATEK INC.
 19. STATEMENT OF OTHER NON-CURRENT LIABILITIES
 As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 529,406	
Net defined benefit liabilities - noncurrent		607,180	
Deposits received		56,309	
Deferred tax liabilities		6,252,799	
Others	The amount of individual item in others does not exceed 5% of the account balance.	723,521	
Total		<u>\$ 8,169,215</u>	

MEDIATEK INC.
 20. STATEMENT OF NET SALES
 For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	4,170,499,866	\$ 324,816,989	
Services and other revenues		<u>7,364,135</u>	
Net operating revenues		<u>\$ 332,181,124</u>	

MEDIATEK INC.
21. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 2,575,983		
Add: Raw material purchased	115,393,355		
Less: Raw material, end of year	<u>(1,613,262)</u>		
Direct material used		\$ 116,356,076	
Manufacturing Expenses	<u>41,244,794</u>	<u>41,244,794</u>	
Manufacturing Costs		157,600,870	
Add: Work in process, beginning of year	32,875,365		
Work in process purchased	13,245,774		
Less: Work in process, end of year	<u>(50,877,806)</u>	<u>(4,756,667)</u>	
Cost of Finished Goods		152,844,203	
Add: Finished goods, beginning of year	23,812,262		
Finished goods purchased	2,953,717		
Less: Finished goods, end of year	<u>(20,161,601)</u>		
Transferred to operating expenses	<u>(994,322)</u>	<u>5,610,056</u>	
Subtotal		158,454,259	
Other Operating Costs			
The write-down of inventories		14,794,109	
Gain on sales of scrap		<u>(8,150)</u>	
Others		<u>3,755,853</u>	
Total Operating Costs		<u>\$ 176,996,071</u>	

MEDIATEK INC.
 22. STATEMENT OF OPERATING EXPENSES
 For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 51,857,285	\$ 5,218,460	\$ 938,183
Depreciation	5,008,089	623,232	806
Amortization	3,299,133	37,446	3,394
Service fee and advertisement expenses	3,235,444	1,352,284	1,932,604
License fee	2,361,901	-	4,829,213
Design and experiment expenses	10,251,357	1,464,721	14,867
Others	6,355,945	1,274,445	1,081,035
Total	<u>\$ 82,369,154</u>	<u>\$ 9,970,588</u>	<u>\$ 8,800,102</u>

MEDIA TEK INC.

23. STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES

For the years ended December 31, 2022 and 2021

(Amounts in Thousands of New Taiwan Dollars)

Nature	Function	For the year ended December 31, 2022			For the year ended December 31, 2021		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses (Note)							
Payroll		\$ 821,562	\$ 58,013,928	\$ 58,835,490	\$ 660,527	\$ 50,400,694	\$ 51,061,221
Labor and health		69,727	2,132,812	2,202,539	52,749	1,605,688	1,658,437
Pension		33,129	1,008,164	1,041,293	27,824	843,788	871,612
Board compensation		-	111,285	111,285	-	168,618	168,618
Others		21,731	790,935	812,666	17,525	651,015	668,540
Depreciation		16,507	5,632,127	5,648,634	7,230	3,303,842	3,311,072
Amortization		518	3,339,973	3,340,491	-	2,928,106	2,928,106

NOTE:

1. For the years end December 31, 2022 and 2021, the Company had 11,768 and 9,944 employees on average, respectively, which included 5 and 6 non-employee directors ,
2. Employee benefits expenses in average were NT\$5,337 thousand dollars and NT\$5,460 thousand dollars for the years ended December 31, 2022 and 2021, respectively.
3. Payroll expenses in average were NT\$4,992 thousand dollars and NT\$5,138 thousand dollars for the years ended December 31, 2022 and 2021, respectively.
4. The adjustment of average payroll decreased by 3% for the year ended December 31, 2022.
5. Please describe the Company's remuneration and reward policies.

(To be continued)

(Continued)

6. The policies on the salaries and remunerations of the Company are as follows:

(1) Director of the Board:

The remuneration paid to directors is in compliance with regulatory requirements, MediaTek's Articles of Incorporation §14, §24, "Remuneration Committee Charter", and "Rules for Distribution of Compensation to Director". The compensation are determined in accordance with the MediaTek's Articles of Incorporation with reference to the industry norm. As stated in the Articles of Incorporation §24, the Company shall allocate at a maximum of 0.5% of the profit as remuneration to Directors as compensation to directors for the year. The rules state the compensation should be based on the Company's overall operating performance with consideration of the contribution of each directors to the Company, including the level of involvement, actual time after appointment and individual performance (including but not limited to level of contribution to improving decision-making quality and the degree of individual professional advancement). The compensation are reviewed regularly in Remuneration Committee and the Board meetings. Related performance and the plausibility of compensations are both approved by Remuneration Committee and the Board meetings and the remuneration system is reviewed in a timely manner depending on the actual operating conditions and relevant laws and regulations to reach a balance between the Company's sustainable operation and risk control.

(2) Managerial Officer:

In addition to referring to the Company's overall operating performance and according to the positions of the executives, contribution to the Company's operations, individual performance (including realization of Company's core values, exercising management and leadership capabilities, and achieving level of financial, sustainable development goals (on environmental, social and governance facets) and comprehensive operation management indicators), and consideration of the Company's future risks and reference to the industry norm, the remuneration of the Company's executives is evaluated by the remuneration committee for its plausibility, and submitted to the Board of Directors for resolution. Such review of remuneration and its criteria and structure is conducted anytime under the actual operating situation and related laws to seek for the balance of company's sustainability and risk control.

(3) Employees:

The Company regularly measures the market compensation level, linking company performance to employee compensation and bonus and formulates reasonable compensation and bonus policies based on the overall economic indicators to ensure the overall compensation and bonus are competitive. Through regular performance appraisal and development operation mechanisms, a two-way communication and interaction platform is provided to achieve organizational and personal development, and corresponding rewards are given according to performance results, so as to encourage employees and the Company to grow together. It is written in the Company's Articles of Incorporation §24 that if the Company makes profit in the year, the Company should provide employee compensation no less than 1% of net income. In the event that Company records accumulated losses, Company shall reserve fund to make up for the loss prior to allocation of profits. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.

(To be continued)

(Continued)

The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing employees. Every year the company reviews current compensation levels against market rates, taking macroeconomic indices into consideration, to ensure its competitiveness within the industry. Our overall compensation policies adhere to the Company's short-term and mid- to long-term operational goals. They have been established in accordance with the roles and job duties of our employees, equipped knowledge and capabilities, individual performance and level of engagement. The Company makes appropriate annual adjustments to base salary in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines, in order to realize the spirit of labor-management profit sharing.



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