



Annual Report 2023

MEDIATEK

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2023 MediaTek Annual Report

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I. Letter to Shareholders

Dear Shareholders:

In 2023, the global semiconductor industry was full of opportunities and challenges. Under high inflation, the uncertainty of the macroeconomy led to reduced demand visibility in various end markets, causing customers to continue strict inventory control in the first half of the year, reducing demand for semiconductors. As the market returned to a relatively healthy inventory level in the second half of the year, customers' demand gradually warmed up. At the same time, generative AI, automotive, and connectivity technologies continued to evolve, driving robust development in upgrade demand and future opportunities. Over the past few years, MediaTek's solid technology investment has established a leading product portfolio in the industry and strengthened its global market position. In the rapidly changing industry environment of 2023, all MediaTek employees worked together to address short-term challenges and seize medium- and long-term growth opportunities. The annual revenue reached NT\$433.4 billion, with EPS of NT\$48.51. In 2023, MediaTek continued to share its operational results with shareholders through regular cash dividends and executed the four-year special cash dividend program, distributing a total annual cash dividend of NT\$76 per share. At the annual shareholders' meeting, it was resolved to change the earnings distribution from an annual basis to a semi-annual basis, to increase shareholders' flexibility in fund utilization.

In terms of mobile phone, MediaTek maintains a leading position in the global mobile phone market share. MediaTek provides comprehensive 4G and 5G products to global customers and continues to expand into the flagship market. In 2023, MediaTek launched the new generation 5G AI flagship SoC, Dimensity 9300, which adopted an innovative all-big-core architecture, offering powerful computing capabilities and is equipped with AI processing units optimized for large language models in generative AI. The AI performance of the SoC was rated as the best in the world by the ETH Zurich AI benchmark. Many of the flagship phones adopting Dimensity 9300 have introduced various generative AI features, receiving positive market feedback. MediaTek 5G flagship SoC revenues grew significantly at approximately 70% year over year in 2023, contributing over US\$1 billion in revenue.

In terms of smart edge platforms, the continuous evolution of various wireless and wired connectivity technologies has driven the global upgrade trends of WiFi 6/6E, WiFi 7, 5G, and 10GPON in 2023. In particular, MediaTek's WiFi 7 technology holds a leading position globally, successfully expanding into high-end routers, notebooks, TVs, and broadband, providing consumers and enterprise users with a high-speed, stable, and persistent connection experience. Additionally, in 2023, MediaTek introduced the Dimensity Auto platform, integrating and extending our leading cross-platform technologies on the basis of existing products, further enriching the automotive product portfolio. We also announced the partnership with NVIDIA in the global automotive electronics market to jointly provide outstanding solutions for the next generation of software-defined vehicles. In terms of power IC, MediaTek continues to expand into new areas, providing low-power, precise sensing, and high-performance products for storage and servers, supporting customer needs with comprehensive solutions.

MediaTek's achievements have continued to be recognized by prominent organizations both domestically and internationally. In 2023, the Company was honored with the "Outstanding APAC Semiconductor Company" award by the Global Semiconductor Alliance and ranked third in Interbrand's "Best Taiwan Global Brands", achieving its best-ever performance in terms of brand value and ranking. In addition, Chairman Ming-Kai Tsai was awarded the prestigious

IEEE Robert N. Noyce Medal, the highest honor in the electronics industry, by the Institute of Electrical and Electronics Engineers (IEEE). Furthermore, Dr. Rick Tsai, Vice Chairman and CEO, was also honored with the “Dr. Morris Chang Exemplary Leadership Award” by the Global Semiconductor Alliance.

In addition, MediaTek continues to make improvements in corporate governance, social inclusion, and environmental sustainability. In 2023, it once again received recognition with the “Excellence in Corporate Social Responsibility” and continued to be recognized as one of the top 5% companies listed on TWSE in the Corporate Governance Evaluation. MediaTek also continues to promote talent in the technology field and launched Taiwan’s first women in technology program, “Girls! TECH Action”. And through the “Genius at Home” social innovation initiative, it leverages technology to address issues in rural areas. Furthermore, in terms of environmental sustainability, MediaTek further promotes carbon assessment and reduction measures, continuing to progress towards the net-zero target by 2050.

Going forward, with the continuous growth of AI in both edge and cloud computing, MediaTek, with close collaboration with global ecosystem partners, will be a crucial enabler in this rapidly growing market with its industry-leading key technologies, including high-performance, low-power processors, AI computing, and wired and wireless connectivity. In edge computing, MediaTek is one of the few companies globally with a scalable AI technology product portfolio, capable of providing high-performance, low-power AI chips for various devices such as smartphones, tablets, and automotives. In cloud computing, MediaTek’s key high-speed transmission SerDes IP, integrated advanced process and packaging design capabilities, and power ICs, all represent mid- to long-term growth opportunities. MediaTek will continue to invest in the development of key technologies, providing optimized processor architectures to meet the increasing demand for computing and the improvement of data transmission speeds.

Finally, we would like to extend our sincere appreciation to all of our shareholders for your long-term trust and continuous support. MediaTek will continue to expand its global market presence, actively attract top talent worldwide, optimize resource allocation, collaborate with the global semiconductor supply chain in various aspects and drive product innovation. We aim to create broader markets and achieve mutual growth with our customers by providing them with the best solutions through our outstanding IPs and technology portfolio.

Chairman: Ming-Kai Tsai
CEO: Rick 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 approximately 2 billion devices annually with its chips. Possessing industry-leading core technologies in computing, AI, broadband networking, and multimedia, MediaTek, through continuous investment in cutting-edge technologies and advanced processes, develops chips equipped with high performance, high-speed connectivity, low latency, and low power consumption capabilities. MediaTek offers cross-platform IC design solutions for smart home applications, broadband networking, smart IoT, Bluetooth audio, automotive electronics, ASICs, and smart mobile devices, to assist global customers in innovating and providing 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 Chairman, Ming-Kai Tsai, was awarded the IEEE Robert N. Noyce Medal, one of the most prestigious awards in the electronics industry ■ MediaTek Vice Chairman and CEO, Dr. Rick Tsai, received the Dr. Morris Chang Exemplary Leadership Award by Global Semiconductor Alliance ■ Awarded “Outstanding APAC Semiconductor Company” by Global Semiconductor Alliance ■ Achieved the third place in Interbrand’s “Best Taiwan International Brands,” with a brand value of up to US\$109.6 million, representing the best performance both in ranking and brand value ■ MediaTek Dimensity 9200+ won the “Best Gaming Smartphone SOC of 2023” at the DeviceNext Awards 2023 ■ Received “Jagran Hi-Tech Awards,” “Mobility Excellence Awards,” and numerous awards at the DeviceNext Summit ■ MediaTek Dimensity 8000 won the “Best Mobile SoC of 2023 - Mainstream” at the Indian Gadgets Awards 2023 ■ 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

Year	Milestones
	<ul style="list-style-type: none"> ■ 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. ■ 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

Year	Milestones
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 ■ 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)

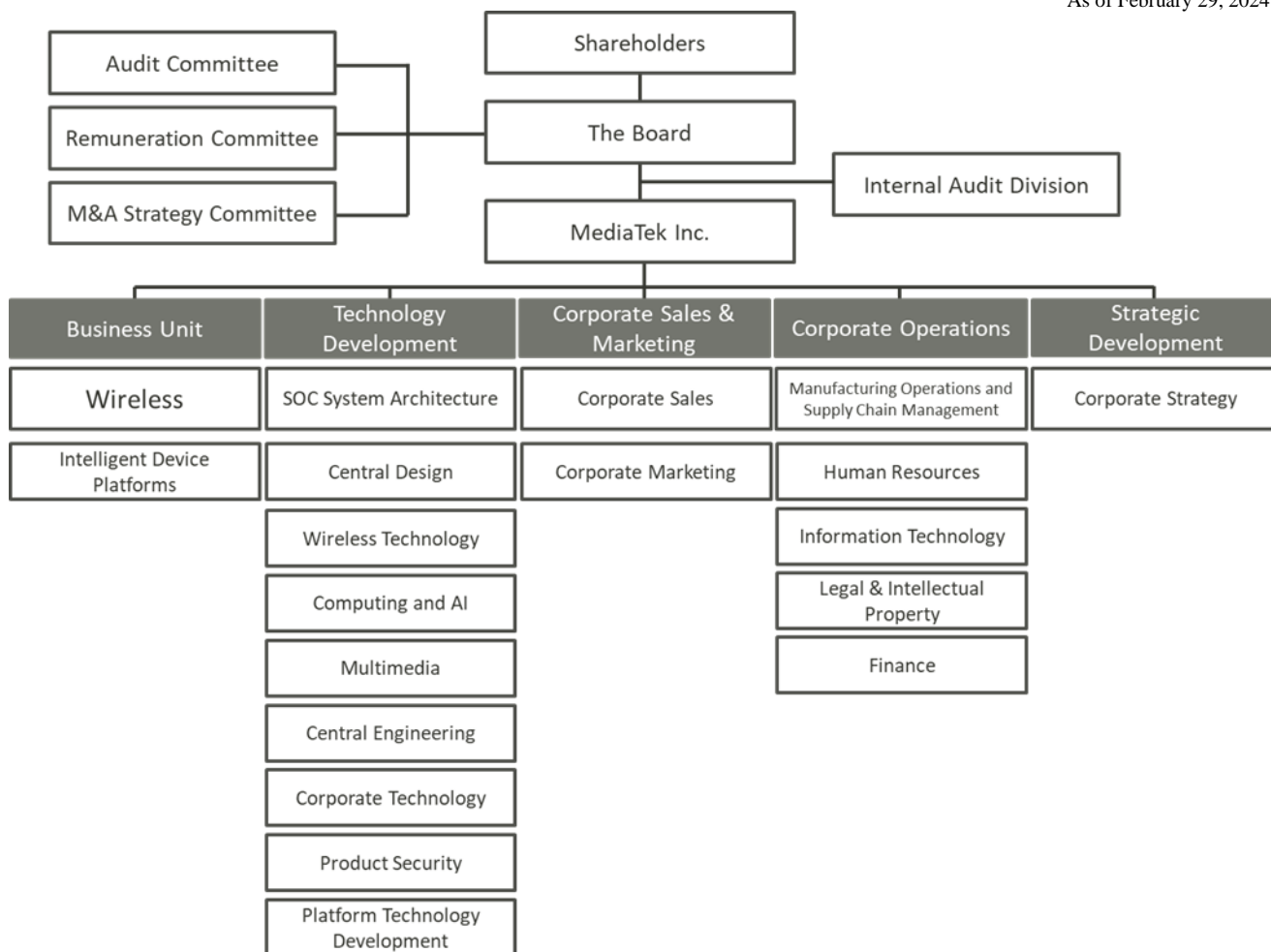
Year	Milestones
	<ul style="list-style-type: none"> ■ Launched the fastest 48X CD-ROM chipset in the world
1997	<ul style="list-style-type: none"> ■ Founded in May on Innovation 1st Road, Hsinchu Science Park ■ Started shipping CD-ROM decoder and RF/Servo

III. Corporate Governance

1. Organization

1.1. Organization Chart

As of February 29, 2024



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	Core wireless communication technologies, system and software development, unified communication technology development, and communication system design and development
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 and RF technologies such as audio/video, transmission interface, server, power, and RF receiver in the wireless communication field, as well as board design, high-performance circuit, advanced processor technologies, and comprehensive communication system development
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 and Supply Chain Management	Mass production and technology development of products, product quality and reliability management, customer satisfaction management, strategic supply planning and procurement, supplier management, production planning management, cost analysis, and administrative procurement operations
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 29, 2024; Unit: shares

Title/Name	Nationality or Registry	Gender Age	Date Elected	Term Until	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	July 4, 2024	May 21, 1997	41,342,481	2.60%	41,663,806	2.60%	39,958,145	2.50%	-	-	- Master, Electrical Engineering, University of Cincinnati, USA - President of the 2nd Business Group, UMC	- Chairman and Director, MediaTek affiliates.
Vice Chairman and CEO Rick Tsai (Lih-Shyng Tsai)	R.O.C	Male 71-75	July 5, 2021	July 4, 2024	June 15, 2017	397,183	0.02%	738,508	0.05%	-	-	-	-	- Ph.D., Material Science and Engineering, Cornell University, USA - Chairman & CEO, Chunghwa Telecom Co., Ltd. - President & CEO, TSMC	- CEO, MediaTek Inc. - Director, Lam Research Corporation - Chairman, MediaTek affiliates.
Director & President & COO Joe Chen	R.O.C	Male 51-55	July 5, 2021	July 4, 2024	July 5, 2021	425,562	0.03%	656,581	0.04%	30,414	0.00%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, SiS Corp.	- President & COO, MediaTek Inc.
Director Cheng-Yaw Sun	R.O.C	Male 66-70	July 5, 2021	July 4, 2024	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	July 4, 2024	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	July 4, 2024	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, Leadtrend Technology Corp. - Independent Director, Powerchip Semiconductor Manufacturing Co., Ltd.

Title/Name	Nationality or Registry	Gender Age	Date Elected	Term Until	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	%		
															- 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	July 4,2024	June 13, 2012	-	-	-	-	-	-	-	-	- Ph.D., Materials Engineering, Purdue University - VP, Human Resources, TSMC - Chairman, Motech Industries, Inc.	-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. - Representative of juristic person director, Ruei-Hui Solar Corp.
Independent Director Ming-Je Tang	R.O.C	Male 66-70	July 5, 2021	July 4,2024	June 15, 2017	-	-	-	-	-	-	-	-	- 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 -Vice President, National Taiwan University	- President, Chang Gung University - Director, VSense Co., Ltd. - Director, Smart-Core Holdings Limited - Director, VSense Medical Inc. - Professor, National Taiwan University
Independent Director Syaru Shirley Lin	R.O.C	Female 51-55	May 31, 2023	July 4,2024	May 31, 2023	-	-	-	-	-	-	-	-	-Bachelor (cum laude), Harvard University –Master (with distinction), International Public Affairs, University of Hong Kong -Ph.D., Politics and Public Administration, University of Hong Kong -Managing Director, Partner, Goldman Sachs & Co	-Research Professor, White Burkett Miller Center of Public Affairs, University of Virginia -Chairman, Center for AsiaPacific Resilience and Innovation -Adjunct Professor, Chinese University of Hong Kong -Nonresident Senior Fellow, Brookings Institution -Independent Director, TE Connectivity Ltd. (Zurich) -Independent Director, Goldman Sachs Asia Bank Limited (Hong Kong) -Independent Director, Langham Hospitality Investments Limited (Hong Kong)

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	<p>- Please refer to “2.1 Information Regarding Board Members” in the annual report for professional qualifications and experiences of the Board members.</p> <p>- None of the Board members is under any of the circumstances in Article 30 of the Company Act.</p>	Not applicable.	None
Rick Tsai			None
Joe Chen			None
Cheng-Yaw Sun			None
Kenneth Kin			3
Chung-Yu Wu		<p>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:</p> <p>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;</p> <p>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.</p>	2
Peng-Heng Chang	<p>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:</p> <p>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);</p> <p>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.</p>	1	
Ming-Tze Tang	<p>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:</p> <p>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);</p> <p>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.</p>	0	
Syaru Shirley Lin	<p>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:</p> <p>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);</p> <p>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.</p>	0	

Note:

1. Not a government agency or a juristic person or its representative regulated in Article 27 of the Company Act.
2. Not concurrently serve as an independent director of more than three other public companies.
3. 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 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 nine directors, including four independent directors (44%) and three directors employed by the Company (33%). All directors' nationality is ROC. Regarding the age of directors, there are two directors 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 Rick 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, and Independent Director Syaru Shirley Lin).

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, four of the nine directors have been working in the academic community for a long time (including Professor Chung-Yu Wu of NYCU, President Ming-Je Tang of CGU, Professor Kenneth Kin of NTHU, and Professor Syaru Shirley Lin of University of Virginia), six directors have finance experience (including Director Ming-Kai Tsai, Director Rick Tsai, Director Joe Chen, Independent Director Peng-Heng Chang, Independent Director Ming-Tze Tang, and Independent Director Syaru Shirley Lin), and seven directors have business management experience (including Director Ming-Kai Tsai, Director Rick Tsai, Director Joe Chen, Director Cheng-Yaw Sun, Director Kenneth Kin, Independent Director Peng-Heng Chang, and Independent Director Syaru Shirley Lin). 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	Gender Age	Experience in industry/academia					Professional Competency					
			Semiconductor	End Consumer Products	Bio-medicine	Others (Finance/Solar)	Academia	Global Business Management Experience	Technology	Accounting/Finance	Human Resource	Risk Management	Marketing/Business Development
Ming-Kai Tsai	✓	Male 71-75	✓					✓	✓	✓	✓	✓	
Rick Tsai	✓	Male 71-75	✓			✓		✓	✓	✓	✓	✓	✓
Joe Chen	✓	Male 51-55	✓					✓	✓	✓	✓	✓	✓
Cheng-Yaw Sun		Male 66-70	✓	✓				✓				✓	✓
Kenneth Kin		Male 76-80	✓	✓		✓	✓	✓			✓	✓	✓
Chung-Yu Wu		Male 71-75	✓		✓		✓		✓			✓	
Peng-Heng Chang		Male 71-75	✓			✓		✓		✓	✓	✓	
Ming-Tze Tang		Male 66-70	✓		✓	✓	✓			✓		✓	
Syaru Shirley Lin		Female	✓			✓	✓	✓		✓		✓	

2.3.2. Independence of the Board of Directors

The Company's current Board of Directors consists of nine directors, including four independent directors, the ratio reaches 44%, 11% 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 attendance rate of independent directors for all the board meetings during this term reached 98.2%. 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. Remuneration Paid to Directors

2.4.1. Remuneration Paid to Directors (Note1)

Unit: NT\$ thousands

Title Name	Remuneration 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 compensation from non-subsidiary affiliates
	Salary (A)		Pension (B)		Remuneration (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	-	-	123,932 0.16%	123,932 0.16%	695,030	701,766	216	216					819,178 1.06%	825,914 1.07%	
Vice Chairman & CEO Rick Tsai	-	-	-	-	12,000	12,000	-	-													
Director & President & COO Joe Chen	-	-	-	-	12,000	12,000	-	-													
Director Cheng-Yaw Sun	3,000	3,000	-	-	12,000	12,000	75	75													
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	75	75													
Independent Director Ming-Tze Tang	4,000	4,000	-	-	12,000	12,000	60	60													
Independent Director Syaru Shirley Lin	2,042	2,042	-	-	7,000	7,000	30	30													
Other than the disclosure in the above table, Directors' remuneration 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\$3,600 thousand during 2023 for consulting service.																					

Note1: The remuneration paid to directors complies with the law, MediaTek's Articles of Incorporation §14, §24, "Remuneration Committee Charter," and "Rules for Distribution of Compensation to Director". The remuneration is determined with reference to industry, in accordance with the MediaTek's Articles of Incorporation. 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 for the year. The rule states the remuneration 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 remuneration is reviewed regularly in the Remuneration Committee and the Board meetings. Related performance and the plausibility of remuneration 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: Directors' remuneration and their employee compensation of the Company and the entities mentioned in the financial statement in 2022 were NT\$879,172 thousand and NT\$885,780 thousand, respectively, which was 0.74% and 0.75% of 2022 net profit.

2.4.2. Remuneration 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	Syaru Shirley Lin		Syaru Shirley Lin	
NT\$10 million ~ \$15 million	Ming-Kai Tsai, Rick 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, Rick Tsai, Joe Chen	
Total	9		9	

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	41,663,806	2.60%	39,958,145	2.50%	-	-	- Master, Electrical Engineering, University of Cincinnati, USA - President of the 2nd Business Group, UMC	- Chairman & Director, MediaTek's affiliates	None		
Vice Chairman & CEO Rick Tsai (Lih-Shyng Tsai)	R.O.C.	Male	Jun. 1, 2017	738,508	0.05%	-	-	-	-	- 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 & COO Joe Chen	R.O.C.	Male	Jul. 1, 2012	656,581	0.04%	30,414	0.00%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, SiS Corp.	None	None		
Co-COO, Corporate Executive Vice President & CFO & Spokesman David Ku	R.O.C.	Male	Jan. 1, 2011	401,591	0.03%	-	-	-	-	- 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		
Corporate Executive Vice President Cheng-Te Chuang	R.O.C.	Male	Apr. 7, 2009	942,034	0.06%	201,077	0.01%	-	-	- Master, Electronics Engineering, National Chiao Tung University - Engineer, UMC	- Director, MediaTek's affiliates	None		
Corporate Executive Vice President & CTO Kevin Jou	R.O.C.	Male	May 30, 2011	72,336	0.00%	-	-	-	-	- Ph.D, Electrical Engineering, University of Southern California, USA - VP, Technology, Qualcomm and CTO, Qualcomm China	- Director, MediaTek's affiliates	None		
Corporate Senior Vice President Kou-Hung Loh	R.O.C.	Male	Jul. 1, 2006	39,784	0.00%	-	-	-	-	- Ph.D., Electrical Engineering, Texas A&M University, USA - CEO and founder of Silicon Bridge	- Director, MediaTek's affiliates	None		
Corporate Senior Vice President Jerry Yu	R.O.C.	Male	Feb. 16, 2015	182,088	0.01%	-	-	-	-	- Master, Electrical Engineering, National Taiwan University - Technical Manager, Lian Ji Technology Co. Ltd	- Director, MediaTek's affiliates	None		
Corporate Senior Vice President Jasper Yang	R.O.C.	Male	Jun. 1, 2016	197,886	0.01%	-	-	-	-	- Bachelor, Electrical Engineering, National Tsing Hua University - Shanghai Chief Representative, UMC	None	None		
Corporate Senior Vice President	R.O.C.	Male	Dec. 1, 2017	516,120	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
SR Tsai										- Section Chief, KTC				
Corporate Senior Vice President JC Hsu	R.O.C.	Male	Aug. 1, 2015	218,751	0.01%	-	-	-	-	- Ph.D., Power Mechanical Engineering, National Tsing Hua University	- Director, MediaTek's invested companies		None	
Corporate Senior Vice President & CHRO Sherry Lin	R.O.C.	Female	Jun. 1, 2016	229,050	0.01%	-	-	-	-	- Master, Industrial Relations and Human Resources (IRHR), Rutgers University - HR Director, TSMC	- Director, MediaTek's affiliates		None	
Corporate Senior Vice President & General Counsel David Su	R.O.C.	Male	Nov. 1, 2016	187,694	0.01%	-	-	-	-	- SJD, University of Wisconsin Law School - Senior Program Director, TSMC	- Director, MediaTek's affiliates		None	
Corporate Vice President Rolly Chang	R.O.C.	Male	Aug. 1, 2015	207,538	0.01%	-	-	-	-	- Master, Communications Engineering, National Chiao Tung University - Technical Specialist, NCSIST	None		None	
Corporate Vice President Mike Chang	R.O.C.	Male	Jan. 1, 2019	157,356	0.01%	4	0.00%	-	-	- Ph.D., Electrical Engineering, National Tsing Hua University - Executive Vice President of MStar Semiconductor, Inc.	None		None	
Corporate Vice President Vincent Yung Mien Hu	U.S.A.	Male	Aug. 3, 2020	47,018	0.00%	-	-	-	-	- MBA, Marketing and Entrepreneurship, Anderson School of Business, UCLA - Master, Science in Electrical Engineering, Communication Sciences, University of Southern California - Vice President, Intel Corp.	None		None	
Corporate Vice President Ching San Wu	R.O.C.	Male	Nov 1, 2020	477,787	0.03%	4,404	0.00%	10,000	0.00%	- Master, Electronics Engineering, National Chiao Tung University - Project Manager, Macronix International CO., LTD.	- Director, MediaTek's invested companies		None	
Corporate Vice President Alan Hsu	R.O.C.	Male	Nov 1, 2020	110,711	0.01%	2,022	0.00%	-	-	- Master, Control Engineering, National Chiao Tung University - Senior Engineer, Phoenixtec Power CO., LTD.	- Director, MediaTek's invested companies		None	
Corporate Vice President Harrison Hsieh	R.O.C.	Male	Feb 1, 2024	123,917	0.01%	-	-	-	-	- Master, Computer Science & Information Engineering, National Taiwan University	None		None	
Corporate Vice President Eric Lon Fisher	U.S.A.	Male	Feb 1, 2024	-	-	-	-	53,097 (Note)	0.00%	- Masters of Business Administration, University of California, Irvine - Senior Vice President, World Wide Sales & Applications, Acacia Communications - Vice President Sales, America's and Global Key Account, Intel Corp.	None		None	

Note: Eric Lon Fisher's shareholding includes the allocated but not yet vested restricted stock award.

3.2. Remuneration 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 – Rick Tsai													
President & COO – Joe Chen													
Co-COO, Corporate Executive Vice President & CFO & Spokesman – David Ku													
Corporate Executive Vice President – Cheng-Te Chuang													
Corporate Executive Vice President & CTO – Kevin Jou													
Corporate Senior Vice President – Kou-Hung Loh													
Corporate Senior Vice President – Jerry Yu													
Corporate Senior Vice President – Jasper Yang													
Corporate Senior Vice President – SR Tsai	84,941	94,482	6,641	7,108	1,884,101	2,006,889	-	-	-	-	1,975,683 2.57%	2,108,479 2.74%	-
Corporate Senior Vice President – JC Hsu													
Corporate Senior Vice President & CHRO– Sherry Lin													
Corporate Senior Vice President & General Counsel – David Su													
Corporate Senior Vice President – NS Tsai (Note 4)													
Corporate Vice President – Rolly Chang													
Corporate Vice President – HW Kao (Note 5)													
Corporate Vice President – Mike Chang													
Corporate Vice President – Vincent Yung Mien Hu													
Corporate Vice President – Ching San Wu													
Corporate Vice President – Alan Hsu													

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: Remuneration and bonus of the Company and the entities mentioned in the financial statement paid to key managers in 2022 were NT\$2,429,558 thousand and NT\$2,535,778 thousand, respectively, which were 2.06% and 2.15% of 2022 net income.

Note4: NS Tsai resigned on May 1, 2023.

Note5: HW Kao retired on October 21, 2023.

Note6: Harrison Hsieh and Eric Lon Fisher were promoted to Corporate Vice Presidents of the Company on February 1, 2024, therefore were not included in the remuneration and employee bonus of 2023.

3.3. Key Managers Remuneration 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	NS Tsai	
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, Jasper Yang, SR Tsai, JC Hsu, Sherry Lin, David Su, Rolly Chang, HW Kao, Mike Chang, Vincent Yung Mien Hu, Ching-San Wu, Alan Hsu	
Above NT\$100 million	Ming-Kai Tsai, Rick Tsai, Joe Chen, David Ku, Cheng-Te Chuang, Kevin Jou, , Jerry Yu	
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	5	0	100%	None
Vice Chairman & CEO: Rick Tsai	5	0	100%	None
Director & President & COO: Joe Chen	5	0	100%	None
Director: Cheng-Yaw Sun	5	0	100%	None
Director: Kenneth Kin	5	0	100%	None
Independent Director: Chung-Yu Wu	5	0	100%	None
Independent Director: Peng-Heng Chang	5	0	100%	None
Independent Director: Ming-Tze Tang	4	1	80%	None
Independent Director: Syaru Shirley Lin	2	0	100%	Appointed as an Independent Director at the shareholders' meeting on May 31, 2023; new appointment

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" (including an external performance evaluation mechanism, conducted once every three years, with the most recent external performance evaluation carried out in 2022), and "Rules for Board Meetings" (including standard operating procedures for processing director demands). To strengthen the supervision of risk management, the Board, in 2023, passed a resolution to elevate the Risk Management Committee to a functional committee level of the Board, with the Audit Committee assuming the responsibilities of the original Risk Management Committee.

4.1.3 Evaluation of the Implementation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Range	Evaluation Method	Evaluation Content
The Company's board of directors performs an annual performance evaluation of the board of directors, individual directors and functional committees	Jan 1 to Dec 31, 2023	Performance evaluation of the board of directors, individual directors and functional committees	Use internal questionnaires to conduct self-evaluation of the board of directors and self-evaluation of directors.	The Company's performance measures for the board of directors, individual directors and functional committees include at least the following items: 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 four 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.
- K. Supervision of risk management.

Review annual financial report:

The Board of Directors prepared the Company's 2023 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 5 sessions in 2023. 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)	5	0	100%	Re-elected in the Annual General Meeting on July 5, 2021
Independent Director: Peng-Heng Chang	5	0	100%	As above
Independent Director: Ming-Tze Tang	5	0	100%	As above
Independent Director: Syaru Shirley Lin	2	0	100%	Appointed as an Independent Director at the shareholders' meeting on May 31, 2023; new appointment

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
Feb 2, 2023	The 11 th meeting of the 3 rd Committee	Matter of the second issuance according to "Issuance Policy of 2021 Second Restricted Stock Award"	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 24, 2023	The 12 th meeting of the 3 rd Committee	Matter of the Company's 2022 financial statements Matter of the Company's 2022 internal control self-assessment report and internal control statement Matter of the Company's 2022 business report Matter of the Company's 2022 profit distribution (including distribution of cash dividends)	
Apr 27, 2023	The 13 th meeting of the 3 rd Committee	Matter of the Company's 2023 first quarter financial statements Matter of the Company's construction of the first phase of the Tongluo data center Matter of the Company's construction of the new office building	
Jul 27, 2023	The 14 th meeting of the 3 rd Committee	Matter of the Company's 2023 second quarter financial statements	
Oct 26, 2023	The 15 th meeting of the 3 rd Committee	Matter of the Company's 2023 third quarter financial statements Matter of the Company's 2023 first half business report Matter of the Company's 2023 first half profit distribution (including distribution of cash dividends) Matter of the Company's 2023 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			Reason for Non-implementation
	Yes	No	Summary Description	
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 nine directors, including four independent directors (44%) and three directors employed by the Company (33%). All directors’ nationality is ROC. Regarding the age of directors, there are two directors 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 Rick 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, and Independent Director Syaru Shirley Lin).</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			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, four of the nine directors have been working in the academic community for a long time (including Professor Chung-Yu Wu of NYCU, President Ming-Je Tang of CGU, Professor Kenneth Kin of NTHU, and Professor Syaru Shirley Lin of University of Virginia), six directors have finance experience (including Director Ming-Kai Tsai, Director Rick Tsai, Director Joe Chen, Independent Director Peng-Heng Chang, Independent Director Ming-Tze Tang, and Independent Director Syaru Shirley Lin), and seven directors have business management experience (including Director Ming-Kai Tsai, Director Rick Tsai, Director Joe Chen, Director Cheng-Yaw Sun, Director Kenneth Kin, Independent Director Peng-Heng Chang, and Independent Director Syaru Shirley Lin). The Company has reached the goal of constructing a board of diversity.	
(2). Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		The Company's executives formed the Corporate Sustainability Committee (formerly known as Corporate Social Responsibility Committee) and reports semiannually to ensure that the process and direction of execution plans meet the expectation of the Board and society. In 2020, according to Article 27 of the "Corporate Governance Best Practice Principles", the Board resolved to establish the M&A Strategy Committee. The Committee is responsible for strategic evaluation of the Company's M&A projects. To implement the sustainable operation of the group, in addition to specific M&A discussions, the Committee regularly discusses the overall M&A strategy of the group at the M&A Strategy Committee. Leveraging the diverse expertise of the Directors, the Committee aims to achieve the short, medium, and long-term goals as well as sustainable development objectives. The Committee consists of three Directors. Currently the Directors are Ming-Kai Tsai (with expertise in management and strategic planning), Ming-Tze Tang (with expertise in business/finance and strategic planning), and Peng-Heng Chang (with expertise in business management and organization planning). The committee held one meeting in 2023, in accordance with the organizational articles. All members of the committee attended the meetings with attendance rate of 100%.	None
(3). Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		<p>The Board approved rules for "Board of Directors Self-Assessment of Performance" and all Board Directors annually assess the functioning of the Board, individual directors, and the functional committee. The Board passed the amendment of "Board of Directors Self-Assessment of Performance" on October 26, 2021, and added external performance evaluation mechanism, including conducting external performance evaluation on the Board of Directors at least once per annum (the most recent external performance evaluation carried out in 2022), and the criteria for external evaluation units.</p> <p>The Board, individual directors and the functional committee's performance evaluation by self-assessment covers the following four major areas or other items required or adjusted by law:</p> <ol style="list-style-type: none"> 1. Performance measures 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, selection and continuous education of directors, and internal control. 2. Performance measures 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 evaluation 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 selection of members, internal control. <p>The performance measures indicators of the Board of Directors shall be based on the Company's operations and needs to determine the content that is in line with and suitable for the Company's performance evaluation.</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			<p>The result of the Board's annual performance evaluation is presented on the Board Meeting in the first quarter of the next year. The result is used as the reference basis for determining the individual salary and remuneration of Directors and members of functional committees. Improvements can be made in areas that should be strengthened.</p> <p>The result of the most recent (2023) Board performance evaluation: The internal performance evaluation of the Board (including the overall Board of Directors, respective functional committees, and individual directors) 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 January 31, 2024. 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's 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, 2024 and approved by the Board of Directors on February 23, 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, 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 the results of the review of whether the Independent Directors are qualified in accordance with relevant regulations, and other matters stipulated by relevant regulations. 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 2023:</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. Report to the Board the results of the review of whether the Independent Directors are qualified in accordance with relevant regulations 7. Handle matters relating to company registration and change of company registration 8. 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	Summary Description	
9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange				
<ul style="list-style-type: none"> - To strengthen corporate governance, one female Independent Director was appointed at the 2023 shareholders' meeting, increasing gender diversity of the Board and enhancing the proportion of Independent Directors. - To enhance the supervision of risk management, the Board, in 2023, passed a resolution to elevate the Risk Management Committee to a functional committee level of the Board, with the Audit Committee assuming the responsibilities of the original Risk Management Committee. - To strengthen the prevention of insider trading, the Company amended the "Insider Trading Prevention Measures," explicitly adding that Directors of the Company are not allowed to trade their stocks during the thirty days before the annual financial report announcement and the fifteen days before the quarterly financial report announcement. 				

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.	2
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 6,047 (0.0004%), 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.	2

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 2 sessions in 2023 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	2	100%	None
Member	Chung-Yu Wu	2	100%	None
Member	Ji-Ren Lee	2	100%	None

The Company's Remuneration Committee's resolutions in 2023 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
Feb 1, 2023	The 5 th 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
Feb 23, 2023	The 6 th meeting of the 5 th Committee	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. Implementation Status of Promoting Sustainable Development and the Differences and Reasons Compared to the Sustainable Development Best Practices

Assessment Item	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practices						
	Yes	No	Summary Description							
<p>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>	✓		<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. Rick 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 reporting meetings were held in 2023 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						
<p>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>	✓		<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			Differences and Reasons Compared to the Sustainable Development Best Practices						
	Yes	No	Summary Description							
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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 2023, the average power saving rate was 16.5% (35,370 MWh), reaching the original target of 16.5%. 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: 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. Rick 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						

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			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, Taipei, and Tainan (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>2022</td> <td>6,619</td> <td>82,160</td> <td>88,779</td> </tr> <tr> <td>2023</td> <td>4,001</td> <td>88,300</td> <td>92,301</td> </tr> </tbody> </table> <p>In 2022, the greenhouse gas emission under scope 1 & 2 was 88,779 tons of CO2e in total. The electricity emission under scope 2 accounted for 92.54% of total emission; the emission of petroleum gas for daily usage and diesel fuel for emergency usage under scope 1 accounted for 7.46%.</p> <p>In 2023, the greenhouse gas emission under scope 1 & 2 was 92,301 tons of CO2e in total. The electricity emission under scope 2 accounted for 95.67% of total emission; the emission of petroleum gas for daily usage and diesel fuel for emergency usage under scope 1 accounted for 4.33%.</p> <p>The aforementioned greenhouse gas emissions inventory for both 2022 and 2023 were conducted in accordance with the provisions of ISO 14064-1:2018, and verified by the third-party verification organization, Taiwan Veritas International Quality Assurance Verification Co., Ltd.</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, Taipei, and Tainan (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>Water saving</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>486</td> <td>18.8</td> </tr> <tr> <td>2023</td> <td>507</td> <td>22.9</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 18.8 million liters with saving rate of 3.7% in 2022, and was 22.9 million liters with saving rate of 4.3% in 2023, above the original target of 3.7%. The Company will continue to implement 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</p>	Year	Scope 1	Scope 2	Total	2022	6,619	82,160	88,779	2023	4,001	88,300	92,301	Year	Total water consumption	Water saving	2022	486	18.8	2023	507	22.9	None
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			<p>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, Taipei, and Tainan (coverage rate 100%)):</p> <p>2022 (Unit: ton)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Waste category</th> <th>Disposal method</th> <th>Disposal amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="5">General waste</td> <td>Domestic waste</td> <td>Incineration</td> <td>99.07</td> <td>45.33%</td> </tr> <tr> <td>Waste paper</td> <td>Recycle</td> <td>60.12</td> <td>27.51%</td> </tr> <tr> <td>Metal containers</td> <td>Recycle</td> <td>0.18</td> <td>0.08%</td> </tr> <tr> <td>Aluminum containers</td> <td>Recycle</td> <td>0.18</td> <td>0.08%</td> </tr> <tr> <td>Lighting products</td> <td>Recycle</td> <td>0.05</td> <td>0.02%</td> </tr> <tr> <td>Hazardous waste</td> <td>Electronic components, scrap materials, and defective products</td> <td>Outsourced processing</td> <td>58.95</td> <td>26.98%</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>218.55</td> <td>100%</td> </tr> </tbody> </table> <p>2023 (Unit: ton)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Waste category</th> <th>Disposal method</th> <th>Disposal amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="5">General waste</td> <td>Domestic waste</td> <td>Incineration</td> <td>39.25</td> <td>29.81%</td> </tr> <tr> <td>Waste paper</td> <td>Recycle</td> <td>48.50</td> <td>36.83%</td> </tr> <tr> <td>Metal containers</td> <td>Recycle</td> <td>0.14</td> <td>0.11%</td> </tr> <tr> <td>Aluminum containers</td> <td>Recycle</td> <td>0.00</td> <td>0.00%</td> </tr> <tr> <td>Lighting products</td> <td>Recycle</td> <td>0.00</td> <td>0.00%</td> </tr> <tr> <td>Hazardous waste</td> <td>Electronic components, scrap materials, and defective products</td> <td>Outsourced processing</td> <td>43.78</td> <td>33.25%</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>131.67</td> <td>100%</td> </tr> </tbody> </table> <p>Please refer to 5.3 Facility Management in 2022 MediaTek Sustainability Report for detailed implementation and related policies for greenhouse gas, water resource and waste management. (https://corp.mediatek.tw/about/sustainability)</p>	Category	Waste category	Disposal method	Disposal amount	Percentage	General waste	Domestic waste	Incineration	99.07	45.33%	Waste paper	Recycle	60.12	27.51%	Metal containers	Recycle	0.18	0.08%	Aluminum containers	Recycle	0.18	0.08%	Lighting products	Recycle	0.05	0.02%	Hazardous waste	Electronic components, scrap materials, and defective products	Outsourced processing	58.95	26.98%	Total			218.55	100%	Category	Waste category	Disposal method	Disposal amount	Percentage	General waste	Domestic waste	Incineration	39.25	29.81%	Waste paper	Recycle	48.50	36.83%	Metal containers	Recycle	0.14	0.11%	Aluminum containers	Recycle	0.00	0.00%	Lighting products	Recycle	0.00	0.00%	Hazardous waste	Electronic components, scrap materials, and defective products	Outsourced processing	43.78	33.25%	Total			131.67	100%	
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(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. 	None																																																																								
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Assessment Item	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practices	
	Yes	No	Summary Description		
			<p>Respect labor rights and prohibit forced labor</p> <p>Establish open communication channels</p> <p>Establish an equal workplace</p> <p>Provide a safe and healthy working environment</p> <p>Ensure information security</p> <p>Implementing stakeholder engagement</p> <p>Assist employees to maintain physical and mental health, and work-life balance</p> <p>Review and assess regularly the human rights issues and implement an effective grievance mechanism</p>	<p>Please refer to “VI. Corporate Sustainability Development - 1.1. Employee experience - A. Employment” of the annual report for more details.</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.</p> <p>Please refer to “VI. Corporate Sustainability Development - 1.1. Employee experience - B. Employee Communication” of the annual report for more details.</p> <p>Implementing equal pay for equal work, prohibiting any form of discrimination and harassment, and committing to supporting diversity and inclusion.</p> <p>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>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>Respecting employees’ and customers’ data privacy and ensuring that the collection and use of data comply with legal requirements.</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>Holding various health promotion activities with a total of 40 events in 2023, including sports events, health lectures, blood donations, influenza vaccinations, hiking, CPR+AED promotion, and Taipei Marathon, to promote employees’ health.</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 welfare measures</p> <p>The Company provides benefits that exceed legal compliance requirements, including flexible days off to increase the flexibility for employees to arranging their time off. In addition, to encourage employees to actively engage in volunteer service and give back to local communities, in 2023, the Company began planning to increase the original one-day paid volunteer leave per year to two days starting from 2024. The paid volunteer leave system will also be introduced to global subsidiaries, enabling global employees to also implement sustainable living.</p> <p>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 four categories, including travel, shopping, health examination, and</p>	None	

Assessment Item	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practices																			
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			<p>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 compensation and promotion opportunities to global talents. The proportion of female employees at was 20% on December 31, 2023, 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>63</td> <td>94%</td> <td>4</td> <td>6%</td> </tr> <tr> <td>All employees</td> <td>16,322</td> <td>80%</td> <td>4,008</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 such as Airoha Technology and Richtek Technology)</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. In October 2023, the headquarters established the intergenerational employee resource group, Intergenerations Connect (I-Connect), to promote interpersonal connections and experience sharing among different generations, and to implement talent sustainability.</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. To support employees in starting families, a customized newborn gift box was launched by MediaTek in 2023, with over 500 colleagues worldwide who were parents receiving the gift box for their newborns that year.</p> <p>Business performance reflecting on employee compensation The Company regularly measures market salary levels and links company performance to employees’ remuneration. It also references macroeconomic indicators to establish a reasonable salary and compensation policy to ensure overall salary competitiveness. Additionally, through regular performance evaluations and development mechanisms, the Company provides a platform for two-way communication and interaction to achieve organizational and individual development. Based on performance results, corresponding rewards are given to motivate employees and foster mutual growth with the company.</p> <p>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>		Male		Female		Number of people	Proportion of all employees	Number of people	Proportion of all employees	Top managers	63	94%	4	6%	All employees	16,322	80%	4,008	20%	
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			<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> <p>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.</p>	
(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, Taipei, and Tainan, with attendance totaling 11,357 and attendance rate of 88.4%. 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 45001 valid from Jul 30, 2022 to Jul 30, 2025, and ISO 14001 valid from Aug 17, 2022 to Aug 17, 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> <p>In 2023, there was one fire incident where an employees' car caught fire while parked. The automatic water sprinkler system in the parking lot was activated promptly, and the emergency response team successfully extinguished the fire in a timely manner. The incident was contained to the vehicle only, with no casualties or injuries. Both the fire suppression system and emergency response procedures operated normally, and no further improvements were deemed necessary.</p>	None

Assessment Item	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practices
	Yes	No	Summary Description	
(4). Does the company provide its employees with career development and training sessions?	✓		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. 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.	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?	✓		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.	None
(6). Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	✓		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 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.	None
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 2022 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 https://corp.mediatek.tw/about/sustainability/community-engagement .				

4.5.1 Implementation Status of Climate-Related Information

Item	Implementation Status																												
<p>1. Describe the Board and management’s supervision and governance of climate-related risks and opportunities.</p>	<p>The Environmental Working Group reports quarterly to the Corporate Sustainability Committee on the assessment and plans for climate risks and energy efficiency at the Company’s operational sites, as well as various environmental impact assessments and goal setting in the supply chain. Additionally, it reports annually to the Corporate Sustainability Committee and the Chairperson (Vice Chairman and CEO) on the execution plans for the year and reviews the past performance. Lastly, the discussion and execution results are reported to the Board annually.</p>																												
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company (short-term, medium-term, long-term).</p>	<p>Through the evaluation of cross-departmental working group of the Corporate Sustainability Committee and the further consideration of the nature of the Company’s industry with external experts, we identify the following climate-related risks and opportunities highly relevant to the Company in the short-term (1-3 years), medium-term (by 2030), and long-term (by 2050).</p> <table border="1" data-bbox="801 456 1928 1114"> <thead> <tr> <th>Type</th> <th>Factor/Issue</th> <th>Potential financial impacts</th> <th>Term</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Transformation risk</td> <td>Policy and Regulations - Emerging regulations related to renewable energy and carbon fees</td> <td>To address the emerging regulations related to renewable energy and carbon fees, additional costs are required, thereby increasing operating expenses.</td> <td>Short-term</td> </tr> <tr> <td>Market - Changes in customer behavior</td> <td>Customers demand monitoring and reduction of carbon emissions, requiring a commitment to join SBTi or other climate initiatives.</td> <td>Medium-term</td> </tr> <tr> <td rowspan="2">Physical risk</td> <td>Acute - Increased severity and frequency of extreme weather events</td> <td>Disasters caused by extreme weather impact the Company’s operations and supply chain capacity.</td> <td>Short-term</td> </tr> <tr> <td>Chronic - Changes in precipitation patterns and extreme weather</td> <td>Extreme precipitation patterns, such as an increase in consecutive dry days, raise the risk of water shortage, leading to increased capital expenditure and operating costs for investing in water-saving facilities and implementing water restriction measures.</td> <td>Long-term</td> </tr> <tr> <td rowspan="3">Opportunities</td> <td>Energy Sources - Adoption of low-carbon energy sources</td> <td>Building or procuring renewable energy sources to reduce the cost of carbon emissions from energy generation and energy use (grey power).</td> <td>Medium-term</td> </tr> <tr> <td>Resource Efficiency - Transition to more efficient buildings</td> <td>Replacing old equipment with high-efficiency, energy-saving equipment and implementing ISO 50001 for energy management to reduce the Company’s operating expenses.</td> <td>Medium-term</td> </tr> <tr> <td>Products and Services - Development of new products or services through research and innovation</td> <td>Continuous investment in innovative research and development to reduce carbon emissions generated during the product usage stage, while enhancing the low-carbon competitiveness of products.</td> <td>Long-term</td> </tr> </tbody> </table>	Type	Factor/Issue	Potential financial impacts	Term	Transformation risk	Policy and Regulations - Emerging regulations related to renewable energy and carbon fees	To address the emerging regulations related to renewable energy and carbon fees, additional costs are required, thereby increasing operating expenses.	Short-term	Market - Changes in customer behavior	Customers demand monitoring and reduction of carbon emissions, requiring a commitment to join SBTi or other climate initiatives.	Medium-term	Physical risk	Acute - Increased severity and frequency of extreme weather events	Disasters caused by extreme weather impact the Company’s operations and supply chain capacity.	Short-term	Chronic - Changes in precipitation patterns and extreme weather	Extreme precipitation patterns, such as an increase in consecutive dry days, raise the risk of water shortage, leading to increased capital expenditure and operating costs for investing in water-saving facilities and implementing water restriction measures.	Long-term	Opportunities	Energy Sources - Adoption of low-carbon energy sources	Building or procuring renewable energy sources to reduce the cost of carbon emissions from energy generation and energy use (grey power).	Medium-term	Resource Efficiency - Transition to more efficient buildings	Replacing old equipment with high-efficiency, energy-saving equipment and implementing ISO 50001 for energy management to reduce the Company’s operating expenses.	Medium-term	Products and Services - Development of new products or services through research and innovation	Continuous investment in innovative research and development to reduce carbon emissions generated during the product usage stage, while enhancing the low-carbon competitiveness of products.	Long-term
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<p>3. Describe the financial impact of extreme weather events and transformation actions.</p>	<p>1. Energy efficiency and carbon reduction in operations (climate mitigation management strategy)</p> <p>MediaTek is committed to promoting green environmental protection, energy efficiency, and carbon reduction actions, seeking any possible ways to mitigate climate change. In 2022, we announced our goal to achieve net zero emissions by 2050. Due to the nature of our industry, the main source of emissions comes from electricity usage. Therefore, we also pledge to achieve 100% renewable energy use for global group office electricity (excluding data centers) by 2030. Our key actions include implementing energy efficiency and carbon reduction measures at global locations, as well as gradually increasing the proportion of renewable energy use through the construction of new renewable energy facilities and the procurement of renewable energy to achieve the purpose of mitigating climate change.</p> <table border="1" data-bbox="801 1265 1928 1331"> <thead> <tr> <th>Response Measures</th> <th>Benefits</th> </tr> </thead> <tbody> <tr> <td>The primary measures include the establishment of solar power plants, procurement of renewable energy, replacement of lighting equipment,</td> <td>Reduction of approximately 17,506 tons of CO2 emissions annually</td> </tr> </tbody> </table>	Response Measures	Benefits	The primary measures include the establishment of solar power plants, procurement of renewable energy, replacement of lighting equipment,	Reduction of approximately 17,506 tons of CO2 emissions annually																								
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Item	Implementation Status								
	<p>construction of new energy-efficient data centers, upgrade of old data centers with new immersion cooling technology, and implementation of ISO 50001.</p> <p>2. Climate disaster adaptation (climate adaptation management strategy) MediaTek is a fabless company without manufacturing facilities, positioned at the forefront of the overall value chain. The backend processes such as raw material procurement, manufacturing, packaging, and testing are all carried out by suppliers. To address disasters brought about by extreme weather events and extreme climates, we collaborate with our supply chain to review and implement resilience-enhancing measures. We ensure the formulation of operational continuity plans, conduct emergency response drills and reviews at least once a year, and encourage supply chain partners to provide detailed information on climate-related financial disclosures for stakeholder reference.</p> <table border="1" data-bbox="801 427 1930 497"> <thead> <tr> <th data-bbox="801 427 1406 454">Response Measures</th> <th data-bbox="1406 427 1930 454">Benefits</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 454 1406 497">Actively invest in extreme weather emergency response measures annually.</td> <td data-bbox="1406 454 1930 497">No financial impact has occurred due to climate disasters causing operational interruptions or disruptions.</td> </tr> </tbody> </table> <p>3. Climate opportunities (low-carbon product innovation) MediaTek's core technology lies in chip design, and we are committed to integrating environmental sustainability considerations from the chip design stage. Whether in the product usage phase or disposal phase, we aim to reduce product energy consumption and minimize product size through adjustments in chip system architecture, algorithm optimization, and accelerated adoption of advanced processes. By doing so, we seize climate opportunities to offer customers lower-carbon products.</p> <table border="1" data-bbox="801 619 1930 778"> <thead> <tr> <th data-bbox="801 619 1406 646">Response Measures</th> <th data-bbox="1406 619 1930 646">Benefits</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 646 1406 778">Invest in innovative research and development to reduce product energy consumption and minimize product size.</td> <td data-bbox="1406 646 1930 778">For main products, in the product usage phase, there was an 18% reduction in energy consumption in 2023 compared to 2022. By analyzing the chip shipment volume and chip energy reduction ratio of key products in 2023, the contribution to end product usage resulted in an annual energy saving of 360 million kWh, approximately reducing 178,200 tons of CO2 emissions.</td> </tr> </tbody> </table>	Response Measures	Benefits	Actively invest in extreme weather emergency response measures annually.	No financial impact has occurred due to climate disasters causing operational interruptions or disruptions.	Response Measures	Benefits	Invest in innovative research and development to reduce product energy consumption and minimize product size.	For main products, in the product usage phase, there was an 18% reduction in energy consumption in 2023 compared to 2022. By analyzing the chip shipment volume and chip energy reduction ratio of key products in 2023, the contribution to end product usage resulted in an annual energy saving of 360 million kWh, approximately reducing 178,200 tons of CO2 emissions.
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<p>4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.</p>	<p>The Company's risk management follows the Company's prescribed risk management policy and procedures, integrating significant risks faced in operational activities, including but not limited to governance risks, strategic risks, operational risks, climate risks, financial risks, and compliance risks. Each operational unit is responsible for the actual implementation of risk plans, including risk identification, risk analysis, risk assessment, risk response and control, and self-monitoring. Climate-related risks have been included as one of the report topics discussed periodically by the Corporate Sustainability Committee.</p>								
<p>5. When using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and key financial impacts should be explained.</p>	<p>1. Assessment of transformation risks: MediaTek has set more stringent emission reduction targets than 2°C, aiming to achieve net zero greenhouse gas emissions by 2050 following the Net Zero scenario. By 2030, the Scope 1 and Scope 2 greenhouse gas emissions will be reduced by 40% compared to the 2020 baseline year, and Scope 3 emissions will be reduced by 25%. The global group offices (excluding data centers) will use 100% renewable energy.</p> <p>2. Assessment of physical risks: Evaluation based on the IPCC RCP 8.5 scenario and using the WRI Aqueduct tool to identify the impact of water resource stress on site-specific risk exposure.</p>								
<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transformation risks.</p>	<p>1. The management of transformation risks is implemented in supply chain sustainability management and the ISO 14001 environmental management system: Suppliers are selected based on the three dimensions of ESG. The Company ensures suppliers' management systems and organizational structure, conducts annual on-site/written audits, arranges relevant educational trainings or improvement meetings, and holds supplier conferences to recognize and encourage high-quality suppliers. Following the PDCA management cycle, a systematic management approach is used to maintain consistency between environmental protection goals and execution strategies, and to establish pollution prevention and improvement mechanisms, enabling MediaTek to have a greater impact on environmental protection.</p> <p>2. The management of physical risks is implemented in the Risk Management Committee, following the Company's prescribed risk management policy and procedures, integrating significant risks faced in operational activities, including but not limited to governance risks, strategic risks, operational risks, climate risks, financial risks, and compliance risks. Each operational unit is responsible for the actual implementation of risk plans, including risk identification, risk analysis, risk assessment, risk response and control, and self-monitoring.</p> <table border="1" data-bbox="801 1232 2011 1311"> <thead> <tr> <th data-bbox="801 1232 1034 1259">Relevant Indicators</th> <th data-bbox="1034 1232 1451 1259">Objectives</th> <th data-bbox="1451 1232 2011 1259">Performance and Achievement</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 1259 1034 1311">Product Sustainability</td> <td data-bbox="1034 1259 1451 1311">Product energy efficiency improvement</td> <td data-bbox="1451 1259 2011 1311">The primary products achieved an 18% reduction in energy consumption ratio compared to 2022.</td> </tr> </tbody> </table>	Relevant Indicators	Objectives	Performance and Achievement	Product Sustainability	Product energy efficiency improvement	The primary products achieved an 18% reduction in energy consumption ratio compared to 2022.		
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Product Sustainability	Product energy efficiency improvement	The primary products achieved an 18% reduction in energy consumption ratio compared to 2022.							

Item	Implementation Status																												
		Chip miniaturization design	The primary products achieved an 11% volume reduction from 2023 compared to 2022, resulting in a reduction of 16,830 kilograms of waste.																										
	Cumulative Energy Savings	Cumulative energy savings ratio reached 16.5% in 2023	The energy saving ratio reached the original target of 16.5% in 2023, and the energy saving target for 2024 continues to be set at 16.5%.																										
	Greenhouse Gas Emissions	By 2030, a 40% reduction in Scope 1 and Scope 2 greenhouse gas emissions compared to the 2020 baseline year. A minimum 25% reduction in Scope 3 greenhouse gas emissions by 2030 compared to the 2020 baseline year. Collaborate with key suppliers to jointly establish annual greenhouse gas reduction targets to reduce carbon intensity by 2% or more.	Greenhouse gas emissions in 2023 continued to increase, mainly due to the continuous expansion of the Company's operations, including office locations and IT data centers. However, the Company continues to implement energy-saving and carbon-reduction measures and plans to achieve its operational emission reduction target by increasing the proportion of renewable energy usage in the future.																										
	Renewable Energy Usage	Continuously establish renewable energy facilities	The total installed capacity of solar photovoltaic systems in 2023 was 146.4 kW, generating approximately 187,000 kWh. Four additional rooftop solar power plants with a total capacity exceeding 600 kW are planned to be built in 2024.																										
		By 2030, the global group offices (excluding data centers) will use 100% renewable energy	The Company will continue to plan renewable energy usage targets over the next two years to gradually achieve its corporate greenhouse gas reduction goals.																										
	Number of Operational Interruptions	Operational interruption days due to climate-related risks are 0	There were no operational interruptions due to climate-related risks in 2023.																										
	Waste Recycling Rate	Continuously improve recycling rates or reduce the quantity of non-recyclable waste	The recycling rate increased from 38% to 55% in 2023, meeting the target.																										
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	None.																												
8. If climate-related goals are set, the activities covered, greenhouse gas emission scopes, planning schedule, progress achieved annually, etc., should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the related goals, the source and quantity of carbon offset credits exchanged or the quantity of RECs should be explained.	By 2030, a 40% reduction in Scope 1 and Scope 2 greenhouse gas emissions compared to the 2020 baseline year, and a 25% reduction in Scope 3 greenhouse gas emissions compared to the 2020 baseline year. The global group offices (excluding data centers) will use 100% renewable energy, aiming to achieve net zero greenhouse gas emissions by 2050.																												
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans.	1. Greenhouse gas inventory information: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="2" rowspan="2"></th> <th colspan="2" style="background-color: #f4a460;">2022</th> <th colspan="2" style="background-color: #f4a460;">2023</th> </tr> <tr> <th style="background-color: #f4a460;">Emissions (tons of CO₂e)</th> <th style="background-color: #f4a460;">Intensity (tons of CO₂e per NT\$mn of revenue)</th> <th style="background-color: #f4a460;">Emissions (tons of CO₂e)</th> <th style="background-color: #f4a460;">Intensity (tons of CO₂e per NT\$mn of revenue)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">MediaTek</td> <td>Scope 1 Direct greenhouse gas emissions</td> <td>6,619</td> <td rowspan="2" style="border: none;">/</td> <td>4,001</td> <td rowspan="2" style="border: none;">/</td> </tr> <tr> <td>Scope 2 Indirect greenhouse gas emissions</td> <td>82,160</td> <td>88,300</td> </tr> <tr> <td colspan="2">Total</td> <td>88,779</td> <td>0.162</td> <td>92,301</td> <td>0.213</td> </tr> </tbody> </table>						2022		2023		Emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e per NT\$mn of revenue)	Emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e per NT\$mn of revenue)	MediaTek	Scope 1 Direct greenhouse gas emissions	6,619	/	4,001	/	Scope 2 Indirect greenhouse gas emissions	82,160	88,300	Total		88,779	0.162	92,301	0.213
		2022		2023																									
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Item	Implementation Status		
	2. Greenhouse gas assurance information:		
	Scope of Assurance	2022 Emissions (tons of CO2e)	2023 Emissions (tons of CO2e)
	MediaTek	6,619	4,001
	MediaTek	82,160	88,300
	Total	88,779	92,301
	% of disclosed inventory data from the aforementioned 1-1-1	100%	100%
	Assurance Provider	Taiwan Well International Quality Assurance Verification Co., Ltd.	Taiwan Well International Quality Assurance Verification Co., Ltd.
	Assurance Statement Explanation	Reasonable Assurance under ISO 14064-3:2019	Reasonable Assurance under ISO 14064-3:2019
	Assurance Opinion/Conclusion	Unqualified Opinion	Unqualified Opinion
	3. Greenhouse gas reduction targets, strategies, and specific action plans:		
	<p>The baseline year for greenhouse gas reduction is 2020, with total emissions of 84,545 tons of CO2e for Scope 1 and Scope 2. The reduction targets for 2030 are to reduce Scope 1 and Scope 2 greenhouse gas emissions by 40% compared to the 2020 baseline year, and to reduce Scope 3 greenhouse gas emissions by 25% compared to the 2020 baseline year. The global group offices (excluding data centers) will use 100% renewable energy. The goal is to achieve net zero greenhouse gas emissions by 2050.</p> <p>Reduction strategies: (1) Increase the use of renewable energy, (2) reduce energy consumption.</p> <p>Specific action plans: (1) Procure or build wind and solar power facilities, (2) install LED energy-saving lighting in new office buildings/replace lighting in existing office buildings, and use the latest energy-efficient cooling technology in new data centers.</p> <p>Progress towards goals: Continuous monitoring and review will be conducted to achieve the aforementioned reduction targets by 2030.</p>		

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 ethical corporate management policies are promoted by the Legal & Intellectual Property Department, which reports the implementation status to the Board annually (on October 27 for 2023). The Company regularly holds integrity-related educational training courses covering the topics of code of business conduct (annually), intellectual property information management (annually), insider trading prevention, personal data protection policy, and trade secret infringement prevention. In 2023, 38,465 times of training were given with an aggregate total of 11,671 training 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
(4). Whether the company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal	✓		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

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
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?				
(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 established an ethical corporate management policy, which all employees, managers, and members of the Board of Directors are required to adhere to, along with the relevant regulations. The operation of the Company's ethical conduct is consistent with the content of the code.			
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	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
Vice Chairman & CEO Rick Tsai	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
Director & President & COO Joe Chen	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
Director Cheng-Yaw Sun	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
Director Kenneth Kin	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
	Dec 8, 2023	Taiwan Corporate Governance Association	Development of Artificial Intelligence and the Application of Third-Generation Semiconductors in Server Technology	3
Independent Director Chung-Yu Wu	Mar 16, 2023	Taiwan Corporate Governance Association	Board Oversight of ESG Risks and Building Corporate Sustainable Competitiveness	3
	May 8, 2023	Securities & Futures Institute	The Latest Practical Analysis of Trade Secrets and Director and Supervisor Management Risks	3
	May 8, 2023	Securities & Futures Institute	Director Responsibilities in Corporate Mergers and Acquisitions	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
	Nov 9, 2023	Taiwan Corporate Governance Association	Board Governance under ESG	3
Independent Director Peng-Hen Chang	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3

Title/Name	Date	Host by	Training / Speech title	Hours
	Oct 18, 2023	Taiwan Corporate Governance Association	Director Duty of Care, Financial Misrepresentation, and Insider Trading Liability	3
Independent Director Ming-Tze Tang	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	Nov 14, 2023	Independent Director Association Taiwan	The Group's M&A Strategy and Post-Investment Management	3
Independent Director Syaru Shirley Lin	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
	Nov 1, 2023	Langham Hospitality Investment Limited	Practical Cases of Insider Trading	0.5
	Nov 2, 2023	Langham Hospitality Investment Limited	Execution Briefing on Listing Rules	0.5
	Nov 2, 2023	Langham Hospitality Investment Limited	Global Corporate Governance Trends in 2023	0.5

4.8.2 Key Management Profession Enhancement Status

Title/Name	Date	Host by	Training / Speech title	Hours
Co-COO & Corporate Executive Vice President & CFO & Spokesman David Ku	Mar 9, 2023	Accounting Research and Development Foundation	Enhancing Practical Measures for "Three Lines of Defense" in Internal Control	6
	Jun 9, 2023	Accounting Research and Development Foundation	Processes and Practices of Self-Compiled Financial Reporting in Enterprises	3
	Jul 6, 2023	Accounting Research and Development Foundation	Relevant Regulations and Common Deficiencies in the Compilation of Corporate Financial Reports	3
Associate General Manager, Internal Audit Kirin Liu	May 16, 2023	The Institute of Internal Auditors – Chinese Taiwan	Enhancing Corporate Sustainable Value through Improved Risk Management Systems	6
	Jun 1, 2023	The Institute of Internal Auditors – Chinese Taiwan	Internal Audit Digital Transformation and Emerging Technology Applications	6

4.8.3 Supervisor for Corporate Governance Profession Enhancement Status

Title/Name	Date	Host by	Training / Speech title	Hours
Corporate Senior Vice President & General Counsel David Su	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (I)	3
	May 31, 2023	Taiwan Corporate Governance Association	Interpreting Corporate Governance Trends and Responses through Sustainable Development Action Plans (Corporate Governance 4.0) (II)	3
	Sep 1, 2023	Taiwan Corporate Governance Association	Leveraging Independent Directors' Professional Competence with a Profit-Oriented Mindset	3
	Oct 31, 2023	Taiwan Corporate Governance Association	Analyzing Practical Cases of Foreign Voting from the Perspectives of Management Rights and Shareholder Activism, and the International Perspective on Director and Supervisor Responsibilities	3
	Nov 22, 2023	Jointly organized by the Intellectual Property Office of the Ministry of Economic Affairs and the Taiwan Association for Trade Secret Protection and Promotion	Seminar on Practical Sharing of Trade Secret Protection and Management	3
	Dec 1, 2023	Jointly organized by the Intellectual Property Office of the Ministry of Economic Affairs and the Taiwan Association for Trade Secret Protection and Promotion	Practical Litigation of Trade Secrets and the Impact of Generative AI on Trade Secret Protection	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 23, 2024

MediaTek Inc. has conducted internal audits in accordance with its Internal Control Regulations for the period ended December 31, 2023, 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 23, 2024, with the nine directors present under unanimous consent.

MediaTek Inc.

Chairman: Ming-Kai Tsai

Vice Chairman & CEO: Rick Tsai

Director & President & COO: 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 2023 Annual General Meeting at the International Convention Center of MediaTek on May 31st, 2023, at No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu, Taiwan, and the attended shareholders approved the following proposals:

Major Proposals	Implementation Status
Acknowledgements:	
1. Adoption of the 2022 business report and financial statements	Approved.
2. Adoption of the proposal for distribution of 2022 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.
Proposed Resolutions and Election:	
1. Amendment to the Company's "Articles of Incorporation"	Resolution passed – announced on the Company's website in June 2023 and processed according to the revised procedures.
2. Election of one additional Independent Director of the 9th Board of Directors	Elected list: Syaru Shirley Lin as the Independent Director, and was registered and announced on the Company's website by the Hsinchu Science Park Bureau of the Ministry of Science and Technology on June 14, 2023.
3. Release of the non-compete restriction on the Company's directors of the 9th Board of Directors	Resolution passed.

4.11.2 Major Resolutions of Board Meetings

During the 2023 calendar year and as of the printing date of this annual report, 7 Board meetings were convened.

Major resolutions approved at these meetings are summarized below:

Date	Meeting	Major Approvals
Feb 3, 2023	The 12 th meeting of the 9 th board	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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 9th 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 9th 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
Apr 28, 2023	The 14 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2023 first quarter financial statement - 2023 second quarter financial outlook - Cancellation of 2023 first quarter restricted stock award - Matter of 2023 first quarter new common stock issuance for employee stock option - Matter of the Company's construction of the first phase of the Tongluo data center - Matter of the Company's construction of the new office building
Jul 28, 2023	The 15 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2023 second quarter financial statement - 2023 third quarter financial outlook - Cancellation of 2023 second quarter restricted stock award - Amend "Risk Management Policy and Procedures"

Date	Meeting	Major Approvals
Oct 27, 2023	The 16 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2023 third quarter financial statement - 2023 fourth quarter financial outlook - 2023 first half business report - 2023 first half profit distribution - Matter of the Company's 2023 CPA compensation - 2024 audit plan - Cancellation of 2023 third quarter restricted stock award - Matter of 2023 third quarter new common stock issuance for employee stock option
Jan 31, 2024	The 17 th meeting of the 9 th board	<ul style="list-style-type: none"> - 2024 first quarter financial outlook - 2024 business plan and operating budget - Capital budget - Matter of accumulated reduction in shareholding in Airoha Technology reaching 10% or more. - Cancellation of 2023 fourth quarter restricted stock award - Amend "Rules and Procedures of Board Meeting" - Amend "Organizational Regulations of the Audit Committee" - Matter of appointment of management - Matter of management compensation
Feb 23, 2024	The 18 th meeting of the 9 th board	<ul style="list-style-type: none"> - Matter of director remuneration - Issuance of restricted stock award - 2023 business report - 2023 financial statement - Matter of 2023 employee compensation - 2023 second half cash dividend distribution and 2023 profit distribution - Date, method, location, and agenda of the 2024 Annual General Meeting - Re-election of the Board of Directors (including Independent Directors) for the 10th term - Period and location for accepting nominations, and number of seats to be elected for new Directors - Resolution of the Director candidates nominated by the Board of Directors - Lifting non-competition restriction on the 10th Board of Directors - Results of the assessment of the independence and qualification of CPA - Matter of change in CPA - Matter of the Company's 2023 internal control self-assessment report and internal control system statement

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	2023	13,691	Business Registration 338 Tax Compliance Audit 1,759 Finance and Taxation Consulting 646 Corporate Consultancy Fee 1,200	17,634	
	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:

5.2.1 Former Auditor:

Replacement date	Passed by the Board on Feb 23, 2024		
Reason and explanations	Based on the necessary rotation of auditors as required by relevant regulations, starting from 2024, the signing auditors of the Company will be changed from Shau-Pin Kuo and Wen-Fun Fuh to Hsin-Min Hsu and Chien-Che Huang.		
Explanation of termination or non-acceptance of appointment by the appointor or auditor	Parties involved	Auditor	Appointor
	Circumstance		
	Voluntary termination of appointment	Not applicable	Not applicable
	Declining (further) appointment	Not applicable	Not applicable
The opinions and reasons of audit reports issued in the past two years, excluding unqualified opinions	None.		
Differences of opinion with the issuer	Yes.	Accounting principles or practices	
		Disclosure of financial statements	
		Audit scope or procedures	
		Others	
	None.	V	
	Explanation		
The disclosure of other matters (those required to be disclosed under Article 10, paragraph 6, items 4 to 7 of this standard)	None.		

5.2.2 Successor Auditor:

Name of the firm	Ernst & Young
Names of the auditors	Hsin-Min Hsu and Chien-Che Huang
Date of appointment	Approved by the Board on February 23, 2024
Consultation and results on the accounting treatment methods or accounting principles for specific transactions and possible opinions to be issued on the financial statements before the appointment	None
Written opinions of the successor auditor on matters where they differ from the former auditor	None

5.2.3 Response from the Former Auditors Regarding the Matters of Article 10, Paragraph 6, Subparagraphs 1 and 2, Item 3 of This Standard:

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 2023:

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, 2024, and were reported to and passed by the Board of Directors on Feb 23, 2024.

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
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	2023		Jan. 1 to Feb. 28, 2024	
	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman Ming-Kai Tsai	93,759	-	-	-
Vice Chairman & CEO Rick Tsai	93,759	-	-	-
Director & President & COO Joe Chen	62,506	-	-	-
Director Cheng-Yaw Sun	-	-	-	-
Director Kenneth Kin	-	-	-	-
Independent Director Chung-Yu Wu	-	-	-	-
Independent Director Peng-Heng Chang	-	-	-	-
Independent Director Ming-Tze Tang	-	-	-	-
Independent Director Syaru Shirley Lin	-	-	-	-
Co-COO & Corporate Executive Vice President & CFO & Spokesman David Ku	41,670	-	-	-
Corporate Executive Vice President Cheng-Te Chuang	34,725	-	-	-
Corporate Executive Vice President & CTO Kevin Jou	34,725	-	-	-
Corporate Senior Vice President Kou-Hung Loh	19,099	-	-	-
Corporate Senior Vice President Jerry Yu	(16,275)	-	(20,000)	-
Corporate Senior Vice President Jasper Yang	(24,220)	-	(10,000)	-
Corporate Senior Vice President SR Tsai	29,517	-	-	-
Corporate Senior Vice President JC Hsu	17,043	-	-	-
Corporate Senior Vice President & CHRO Sherry Lin	26,043	-	-	-
Corporate Senior Vice President & General Counsel David Su	20,835	-	-	-
Corporate Vice President Rolly Chang	20,835	-	-	-
Corporate Vice President Mike Chang	26,043	-	(30,000)	-
Corporate Vice President Vincent Yung Mien Hu	22,571	-	-	-
Corporate Vice President Ching San Wu	19,099	-	-	-
Corporate Vice President Alan Hsu	19,099	-	-	-
Corporate Vice President Harrison Hsieh	-	-	-	-
Corporate Vice President Eric Lon Fisher	-	-	-	-

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 Jan 7, 2024. 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	41,848,855	2.62%	-	-	-	-	-	-
Ming-Kai Tsai	41,663,806	2.60%	40,066,145	2.50%	-	-	Chui-Hsing Lee	Spouse
Chui-Hsing Lee	40,066,145	2.50%	41,663,806	2.60%	-	-	Ming-Kai Tsai	Spouse
New Labor Pension Fund Management Committee	31,148,119	1.95%	-	-	-	-	-	-
Jyh-Jer Cho	29,064,222	1.82%	10,558,414	0.66%	-	-	-	-
Norges Bank	23,368,321	1.46%	-	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	20,249,239	1.27%	-	-	-	-	-	-
Vanguard Emerging Market Stock Index Fund, a series of Vanguard International Equity Index Funds	20,110,630	1.26%	-	-	-	-	-	-
Tin-Ren Liu	19,610,763	1.23%	-	-	-	-	-	-
Cathay Life Insurance Co, Ltd.	17,494,084	1.09%	-	-	-	-	-	-

8. Long-Term Investment Ownership

As of December 31, 2023. 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	195,524,752	100%	-	-	195,524,752	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	67%	5,592,000	3%	116,827,745	70%
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 29, 2024; 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.
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 Chu-Shang-Tzu No. 1120005252
Mar 2023	10	2,000,000,000	20,000,000,000	1,599,629,197	15,996,291,970	Restricted stock award issuance: 201,938	-	Mar 13, 2023 Chu-Shang-Tzu No. 1120007489
May 2023	10	2,000,000,000	20,000,000,000	1,599,645,032	15,996,450,320	Restricted stock award cancellation: 39,207 Employee stock options exercised: 55,042	-	May 12, 2023 Chu-Shang-Tzu No. 1120015917
Aug 2023	10	2,000,000,000	20,000,000,000	1,599,507,129	15,995,071,290	Restricted stock award cancellation: 137,903	-	Aug 9, 2023 Chu-Shang-Tzu No. 1120026547
Nov 2023	10	2,000,000,000	20,000,000,000	1,599,647,517	15,996,475,170	Restricted stock award issuance: 160,929 Restricted stock award cancellation: 20,541	-	Nov 10, 2023 Chu-Shang-Tzu No. 1120037259
Feb 2024	10	2,000,000,000	20,000,000,000	1,599,623,421	15,996,234,210	Restricted stock award cancellation: 24,096	-	Feb 16, 2024 Chu-Shang-Tzu No. 1130004550

As of February 29, 2024; Unit: shares

Type of Stock	Authorized Capital			Remark
	Outstanding	Un-Issued	Total	
Common Stock	1,599,623,421	400,376,579	2,000,000,000	Listed on TWSE

Shelf Registration: None.

1.2. Composition of Shareholders

As of Jan 7, 2024; Unit: shares / %

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Persons	Individuals	Restricted Stock Award Cancellation	Total
Number of Shareholders	1	86	1,002	3,000	174,206	1	178,296
Shareholding	2	93,668,331	179,645,638	952,507,146	373,809,540	16,860	1,599,647,517
Holding Percentage	0.00%	5.86%	11.23%	59.54%	23.37%	0.00%	100.00%

1.3. Distribution of Shareholding

1.3.1 Distribution of Common Stock

As of Jan 7, 2024; Unit: shares / %

Common Share Shareholder Ownership	Number of Shareholders	Number of Shares held	Ownership
1 ~ 999	128,528	14,967,304	0.94%
1,000 ~ 5,000	41,568	71,067,251	4.44%
5,001 ~ 10,000	3,386	24,774,933	1.55%
10,001 ~ 15,000	1,073	13,441,700	0.84%
15,001 ~ 20,000	598	10,644,790	0.67%
20,001 ~ 30,000	639	15,793,537	0.99%
30,001 ~ 40,000	324	11,410,771	0.71%
40,001 ~ 50,000	232	10,468,730	0.65%
50,001 ~ 100,000	642	46,785,455	2.92%
100,001 ~ 200,000	447	64,447,904	4.03%
200,001 ~ 400,000	343	97,765,450	6.11%
400,001 ~ 600,000	132	65,245,847	4.08%
600,001 ~ 800,000	74	50,873,404	3.18%
800,001 ~ 1,000,000	64	57,451,908	3.59%
Over 1,000,001	246	1,044,508,533	65.30%
Total	178,296	1,599,647,517	100.00%

1.3.2 Distribution of Preferred Stock: Not Applicable.

1.4. Major Shareholders

As of Jan 7, 2024; Unit: shares / %

Top 10 Shareholders	Number of Shares held	Ownership (%)
Government of Singapore	41,848,855	2.62%
Ming-Kai Tsai	41,663,806	2.60%
Chui-Hsing Lee	40,066,145	2.50%
New Labor Pension Fund Management Committee	31,148,119	1.95%
Jyh-Jer Cho	29,064,222	1.82%
Norges Bank	23,368,321	1.46%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	20,249,239	1.27%
Vanguard Emerging Market Stock Index Fund, a series of Vanguard International Equity Index Funds	20,110,630	1.26%
Tin-Ren Liu	19,610,763	1.23%
Cathay Life Insurance Co, Ltd.	17,494,084	1.09%

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

Unit: NT\$ / Shares

Item		2022 (Distributed in 2023)	2023 (Distributed in 2023/2024)	
Market Price Per Share	Highest	1,215	1,055	
	Lowest	533	621	
	Average	787	764.9	
Book Value Per Share	Before Distribution	276.51	231.31	
	After Distribution	200.13	200.76 (Note4)	
Earnings Per Share	Weighted Average Shares	1,583,800,753	1,586,833,341	
	EPS	Not Adjusted	74.59	48.51
		Adjusted	74.59	48.51
Dividends Per Share	Cash Dividends	76	55	
	Stock Dividend	Earning Distribution	-	-
		Capital Distribution	-	-
	Accumulated Undistributed Dividend	-	-	
Return on Investment	Price/Earnings Ratio (Note1)	10.55	15.77	
	Price/Dividend Ratio (Note2)	10.36	13.91	
	Cash Dividend Yield (Note3)	9.66%	7.19%	

Note1: Price/Earnings Ratio = Average Closing Price of the Year / Earnings Per Share

Note2: Price/Dividend Ratio = Average Closing Price of the Year / Cash Dividends Per Share

Note3: Cash Dividend Yield = Cash Dividends Per Share / Average Closing Price of the Year

Note4: Including cash dividends for the second half of 2023 that were resolved by the Board of Directors on Feb 23, 2024

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 the distribution of semi-annual cash dividends from earnings at the end of each semi-annual fiscal year and report it at the shareholders' meeting. The Board of Directors resolved respectively on October 27, 2023, and February 23, 2024, the dividend distributions of the first half of 2023 and the second half of 2023:

	The First Half of 2023	The Second Half of 2023
Cash Dividends Distributed to Common Shareholders (NT\$ thousand)	39,350,914	48,628,552

Dividends per share (NT\$)	24.60	30.40
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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 23, 2024 to distribute employees' compensation and directors' remuneration in cash. The discrepancy between the estimated amount and the actual distribution amount in 2023:

Unit: NT\$ thousands

Items	Board resolution	Estimate	Difference	Reason of difference
Employee Compensation – Cash	1,045,717	1,045,717	-	-
Directors' Remuneration	103,000	103,000	-	-

Note: Other than the aforementioned employees' compensation of NT\$1,045,717 thousand, the Company also distributed employees' cash bonus of NT\$19,767,140 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 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	-	-

1.9. Repurchase of the Company's Shares:

None.

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 29, 2024; Unit: shares / NT\$ thousands

Type of Employee Stock Option Certificates	16 th Grant
Approval Date by the Securities & Futures Bureau and Units in Total	Aug. 9, 2013 3,500,000
Issue (Grant) Date	Aug. 22, 2013
Number of Shares Issued	1,436,343
Number of Shares Available to be Issued	2,063,657
Percentage of Shares Exercisable to Outstanding Common Shares (%)	0.09%
Option Duration	10 years
Source of Shares from Stock Option	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%
Shares Exercised	912,432
Value of Shares Exercised	335,775
Shares Unexercised (Note)	-
Exercise Price Per Share of Unexercised Shares (NT\$)	-
Percentage of Shares Unexercised to Outstanding Common Shares	-
Impact to Shareholders' Equity	Dilution to original shareholder's equity is limited

Note: The 16th Employee Stock Option Certificates were terminated in August 2023.

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

As of February 29, 2024; 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	101,888	0.006%	101,888	368	37,495	0.006%	-	-	-	-
	Employee	Bernard Tenbroek										
	Employee	James K Farley										
	Employee	Douglas P Remington										
	Employee	Vincent Del Vecchio										
	Employee	Caiyi Wang										
	Employee	Henry Vickers										
	Employee	Michael Durrant										
	Employee	Eric Tell										
	Employee	Anders Nilsson										

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 16, 2024.

6. Status of New Restricted Employee Shares Issuance

6.1. New Restricted Employee Shares Issuance

As of February 29, 2024

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%
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%															
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	250,462 shares	5,581 shares
Number of Released New Restricted Employee Shares	5,346,606 shares	99,190 shares
Number of Unreleased New Restricted Shares	2,784,113 shares	52,503 shares
Unreleased New Restricted Shares to Outstanding Common Shares (%)	0.17%	0.00%
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	80,646 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	67,457 shares	71,178 shares
Number of Unreleased New Restricted Shares	123,931 shares	130,760 shares
Unreleased New Restricted Shares to Outstanding Common Shares (%)	0.01%	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 29, 2024; Unit: shares and NT\$ thousands

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note1)	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 (Note1)
Manager and employee	Chairman	Ming-Kai Tsai	2,800,389	0.18%	1,831,540	0	0	0.11%	969,349	0	0	0.06%
	Vice Chairman & CEO	Rick Tsai										
	President & COO	Joe Chen										
	Co-COO & Corporate Executive Vice President & CFO & Spokesman	David Ku										
	Corporate Executive Vice President	Cheng-Te Chuang										
	Corporate Executive Vice President & CTO	Kevin Jou										
	Corporate Senior Vice President	Kou-Hung Loh										
	Corporate Senior Vice President	Jerry Yu										
	Corporate Senior Vice President	Jasper Yang										
	Corporate Senior Vice President	SR Tsai										
	Corporate Senior Vice President	JC Hsu										
	Corporate Senior Vice President & CHRO	Sherry Lin										
	Corporate Senior Vice President & General Counsel	David Su										
	Corporate Vice President	Rolly Chang										
	Corporate Vice President	Mike Chang										
	Corporate Vice President	Vincent Yung Mien Hu										
	Corporate Vice President (Note 2)	HW Kao										
Corporate Vice President	Ching San Wu											
Corporate Vice President	Alan Hsu											

Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note1)	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 (Note1)
Corporate Vice President	Harrison Hsieh										
Corporate Vice President	Fisher Lon Eric										
Employee	George Chien										
Employee	CK Wang										
Employee	Carl Shi										
Employee	TY Lin										
Employee	Mingxi Fan										
Employee	CT Chang										
Employee	CC Lien										
Employee	PC Tseng										
Employee	SA Hwang										
Employee	HC Hwang										
Employee	Ben Tsai										
Employee	Leo Shieh										

Note1: The calculation is based on the amended number of total shares issued approved by Ministry of Economic Affairs on Feb 16, 2024.

Note2: HW Kao retired on October 21, 2023.

Note3: NS Tsai resigned on May 1, 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 (2023)

Product Category	IC Products	Others (Note)
Revenue Mix	97.85%	2.15%

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 device chipsets;
- G. xDSL and PON chipsets;
- H. Bluetooth chips;
- I. Global Positioning Satellite (GPS) chips;
- J. Consumer and enterprise ASICs;
- 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 device chipsets;
- F. Next generation highly integrated 8K/4K 120Hz smart TV SoCs;
- G. Next generation 10GPON (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 ASICs

1.2. Industry Outlook

1.2.1 The semiconductor manufacturing supply chain:

The relationships in the Taiwan IC industry can generally be classified into upstream IC design companies, midstream IC wafer foundries, and downstream IC packaging and testing companies. Many international semiconductor giants operate in a vertically integrated manner, involving design, manufacturing, packaging, testing, and even system products. However, in the rapidly changing industry environment and with the increasing capital expenditure, a horizontal operational model is more in line with the industry trends. Therefore, concentrating resources on a single industry domain has achieved significant effectiveness.

The primary business of IC design involves designing and selling products, or accepting customer commissioned designs, placing it in the upstream of the industry value chain. Before completing the final product, it requires processes such as photomask, wafer fabrication, chip packaging, and testing. Generally, photomask, wafer fabrication, and packaging are almost entirely outsourced to specialist manufacturers, with differences mainly in the testing part. For example, some companies outsource most of their products to professional testing companies, while others retain a certain capacity for in-house testing.

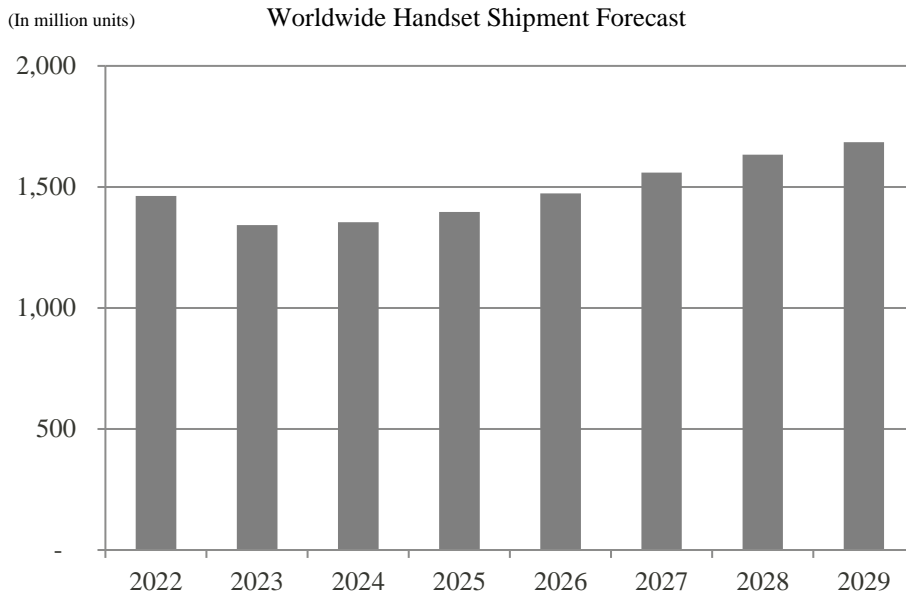
In the semiconductor supply chain, IC design is a knowledge-intensive industry with high return on investment, coupled with Taiwan's relatively comprehensive semiconductor industry support structure and abundant IC design talent, many manufacturers and investors have entered this industry.

1.2.2 Industry Outlook, Trends and Competition

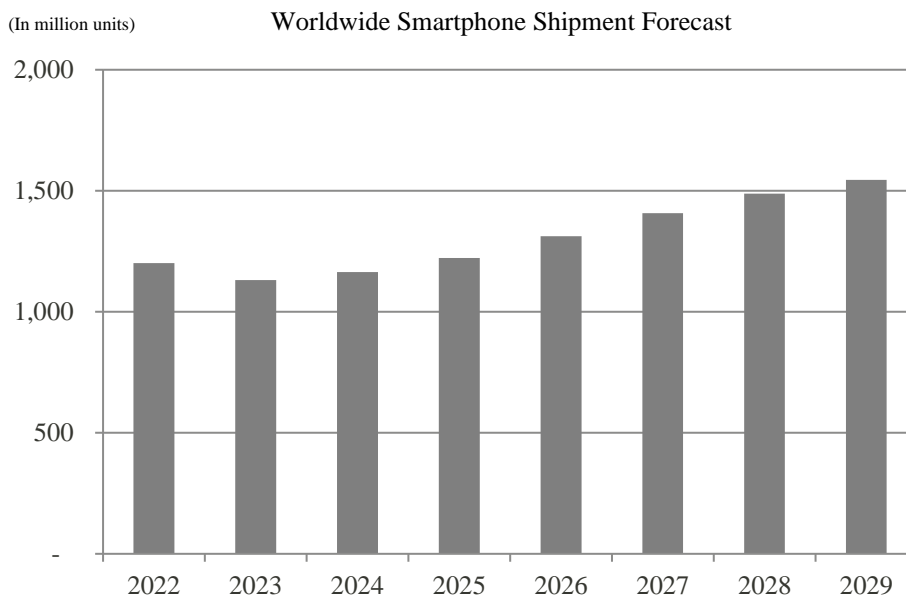
A. Wireless Communication Industry

a. Smartphone

Wireless communication technology drives the development of mobile communication platforms, with handset being the most significant in scale. According to TechInsights, the global handset shipments declined to 1.34 billion units in 2023 as demand continued to be affected by the macroeconomic uncertainties such as global inflation, expectations of interest rate hikes, and geopolitical factors. However, it is estimated that handset shipments for the medium to long term will grow steadily to 1.69 billion units in 2029, with smartphone shipments up from 1.13 billion units in 2023 to 1.55 billion units in 2029. In addition, according to Counterpoint, MediaTek's market share for global smartphone SoC shipments remained the highest at above 30% in 2023.



Source: TechInsights, March 2024



Source: TechInsights, March 2024

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 such as cloud computing, AI, connected vehicles, and the Internet of Things. This will raise the requirements for hardware specifications and performance of 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 communication technology 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.

Recently, with the increasing market interest in generative AI, consumers are not only focusing on advanced photography and high-quality multimedia experiences such as online gaming and video streaming, but also on the AI experience on smartphones. Therefore, to meet consumer demands, the specifications and functions of mobile communication platforms need to be continuously enhanced. This includes the integration and optimization of network, control, image quality, and intelligent load regulation, as well as further advancing the computing capabilities and power performance of AI processors.

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.

In the smartphone sector, the Company actively expands into the global market, accelerating the global 5G upgrade of smartphones through close collaboration with customers and the ecosystem. Leveraging the rich experience in edge computing, the Company also promotes the popularization of innovative applications of generative AI. In addition, 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. In terms of product line expansion, the Company continues to strengthen its market position of the 5G flagship SoC market, and further reinforces customer collaboration through 5G Open Resource Architecture and AI processors designed for generation AI capabilities, creating differentiated flagship and high-end products to provide consumers with excellent user experiences, while continuing to cultivate the 4G market and maintain a leading market share.

b. Internet of Things (IoT)

In addition to smartphones, IoT, connected vehicles, and various connected devices are all key end applications for wireless communication. Benefiting from the global digital transformation, the rise of various remote audiovisual applications has driven the increase in number of connected devices, and the recent AI trend has also driven more advanced computing applications. These have led to a growing consumer demand for bandwidth, accelerating the upgrade of operator infrastructure and consumer application devices. The demand and specifications of various wireless communication products continue to rise. For example, 5G technology expanding to more platforms such as notebook and CPE, and the increasing penetration rate of WiFi 7 in high-end routers and broadband, will make technologies such as 5G, WiFi, GPS, and Bluetooth indispensable in a wider range of device platforms.

On the other hand, AI applications, 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 Industry

In the era of explosive growth in AI, the TV industry is increasingly integrating AI into various applications. Particularly for large-screen TV focusing on image quality, AI-PQ delivers personalized visual experiences, allowing individuals to meet their expectations for image quality without complex operations, fundamentally transforming the user experience of TV audiovisual content.

TV plays a crucial role in smart homes, and with the trend of smart homes, TV not only offers the advantage of large-screen displays but also integrates high-speed and low-power network architectures such as Thread and WiFi 6, making the dream of connecting every smart device in the home no longer out of reach. Additionally, TV can integrate Matter to facilitate easy integration and communication among every ecosystem, reducing the complexity of using smart home devices and serving as the information hub of smart homes. Furthermore, the built-in AI in TV can provide diverse automated controls and remote monitoring. The strong network security design of TV systems ensures that individuals can enjoy the convenience brought by AI while securing their personal privacy.

MediaTek's Pentonic smart TV platform is leading the industry with five key technologies: display, audio, AI, broadcasting, and connectivity, helping global brands to create powerful large-screen smart TVs and to bring users with unimaginable home entertainment experiences.

C. ASIC Industry

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, automotives, industrial automation, and communications. 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, have gradually become the focus of the market. In addition, consumer electronics continue to innovate. With continuous upgrade of software, hardware, and platform services for game consoles, the demand for enhanced capabilities in computing, connectivity, and graphics processing is increasing. In the future, applications such as generative AI 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 established a strong presence in key IPs including wireless connectivity, multimedia, low-power processors, AI, and high-speed transmission SerDes. Leveraging these strengths, the Company has developed an ASIC business which has been recognized by many tier-one customers, and will continue to establish cross-platform, long-term partnerships and actively expand into new fields.

D. Analog Industry

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

E. Broadband Networking Industry

The growth of the industry is driven by the increasing number of global broadband users. According to research reports, in the third quarter of 2023, the number of wired broadband users worldwide exceeded 1.4 billion, with an annual growth rate of approximately 6%, indicating consistent expansion. In terms of technology, China is advancing rapidly with swift transitions from PON to 10GPON, while emerging markets, Europe and the US are accelerating the deployment of PON. In particular, due to substantial government subsidies for fiber broadband infrastructure, the US has become a high-growth market for 10GPON broadband network.

1.3. Technology and R&D

1.3.1 R&D Spending

The Company's R&D spending in 2023 was NT\$111,384,930 thousand, and from January 1, 2024 to the printing date of this annual report, the R&D spending was NT\$18,887,125 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 ASICs;
- K. Highly integrated automotive smart cockpits and telematics;
- L. Highly integrated UHG chipsets;
- M. Next generation 10GPON (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 higher-specification products.
- B. Integrate the Group's products and leverage existing cross-platform advantages to provide customers with comprehensive solutions. Deeply understand and serve customers to assist them in achieving fast and smooth mass production to seize market opportunities.
- C. Enhance existing long-term partnerships with customers and actively expand customer base as well as market share through flexible marketing strategies. Meanwhile, work closely with related partners in various industries such as telecom operators to expand business opportunities.
- D. Maintain close relationships with supply chain partners including foundries and packaging and testing companies, while communicate promptly with customers to address market demands, ensuring sufficient capacity and smooth delivery, facilitating inventory and AR 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 relationships with global customers and partners to develop business opportunities in various markets.
- B. Continue to innovate and maintain a market-leading position in each product line. Actively develop more competitive next generation products through new product development, product design optimization, and cost control to enhance product competitiveness and profitability.
- C. Continue to maintain close and deep relationships with the supply chain to jointly develop production plans that further reduce 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 benefit business expansions.

2. Market, Production, and Sales Outlook

2.1. Market Analyst

2.1.1 Major Markets

Region	2023	
	Sales (NT\$ thousands)	Percentage
Export sales	405,832,244	93.63%
Domestic sales	27,614,086	6.37%
Total	433,446,330	100%

2.1.2 Market Share

According to Gartner, the worldwide semiconductor revenue was US\$530 billion in 2023, with MediaTek holding a global market share of 2.5%, ranking 13th in the industry. Additionally, TrendForce reported that MediaTek was ranked 5th among global IC design houses in the third quarter of 2023.

2.1.3 Supply and Demand Situation and Growth Potential of the Future

A. Wireless Communications Products

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. The development and the acceleration of technology migration of mobile communication, satellite communication, and WiFi, 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 notebook, tablet, and CPE.

More advanced technologies, applications, and connectivity make users take the functionality of consumer electronics products more seriously. Other than stimulating the demand for more wireless communication chips due to the requirements for bandwidth from network speed and AI functionality, various IoT products, smart cities, and virtual/augmented reality also contribute to expanding the application scope of wireless communication products. In addition, as automotive electronics upgrade with the trend of electrification, new vehicles 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 application of AI has already gained traction in TVs, and it is expected to continue creating more application scenarios to enhance user experience. In addition to AI, the boundary between displays and TVs is becoming increasingly blurred. TV refresh rate has gradually increased from the original 120Hz to 144Hz, and even advanced to 165Hz. Furthermore, the usage scenarios for TVs are no longer limited to traditional living rooms or bedrooms, as the integration of display and TV functions enhances the utilization of limited spaces for users, increasing convenience.

C. ASIC Products

Technology is advancing rapidly, and with the growing massive data, cloud, and AI applications, the demand for high-speed transmission and data centers has increased significantly. The Company has diverse product lines and comprehensive platforms, and with steady investment in the development of new technologies and integration of multiple advanced IPs, such as wireless, multimedia, low-power processing, AI, and high-speed transmission, it is able to provide the most competitive consumer and enterprise ASICs.

D. Analog Products

According to Gartner, the analog IC market grew 11% in 2023, mainly driven by the 30% growth in the automotive analog IC market, while in comparison, the overall semiconductor market exhibited flat performance. The analog IC market grows steadily, and the Company will continue to expand in the analog IC market globally given its collaboration with Taiwan foundries and its 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 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, seize upgrade opportunities, and expand into 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. Strong System-on-a-Chip (SoC) development capability

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 advanced and comprehensive wireless communication and wired connectivity IP portfolio, and continue to invest in technology to sustain platform competitiveness

As digital transformation propels the demand for mobile devices and IoT, the increase of consumers' requirement for user experience will contribute to the continuous upgrade of technology and the growth in the IC industry. The Company spares no effort in the development of wireless communication, wired connectivity, and a wide range of consumer electronics, possessing the most comprehensive IP portfolio in the industry, including 4G/5G mobile communication, WiFi 6/7, GPON/10GPON, and the new generation Bluetooth communication and audio technology. It also actively participates in the setting of international standards and continuously invests in the next generation of technologies.

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, the Company also continues to invest in leading-edge processes and advanced packaging technologies. And through more complete product lines, the Company has entered flagship and high-end markets across various applications and will continue to expand.

B. Ride on the ubiquitous AI wave and seize market opportunities comprehensively with edge AI and cloud AI technologies

MediaTek's products integrate high-performance, low-power CPUs and GPUs, as well as AI processing units (APUs) optimized for running large language models for generative AI. Apart from being one of the few companies capable of supporting various major edge devices in edge AI, MediaTek also provides high-speed data transmission SerDes IP and power management IC solutions to meet the demands of data centers for cloud AI. Additionally, MediaTek offers a variety of wireless and wired connectivity technologies to achieve collaborative operation between edge devices and cloud data centers. With excellent positioning amidst the ubiquitous AI wave, MediaTek is poised to bring edge, cloud, and hybrid AI into cross-platform solutions with key technologies and IPs, serving as an AI enabler.

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

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

D. Analog product demand continues to be driven by the wide adoption of electronic products and the demand for energy efficiency and high performance

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 power-saving has expanded the demand for power and battery management. The Company provides stable and efficient power management solutions for various electronic products and equipment and will continue to benefit from the development of related trends.

E. Satisfy customers demands with high-performance and low-power solutions in the thriving automotive sector

With the popularization of connected vehicle technology and advancements in autonomous driving, vehicles are no longer just a means of transportation, but intelligent and interconnected mobile platforms. Leveraging years of accumulation and forward-looking planning in technologies such as mobile computing, wireless communication, multimedia, and power management, MediaTek introduced Dimensity Auto platform, encompassing products such as smart cockpit, connectivity, smart drive, and key components. The platform aims to provide a high-performance, intelligent, energy-efficient, and reliable product portfolio, as well as excellent solutions for the next generation of smart vehicles in collaboration with the industry leader, NVIDIA.

Unfavorable Factors and Countermeasures

The technology 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.

Amid the fast-paced competition in the industry, the Company is always prepared and actively develops new products to enhance competitiveness, providing better-performing chipsets with outstanding talents. In addition to maintaining the marketing of existing products, the Company also actively plans for 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 home appliances, wearables and IoT products. Key product applications are listed below:

A. Wireless Communication Products

MediaTek's wireless communication chipsets are mainly used in 4G and 5G smartphones across high-end, mid-range, and entry-level segments, 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.

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 AI processor (APU), digital TV SoCs are able to enhance picture quality and audio processing, allowing users to enjoy an immersive audiovisual and entertainment experience. In the future, TVs will continue to incorporate advanced wireless connectivity technologies such as Thread and WiFi 6 and integrate with the ecosystem to fully support the smart home environment.

C. ASIC Products

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

D. Analog Products

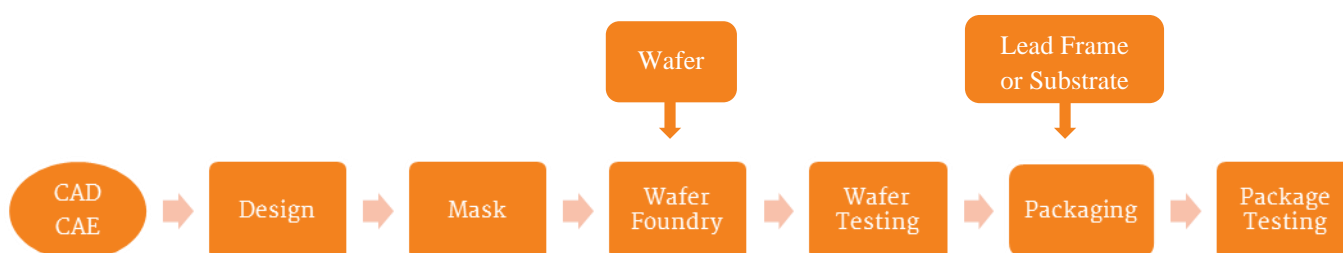
MediaTek offers the core components of electronic systems that stabilize current, and by different requirements for various applications, provides customers with voltage detection systems for current protection, power transition for different voltages or AC/DC, power management that integrates multi-set 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, PON and 10GPON 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

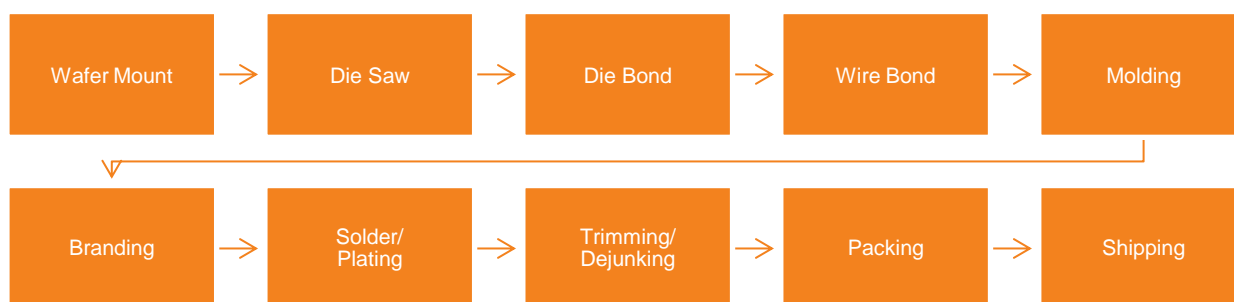
Wafer fabrication is outsourced to foundries. The wafer manufacturing process begins by entering a module and then going through etching, photo, thin film and diffusion with masks. The finished wafers must be tested before shipping to the next stage.

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 latest two years:

Unit: NT\$ thousands / %

2022				2023			
Supplier	Amount Purchased	% of Total Purchase	Relation	Supplier	Amount Purchased	% of Total Purchase	Relation
Supplier A	121,966,383	60.85%	Not a Related Party	Supplier A	105,393,360	66.64%	Not a Related Party
Others	78,458,726	39.15%		Others	52,765,847	33.36%	
Total	200,425,109	100.00%		Total	158,159,207	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 / %

2022				2023			
Customer	Sales	% of Total Revenue	Relation	Customer	Sales	% of Total Revenue	Relation
Customer B	71,890,831	13.10%	Not a Related Party	Customer A	50,496,067	11.65%	Not a Related Party
Customer A	66,242,678	12.07%	Not a Related Party	Customer B	48,676,082	11.23%	Not a Related Party
Customer C	60,116,603	10.95%	Not a Related Party	Customer C	47,201,879	10.89%	Not a Related Party
Others	350,545,918	63.88%		Others	287,072,302	66.23%	
Total	548,796,030	100.00%		Total	433,446,330	100.00%	

2.5. Production Volume and Value in the Past Two Years

Unit: thousand pieces / NT\$ thousands

	2022			2023		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
IC Products	Not applicable (Note)	10,905,498	255,258,616	Not applicable (Note)	8,101,694	223,697,631

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

	2022				2023			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
IC Products	2,089,502	33,730,700	6,095,260	509,282,401	1,777,538	27,521,950	6,486,778	396,622,098
Others	Not applicable	63,998	Not applicable	5,718,931	Not applicable	92,136	Not applicable	9,210,146
Total	2,089,502	33,794,698	6,095,260	515,001,332	1,777,538	27,614,086	6,486,778	405,832,244

3. Employees

		2022	2023	2024 (As of Feb 29)
Number of Employees	Management	1,217	1,240	1,234
	R&D	19,219	19,308	19,228
	Sales & Marketing	752	770	769
	Manufacturing	711	684	751
	Total	21,899	22,002	21,982
Average Age		36	36	36
Average Years of Service		5.6	6.3	6.5
Education	Doctoral	4.73%	4.85%	4.88%
	Master	73.93%	74.59%	74.39%
	University & College	20.94%	20.11%	20.24%
	High School	0.40%	0.45%	0.49%
	Total	100.00%	100.00%	100.00%

4. Material Contracts

As of February 29, 2024

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 licensing	ATI Technologies ULC	From Sep. 16, 2019	Both parties reached a patent cross-licensing agreement	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 (2) of Hsinchu Station of Taiwan High Speed Rail.	None
Civil engineering	Lee Ming Construction Co., Ltd.	From Nov. 10, 2023	Subsidiary Hsu-Yuan Investment Corp. signed a civil engineering contract for the land use rights in the designated station area (2) of Hsinchu Station of Taiwan High Speed Rail.	None
Civil engineering	Kedge Construction Co., Ltd.	From Dec. 20, 2023	The Company signed a civil engineering contract for the data center in Tongluo.	None

Note: For the Company's other related contractual commitments, please refer to pages F131~F258 of the Financial Statements and Independent Auditors' Report.

5. Information Security Management

5.1. Information Security Management Strategy and Structure

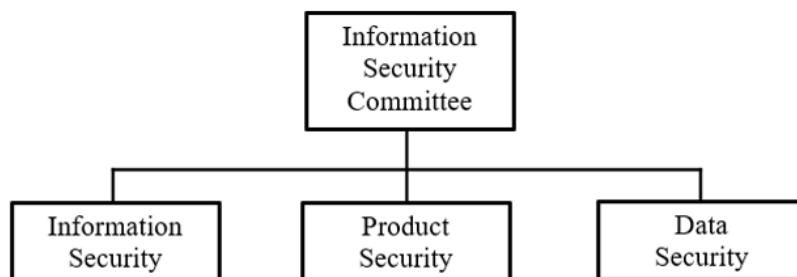
5.1.1 Information Security Risk Management Structure

A. Corporate Information Security Governance Organization

To manage information security risks, the Company established the Information Security Committee, chaired by Co-COO, Corporate Executive Vice President and CFO, 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"> ■ Obtained TISAX certification for automotive cybersecurity international standards ■ Retained the first place in the 2023 TCSA Information Security Leadership Award (Manufacturing and Energy Industries category) ■ Established regulations for the use of generative AI to prevent sensitive technology from being used in generative AI services ■ Revised dispatch outsourcing contracts to improve compliance with regulations among dispatched personnel and reduce security risks caused by non-compliance
Information Security Maturity Assessment	<ul style="list-style-type: none"> ■ A third-party information security risk assessment tool ranked MediaTek's information security maturity level "A" ■ Integrate third-party threat information to determine and manage external risks ■ Periodically conduct red team drills and computer information security checks ■ Strengthen supplier information security management and hold supplier information security forums to enhance the security defense capability of suppliers ■ The ISO27001 certification remains valid (Certificate validity: December 6, 2022, to October 31, 2025)
Results of Product Security	<ul style="list-style-type: none"> ■ Established a company-wide Fuzz Testing platform and quality standards, integrating fuzz testing tools and management systems to ensure consistent processes across all product lines, meeting security and quality requirements ■ Implement quarterly PSDLC audits for each product line, issuing reports as a basis for performance and improvement

- | | |
|--|--|
| | ■ Establish an external threat intelligence collection process, regularly release security-related intelligence information to BU/FU for reference, and analyze potential risks and impacts for early warnings |
|--|--|

D. The number of employees participating in the management of information security was 256 in 2023, and the related expenses were NT\$273 million.

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. In response to the ever-evolving cyber attacks, automation of the security monitoring center was initiated in 2022 to effectively handle and track security incidents through the security event management system. In terms of the Company's efforts in product security, TISAX certification for automotive cybersecurity international standards was obtained in 2023, establishing a company-wide fuzz testing platform and quality standards to ensure consistent processes across all product lines, meeting security and quality requirements, further aligning with international cybersecurity standards and meeting customer expectations.

5.3. Major Information Security Incidents

In 2023, 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 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 2023, six issues were published with an average of 3,000 readers per issue.
- b. MediaTek manages 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 2023, a total of 7 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 Women's Day, Engineer's Day, 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 2023, the Global Go Green Week event was launched during the Company's 26th anniversary to encourage employees to support energy conservation and carbon reduction through actions such as bringing their own lunch boxes/utensils, taking the stairs instead of the elevators, and adopting green commuting. For the first time, the company's Family Day incorporated a sustainability theme, inviting employees and their families to participate in the Run For Future sustainable family run. For every kilometer run, the Company donated NT\$26, and for every accumulated 26 kilometers, a tree was donated, taking practical action to protect and create a sustainable future together.

In terms of club promoting, MediaTek had a total of 69 clubs at its headquarters at the end of 2023, with over one-fourth of the headquarters employees participating in at least one club. In July 2023, the Company launched a club fair, allowing employees who have not participated in clubs to understand the operation of clubs through this event, which increases the exposure of clubs, thereby enhancing the club participation rate of employees. 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 18 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 2023, through an annual health promotion event, MediaTek designed different sports events for groups of employees who regularly, occasionally, and never exercise, based on the characteristics and motivations of each group. Through the excitement of competition and the power of team support, employees' exercise frequency is effectively increased, which can then be transformed into a daily habit. In addition to active health promotion activities, the Company also conducts a series of family communication and lung cancer prevention seminars based on annual health analysis results, and provides bilingual bimonthly health newsletters, continuously caring for the physical and mental health of employees in different ways. Currently, the usage rate of different venues in the Health & Lifestyle Center (including gyms, badminton courts, basketball courts, table tennis rooms, and aerobics classrooms) reached 100%. And to accommodate the growing number of employees and their exercise needs, the Company launched morning, lunchtime, and holiday service hours to provide more exercise opportunities. MediaTek was recognized with the sports enterprise certification in 2023. 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 a safe and high-quality working environment, such as space optimization: a total of 473 sets of workstations were added in 2023, and all employees' office chairs were replaced with ergonomic chairs. Furthermore, to accommodate the occupancy of the new building, in addition to adding over 220 parking spaces, the iParking app for checking the number of remaining parking spaces was introduced in 2023 to help employees know the latest status of available parking spaces.

MediaTek provides a variety of healthy and hygienic dining options for employees to maintain a balanced diet. There were over 30 vendors stationed in different buildings of the headquarters, providing employees with a diverse range of dining options. The Company holds an annual dining satisfaction survey in December to replace less satisfactory vendors to continuously improve the dining quality.

Every year, when it comes to Moon Festival and other special occasions, the Company selects special mooncake gift boxes for employees to order online. In addition, the Company integrates charity into the initiative, allocating a portion of the proceeds from each ordered gift box to be donated to charitable organizations. In 2023, a total of 15,561 gift boxes were ordered, resulting in a donation of NT\$149,795. Furthermore, to serve employees, the Company also holds special holiday sales in the office area, with priority given to booths run by charitable or underprivileged groups, allowing employees to fulfill corporate social responsibility.

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 fifth year and there are currently 99 students enrolled. In addition, to support employees in starting families, the Company gave out customized MediaTek newborn gift boxes in 2023. Over 500 employees worldwide who became parents received the gift boxes for their newborns at home in 2023.

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	2023				Jan. 1 to Feb. 29, 2024			
	Number of classes	Numbers of attendees	Hours	Total cost (NT\$)	Number of classes	Numbers of attendees	Hours	Total cost (NT\$)
Management Training System	273	6,406	48,884	65,313 thousand	56	705	2,689	14,737 thousand
Orientation	214	105,023	150,457		116	3,433	9,706	
Technical/engineering training	937	69,306	455,054		806	9,209	63,604	
Personal effectiveness	426	9,780	45,085		42	1,376	15,962	
Language training	163	964	22,081		26	289	4,441	
External training	603	1,491	27,899		41	90	3,873	
Total	2,616	192,970	749,460		1,087	15,102	100,275	

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 99.3% of employees applied to defined contribution plans and 0.7% of employees still applied to defined benefits plans (namely rules in accordance with Labor Standards Act) in 2023.

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\$2,783 million in 2023.

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 recognizes and supports the protection and principles of human rights declared by international conventions (such as the United Nations Universal Declaration of Human Rights), and established the MediaTek Human Rights Policy, to prohibit any violations or infringements of human rights. The Company also commits to fulfilling the responsibility of protecting human rights, upholding a talent strategy of diversity and inclusion, and complying with local laws and regulations in offices globally, to treat all employees with dignity and respect.

b. Compensation

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 2023, female employees in MediaTek and its subsidiaries worldwide accounted for about 19.7% of total employees. In the R&D/technical departments, there were 3,225 female employees, accounting for about 17.7% 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%).

d. Diversity and Inclusion Declaration

In 2023, MediaTek issued the Diversity and Inclusion Declaration, emphasizing the implementation of diversity and inclusion spirit to foster a sense of belonging among employees, ensuring equal opportunities for employees to grow together with the Company and achieve success.

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 2023 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.

In 2023, five physical events were held, not only celebrated the traditional festivals from different countries, but also held the first International Day, where foreign employees introduced representative cultural items from their home countries to Taiwanese employees through international cuisine and hands-on experiences. Global Family represents the rich diversity of MediaTek's global workforce. Going forward, 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. In 2023, two semi-annual meetings were held, outstanding women from across industries and internally across nations were invited to share their diverse experiences and growth journeys, to help female employees broaden their

horizons, grow together, and enable participating employees to learn and reference the coordination and balance of work and life from outstanding women both internally and externally.

c. Intergenerations Connect Employee Resource Group

In October 2023, a cross-generational employee resource group was officially established at the headquarters to support employees from different generations to collaborate and promote intergenerational integration. Intergenerations Connect (I-Connect) officially recruited volunteer members in December 2023, attracting supervisors and employees from four generations to participate. Through the Strengths Cards Exploration Workshop, participants delved into understanding their own strengths and abilities across different generations, promoting understanding and recognition of different generations. I-Connect is expected to officially launch diverse activities in 2024 to deepen connections and collaboration among generations.

d. 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 7 days of paternity leave, allowing employees to take care of both personal and family needs.

e. 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.

f. 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 2023, the completion rate of routine sexual harassment prevention courses for employees reached 99%, 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 social responsibility audit in 2016. In addition to requiring suppliers to sign a social responsibility guarantee statement, MediaTek manages supplier sustainability performance through supplier sustainability assessments. Moreover, MediaTek also developed its own EICC-related training courses for all suppliers to assist them in understanding relevant regulations and compliance methods. We hope to effectively exert the influence as an industry leader and work with suppliers towards a sustainable business model.

To build a long-term and stable partnership with suppliers, MediaTek takes sustainable development as its vision direction and integrates related standards and initiatives in the three dimensions of economy, environment, and society, which are incorporated into MediaTek's sustainable management policy in the supply chain. MediaTek proactively manages and mitigates potential risks to jointly develop sustainable corporate management with the supply chain partners.

In terms of economic aspects, in addition to adherence to quality management system requirements such as ISO 9001 and IATF 16949 for delivery times, production capacity, service, and quality, the environmental aspect also requires the adoption of ISO 14001, QC080000, ISO 14064, and ISO 50001 for environmental, hazardous substances, greenhouse gas emissions, and energy management systems, all to ensure that the supply chain meets MediaTek's green operation requirements. On the social aspect, the focus is on the RBA Code of Conduct, SA8000, and ISO 45001 to ensure that suppliers meet their social responsibilities, comply with international labor rights, and provide a healthy and safe working environment.

MediaTek performs supplier sustainability risk assessment from economic, environmental, and social dimensions to investigate each supplier's standards under the ESG dimensions 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's dedicated personnel conducts assessments and reviews, comparing and verifying the self-assessment forms and supporting documents submitted by suppliers, to ensure the implementation of sustainable supply chain management. MediaTek continues to make impact as an industry leader and work with suppliers to create a sustainable business model.

2. Social Participation

2.1. STEM Program and Talent Fostering

2.1.1. National Elementary School Science Project Award

MediaTek takes technology talent cultivation as its core mission and has been organizing a series of activities since 2011 to support elementary school students in developing a spirit of scientific inquiry. These activities include conducting teacher training camps, science exhibition incentive programs, donating popular science books, and ensuring the participation eligibility of remote schools. MediaTek continues to encourage more students to pursue the field of scientific inquiry. By 2023, a total of over 26,000 students have been assisted in

unlocking the door to scientific experimentation, further exploring the mysteries of science, and laying the foundation for Taiwan's technological competitiveness starting from elementary school.

a. Resource Support for Long-Term Companionship

Science in Action Incentive Program for elementary schools is a long-term companionship program, which includes 5 stages: Project Proposal Preliminary Selection, Science Project Teacher Training Camp, Science Popularization Reading Promotion Program, County and City Science Fair Participation Grant, and National Science Fair Participation Grant, providing resources and support for up to 7 months, allowing teachers and students to engage in science projects without any worries.

b. Ensuring 40% Eligibility for Rural Areas with Phased Support

A total of 77 projects were received in 2023, among which, 40 projects in 40 schools were selected after the initial screening process and 40% were reserved for students in remote or disadvantaged schools. In the end, a total of 35 projects and 9 projects were awarded at the County and City Science Fairs and National Science Fair, respectively. The Teacher Training Camp of the second stage was conducted in a physical format over two days and one night, empowering 42 lead teachers from across the country, benefiting over 150 participating students in the science fair. The Science Popularization Reading Promotion Program in the third stage provided 50 science books, which were valuable resources for remote schools, to inspire students to learn more about science. Under the program, 1,693 response cards were received.

c. National Science Fair Establishes Corporate Awards, Broadening Students' Horizons

In addition, MediaTek cooperated with the Taiwan Science Education Center to establish MediaTek – Everyday Genius Award under the Enterprise Award for the National Science Fair, featuring 10 projects to encourage junior and senior high school science projects to demonstrate more everyday applications. MediaTek also sponsored the “Appointment with the Masters” lecture, featuring Dr. Hsiu-Min Li, the 2022 Taiwan Outstanding Female Scientist Award winner, discussing the mysteries of proteins in chloroplasts with the theme “Tonight, I’d Like Some Proteins.”

2.1.2. STEM Program

To develop the next generation’s capability of using technology to explore and solve problems, the STEM Program was initiated in 2021 to enhance the development of progressive technology courses for junior high and elementary school teachers, and to create distinctive technology application courses or clubs that introduce program design, IoT, and AI applications to help students explore the possibilities of technology in life. The program assisted 42 elementary and junior high schools in starting technology application courses or clubs in 2023. By now, there have been 96 courses and 17 clubs covering 1,134 junior high school students and 2,169 elementary school students.

a. 1+1 Years of Support System

Understanding the changes in the education field requires time and effort. The STEM Program provides 1+1 years of support. In the first year, applicants can participate in a summer course creation workshop to enhance their technical and teaching abilities. They can also receive a maximum subsidy of NT\$50,000 in starting a course, and up to NT\$8,000 of subsidy for personal research for the introduction of new courses. During the program, if a participant leads a team to participate in government-organized technology application competitions, an additional NT\$10,000 competition subsidy will be granted. In the second year, if a participant continues to apply for the STEM Program, a total of up to NT\$30,000 of subsidy will be granted for course continuation and teacher training. Even after completing the two-year program, participants can continue to engage in the STEM Program activities and communities, accessing a support system for inquiries and companionship for teaching in the medium- to long-term.

b. Introducing Generative AI to Encourage Progressive Technological Education

In response to the trend of Generative AI in 2023, the STEM Program held the first Generative AI education lecture in February and for the first time included Generative AI as a mandatory course in the STEM Program

during the summer of 2023. The course systematically explores the diverse possibilities of Generative AI in the field of education, from the Prompt techniques to administrative and teaching case studies, and to future educational prospects. From July to December 2023, the proportion of teachers in the STEM Program using Generative AI increased from 57% to 77%. Through a flexible subsidy mechanism, teachers were provided with opportunities to access cutting-edge Generative AI tools, to encourage and nurture Generative AI as an experimental case for teaching strategy in the field of technology learning assistant. At the forefront of educational innovation, frontline technology teachers were encouraged to engage in progressive new initiatives.

2.1.3. Women in Technology Program

To encourage female talent to embrace the technology field, the MediaTek Foundation, for the first time, held the “Girls! TECH Action Future Design Workshop for Girls in Technology” in 2023. It’s Taiwan’s first systematic program addressing critical decision-making factors for women in technology.

a. Referring to Domestic and International Practices with Career Anchoring as the Core

Referring to domestic and international literature and practices, the foundation roots the concept of women in technology in female junior high school students, with “career anchoring” as the core of activity design. Led by a group of role model senior females, the stereotypes of male dominance in the technology industry are broken, encouraging female students to embrace the STEM field adaptively and become key influencers in the technology sector.

b. Collaborating with the Department of Electrical Engineering and Computer Science of NTU, Inviting Google Alumnae to Share, and Participants Highly Inclined Towards Choosing a Career in Technology

In May 2023, a one-day university camp was held, leading 40 female college students from freshmen to seniors to visit the Company and engage in dialogues with female employees. The chairman also attended in person to show his support. The feedback rate from the event survey was around 90%, and students expressed a strong willingness to consider the technology industry as a future career option. In December, a two-day high school and junior high school camp was held in collaboration with the Department of Electrical Engineering and the Department of Computer Science and Information Engineering of NTU. The camp selected 25 female students from the second year of junior high school to the first year of high school and their parents to visit NTU and the MediaTek headquarters. The camp included exploration of STEM departments, company visits, financial thinking, and career choices, as well as dialogues with university alumnae, inspiring young women to embrace the diverse opportunities offered by the technology field. To encourage students to gain a diverse understanding of the technology industry, female engineers from Google were also invited to share their experiences. All students who completed the survey expressed a strong willingness to consider the technology industry as a future career option.

c. Introduction of Women in Technology Concept into Various Projects, Comprehensive Promotion

In addition to developing an independent Women in Technology Program - Girls! TECH Action, the foundation also incorporates findings from relevant literature and observations of domestic and international practices into existing programs, such as “STEM Program” and the “Science in Action Incentive Program for Elementary Schools.” Through teachers as effective mediators, the foundation promotes the inspiration of female talent in the educational field.

2.1.4. Collaborating with the National Science and Technology Council to Organize the “Taiwan Science Popularization Island-wide Train” AI Themed Carriage

To root AI education downwards, the Company sponsored the National Science and Technology Council’s AI themed carriage on the Taiwan Science Popularization Island-wide Train, which toured the entire island in five days. The public and private sectors cooperated in technology translation to promote AI popularization and practical experiences throughout Taiwan, providing more students with the opportunity to personally engage with cutting-edge AI technology. During the summer vacation, a program was launched to train 65 high school students from Taoyuan Senior High School, the Affiliated Senior High School of NTNU, and Kaohsiung Senior

High School to serve as carriage guides. Over the course of five days, these students led 961 junior high school and elementary school students from 35 schools (including 14 rural schools) to participate in various AI experiential activities on board the train. By joining hands, the students who boarded the science train were able to learn about the principles and diverse applications of AI during this interesting journey, igniting the next generation's interest and enthusiasm for emerging technologies.

2.1.5. 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 2023, including 15 IIT PhD students receiving NT\$90,000 per semester, with three of which joining MediaTek's internship programs and being recommended to continue their cooperation.

2.1.6. 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. For more than 20 years, MediaTek has invested annual research funds ranging from tens of millions to over a hundred million NT dollars, with a total investment in industry-academia funds exceeding NT\$1.3 billion. 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 collaborating with top universities in Taiwan, the scope of overseas industry-academia cooperation is expanding, including more than a dozen of well-known universities, such as Massachusetts Institute of Technology (MIT), Harvard University, The University of Texas at Austin, New York University, Purdue University, Carnegie Mellon University, Virginia Tech, University of Southern California, University of Florida, Oregon State University, University of Mississippi, Cambridge University, University of Twente, University of Oulu, Delft University of Technology, University College Dublin, and Katholieke Universiteit Leuven. 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 co-founded respective research centers in National Taiwan University, National Tsing Hua University and National Yang Ming Chiao Tung University, providing tens of million NT dollars of funds to the three centers every year. In accordance with the need for talent cultivation, MediaTek assists in course development and industry-academia cooperation 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.

MediaTek actively participates 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. Due to the solid R&D capabilities and international industry position, MediaTek has been invited to participate in the important international research organization, the Semiconductor Research Corporation (SRC). Established in 1982, SRC is a world-renowned semiconductor organization with 40 years of history, bringing together important companies in the global semiconductor industry, such as Intel, AMD, IBM, Micron, Qualcomm, TI, TSMC, Samsung, and ARM. It collaborates with the U.S. government and academic institutions on various advanced semiconductor

programs. In Taiwan, MediaTek and TSMC were the companies that have been invited and participated in SRC's Decadal Plan for Semiconductors, Global Research Collaboration Program (GRC), and Joint University Microelectronics Program 2.0 (JUMP 2.0).

In order to advance cutting-edge technology research and strive for a leading position in technology, MediaTek actively conducts technology research and publishes papers. In the field of integrated circuit design, at the top international conference IEEE International Solid-State Circuit Conference (ISSCC), as of 2024, MediaTek has accumulated 95 published papers, making it the only company in Taiwan to have papers selected for publication for 21 consecutive years. In 2024, MediaTek had 4 papers selected for publication. In the IEEE Asian Solid-State Circuits Conference (A-SSCC), MediaTek has published over 30 papers. In the field of AI, MediaTek's team and its industry-academic cooperation schools have collaborated on research and development. In 2023, nearly 20 papers were selected for publication at major international conferences such as IEEE Conference on Computer Vision and Pattern Recognition (CVPR), International Conference on Computer Vision (ICCV), Neural Information Processing Systems (NeurIPS), and The IEEE International Conference on Multimedia & Expo (ICME). MediaTek's subsidiary, MediaTek Innovation Base, focuses on AI and Large Language Model (LLM) research. In 2023, multiple papers were published at NeurIPS, IEEE Transactions on Signal Processing (IEEE TSP), IEEE Transactions on Information Forensics and Security (IEEE TIFS), 2023 IEEE Global Communications Conference (GLOBECOM), 2023 International Conference on Machine Learning (ICML), 2023 International Conference on Artificial Intelligence and Statistics (AISTATS), and 2023 IEEE International Symposium on Information Theory (ISIT), with several papers focusing on optimizing Traditional Chinese Language Models, achieving remarkable results.

MediaTek focuses on its core business, investing more resources in forward-looking technology research and development and high-level 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 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, since 2018, MediaTek has been holding "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.

a. Diverse Social Issues, MediaTek Executives Engage in Counseling for Collaborative Leadership Advancement

There were 314 teams registered for the sixth annual "Genius at Home" competition with over 1,300 participants. The proposals to improve hometowns covered 128 townships and districts. Major issues were in the field of environmental sustainability, aging population, long-term care and medical services, urban-rural disparity, and innovation in traditional industries. 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 20 level-one supervisors 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 2023, 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.

b. First Prize Won by Teacher-Student Team, Strong Emphasis on Practical Implementation

The first prize was won by the “Play Hard, Learn Happily Team”, a group of elementary school students who enjoy programming, along with their parents and teachers. Embracing the concept of “learning through play”, the team is dedicated to the experiment of implementing innovative information and programming education in schools. They have not only developed interdisciplinary teaching materials for various programming applications, but also launched the first AI-powered public e-book “Walking with AI”. In the future, they will actively work to establish a non-profit organization, aiming to expand their service capacity through platform operation to benefit more campuses. Their efforts in establishing a solid foundation and long-term development of programming education demonstrate their inclusivity and social impact.

c. **First Time Organizing Impact Workshop and Implementation Exchange Matchmaking Meeting, Enhancing Impactful Implementation**

Coming into the sixth year of the competition, the implementation support plan has been more comprehensive to assist implementation teams in achieving greater impact. For the first time this year, multiple social innovation incubators have been connected, including the Social Enterprise Insight, NTUTEC, Impact Hub Taipei, Taiwan Tech Arena, and Aqua Impact Ventures, all of which have long been dedicated to supporting and nurturing social innovation teams. The first Impact Workshop and Implementation Partner Exchange Matchmaking Meeting were held to guide implementation teams in re-evaluating their organizational and business content, and to establish an impact map specific to each team, clarifying their market positioning and value proposition. The subsequent implementation support took the form of matchmaking meetings to help teams understand different incubators and potential connection possibilities, assisting participating teams in optimizing internal positioning and expanding external linkages. This year, a total of 9 teams received subsidies for project implementation, and 6 teams were paired with professional mentors.

2.2.2. Supporting the AIT Technovation Girls Challenge

MediaTek Foundation sponsored the venue for the 2024 Technovation Girls Challenge final competition held by the American Institute in Taiwan (AIT), encouraging 50 selected high school girls to focus on social issues. Through their participation in the competition, they learned about creative thinking, entrepreneurship, programming, proposal presentation, and AI, and applied technology to solve problems.

2.3. Charity and Community Participation

2.3.1. Sponsoring IC Radio to Launch “Zero Carbon Future” Radio Program in Response to Net Zero Carbon Emissions

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 2023, 43 episodes were recorded and broadcasted with a total audience of 703 thousand.

2.3.2. Greater Chao Nan Cultivation Plan and Nanzhou Sustainable Plan

MediaTek Foundation partnered with Lovely Taiwan Foundation on the “Greater Chao Nan Cultivation Plan” and “Nanzhou Sustainable Plan” in Pingtung, that aims to preserve local culture through education with the introduction of resources for humanities and popular science education. The project has long been focusing on the Chaozhou and Nanzhou areas in Pingtung, promoting the deep cultivation of local culture. In 2023, a total sponsorship of NT\$5 million was provided, with at least 5,445 teachers, students, and local residents participating in local cultural activities promoted by the plan. The publication of the book “People and Agricultural Landscapes of Nanzhou” introduces the lives of agricultural workers and the distribution of crops through illustrations and text. The “Chao Academy” held sketching courses, encouraging local residents and students to draw inspiration from the market to cultivate artistic creation and life aesthetics, in response to the government’s cultural

consumption policy. The “Local Workers Capacity Building Workshop” invited local brands to strengthen editing and curatorial abilities to convey life aesthetics. In September, the team established the “Nanzhou Office” in Nanzhou as a community cultural platform to promote the integration of local culture and ecology, enhancing community identity. The two major annual festivals, the “Spring Tide Festival” in April and the “Autumn Tide Festival” in November, showcase Chaozhou’s cultural vitality and the revitalization of old streets through concerts and market activities, promoting local consensus and the discovery of beauty. The two projects enrich the local cultural development and artistic ecology of Chaozhou and Nanzhou in Pingtung, injecting new vitality into the local sustainable development.

2.3.3. Supporting the Development of Arts and Culture in Taiwan

MediaTek Foundation sponsored the performance venue for the Paper Windmill Theater’s Hakka play “Rain Horse” in Hsinchu. The Paper Windmill Theater and the Hakka Affairs Council had been searching for a large outdoor performance venue in Hsinchu for some time without success. Eventually, MediaTek generously provided the planned site in front of the High-Speed Rail station as the performance venue, supporting the Paper Windmill Theater in bringing an innovative artistic visual feast to Taiwanese children. This initiative encouraged the public to engage in cultural activities, resulting in eight performances over three days, with a total of 30,200 attendees.

2.3.4 Volunteering

The Company has long been encouraging employees to actively 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 2023, there were four groups, the reading and writing group, the technology education group, the stray animal care group, and the mountain and beach cleaning group, with a total of 58 volunteers contributing 798 hours of services and benefitted 1,345 people. In particular, the reading and writing group worked with National Yang Ming Chiao Tung University’s 75 volunteers, with 16 schools that were provided service to, to publish the fifth selected article collection, which consists of 100 works by students from 7 elementary schools in Changhua and Hsinchu. For the first time, the Volunteer Club has also established a technology education group, which provides students with the experience of programming through engineers’ on-campus education activities, allowing students to experience the fun and practicality of technology, thereby inspiring their interest.

2.3.5 Environmental Activities

MediaTek not only engages in public welfare businesses but also actively participates in environmental issues. MediaTek advocates for eco-friendly tableware, providing personal cutlery for every new employee to reduce the use of disposable cutlery. The environmentally friendly paper food containers offered by the employee cafeteria are properly sorted into the recycle system. The Company has long encouraged employees to bring their own eco-friendly food containers and provides incentives. On average, about 16,000 employees bring their own eco-friendly food containers to the employee cafeteria for meals each month.

In late August 2023, the Company headquarters installed high-efficiency recycling machines, integrating the recycling of PET bottles and batteries. By the end of 2023, a total of nearly 11,000 PET bottles (approximately

244kg) and over 9,000 waste batteries (approximately 142kg) had been recycled. Through optical recognition sensors, the recycling process is simple and efficient. Reverse logistics are employed for collection and transportation, delivering the waste to processing plants for recycling. In addition, the Company has installed electric vehicle parking spaces and charging stations in the parking lot of the headquarters, contributing to sustainable energy. The Volunteer Club also organized beach cleaning activities, encouraging employees and their families to care for 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 2023 was approximately NT\$58.75 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\$54.95 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 2023 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 2023 was approximately NT\$29.47 million.

- 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\$2.25 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\$27.23 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\$4.52 million in 2023.

- 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\$840 thousand.
- 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\$1.79 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 2023 was approximately NT\$23.14 million.

The Company reduced 17,506 tons and 15,961 tons of carbon dioxide emissions in 2023 and 2022, respectively (a savings of 35,370,000 kWh and 32,240,000 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 0.495 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 8,122 tons in 2023 and carbon emission was reduced by 1,267 kg/CO₂e.

B. The Company implements a rainwater collection storage tank. Approximately 915 tons of rainwater was collected in 2023 for cooling water towers and watering plants. Carbon emission was reduced by 143 kg/CO₂e.

C. Approximately 13,899 tons of condensed water and RO water was recycled for gardening and approximately 2,168 kg/CO₂e of carbon emission was reduced in 2023.

In 2023, the water discharge coefficient was based on per unit of water consumption, with 0.156 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 on four main routes, with a total boarding of over 57,000 passengers.

B. The Company provides a cross-plant shuttle bus every 20 minutes, with a total boarding of over 6,400 passengers.

C. The Company sets up 10 M-Bikes for employees to ride across plants, with a total ride of over 450 times.

D. The Company provides two electric scooters for business use.

The annual green transportation mileage in 2023 exceed 660,000 kilometers.

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.

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

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

- D. Conduct disaster prevention and evacuation drill for all employees to continuously strengthen employees' emergency management capabilities on a yearly basis.
- E. Authorize SGS to audit the Company's ISO 14001& ISO 45001 system on a yearly basis.
- F. 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	2022	2023	Change	% of Change
Current Assets	297,653,607	290,888,768	(6,764,839)	(2)
Funds and Investments	123,489,098	150,005,838	26,516,740	21
Property, Plant and Equipment	53,861,629	53,291,265	(570,364)	(1)
Intangible Assets	73,454,530	81,244,768	7,790,238	11
Other Assets	59,940,610	59,607,855	(332,755)	(1)
Total Assets	608,399,474	635,038,494	26,639,020	4
Current Liabilities	141,570,389	231,999,004	90,428,615	64
Non-current Liabilities	23,770,846	28,834,132	5,063,286	21
Total Liabilities	165,341,235	260,833,136	95,491,901	58
Common Stock	15,994,466	15,996,475	2,009	0
Capital Surplus	47,185,281	28,350,438	(18,834,843)	(40)
Retained Earnings	348,747,173	288,452,684	(60,294,489)	(17)
Other Equity	28,238,340	35,462,155	7,223,815	26
Treasury Shares	(55,970)	(55,970)	0	0
Non-controlling Interest	2,948,949	5,999,576	3,050,627	103
Total Equity	443,058,239	374,205,358	(68,852,881)	(16)

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

- 1) Increase in funds and investments: Mainly due to increase in financial assets measured at amortized cost.
- 2) Increase in current liabilities: Mainly due the resolution of accounts payable for dividends for the first half of 2023 and increase in liability for refunds.
- 3) Increase in non-current liabilities: Mainly due to increase in long-term payables and provisions for liabilities.
- 4) Decrease in capital surplus: Mainly due to capital surplus paid as cash dividend.
- 5) Increase in other equity: Mainly due to market value changes of financial assets measured at fair value.
- 6) Increase in non-controlling interest: Mainly due to shareholding changes in subsidiaries.

1.2. Parent Company

Unit: NT\$ thousands

Item	2022	2023	Change	% of Change
Current Assets	96,261,324	117,292,266	21,030,942	22
Funds and Investments	324,873,794	318,636,121	(6,237,673)	(2)
Property, Plant and Equipment	32,197,708	30,714,741	(1,482,967)	(5)
Intangible Assets	57,005,420	62,090,859	5,085,439	9
Other Assets	32,426,283	31,181,575	(1,244,708)	(4)
Total Assets	542,764,529	559,915,562	17,151,033	3
Current Liabilities	92,352,475	174,983,650	82,631,175	89
Non-current Liabilities	10,302,764	16,726,130	6,423,366	62
Total Liabilities	102,655,239	191,709,780	89,054,541	87
Common Stock	15,994,466	15,996,475	2,009	0
Capital Surplus	47,185,281	28,350,438	(18,834,843)	(40)
Retained Earnings	348,747,173	288,452,684	(60,294,489)	(17)
Other Equity	28,238,340	35,462,155	7,223,815	26
Treasury Shares	(55,970)	(55,970)	-	-
Total Equity	440,109,290	368,205,782	(71,903,508)	(16)

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

- 1) Increase in current assets: Mainly due to increase in cash. (Please refer to cash flow statement)
- 2) Increase in current liabilities: Mainly due to the resolution of accounts payable for dividends for the first half of 2023.
- 3) Increase in non-current liabilities: Mainly due to increase in long-term payables and provisions for liabilities.
- 4) Decrease in capital surplus: Mainly due to capital surplus paid as cash dividend.
- 5) Increase in other equity: Mainly due to market value changes of financial assets measured at fair value.

2. Operating Results

2.1. Consolidated Report

Unit: NT\$ thousands

Item	2022	2023	Change	% of Change
Net Sales	548,796,030	433,446,330	(115,349,700)	(21)
Operating Costs	277,891,595	226,079,292	(51,812,303)	(19)
Gross Profit	270,904,435	207,367,038	(63,537,397)	(23)
Operating Expenses	144,115,983	135,567,532	(8,548,451)	(6)
Operating Income	126,788,452	71,799,506	(54,988,946)	(43)
Non-Operating Income and Expenses	8,772,791	14,982,936	6,210,145	71
Net Income before Income Tax	135,561,243	86,782,442	(48,778,801)	(36)
Income Tax Expense	16,936,222	9,591,498	(7,344,724)	(43)
Net Income	118,625,021	77,190,944	(41,434,077)	(35)
Other Comprehensive Income, net of tax	(9,211,006)	6,782,875	15,993,881	(174)
Total Comprehensive Income	109,414,015	83,973,819	(25,440,196)	(23)
Net Income Attributable to Owners of the Parent	118,141,106	76,978,637	(41,162,469)	(35)
Total Comprehensive Income Attributable to Owners of the Parent	108,918,586	83,781,837	(25,136,749)	(23)
<p>Explanation for changes that exceed 20% and reach NT\$10 million between the two years:</p> <p>1) Decrease in net sales: Mainly due to customers' inventory adjustment to reflect the decrease in end demand.</p> <p>2) Decrease in gross profit: Mainly due to changes in pricing of some products and changes in costs.</p> <p>3) Decrease in operating income, net income before income tax, income tax expense, net income, net income attributable to owners of the parent: Mainly due to decrease in net sales.</p> <p>4) Increase in non-operating income and expenses: Mainly due to increase in dividend income.</p> <p>5) Increase in other comprehensive income: Mainly due to increase in unrealized gains from equity investments measured at fair value through other comprehensive income.</p> <p>6) Decrease in total comprehensive income and total comprehensive income attributable to owners of the parent: Mainly due to the combined impact of the aforementioned changes.</p>				

2.2. Parent Company

Unit: NTS thousands

Item	2022	2023	Change	% of Change
Net Sales	332,181,124	268,685,527	(63,495,597)	(19)
Operating Costs	176,996,071	131,565,573	(45,430,498)	(26)
Gross Profit	155,185,053	137,119,954	(18,065,099)	(12)
Unrealized Gross Profit on Sales	(657)	(207,605)	(206,948)	31,499
Realized Gross Profit on Sales	170,395	189,921	19,526	11
Net Gross Profit	155,354,791	137,102,270	(18,252,521)	(12)
Operating Expenses	101,140,614	94,798,897	(6,341,717)	(6)
Operating Income	54,214,177	42,303,373	(11,910,804)	(22)
Non-Operating Income and Expenses	73,380,010	41,352,507	(32,027,503)	(44)
Net Income before Income Tax	127,594,187	83,655,880	(43,938,307)	(34)
Income Tax Expense	9,453,081	6,677,243	(2,775,838)	(29)
Net Income	118,141,106	76,978,637	(41,162,469)	(35)
Other Comprehensive Income, net of tax	(9,222,520)	6,803,200	16,025,720	(174)
Total Comprehensive Income	108,918,586	83,781,837	(25,136,749)	(23)

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

- 1) Decrease in operating costs: Mainly due to decrease in net sales.
- 2) Increase in unrealized gross profit on sales: Mainly due to increase in transactions between affiliated companies.
- 3) Decrease in non-operating income and expenses: Mainly due to decrease in the share of other comprehensive income from subsidiaries, associates, and joint ventures accounted for using the equity method.
- 4) Decrease in operating income, net income before income tax, income tax expense, net income: Mainly due to decrease in net sales.
- 5) Increase in other comprehensive income, net of tax: Mainly due to increase in unrealized gains from equity investments measured at fair value through other comprehensive income.
- 6) Decrease in total comprehensive income: Mainly due to the combined impact of the aforementioned changes.

3. Cash Flow Analysis

3.1. Consolidated Report

Unit: NT\$ thousands

Cash Balance Dec. 31, 2022	Net Cash Provided by Operating Activities in 2023	Net Cash Outflows from Investing and Financing Activities in 2023	Impact of Foreign Exchange Ratio	Cash Balance Dec. 31, 2023	Remedy for Cash Shortfall	
					Investment Plan	Financing Plan
\$147,502,155	\$166,091,322	\$(147,314,840)	\$(882,627)	\$165,396,010	-	-

3.1.1 Analysis of the Change in Cash Flow in 2023

Operating activities: Net cash inflow of NT\$166,091,322 thousand, mainly from operating profits.

Investing activities: Net cash outflow of NT\$28,745,701 thousand, mainly due to acquisition of financial assets including bonds.

Financing activities: Net cash outflow of NT\$118,569,139 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, 2022	Net Cash Provided by Operating Activities in 2023	Net Cash Outflows from Investing and Financing Activities in 2023	Cash Balance Dec. 31, 2023	Remedy for Cash Shortfall	
				Investment Plan	Financing Plan
\$22,417,724	\$147,143,750	\$(121,585,955)	\$47,975,519	-	-

3.2.1 Analysis of the Change in Cash Flow in 2023

Operating activities: Net cash inflow of NT\$147,143,750 thousand, mainly from operating profits.

Investing activities: Net cash outflow of NT\$9,666,840 thousand, mainly due to acquisition of intangible assets, real estate, and plant and equipment.

Financing activities: Net cash outflow of NT\$111,919,115 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 (2023 and 2022)	Status of Actual or Projected Use of Capital	
			2023	2022
Land, Office Building and R&D Equipment	Cash flow generated from operation	\$22,946,872	\$9,324,762	\$13,622,110
Software, IPs and Patents	Cash flow generated from operation	\$12,794,814	\$7,502,419	\$5,292,395

4.2. Expected Future Benefits

1. Land and office buildings:

To ensure sustainable operation, the Company recruits outstanding talents to develop new products and provide employees with suitable and well-planned workspaces.

2. R&D equipment:

R&D equipment serve as auxiliary tools for the Company's research, development, and design of new products, with the benefit of accelerating new product development and enhancing the efficiency of product design.

3. Software, IPs and patents:

To reinforce the intellectual property capital protection to cope with complex and challenging global intellectual property disputes, the Company continues to acquire high-value patents to enhance its 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 2023 was NT\$275,918 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 foreign exchange contracts and foreign exchange swap contracts to manage exchange rate fluctuations. The amount of the contracts depends on the Company's requirement for each foreign currency. As the purpose of holding forward foreign exchange contracts and foreign exchange swap 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, 2023 and 2022 decreases/increases by NT\$44,897 thousand and NT\$31,382 thousand, while equity decreases/increases by NT\$217,151 thousand and NT\$199,965 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, 2023 and 2022 to increase/decrease by NT\$1,006 thousand and NT\$1,762 thousand, respectively.

Risks associated with inflation:

There was no major impact from inflation on the Company's 2023 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 224Gbps high speed Ethernet PHY	End of 2024
Next generation highly integrated mobile communication SoCs and chipsets	End of 2024
Next generation tablet chipsets	End of 2024
Next generation highly integrated multi-functional wireless communication chips	End of 2024
Next generation low-power AIoT and smart home connectivity chips	End of 2024
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 2024
Next generation 10G PON (passive optical network) chipsets	End of 2024
Next generation 10G NBASE-T Ethernet PHY and switch chipsets	End of 2024

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 2023 and 2022 were NT\$111,384,930 thousand and NT\$116,874,655 thousand, accounting for 26% and 21% 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 2024 total R&D budget, which is estimated to be 20% of 2024 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

In the latest fiscal year and up to the date of publication of the annual report, the Company did not undertake any merger and acquisition activities.

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 human resource needs, the Company and its subsidiaries planned suitable and appropriate space in the Hsinchu Science Park and related overseas locations in 2023. 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) 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. After evaluation, the incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc.

(2) 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.

(3) 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. Pursuant to the parties' joint motion, the court dismissed the claims against the Company and its subsidiary MediaTek USA Inc. on April 17, 2023.

(4) 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 court dismissed the claims against the Company pursuant to the plaintiff's voluntary dismissal on September 29, 2023.

(5) 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. After evaluation, the incident has no significant impact on the operations of the Company.

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 October 30, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177, and 9,118,528. After evaluation, the incident has no significant impact on the operations of the Company.

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 October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638, and 8,498,593. After evaluation, the incident has no significant impact on the operations of the Company.

(6) 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 court dismissed the claims against the Company pursuant to the plaintiff's voluntary dismissal on September 12, 2023.

(7) MOSAID Technologies, Inc. ("MOSAID") 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. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885, and 7,996,811. After evaluation, the incident has no significant impact on the operations of the Company.

(8) Innomemory LLC ("Innomemory") 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. 6,240,046. After evaluation, the incident has no significant impact on the operations of the Company.

(9) Realtek Semiconductor Corporation ("Realtek") filed complaints in the United States District Court for the Northern District of California against the Company on June 6, 2023, alleging unfair competition. After evaluation, the incident has no significant impact on the operations of the Company.

(10) Bell Northern Research, LLC ("BNR") filed complaints in the United States District Court for the Central District of California against the Company's subsidiaries MediaTek USA Inc. and Mediatek Northern America Inc. on June 15, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914, and RE 48,629. After evaluation, the incident has no significant impact on the operations of the Company's subsidiaries MediaTek USA Inc. and Mediatek Northern America Inc.

Bell Northern Research, LLC ("BNR") filed complaints in the U.S. International Trade Commission against the Company and its subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914, and RE 48,629. After evaluation, the incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc.

(11) Deepwell IP LLC (“Deepwell”) filed complaints in the United States District Court for the Eastern District of Texas against the Company on September 19, 2023, alleging infringement of U.S. Patent Nos. 7,149,851, 7,645,664, 8,415,730, and RE44,025. After evaluation, the incident has no significant impact on the operations of the Company.

(12) Gamehancement LLC (“Gamehancement”) filed complaints in the United States District Court for the Western District of Texas against the Company on December 9, 2023, alleging infringement of U.S. Patent Nos. 7,046,252. The court dismissed the claims against the Company pursuant to the plaintiff’s voluntary dismissal on December 13, 2023.

(13) LED Apogee LLC (“LED Apogee”) filed complaints in the United States District Court for the Western District of Texas against the Company on January 16, 2024, alleging infringement of U.S. Patent Nos. 6,982,527. After evaluation, the incident has no significant impact on the operations of the Company.

(14) Redstone Logics LLC (“Redstone”) filed complaints in the United States District Court for the Western District of Texas against the Company and its subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent Nos. 8,549,339. After evaluation, the incident has no significant impact on the operations of the Company and its subsidiary MediaTek USA Inc.

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 Singapore	CIA	CFA
Headcount						
Finance	22	8	1	1	4	2
Internal audit	2	-	-	-	2	-

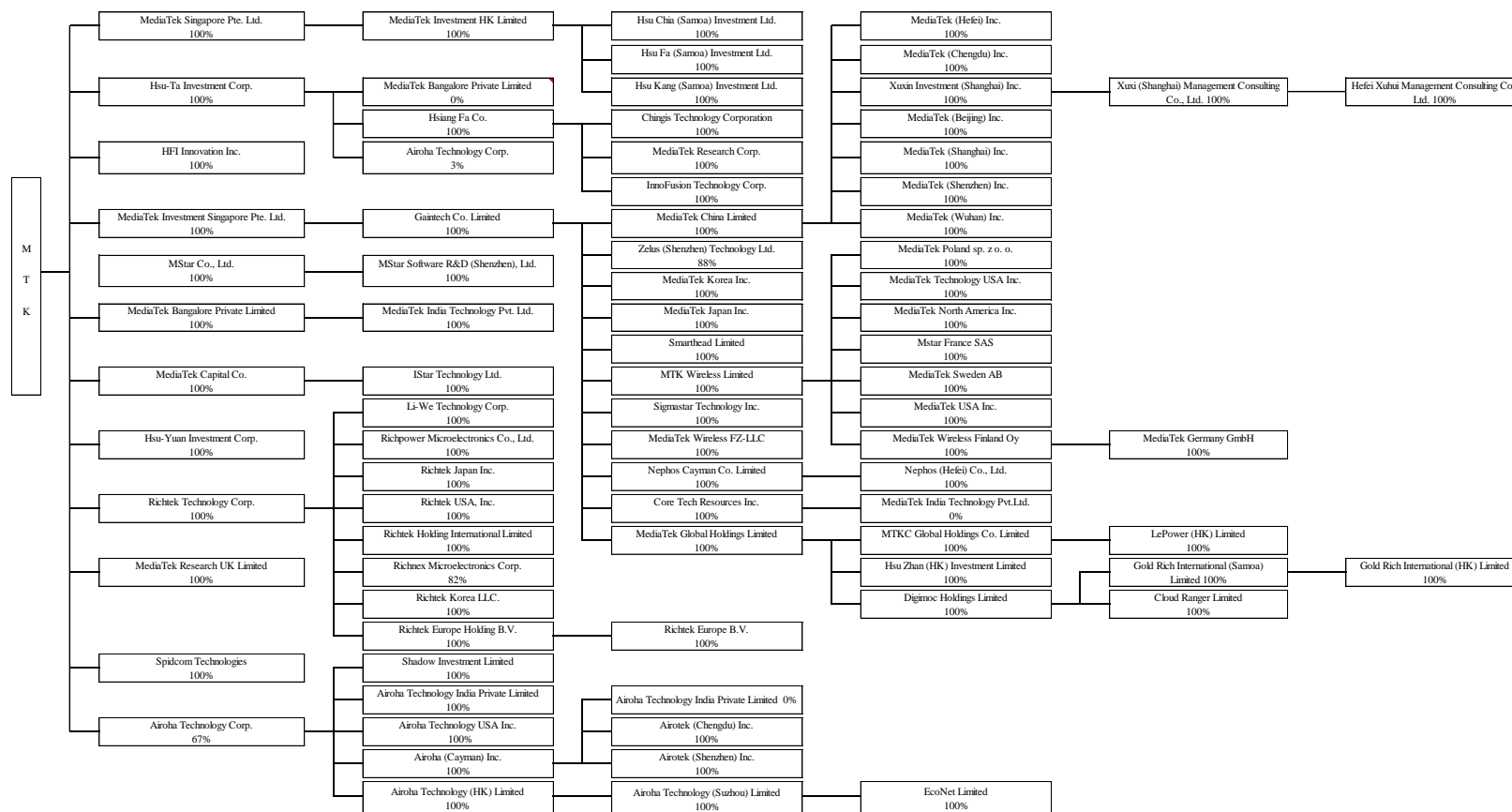
Certificate	FRM	CISA	TA	CFE
Headcount				
Finance	1	-	3	-
Internal audit	-	1	-	1

VIII. Special Disclosure

1. Summary of Affiliated Companies

1.1. The Company's Affiliated Companies Chart

Dec. 31, 2023



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, 2023. Unit: NTD 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 1,955,248	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 1,009,370	Research
MediaTek Research Corp.	2019/1	Taiwan	NTD 800	Research
InnoFusion Technology Corp.	2017/9	Taiwan	NTD 1,120,000	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 1,000	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 4,085,118	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 1,550,639	General investing
MStar Software R&D (Shenzhen), Ltd.	2003/8	Mainland China	USD 30,000	Technical services
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
MediaTek (Hefei) Inc.	2003/8	Mainland China	USD 17,000	Research

Company Name	Date of Incorporation	Place of Registration	Capital Stock	Major Business
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 70,400	General investing
Xuxi (Shanghai) Management Consulting Co., Ltd.	2019/4	Mainland China	CNY 435,060	General investing
Hefei Xuhui Management Consulting Co., Ltd.	2019/4	Mainland China	CNY 435,000	General investing
MStar France SAS	2006/10	France	EUR 4,589	Research
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	Sales support and marketing 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
MediaTek Poland sp. z o.o.	2023/1	Poland	PLN 5	Technical services
MediaTek Technology USA Inc.	2023/6	USA	USD 0.0001	Research
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 1,660,217	Research, manufacturing and sales
Shadow Investment Limited	2002/4	Samoa	USD 12,360	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 2,127	General investing
Airoha Technology (HK) Limited	2013/3	Hong Kong	USD 48,035	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 products, digital TVs, networking products, and analog ICs, as well as general investments.

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

December 31, 2023; 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.: Iris Chen)	592,580,103	100
HFI Innovation Inc.	Chairman	MediaTek Inc. (Rep.: David Ku)	195,524,752	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
	Director	MediaTek Inc. (Rep.: Sherry Lin)	50,000,000	100

Company Name	Title	Name or Representative	Shares	% of Holding
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)	100,936,991	100
Mediatek Research Corp.	Chairman	Hsiang Fa Co. (Rep.: David Ku)	80,000	100
InnoFusion Technology Corp.	Director/Chairman	Hsiang Fa Co. (Rep.: Iris Chen)	112,000,000	100
Gaintech Co. Limited	Director	David Ku	MediaTek Investment Singapore Pte. Ltd. 1,123,172,524	100
	Director	David Su	MediaTek Investment Singapore Pte. Ltd. 1,123,172,524	100
Core Tech Resources Inc.	Director	David Ku	Gaintech Co. Limited 1,000,000	100
MediaTek Investment HK Limited	Director	Iris Chen	MediaTek Singapore Pte. Ltd. 554,587,474	100
	Director	Smith Huang	MediaTek Singapore Pte. Ltd. 554,587,474	100
MediaTek China Limited	Director	David Ku	Gaintech Co. Limited 3,044,078,500	100
	Director	David Su	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	Iris 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
Nephos Cayman Co. Limited	Director	Jerry Yu	Gaintech Co. Limited 113,110,426	100
	Director	David Ku	Gaintech Co. Limited 113,110,426	100

Company Name	Title	Name or Representative	Shares	% of Holding
Sigmastar Technology Inc.	Director	David Ku	Gaintech Co. Limited 1,511,579	100
MediaTek Global Holdings Limited	Director	David Ku	Gaintech Co. Limited 4,085,118,214	100
	Director	David Su	Gaintech Co. Limited 4,085,118,214	100
IStar Technology Ltd.	Director	David Ku	MediaTek Capital Co. 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	Iris Chen	MediaTek Global Holdings Limited 2,383,399,545	100
	Director	Smith Huang	MediaTek Global Holdings Limited 2,383,399,545	100
MTKC Global Holdings Co. Limited	Director	David Ku	MediaTek Global Holdings Limited 12	100
	Director	David Su	MediaTek Global Holdings Limited 12	100
Digimoc Holdings Limited	Director	David Ku	MediaTek Global Holdings Limited 1,550,638,880	100
	Director	David Su	MediaTek Global Holdings Limited 1,550,638,880	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
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 Iris Chen	Not applicable	88
	Director	Gaintech Co. Limited Benson Tsai	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
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	Iris 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
MediaTek Poland sp. z o.o.	Director	Cheng-Te Chuang	MTK Wireless Limited 100	100
MediaTek Technology USA Inc.	Director	Kou-Hung Loh	MTK Wireless Limited 1,000	100
Lepower (HK) Limited	Director	Iris Chen	MTKC Global Holdings Co. Limited 85,050,000	100
MediaTek Germany GmbH	Director	Jane Chen	MediaTek Wireless Finland Oy 500,000	100
Cloud Ranger Limited	Director	Iris Chen	Digimoc Holdings Limited	100

Company Name	Title	Name or Representative	Shares	% of Holding
			23,139,000	
Gold Rich International (Samoa) Limited	Director	Iris Chen	Digimoc Holdings Limited 4,290,000	100
	Director	Smith Huang	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.: David Ku)	148,482,806	100
	Director	MediaTek Inc. (Rep.: Chris Yuan)	148,482,806	100
Li-We Technology Corp.	Executive director/ Legal representative	Richtek Technology Corp. Chris Yuan	Not applicable	100
	Supervisor	Richtek Technology Corp. Vivian Teng	Not applicable	100
Richpower Microelectronics Co., Ltd.	Executive director/ Legal representative	Richtek Technology Corp. Chris Yuan	Not applicable	100
	Supervisor	Richtek Technology Corp. Vivian Teng	Not applicable	100
Richtek Japan Inc.	Director	Chris Yuan	Richtek Technology Corp. 1,900	100
Richtek USA, Inc.	Director	Yong Zhong Hu	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.: Michael Lu)	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
	Director	Joshua Tso	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
	Chairman & President	MediaTek Inc.	111,235,745	67

Company Name	Title	Name or Representative	Shares	% of Holding
Airoha Technology Corp.		(Rep.: Ching-Jiang Hsieh)		
	Director	MediaTek Inc. (Rep.: David Ku)	111,235,745	67
	Director	MediaTek Inc. (Rep.: Cheng-Hung Kuo)	111,235,745	67
	Independent director	Ji-Ren Lee	-	-
	Independent director	Lee-Feng Chien	-	-
	Independent director	Chen-Fu Chien	-	-
Shadow Investment Limited	Director	Wang-Ruu Tseng	-	-
Airoha Technology India Private Limited	Director	Hsu-Feng Ho	Airoha Technology Corp. 12,360,000	100
		Kuldeep Malik	Airoha Technology Corp. 9,500,000	100
		Chang-Ching Wu	Airoha (Cayman) Inc. 95	
Airoha Technology USA Inc.	Director	Yi-Yuan Liao	Airoha Technology Corp. 10,000	100
	Director	Wei-Chung Peng	Airoha Technology Corp. 10,000	100
	Director	Yuchuan Yang	Airoha Technology Corp. 10,000	100
Airoha (Cayman) Inc.	Director	Ching-Jiang Hsieh	Airoha Technology Corp. 4,253,337	100
Airoha Technology (HK) Limited	Director	Hsu-Feng Ho	Airoha Technology Corp. 48,034,520	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
	Chairman/ Legal representative	Airoha Technology (HK) Limited Chang-Ching Wu	Not applicable	100
	Chairman/ Legal representative	Airoha Technology (HK) Limited Yi-Yuan 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, 2023; Unit: NT\$ thousands

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
MediaTek Singapore Pte. Ltd.	4,265,004	102,596,214	59,554,710	43,041,504	130,776,150	22,189,459	22,704,288	121.08
Hsu-Ta Investment Corp.	5,925,801	20,604,300	2,228,784	18,375,516	801,693	801,571	1,118,716	1.89
HFI Innovation Inc.	1,955,248	2,050,267	13,271	2,036,996	1,035,544	571,562	377,001	1.93
MediaTek Investment Singapore Pte. Ltd.	68,684,047	224,662,048	98,615	224,563,433	12,752,780	12,752,139	12,684,124	5.68
MStar Co., Ltd.	410,472	649,617	504,269	145,348	18,567	18,466	18,556	1.39

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
MediaTek Bangalore Private Limited	7,398	1,849,519	854,799	994,720	2,284,394	326,226	348,981	174.49
MediaTek Capital Co.	1,118,000	1,387,553	83,173	1,304,380	29,647	(35,341)	(28,338)	(0.25)
Hsu-Yuan Investment Corp.	500,000	5,351,623	4,862,444	489,179	-	(5,717)	(2,051)	(0.04)
MediaTek Research UK Limited	10,972	47,411	7,982	39,429	76,087	4,978	6,438	22.99
Spidcom Technologies	4,974	-	-	-	-	-	-	-
Hsiang Fa Co.	2,368,011	15,137,381	256,384	14,880,997	721,759	718,038	713,587	3.01
Chingis Technology Corporation	1,009,370	891,624	376,659	514,965	657,827	(14,713)	30,909	0.31
MediaTek Research Corp.	800	26,742	15,326	11,416	41,761	2,732	2,229	27.86
InnoFusion Technology Corp.	1,120,000	218,603	71,975	146,628	348,030	18,572	17,667	0.16
Gaintech Co. Limited	34,534,186	234,568,758	10,970,675	223,598,083	13,787,436	13,778,363	12,731,500	11.34
Core Tech Resources Inc.	30,747	70,931	-	70,931	186,923	186,822	186,822	186.82
MediaTek Investment HK Limited	17,051,901	16,618,528	-	16,618,528	529,945	529,485	529,485	0.95
MediaTek China Limited	12,033,972	20,811,443	847,123	19,964,320	3,692,419	3,692,234	3,624,276	1.19
MTK Wireless Limited	3,307,184	6,686,948	491,202	6,195,746	902,343	59,027	1,068,004	12.65
MediaTek Japan Inc.	217	205,769	95,955	109,814	239,691	15,681	28,652	4,035.48
MediaTek Korea Inc.	47,480	982,265	580,104	402,161	872,283	53,301	127,896	639.48
Smarthead Limited	21,523	37,014	-	37,014	-	(3,704)	(3,704)	(5.29)
MediaTek Wireless FZ-LLC	419	23,812	10,578	13,234	46,816	2,229	2,223	44,468.52
Nephos Cayman Co. Limited	3,477,806	13,820	-	13,820	-	(859)	181,946	1.61
Sigmastar Technology Inc.	46,477	8,792,839	878,742	7,914,097	290,246	289,529	260,689	172.46
MediaTek Global Holdings Limited	125,605,130	137,344,838	-	137,344,838	4,567,977	4,567,102	4,567,079	1.12
IStar Technology Ltd.	1,537	3,807	-	3,807	87	(81)	(85)	(1.70)
MediaTek India Technology Pvt. Ltd.	20,346	1,537,923	490,519	1,047,404	949,981	139,852	93,143	16.94
Hsu Zhan (HK) Investment Limited	73,282,386	77,857,067	-	77,857,067	3,630,168	3,629,529	3,629,529	1.52
MTKC Global Holdings Co. Limited	-	10,951,152	-	10,951,152	155,432	155,270	155,270	12,939,148.08
Digimoc Holdings Limited	47,677,494	48,526,015	-	48,526,015	855,177	849,188	782,557	0.50
MStar Software R&D (Shenzhen), Ltd.	922,410	511,287	-	511,287	-	(137)	12,073	Not applicable
Zelus (Shenzhen) Technology Ltd.	158,347	240,164	56,101	184,063	385,990	13,117	12,593	Not applicable
Nephos (Hefei) Co., Ltd.	1,268,314	446,703	481,738	(35,035)	-	(7)	(2,833)	Not applicable
MediaTek (Hefei) Inc.	522,699	1,782,254	787,302	994,952	2,682,032	191,578	204,538	Not applicable
MediaTek (Beijing) Inc.	3,074,700	5,395,461	681,310	4,714,151	3,292,543	424,051	488,283	Not applicable
MediaTek (Shenzhen) Inc.	2,767,230	7,160,066	1,343,631	5,816,435	4,131,579	489,883	1,970,225	Not applicable
MediaTek (Chengdu) Inc.	1,531,201	2,387,045	612,846	1,774,199	1,605,162	82,029	148,189	Not applicable
MediaTek (Wuhan) Inc.	744,077	2,086,959	1,265,599	821,360	683,749	47,678	33,609	Not applicable
MediaTek (Shanghai) Inc.	1,286,830	4,323,688	1,805,221	2,518,467	1,905,021	138,389	862,573	Not applicable

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
Xuxin Investment (Shanghai) Inc.	2,164,589	3,545,717	24,380	3,521,337	21,419	20,744	17,433	Not applicable
Xuxi (Shanghai) Management Consulting Co., Ltd.	1,885,011	3,047,467	43	3,047,424	10,754	10,661	10,661	Not applicable
Hefei Xuhui Management Consulting Co., Ltd.	1,884,751	3,371,971	324,606	3,047,365	14,387	14,333	10,749	Not applicable
MStar France SAS	156,111	168,597	859	167,738	-	(1,676)	(904)	(1.97)
MediaTek Sweden AB	3,105	98,380	62,079	36,301	153,295	10,029	10,955	10.86
MediaTek USA Inc.	3	9,363,810	4,676,301	4,687,509	10,075,522	662,765	988,988	8,844.86
MediaTek Wireless Finland Oy	85	745,689	346,180	399,509	1,149,770	75,219	75,443	75,442.66
MediaTek North America Inc.	-	410,870	246,764	164,106	800,106	38,100	(28,544)	(2,854.39)
LePower (HK) Limited	2,340,757	3,002,648	-	3,002,648	170,069	169,918	169,918	2.00
MediaTek Germany GmbH	17,009	40,105	15,564	24,541	82,057	4,645	4,955	9.91
Cloud Ranger Limited	711,455	1,681,848	-	1,681,848	22,042	21,773	21,773	0.94
Gold Rich International (Samoa) Limited	131,905	5,183,497	-	5,183,497	-	(73,028)	(73,028)	(17.02)
Gold Rich International (HK) Limited	128,830	5,557,313	376,276	5,181,037	-	(70,749)	(72,986)	(17.42)
Hsu Chia (Samoa) Investment Ltd.	4,332,760	5,539,753	-	5,539,753	169,601	162,789	162,789	0.16
Hsu Fa (Samoa) Investment Ltd.	4,332,760	5,549,306	-	5,549,306	185,135	178,522	178,522	0.18
Hsu Kang (Samoa) Investment Ltd.	4,332,760	5,526,868	-	5,526,868	190,987	187,919	187,919	0.19
MediaTek Poland sp. z o.o.	39	29,587	3,504	26,083	15,491	877	920	9,202.69
MediaTek Technology USA Inc.	-	9,235	-	9,235	186	11	11	11.37
Richtek Technology Corp.	1,484,828	13,849,039	6,569,124	7,279,915	20,895,998	2,524,057	2,394,286	16.13
Li-We Technology Corp.	76,868	123,950	75,197	48,753	215,607	13,942	12,173	Not applicable
Richpower Microelectronics Co., Ltd.	98,390	59,276	35,196	24,080	89,831	6,646	8,456	Not applicable
Richtek Japan Inc.	20,658	116,029	71,248	44,781	203,666	34,604	31,675	16,671.05
Richtek USA Inc.	30,747	407,362	180,051	227,311	840,447	62,977	60,592	60.59
Richtek Holding International Limited	92,241	62,377	167	62,210	-	(1,234)	(2,592)	(86.40)
Richnex Microelectronics Corp.	330,000	69,693	9,528	60,165	68,516	1,758	1,923	0.06
Richtek Korea LLC.	26,506	73,297	48,772	24,525	232,066	20,620	12,788	1,278.80
Richtek Europe Holding B.V.	68,037	40,040	68	39,972	-	(103)	(7,828)	(3.91)
Richtek Europe B.V.	51,028	28,700	5,192	23,508	12,297	(7,580)	(7,726)	(5.15)
Airoha Technology Corp.	1,660,217	19,450,432	3,010,896	16,439,536	10,108,379	529,781	967,544	6.47
Shadow Investment Limited	380,033	1,104	-	1,104	-	(138)	1,231	0.10
Airoha Technology India Private Limited	35,143	91,693	53,348	38,345	51,161	11,638	7,164	0.75
Airoha Technology USA Inc.	-	20,233	4,624	15,609	58,741	3,842	2,423	242.30
Airoha (Cayman) Inc.	65,389	160,243	-	160,243	-	(249)	(18,075)	(4.25)

Company Name	Capital	Assets	Liabilities	Net Worth	Net Sales	Operating income (loss)	Net Income	EPS (NT\$)
Airoha Technology (HK) Limited	1,476,917	2,815,360	1,393	2,813,967	-	(6,185)	207,387	4.32
Airotek (Chengdu) Inc.	29,210	123,164	46,699	76,465	224,919	(5,520)	(9,170)	Not applicable
Airotek (Shenzhen) Inc.	29,210	107,413	36,438	70,975	213,411	(9,730)	(12,872)	Not applicable
Airoha Technology (Suzhou) Limited	307,470	2,967,495	617,850	2,349,645	3,456,028	420,606	538,414	Not applicable
EcoNet Limited	12,999	153,549	-	153,549	-	(89)	4,138	10.35

Note: The amount of capital, asset, liabilities, and net worth in the table were calculated using the exchange rate at the end of 2023. The net sales, income from operation, net income, and EPS were calculated using the average exchange rate in 2023.

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. 2019-2023 Condensed Balance Sheets – Consolidated

Unit: NT\$ thousands

Item		2019	2020	2021	2022	2023
Current assets		266,729,101	291,862,293	346,864,726	297,653,607	290,888,768
Funds and investments		73,277,847	116,766,859	128,123,366	123,489,098	150,005,838
Property, plant and equipment		38,889,940	38,971,343	49,111,180	53,861,629	53,291,265
Intangible assets		70,917,102	76,271,667	73,525,649	73,454,530	81,244,768
Other assets		8,887,804	10,034,165	63,251,827	59,940,610	59,607,855
Total assets		458,701,794	533,906,327	660,876,748	608,399,474	635,038,494
Current liabilities	Before distribution	131,098,015	143,798,425	211,106,280	141,570,389	231,999,004
	After distribution	147,780,944	202,643,021	327,838,462	263,143,962	280,627,556
Non-current liabilities		13,204,241	15,023,451	16,122,574	23,770,846	28,834,132
Total liabilities	Before distribution	144,302,256	158,821,876	227,228,854	165,341,235	260,833,136
	After distribution	160,985,185	217,666,472	343,961,036	286,914,808	309,461,688
Equity attributable to owners of the parent						
Share capital		15,900,253	15,902,755	15,988,903	15,994,466	15,996,475
Capital surplus	Before distribution	82,392,203	76,745,750	59,776,045	47,185,281	28,350,438
	After distribution	73,653,526	51,299,438	34,190,909	24,790,149	28,350,438
Retained earnings	Before distribution	169,237,532	217,635,230	302,649,721	348,747,173	288,452,684
	After distribution	161,293,280	184,236,946	211,502,675	249,568,732	239,824,132
Other equity		45,276,326	61,606,056	53,656,597	28,238,340	35,462,155
Treasury shares		(55,970)	(55,970)	(55,970)	(55,970)	(55,970)
Total equity attributable to owners of the parent	Before distribution	312,750,344	371,833,821	432,015,296	440,109,290	368,205,782
	After distribution	296,067,415	312,989,225	315,283,114	318,535,717	319,577,230
Non-controlling interests		1,649,194	3,250,630	1,632,598	2,948,949	5,999,576
Total equity	Before distribution	314,399,538	375,084,451	433,647,894	443,058,239	374,205,358
	After distribution	297,716,609	316,239,855	316,915,712	321,484,666	325,576,806

1.2. 2019-2023 Condensed Balance Sheets – Parent Company

Unit: NTS thousands

Item	2019	2020	2021	2022	2023	
Current assets	137,776,031	143,621,071	154,562,926	96,261,324	117,292,266	
Funds and investments	196,537,558	244,691,569	316,693,591	324,873,794	318,636,121	
Property, plant and equipment	20,003,889	20,388,079	29,877,083	32,197,708	30,714,741	
Intangible assets	54,646,668	58,505,350	57,272,022	57,005,420	62,090,859	
Other assets	5,228,970	6,139,793	37,871,610	32,426,283	31,181,575	
Total assets	414,193,116	473,345,862	596,277,232	542,764,529	559,915,562	
Current liabilities	Before distribution	95,302,921	93,079,755	146,384,287	92,352,475	174,983,650
	After distribution	111,985,850	151,924,351	263,116,469	213,926,048	223,612,202
Non-current liabilities	6,139,851	8,432,286	17,877,649	10,302,764	16,726,130	
Total liabilities	Before distribution	101,442,772	101,512,041	164,261,936	102,655,239	191,709,780
	After distribution	118,125,701	160,356,637	280,994,118	224,228,812	240,338,332
Share capital	15,900,253	15,902,755	15,988,903	15,994,466	15,996,475	
Capital surplus	Before distribution	82,392,203	76,745,750	59,776,045	47,185,281	28,350,438
	After distribution	73,653,526	51,299,438	34,190,909	24,790,149	28,350,438
Retained earnings	Before distribution	169,237,532	217,635,230	302,649,721	348,747,173	288,452,684
	After distribution	161,293,280	184,236,946	211,502,675	249,568,732	239,824,132
Other equity	45,276,326	61,606,056	53,656,597	28,238,340	35,462,155	
Treasury shares	(55,970)	(55,970)	(55,970)	(55,970)	(55,970)	
Total equity	Before distribution	312,750,344	371,833,821	432,015,296	440,109,290	368,205,782
	After distribution	296,067,415	312,989,225	315,283,114	318,535,717	319,577,230

2. Condensed Statements of Comprehensive Income

2.1. 2019-2023 Condensed Statements of Comprehensive Income – Consolidated

Unit: NTS thousands

Item	2019	2020	2021	2022	2023	
Net sales	246,221,731	322,145,988	493,414,582	548,796,030	433,446,330	
Gross profit	103,045,508	141,535,516	231,604,595	270,904,435	207,367,038	
Operating income	22,567,452	43,219,239	108,040,234	126,788,452	71,799,506	
Non-operating income and expenses	4,459,917	4,363,447	18,811,819	8,772,791	14,982,936	
Net income before income tax	27,027,369	47,582,686	126,852,053	135,561,243	86,782,442	
Net income	23,204,310	41,438,573	111,872,533	118,625,021	77,190,944	
Other comprehensive Income, net of tax	29,821,023	31,140,808	3,804,201	(9,211,006)	6,782,875	
Total comprehensive income	53,025,333	72,579,381	115,676,734	109,414,015	83,973,819	
Net income (loss) for the periods attributable to:						
Owners of the parent	23,032,721	40,916,800	111,421,062	118,141,106	76,978,637	
Non-controlling interests	171,589	521,773	451,471	483,915	212,307	
Total comprehensive income for the periods attributable to:						
Owners of the parent	52,896,235	72,047,329	115,241,937	108,918,586	83,781,837	
Non-controlling interests	129,098	532,052	434,797	495,429	191,982	
Earnings per share (NTS)	Before retrospective adjustment	14.69	26.01	70.56	74.59	48.51
	After retrospective adjustment	14.69	26.01	70.56	74.59	48.51

2.2. 2019-2023 Condensed Statements of Comprehensive Income – Parent Company

Unit: NTS thousands

Item	2019	2020	2021	2022	2023	
Net sales	136,467,915	168,337,908	305,571,342	332,181,124	268,685,527	
Gross profit	55,615,165	73,991,394	131,335,280	155,185,053	137,119,954	
Operating income	9,459,305	15,957,148	51,677,078	54,214,177	42,303,373	
Non-operating income and expenses	15,879,699	27,677,569	69,227,264	73,380,010	41,352,507	
Net income before income tax	25,339,004	43,634,717	120,904,342	127,594,187	83,655,880	
Net income	23,032,721	40,916,800	111,421,062	118,141,106	76,978,637	
Other Comprehensive Income, net of tax	29,863,514	31,130,529	3,820,875	(9,222,520)	6,803,200	
Total comprehensive income	52,896,235	72,047,329	115,241,937	108,918,586	83,781,837	
Earnings per share (NTS)	Before retrospective adjustment	14.69	26.01	70.56	74.59	48.51
	After retrospective adjustment	14.69	26.01	70.56	74.59	48.51

3. Five-Year Auditors' Opinions

Year	Accounting Firm	Name of Auditors (CPA)	Audio Opinion
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
2023	Ernst & Young	Shau-Pin Kuo, Wen-Fun Fuh	Unqualified Opinions

4. Five-Year Financial Analysis

4.1. 2019-2023 Financial Analysis – Consolidated

Item		2019	2020	2021	2022	2023
Capital structure analysis	Debt ratio (%)	31.45	29.74	34.38	27.17	41.07
	Long-term fund to property, plant and equipment ratio (%)	811.63	971.75	886.42	824.18	710.82
Liquidity Analysis	Current ratio (%)	203.45	202.96	164.30	210.25	125.38
	Quick ratio (%)	181.21	175.75	128.74	157.38	104.51
	Times interest earned (Times)	17.59	80.97	659.62	366.46	218.29
Operating performance analysis	Average collection turnover (Times)	8.82	10.74	10.75	11.03	9.03
	Days sales outstanding	41	34	34	33	40
	Average inventory turnover (Times)	4.88	5.53	4.71	3.86	3.96
	Average payment turnover (Times)	7.15	6.36	6.71	8.54	7.49
	Average inventory turnover days	75	66	77	95	92
	Property, plant and equipment turnover (Times)	6.43	8.27	11.20	10.65	8.09
	Total assets turnover (Times)	0.57	0.64	0.82	0.86	0.69
Profitability analysis	Return on total assets (%)	5.68	8.44	18.75	18.73	12.46
	Return on equity attributable to owners of the parent (%)	7.88	12.02	27.66	27.06	18.89
	Pre-tax income to paid-in capital (%)	169.98	299.21	793.37	847.55	542.50
	Net margin (%)	9.42	12.86	22.67	21.61	17.80
	Earnings per share (NT\$)					
	Before adjustments	14.69	26.01	70.56	74.59	48.51
	After adjustments	14.69	26.01	70.56	74.59	48.51
Cash flow	Cash flow ratio (%)	32.49	55.32	22.30	102.12	71.59
	Cash flow adequacy ratio (%)	97.91	149.55	96.92	104.14	112.56
	Cash flow reinvestment ratio (%)	10.67	19.34	(3.30)	7.59	14.47
Leverage	Operating leverage	8.30	5.77	3.63	3.56	4.81
	Financial leverage	1.08	1.01	1.00	1.00	1.01
<p>Explanation for changes that exceed 20% between the latest two years:</p> <p>1) Debt ratio increased by 51%, current ratio decreased by 40%, quick ratio decreased by 34% and cash flow ratio decreased by 30%: Mainly due the resolution of accounts payable for dividends for the first half of 2023 and increase in liability for refunds.</p> <p>2) Times interest earned decreased by 40%: Mainly due to increase in interest expense.</p> <p>3) Days sales outstanding increased by 7 days, property, plant and equipment turnover decreased by 24%, total assets turnover decreased by 20%, and operating leverage increased by 35%: Mainly due to decrease in net sales.</p> <p>4) Return on total assets decreased by 33%, return on equity attributable to owners of the parent decreased by 30%, pre-tax income to paid-in capital decreased by 36%, and earnings per share decreased by 35%: Mainly due to decrease in net income.</p> <p>5) Cash flow reinvestment ratio increased by 91%: Mainly due to increase in net cash flows from operating activities.</p>						

4.2. 2019-2023 Financial Analysis – Parent Company

Item		2019	2020	2021	2022	2023	
Capital structure analysis	Debt ratio (%)	24.49	21.44	27.54	18.91	34.23	
	Long-term fund to property, plant and equipment ratio (%)	1,567.54	1,835.23	1,479.23	1,368.54	1,208.21	
Liquidity Analysis	Current ratio (%)	144.56	154.29	105.58	104.23	67.03	
	Quick ratio (%)	130.31	131.33	77.25	59.76	51.12	
	Times interest earned (Times)	26.84	98.76	1,067.72	426.39	485.93	
Operating performance analysis	Average collection turnover (Times)	11.64	10.40	11.80	11.29	8.99	
	Days sales outstanding	31	35	31	32	41	
	Average inventory turnover (Times)	7.37	5.57	5.64	4.41	4.08	
	Average payment turnover (Times)	9.55	5.33	7.11	8.96	6.74	
	Average inventory turnover days	50	66	65	83	89	
	Property, plant, and equipment turnover (Times)	8.27	8.33	12.15	10.70	8.54	
	Total assets turnover (Times)	0.36	0.37	0.57	0.58	0.48	
Profitability analysis	Return on total assets (%)	6.38	9.30	20.85	20.78	13.98	
	Return on equity attributable to shareholders of the parent (%)	7.86	11.95	27.72	27.09	19.04	
	Pre-tax income to paid-in capital (%)	159.36	274.38	756.17	797.73	522.96	
	Net margin (%)	16.87	24.30	36.46	35.56	28.65	
	Basic earnings per share (NT\$)	Before adjustments	14.69	26.01	70.56	74.59	48.51
		After adjustments	14.69	26.01	70.56	74.59	48.51
Cash flow	Cash flow ratio (%)	29.12	55.29	33.32	101.89	84.08	
	Cash flow adequacy ratio (%)	69.34	112.21	87.82	82.23	94.74	
	Cash flow reinvestment ratio (%)	5.00	10.57	(2.66)	(5.81)	7.88	
Leverage	Operating leverage	10.60	7.68	4.64	4.84	4.84	
	Financial leverage	1.12	1.03	1.00	1.01	1.00	

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

- 1) Debt ratio increased by 81%, current ratio decreased by 36%: Mainly due the resolution of accounts payable for dividends for the first half of 2023 and increase in liability for refunds.
- 2) Average collection turnover decreased by 20%, days sales outstanding increased 9 days, and property, plant and equipment turnover decreased by 20%: Mainly due to decrease in net sales.
- 3) Average payment turnover decreased by 25%: Mainly due to decrease in cost of goods sold resulting from decrease in net sales.
- 4) Return on total assets decreased by 33%, return on equity attributable to owners of the parent decreased by 30%, pre-tax income to paid-in capital decreased by 34%, and earnings per share decreased by 35%: Mainly due to decrease in net income.
- 5) Cash flow reinvestment ratio increased by 236%: Mainly due to increase in net cash flows 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 2023 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. 2024 Annual General Shareholders' Meeting

MediaTek Inc.

Chairman of the Audit Committee: Chung-Yu Wu

Feb 23, 2024

6. Financial Statements and Independent Auditors' Report – Consolidated (Page F1 – Page F148)

7. Financial Statements and Independent Auditors' Report – Parent Company (Page F149 – Page F288)

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, 2023 AND 2022

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, 2023 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 23, 2024



安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material 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, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagement of 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.

A member firm of Ernst & Young Global Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 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\$433,446,330 thousand as net sales, which includes sale of goods in the amount of NT\$424,144,048 thousand and services and other operating revenues in the amount of NT\$9,302,282 thousand for the year ended December 31, 2023. 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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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, 2023 and 2022.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 23, 2024

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.

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2023	%	December 31, 2022	%
ASSETS					
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 165,396,010	26	\$ 147,502,155	24
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	5,671,167	1	8,541,857	1
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	6,040,475	1	3,169,019	-
Financial assets measured at amortized cost-current	4, 5, 6(4)	3,565,531	-	5,596,485	1
Notes receivable, net	6(23)	3,142	-	2,811	-
Trade receivables, net	4, 5, 6(5), 6(23)	55,049,729	9	40,804,936	7
Trade receivables from related parties, net	4, 5, 6(5), 6(23), 7	53,462	-	34,593	-
Financing lease receivables, net	4, 6(23), 6(24)	727,892	-	-	-
Other receivables	6(6)	4,807,004	1	15,823,997	-
Current tax assets	4, 5, 6(31)	222,054	-	133,072	3
Inventories, net	4, 5, 6(7)	43,220,266	7	70,703,336	-
Prepayments	6(8), 9	5,193,532	1	4,138,284	12
Other current assets		938,504	1	1,203,062	1
Total current assets		290,888,768	46	297,653,607	49
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	4,871,348	1	6,624,993	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	72,400,861	12	73,801,249	12
Financial assets measured at amortized cost-noncurrent	4, 5, 6(4), 8	55,580,529	9	25,264,394	4
Investments accounted for using the equity method	4, 6(9)	17,153,100	3	17,798,462	3
Property, plant and equipment	4, 6(10)	53,291,265	8	53,861,629	9
Right-of-use assets	4, 6(24)	8,597,305	1	8,927,750	2
Investment property, net	4, 6(11)	2,221,916	-	2,086,194	-
Intangible assets	4, 6(12), 6(13)	81,244,768	13	73,454,530	12
Deferred tax assets	4, 5, 6(31)	14,663,824	2	11,511,991	2
Refundable deposits	9	7,201,684	1	7,316,702	1
Long-term financing lease receivables, net	4, 6(23), 6(24)	727,892	-	1,455,784	-
Net defined benefit assets-noncurrent	4, 6(18)	26,265	-	15,852	-
Other non-current assets-others	9	26,168,969	4	28,626,337	5
Total non-current assets		344,149,726	54	310,745,867	51
Total assets		\$ 635,038,494	100	\$ 608,399,474	100

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		December 31, 2023	%	December 31, 2022	%
Current liabilities	Notes	\$	-	\$	-
Short-term borrowings	6(14)	2,200,000		3,700,000	1
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	301,675		6,097	-
Contract liabilities-current	4, 5, 6(22), 7	3,376,759	1	4,900,894	1
Trade payables		36,859,388	6	19,754,156	3
Trade payables to related parties	7	1,919,652		1,763,794	-
Other payables	6(15)	91,653,105	15	52,384,543	9
Other payables to related parties	7	108,629		125,059	-
Current tax liabilities	4, 5, 6(31)	15,011,015	2	12,022,458	2
Lease liabilities-current	4, 6(24)	837,485		795,500	-
Other current liabilities	6(16)	74,105,113	12	43,249,196	7
Current portion of long-term liabilities	6(17)	5,626,183	1	2,868,692	-
Total current liabilities		231,999,004	37	141,570,389	23
Non-current liabilities					
Long-term payables	7	4,604,807	1	771,209	-
Long-term payables to related parties	4, 6(18)	-		92,139	-
Net defined benefit liabilities-noncurrent	7	620,770		762,337	-
Deposits received	4, 5, 6(31)	211,796		189,707	-
Deferred tax liabilities	4, 6(24)	8,452,479	1	11,584,725	3
Lease liabilities-noncurrent	4, 6(19), 9	8,060,351	1	8,308,237	1
Other non-current liabilities-others		6,883,929	1	2,062,492	-
Total non-current liabilities		28,834,132	4	23,770,846	4
Total liabilities		260,833,136	41	165,341,235	27
Equity attributable to owners of the parent					
Share capital	6(20)	15,996,475	3	15,994,353	3
Common stock		-		113	-
Capital collected in advance	6(20), 6(21), 6(34)	28,350,438	4	47,185,281	8
Capital surplus	6(20)				
Retained earnings		75,782,948	12	62,058,498	10
Legal reserve		212,669,736	33	286,688,675	47
Undistributed earnings	6(21)	35,462,155	6	28,238,340	5
Other equity	4, 6(20)	(55,970)		(55,970)	-
Treasury shares		368,205,782	58	440,109,290	73
Equity attributable to owners of the parent	4, 6(20), 6(34)	5,999,576	1	2,948,949	-
Non-controlling interests		374,205,358	59	443,058,239	73
Total equity					
Total liabilities and equity		\$	100	\$	100
		635,038,494		608,399,474	100

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022

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

Description	Notes	2023	%	2022	%
Net sales	4, 5, 6(22), 7	\$ 433,446,330	100	\$ 548,796,030	100
Operating costs	4, 5, 6(7), 6(25), 7	(226,079,292)	(52)	(277,891,595)	(51)
Gross profit		207,367,038	48	270,904,435	49
Operating expenses	6(23), 6(24), 6(25), 7				
Selling expenses		(14,423,677)	(3)	(14,239,563)	(3)
Administrative expenses		(9,703,256)	(2)	(13,001,319)	(2)
Research and development expenses		(111,384,930)	(26)	(116,874,655)	(21)
Expected credit losses		(55,669)	-	(446)	-
Total operating expenses		(135,567,532)	(31)	(144,115,983)	(26)
Operating income		71,799,506	17	126,788,452	23
Non-operating income and expenses					
Interest income	4, 6(26)	7,307,831	2	3,218,334	1
Other income	4, 6(27), 7	6,700,758	1	2,540,459	1
Other gains and losses	4, 6(28)	1,095,336	-	2,006,590	-
Finance costs	6(29)	(399,373)	-	(370,930)	-
Share of profit of associates and joint ventures accounted for using the equity method	4, 6(9)	278,384	-	1,378,338	-
Total non-operating income and expenses		14,982,936	3	8,772,791	2
Net income before income tax		86,782,442	20	135,561,243	25
Income tax expense	4, 5, 6(31)	(9,591,498)	(2)	(16,936,222)	(3)
Net income		77,190,944	18	118,625,021	22
Other comprehensive income	4, 6(9), 6(18), 6(30), 6(31)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		134,517	-	91,938	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		8,383,303	2	(17,764,837)	(3)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(341,870)	-	(13,097,831)	(3)
Income tax relating to those items not to be reclassified to profit or loss		(123,667)	-	758,670	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(1,083,346)	-	25,183,401	5
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		15,216	-	(44,073)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(201,278)	-	(4,338,274)	(1)
Other comprehensive income, net of tax		6,782,875	2	(9,211,006)	(2)
Total comprehensive income		\$ 83,973,819	20	\$ 109,414,015	20
Net income for the periods attributable to :					
Owners of the parent	6(32)	\$ 76,978,637		\$ 118,141,106	
Non-controlling interests	6(20)	212,307		483,915	
		\$ 77,190,944		\$ 118,625,021	
Total comprehensive income for the periods attributable to :					
Owners of the parent		\$ 83,781,837		\$ 108,918,586	
Non-controlling interests		191,982		495,429	
		\$ 83,973,819		\$ 109,414,015	
Basic Earnings Per Share (in New Taiwan Dollars)	6(32)	\$ 48.51		\$ 74.59	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(32)	\$ 48.34		\$ 74.23	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(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, 2022	\$ 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
Distribution of 2021 earnings:	-	-	-	-	(1,841,278)	-	-	-	-	(91,147,046)	-	(91,147,046)
Legal reserve	-	-	-	1,841,278	(91,147,046)	-	-	-	-	(91,147,046)	-	(91,147,046)
Cash dividends	-	-	-	1,841,278	(102,988,324)	-	-	-	-	(91,147,046)	-	(91,147,046)
Total	-	-	(25,585,136)	-	-	-	-	-	-	(25,585,136)	-	(25,585,136)
Cash dividends distributed from capital surplus	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	(9,222,520)	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
Adjustments due to dividends that subsidiaries accounted for using the equity method	-	-	2,882,085	-	-	-	-	-	-	2,882,085	-	2,882,085
Changes in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	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	62,058,498	286,688,675	7,359,676	23,079,555	(2,200,891)	(55,970)	440,109,290	2,948,949	443,058,239
Distribution of 2022 earnings:	-	-	-	-	(13,724,450)	-	-	-	-	(138,529,355)	-	(138,529,355)
Legal reserve	-	-	-	13,724,450	(13,724,450)	-	-	-	-	(138,529,355)	-	(138,529,355)
Cash dividends	-	-	-	13,724,450	(152,253,805)	-	-	-	-	(138,529,355)	-	(138,529,355)
Total	-	-	(22,395,132)	-	-	-	-	-	-	(22,395,132)	-	(22,395,132)
Cash dividends distributed from capital surplus	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year ended December 31, 2023	-	-	-	-	76,978,637	(1,251,022)	7,947,288	-	-	76,978,637	212,307	77,190,944
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	106,934	(1,251,022)	7,947,288	-	-	6,803,200	(20,325)	6,782,875
Total comprehensive income	-	-	-	-	77,085,571	(1,251,022)	7,947,288	-	-	83,781,837	191,982	83,973,819
Share-based payment transactions	2,273	(113)	81,354	-	-	-	-	-	-	83,514	123,999	207,513
Adjustments due to dividends that subsidiaries received from parent company	-	-	592,402	-	-	-	-	-	-	592,402	-	592,402
Adjustments due to dividends that subsidiaries accounted for using the equity method	-	-	32,879	-	-	-	-	-	-	32,879	4,453	37,332
Changes in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(2,356,639)	-	-	-	-	-	-	(2,356,639)	(612,082)	(2,968,721)
Changes in ownership interests in subsidiaries	-	-	5,061,315	-	-	-	-	-	-	5,061,315	3,856,274	8,917,589
Changes in ownership interests in subsidiaries	(151)	-	107,552	-	9,537	-	-	-	-	1,784,245	-	1,784,245
Issuance of restricted stock for employees	-	-	41,426	-	-	-	-	-	-	41,426	-	41,426
Changes in other capital surplus	-	-	-	-	1,139,758	-	(1,139,758)	-	-	-	-	-
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(513,999)	(513,999)
Balance as of December 31, 2023	15,996,475	-	28,350,438	75,782,948	212,669,736	6,108,654	29,887,085	(533,584)	(55,970)	368,205,782	5,999,576	374,205,358

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

Chairman: Ming-Kai Tsai

President: Lih-Shyng Tsai

Chief Financial Officer: David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 86,782,442	\$ 135,561,243
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	11,001,295	9,282,258
Amortization	7,198,902	5,697,401
Expected credit losses	55,669	446
Losses (gains) on financial assets and liabilities at fair value through profit or loss	30,641	(48,164)
Interest expenses	399,373	370,930
Losses (gains) on derecognition of financial assets measured at amortized cost	14,616	(34,739)
Interest income	(7,307,831)	(3,218,334)
Dividend income	(6,192,604)	(1,902,463)
Share-based payment expenses	1,897,141	4,174,973
Share of profit of associates and joint ventures accounted for using the equity method	(278,384)	(1,378,338)
Losses on disposal of property, plant and equipment	15,667	17,852
Property, plant and equipment transferred to expenses	-	51
Losses on disposal of intangible assets	-	529
Losses on disposal of investments	-	12,466
Losses (gains) on disposal of investments accounted for using the equity method	2,466	(698,914)
Others	(4)	3,068
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	5,230,418	454,918
Notes receivable	(331)	-
Trade receivables	(14,290,073)	19,892,114
Trade receivables from related parties	(18,869)	44,643
Other receivables	2,184,097	730,946
Inventories	27,404,403	2,287,011
Prepayments	1,418,402	(2,697,004)
Other current assets	264,558	85,948
Other non-current assets-others	8	12,799,865
Contract liabilities	(1,524,135)	(1,467,589)
Trade payables	17,105,232	(21,642,357)
Trade payables to related parties	155,858	(417,441)
Other payables	(258,298)	(444,456)
Other payables to related parties	14,181	(4,644)
Other current liabilities	31,147,733	540,957
Net defined benefit liabilities	(17,463)	(17,989)
Other non-current liabilities-others	4,230,716	56,932
Cash generated from operating activities:	166,665,826	158,042,119
Interest received	6,981,235	2,828,894
Dividends received	5,993,543	2,580,975
Interest paid	(449,613)	(368,063)
Income tax paid	(13,099,669)	(18,501,123)
Net cash provided by operating activities	166,091,322	144,582,802
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(4,127,635)	(6,793,174)
Proceeds from disposal of financial assets at fair value through other comprehensive income	20,532,971	2,568,974
Proceeds from capital return of financial assets at fair value through other comprehensive income	50,991	68,255
Acquisition of financial assets measured at amortized cost	(35,101,005)	(19,206,050)
Proceeds from redemption of financial assets measured at amortized cost	6,487,443	3,895,491
Acquisition of investments accounted for using the equity method	-	(315,905)
Proceeds from disposal of investments accounted for using the equity method	-	89,260
Net cash outflows from acquisition of subsidiary	-	(976,731)
Proceeds from capital return of investments accounted for using the equity method	115,719	27,642
Acquisition of property, plant and equipment	(9,324,762)	(13,622,110)
Proceeds from disposal of property, plant and equipment	7,978	6,433
Decrease in refundable deposits	115,018	2,018,790
Acquisition of intangible assets	(7,502,419)	(5,292,395)
Acquisition of investment property	-	(3,153)
Net cash used in investing activities	(28,745,701)	(37,534,673)
Cash flows from financing activities :		
Decrease in short-term borrowings	(1,500,000)	(48,016,474)
Repayment of long-term borrowings	(827,660)	(558,060)
Increase (decrease) in deposits received	22,089	(37,863)
Cash payment for the principal portion of the lease liabilities	(817,836)	(604,013)
Proceeds from exercise of employee stock options	79,477	67,929
Cash dividends	(120,981,171)	(116,140,659)
Acquisition of ownership interests in subsidiaries	(2,968,721)	(48,413)
Disposal of ownership interests in subsidiaries (without losing control)	-	9,467,468
Changes in non-controlling interests	8,403,590	(410,023)
Other financing activities	21,093	-
Net cash used in financing activities	(118,569,139)	(156,280,108)
Effect of changes in exchange rate on cash and cash equivalents	(882,627)	13,029,540
Net increase (decrease) in cash and cash equivalents	17,893,855	(36,202,439)
Cash and cash equivalents at the beginning of the year	147,502,155	183,704,594
Cash and cash equivalents at the end of the year	\$ 165,396,010	\$ 147,502,155

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 23, 2024.

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, 2023. 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 Standards Board (“IASB”) which were 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	“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
IAS 7 and IFRS 7	“Supplier Finance Arrangements” (Amendment)	January 1, 2024

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, 2024. All standards and interpretations 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 21	“Lack of Exchangeability” (Amendment)	January 1, 2025

- 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.

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.

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 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. All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

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.

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
- (6) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
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%	-

(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, 2023	December 31, 2022	
MTK	HFI Innovation Inc.	Intellectual property right management	100%	100%	-
MTK	MStar Co., Ltd.	General investing	100%	100%	-
MTK	Spidcom Technologies	Intellectual property right management	100%	100%	-
MTK	Richtek Technology Corp.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Capital Co.	General investing	100%	100%	-
MTK	Airoha Technology Corp.	Research, manufacturing and sales	67%	76%	1
MTK	Airoha Technology (Cayman) Inc.	General investing	-	-	1
MTK	Hsu-Yuan Investment Corp.	General investing	100%	100%	2
MTK	MediaTek Research UK Limited	Research	100%	100%	3
MTK	MediaTek Bangalore Private Limited	Research	100%	100%	4
Hsu-Ta Investment Corp.	Hsiang Fa Co.	General investing	100%	100%	-
Hsu-Ta Investment Corp.	MediaTek Bangalore Private Limited	Research	0%	0%	-
Hsu-Ta Investment Corp.	Airoha Technology Corp.	Research, manufacturing and sales	3%	-	5
Hsiang Fa Co.	Chingis Technology Corporation	Research	100%	100%	-
Hsiang Fa Co.	MediaTek Research Corp.	Research	100%	100%	-
Hsiang Fa Co.	InnoFusion Technology Corp.	Technical services	100%	100%	-
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	General investing	-	100%	6
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	General investing	100%	100%	7
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Research	0%	0%	-

(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, 2023	December 31, 2022	
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.	Richnex Microelectronics Corp.	Research, manufacturing and sales	82%	82%	-
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	-	-	8
Richtek Technology Corp.	Richtek Japan Inc.	Research and technical services	100%	100%	9
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%	0%	10
Airoha Technology Corp.	Airoha (Cayman) Inc.	General investing	100%	100%	-
Airoha Technology Corp.	Shadow Investment Limited	General investing	100%	100%	1
Airoha Technology Corp.	MediaTek Research UK Limited	Research	-	-	1, 3

(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, 2023	December 31, 2022	
Airoha Technology Corp.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	100%	100%	1
Airoha Technology Corp.	Airoha Technology USA Inc.	Research	100%	100%	11
Airoha Technology Corp.	Airoha Technology India Private Limited	Research	100%	100%	10
Airoha Technology Corp.	Audiowise Technology Inc.	Research, manufacturing and sales	-	-	12
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	-	-	13
Gaintech Co. Limited	MediaTek Korea Inc.	Research	100%	100%	-
Gaintech Co. Limited	Smarthead Limited	General investing	100%	100%	-
Gaintech Co. Limited	Airoha Technology (Cayman) Inc.	General investing	-	-	1
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Technical services	100%	100%	-
Gaintech Co. Limited	Nephos Pte. Ltd.	Research	-	-	14
Gaintech Co. Limited	Nephos Cayman Co. Limited	General investing	100%	100%	-
Gaintech Co. Limited	Zelus (Shenzhen) Technology Ltd.	Research and sales	88%	88%	15
Gaintech Co. Limited	IStar Technology Ltd.	General investing	-	100%	16
Gaintech Co. Limited	Sigmastar Technology Inc.	General investing	100%	100%	-
Gaintech Co. Limited	Mountain Capital Fund, L.P.	General investing	-	90%	17

(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, 2023	December 31, 2022	
Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	General investing	-	-	18
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	General investing	-	-	18
Gaintech Co. Limited	Digimoc Holdings Limited	General investing	-	-	18
Gaintech Co. Limited	MediaTek Investment HK Limited	General investing	-	-	7
Gaintech Co. Limited	MediaTek Global Holdings Limited	General investing	100%	100%	-
Gaintech Co. Limited	Airoha Technology Corp.	Research, manufacturing and sales	-	-	1,19
Gaintech Co. Limited	Core Tech Resources Inc.	General investing	100%	-	6
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%	-
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%	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, 2023	December 31, 2022	
MTK Wireless Limited	MStar France SAS	Research	100%	100%	-
MTK Wireless Limited	MediaTek North America Inc.	Sales support and marketing services	100%	100%	21
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Technical services	100%	-	22
MTK Wireless Limited	MediaTek Technology USA Inc.	Research	100%	-	23
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	-	-	1
Airoha Technology (Cayman) Inc.	Shadow Investment Limited	General investing	-	-	1
Airoha Technology (Cayman) Inc.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	-	-	1
Airoha Technology (Cayman) Inc.	MediaTek Research UK Limited	Research	-	-	1
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	100%	100%	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	General investing and sales	100%	100%	-
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Research	-	-	4
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	General investing	100%	100%	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Research	100%	100%	13
MStar Co., Ltd.	MStar Software R&D (Shenzhen), Ltd.	Technical services	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, 2023	December 31, 2022	
IStar Technology Ltd.	Beijing Ilitek Technology Co., Ltd.	Research and technical services	-	-	24
Nepfos Cayman Co. Limited	Nepfos (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%	-
Digimoc Holdings Limited	Cloud Ranger Limited	General investing	100%	100%	-
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	General investing	100%	100%	-
MTKC Global Holdings Co. Limited	LePower (HK) Limited	General investing	100%	100%	-
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	General investing	100%	100%	-
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	100%	100%	-
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	General investing	100%	100%	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Technical services	100%	100%	-
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	General investing	100%	100%	18
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	General investing	100%	100%	18
MediaTek Global Holdings Limited	Digimoc Holdings Limited	General investing	100%	100%	18
MediaTek Capital Co.	IStar Technology Ltd.	General investing	100%	-	16

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

1. For the purpose of reorganization, 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.
2. MTK established Hsu-Yuan Investment Corp. in May 2022.
3. 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.
4. 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.
5. Hsu-Ta Investment Corp. totally acquired 3% of voting shares of Airoha Technology Corp. in different tranches from November to December in 2023.
6. For the purpose of reorganization, the 100% ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in December 2023.
7. 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.
8. For the purpose of reorganization, Richtek IC Design Ireland Limited has been liquidated in June 2022.
9. Richtek Technology Corp. established Richtek Japan Inc. in July 2022.
10. 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.
11. Airoha Technology Corp. established Airoha Technology USA Inc. in June 2022.
12. 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.
13. 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.
14. For the purpose of reorganization, Nephos Pte. Ltd. has been liquidated in October 2022.
15. Zelus Technology (HangZhou) Ltd. was renamed Zelus (Shenzhen) Technology Ltd. in November 2022.
16. For the purpose of reorganization, the 100% ownership of IStar Technology Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Capital Co. in August 2023.
17. Mountain Capital Fund, L.P. has not been consolidated by Gaintech Co. Limited since the day Gaintech Co. Limited lost control over it.
18. 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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

19. Gaintech Co. Limited has completed the transfer of 9% shareholding rights of Airoha Technology Corp. by June 2022.
20. For the purpose of reorganization, MStar Semiconductor UK Ltd. has been liquidated in February 2023.
21. MTK Wireless Limited established MediaTek North America Inc. in June 2022.
22. MTK Wireless Limited established MediaTek Poland sp. z o.o. in January 2023.
23. MTK Wireless Limited established MediaTek Technology USA Inc. in June 2023.
24. For the purpose of reorganization, Beijing Ilitek Technology Co., Ltd. has been liquidated in November 2022.

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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 notes receivable, 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 which 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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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

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

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

Provision for onerous contracts

A contract is considered as onerous contract when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it. If the Company has any such onerous contracts, it recognizes the present obligation of the contract and measures it as provision.

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:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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. Revenue is 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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 license 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:

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- 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.

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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. 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; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- b. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- b. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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.

According to the temporary exception in the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 revenue, 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.

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.

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

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.

6. Contents of Significant Accounts**(1) Cash and cash equivalents**

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 1,058	\$ 1,122
Checking and savings accounts	12,096,686	15,941,203
Time deposits	144,468,348	131,559,830
Repurchase agreements	5,832,700	-
United States Treasury bills	2,997,218	-
Total	<u>\$ 165,396,010</u>	<u>\$ 147,502,155</u>

Time deposits, repurchase agreements and United States Treasury bills were those securities whose maturities are within twelve months and are readily convertible to known amounts of cash with values subject to an insignificant risk of changes.

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

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

	December 31, 2023	December 31, 2022
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 4,708,086	\$ 7,284,992
Linked deposits	520,375	987,899
Bonds	421,189	146,981
Stocks	926	46,631
Forward exchange contracts	13,268	75,354
Cross-currency swap contract	7,323	-
Total	<u>\$ 5,671,167</u>	<u>\$ 8,541,857</u>
<u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 301,675</u>	<u>\$ 6,097</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Linked deposits	\$ 2,216,056	\$ 4,005,545
Bonds	1,119,931	1,482,712
Trust funds	1,415,031	985,956
Stocks	120,330	150,780
Total	<u>\$ 4,871,348</u>	<u>\$ 6,624,993</u>

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

	December 31, 2023	December 31, 2022
<u>Current</u>		
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	\$ 6,040,475	\$ 3,155,612
Unlisted company stocks	-	13,407
Total	<u>\$ 6,040,475</u>	<u>\$ 3,169,019</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)

	December 31, 2023	December 31, 2022
<u>Noncurrent</u>		
<u>Debt instrument investments measured at fair value through other comprehensive income</u>		
Bonds	\$ 1,196,037	\$ 1,181,885
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	37,301,843	9,730,075
Capital	22,111,167	49,386,393
Unlisted company stocks	8,938,332	10,418,092
Funds	2,853,482	3,084,804
Subtotal	71,204,824	72,619,364
Total	\$ 72,400,861	\$ 73,801,249

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 2023 and 2022 are as follows:

	For the years ended December 31	
	2023	2022
Related to investments held at the end of the reporting period	\$ 3,112,330	\$ 1,902,355
Related to investments derecognized during the period	3,080,274	-
Dividends recognized during the period	\$ 6,192,604	\$ 1,902,355

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, 2023 and 2022 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	
	2023	2022
The fair value of the investments at the date of derecognition	\$ 11,440,656	\$ 2,568,974
The cumulative gain on disposal reclassified from other equity to retained earnings	\$ 2,418,455	\$ 1,421,040

(4) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
<u>Current</u>		
Bonds	\$ 2,945,946	\$ 3,775,220
Time deposits	619,585	1,821,265
Total	\$ 3,565,531	\$ 5,596,485
<u>Noncurrent</u>		
Bonds	\$ 55,226,656	\$ 24,303,097
Time deposits (including the portion with maturity later than one year)	353,873	961,297
Total	\$ 55,580,529	\$ 25,264,394

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, 2023	December 31, 2022
Trade receivables	\$ 55,107,662	\$ 40,806,576
Less: allowance for doubtful debts	(57,933)	(1,640)
Subtotal	55,049,729	40,804,936
Trade receivables from related parties	53,462	34,593
Less: allowance for doubtful debts	-	-
Subtotal	53,462	34,593
Total	\$ 55,103,191	\$ 40,839,529

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

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts were NT\$55,161,124 thousand and NT\$40,841,169 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6. (23) for more details on impairment of trade receivables for the years ended December 31, 2023 and 2022. 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\$1,922,492 thousand and NT\$2,151,487 thousand as of December 31, 2023 and 2022, respectively.

(6) Other receivables

	December 31, 2023	December 31, 2022
Factoring receivables	\$ 1,973,817	\$ 3,557,643
Others	2,833,187	12,266,354
Total	<u>\$ 4,807,004</u>	<u>\$ 15,823,997</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.

As of December 31, 2023 and 2022, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2023:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
BNP Paribas	-	\$ 14,198	\$ -	\$ 14,198	\$ 105,000
Taishin					
International Bank	-	48,395	-	48,395	218,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	400
SinoPac	-	1,218	-	1,218	10,000
CHB	-	384	-	384	1,200
Total		<u>\$ 64,195</u>	<u>\$ -</u>	<u>\$ 64,195</u>	<u>\$ 352,600</u>

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

B. As of December 31, 2022:

The Factor (Transferee)	Interest Rate (%)	Trade	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
		receivables derecognized (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		<u>\$ 115,835</u>	<u>\$ -</u>	<u>\$ 115,835</u>	<u>\$ 411,900</u>

(7) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 2,259,099	\$ 1,656,255
Work in progress	27,818,347	47,138,249
Finished goods	13,142,820	21,908,832
Net amount	<u>\$ 43,220,266</u>	<u>\$ 70,703,336</u>

The operating cost related to inventories included the reversal of write-down of inventories of NT\$14,585,816 thousand for the year ended December 31, 2023 because of circumstances that caused the net realizable value of inventory to be lower than its cost no longer existed and write-down of inventories of NT\$19,778,526 thousand for the year ended December 31, 2022.

(8) Prepayments

	December 31, 2023	December 31, 2022
Prepaid expenses	\$ 524,016	\$ 1,005,158
Input tax	121,583	140,137
Others	4,547,933	2,992,989
Total	<u>\$ 5,193,532</u>	<u>\$ 4,138,284</u>

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(9) Investments accounted for using the equity method**

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

Investees	December 31, 2023		December 31, 2022	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Vanchip (Tianjin) Technology Co., Ltd.	\$ 4,434,223	24	\$ 4,595,566	25
FONTAINE CAPITAL FUND, L.P.	-	57	642,825	57
Sigmastar Technology Ltd.	8,788,996	32	8,566,099	32
Zilltek Technology Corp.	1,799,106	18	1,773,079	18
Others	2,130,775	-	2,220,893	-
Subtotal	<u>17,153,100</u>		<u>17,798,462</u>	
Investments in jointly controlled entities:				
Yuan Ke (Pingtan) Investment Fund Limited Partnership	-	-	-	-
Total	<u>\$ 17,153,100</u>		<u>\$ 17,798,462</u>	

Vanchip increased capital by cash in several tranches in 2022, and the Company did not subscribe to the new shares proportionate to its original ownership interest. Its ownership was therefore reduced to 24%. 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 Hsu-Ta Investment Corp. won two seats of the board of directors of Zilltek Technology Corp. since 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 dissolved and Gaintech Co. Limited lost its significant influence effective from November 2022.

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

FONTAINE CAPITAL FUND, L.P. was resolved to be dissolved and liquidated in August 2023, and the liquidation process has been completed in January 2024.

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	
	2023	2022
Profit from continuing operations	\$ 358,182	\$ 807,622
Other comprehensive income (post-tax)	59,131	(35,490)
Total comprehensive income	<u>\$ 417,313</u>	<u>\$ 772,132</u>

B. Investments in jointly controlled entities

	For the years ended	
	December 31	
	2023	2022
Profit from continuing operations	\$ -	\$ 509,383
Other comprehensive income (post-tax)	-	-
Total comprehensive income	<u>\$ -</u>	<u>\$ 509,383</u>

(10) Property, plant and equipment

	December 31,	December 31,
	2023	2022
Owner-occupied property, plant and equipment	<u>\$ 53,291,265</u>	<u>\$ 53,861,629</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
Cost:								
As of January 1, 2023	\$ 9,068,386	\$ 32,536,899	\$ 1,332,015	\$ 15,376,222	\$ 18,434,608	\$ 10,057,520	\$ 547,525	\$ 87,353,175
Additions-acquired separately	-	204,610	28,068	1,031,307	2,220,247	4,160,916	1,976,355	9,621,503
Disposals	-	(273,619)	(3,011)	(414,968)	(430,858)	(47,721)	-	(1,170,177)
Transfers	537,456	1,031,665	(303)	204,596	49,754	(219,279)	(1,862,313)	(258,424)
Exchange differences	-	(389,238)	(851)	(39,309)	(62,873)	372,228	-	(120,043)
As of December 31, 2023	\$ 9,605,842	\$ 33,110,317	\$ 1,355,918	\$ 16,157,848	\$ 20,210,878	\$ 14,323,664	\$ 661,567	\$ 95,426,034
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

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, 2023	\$ -	\$ 7,394,611	\$ 935,345	\$ 9,201,784	\$ 11,205,065	\$ 4,754,741	\$ -	\$ 33,491,546
Depreciation	-	887,029	116,023	2,663,291	2,224,439	4,166,487	-	10,057,269
Disposals	-	(272,139)	(3,011)	(399,695)	(427,305)	(44,484)	-	(1,146,634)
Transfers	-	2,177	(15)	140,148	(5,580)	(150,439)	-	(13,709)
Exchange differences	-	(63,708)	(845)	(63,913)	(63,318)	(61,919)	-	(253,703)
As of December 31, 2023	\$ -	\$ 7,947,970	\$ 1,047,497	\$ 11,541,615	\$ 12,933,301	\$ 8,664,386	\$ -	\$ 42,134,769
As of January 1, 2022								
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
Net carrying amount as of:								
December 31, 2023	\$ 9,605,842	\$ 25,162,347	\$ 308,421	\$ 4,616,233	\$ 7,277,577	\$ 5,659,278	\$ 661,567	\$ 53,291,265
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

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

In accordance with IAS 16 and IAS 23, the Company capitalized depreciation expense and interest expense arising from right-of-use assets and lease liabilities in the amount of NT\$68,696 thousand and NT\$44,563 thousand for the year ended December 31, 2023, respectively. The interest rate of the capitalization was 0.925% for the year ended December 31, 2023.

(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, 2023	\$ -	\$ 2,326,327	\$ 116,159	\$ 2,442,486
Transfers	-	242,501	3,758	246,259
Exchange differences	-	(56,498)	(1,053)	(57,551)
As of December 31, 2023	<u>\$ -</u>	<u>\$ 2,512,330</u>	<u>\$ 118,864</u>	<u>\$ 2,631,194</u>
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>

(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)

	Land	Buildings and facilities	Right-of-use assets	Total
Depreciation and impairment:				
As of January 1, 2023	\$ -	\$ 345,083	\$ 11,209	\$ 356,292
Depreciation	-	60,679	3,632	64,311
Transfers	-	(2,214)	(399)	(2,613)
Exchange differences	-	(8,661)	(51)	(8,712)
As of December 31, 2023	\$ -	\$ 394,887	\$ 14,391	\$ 409,278
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	\$ -	\$ 345,083	\$ 11,209	\$ 356,292
Net carrying amount as of:				
December 31, 2023	\$ -	\$ 2,117,443	\$ 104,473	\$ 2,221,916
December 31, 2022	\$ -	\$ 1,981,244	\$ 104,950	\$ 2,086,194

	For the years ended December 31	
	2023	2022
Rental income from investment properties	\$ 173,060	\$ 139,555
Less:		
Direct operating expenses from investment properties generating rental income	(64,311)	(56,743)
Total	\$ 108,749	\$ 82,812

The following fair value has been determined at balance sheet date partially based on comparative approach, which were performed by an independent valuer. The significant assumptions and the fair value are as follows:

Based on comparative approach:

	December 31, 2023	December 31, 2022
Fair value	\$ 3,543,736	\$ 3,067,378

For those right-of-use assets leased as operating leases and presented in investment properties, please refer to Note 6. (24) 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	Customer Patents, IPs and others					Goodwill	Total
	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill		
Cost:							
As of January 1, 2023	\$ 352,055	\$ 1,188,524	\$ 2,581,940	\$ 23,365,076	\$ 66,042,887	\$ 93,530,482	
Additions-acquired separately	-	280,600	-	14,676,762	-	14,957,362	
Disposals	-	(226,310)	-	(9,379,355)	-	(9,605,665)	
Exchange differences	-	781	-	18,687	45	19,513	
As of December 31, 2023	\$ 352,055	\$ 1,243,595	\$ 2,581,940	\$ 28,681,170	\$ 66,042,932	\$ 98,901,692	
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	

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, 2023	\$ 344,565	\$ 651,925	\$ 1,644,762	\$ 17,434,700	\$ -	\$ 20,075,952
Amortization	7,277	377,353	253,809	6,560,463	-	7,198,902
Disposals	-	(226,310)	-	(9,379,355)	-	(9,605,665)
Exchange differences	-	200	-	(12,465)	-	(12,265)
As of December 31, 2023	\$ 351,842	\$ 803,168	\$ 1,898,571	\$ 14,603,343	\$ -	\$ 17,656,924
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
Net carrying amount as of:						
December 31, 2023	\$ 213	\$ 440,427	\$ 683,369	\$ 14,077,827	\$ 66,042,932	\$ 81,244,768
December 31, 2022	\$ 7,490	\$ 536,599	\$ 937,178	\$ 5,930,376	\$ 66,042,887	\$ 73,454,530

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\$66,042,932 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. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED 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.

(14) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 2,200,000	\$ 3,700,000
Interest rates	1.80%	1.83%-2.35%

(15) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	\$ 33,714,697	\$ 37,802,481
Accrued royalties	3,633,175	3,359,937
Dividends payable	39,350,914	-
Others	14,954,319	11,222,125
Total	\$ 91,653,105	\$ 52,384,543

(16) Other current liabilities

	December 31, 2023	December 31, 2022
Refund liabilities	\$ 73,189,582	\$ 42,396,837
Others	915,531	852,359
Total	\$ 74,105,113	\$ 43,249,196

(17) Long-term borrowings

Details of long-term loans as of December 31, 2023 are as follows:

None.

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, 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	<u>(827,660)</u>		
Noncurrent portion	<u>\$ -</u>		

(18) Post-employment benefits plansDefined 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, 2023 and 2022 were NT\$2,783,123 thousand and NT\$2,480,649 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\$26,709 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefit obligations were 10 to 14 years and 10 to 16 years as of December 31, 2023 and 2022, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended	
	December 31	
	2023	2022
Current service cost	\$ 6,912	\$ 8,001
Net interest on the net defined benefit liabilities	10,225	6,551
Total	\$ 17,137	\$ 14,552

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	December 31,	December 31,
	2023	2022
Defined benefit obligation	\$ 995,434	\$ 1,136,253
Plan assets at fair value	(400,929)	(389,768)
Net defined benefit assets	26,265	15,852
Net defined benefit liabilities	\$ 620,770	\$ 762,337

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit	Plan assets at	Net defined
	obligation	fair value	benefit liabilities
			(assets)
As of January 1, 2023	\$ 1,136,253	\$ (389,768)	\$ 746,485
Current service cost	6,912	-	6,912
Interest expenses (income)	15,603	(5,378)	10,225
Subtotal	22,515	(5,378)	17,137

(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	(1,183)	-	(1,183)
Actuarial gains and losses arising from changes in financial assumptions	(91,044)	-	(91,044)
Experience adjustments	(40,247)	-	(40,247)
Remeasurements of the defined benefit assets	-	(2,043)	(2,043)
Subtotal	(132,474)	(2,043)	(134,517)
Payment of benefit obligation	(30,860)	27,892	(2,968)
Contributions by employer	-	(31,632)	(31,632)
As of December 31, 2023	\$ 995,434	\$ (400,929)	\$ 594,505

	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
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	16,267	-	16,267

(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)
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	<u>\$ 1,136,253</u>	<u>\$ (389,768)</u>	<u>\$ 746,485</u>

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	December 31, 2023	December 31, 2022
Discount rate	1.25%-1.35%	1.25%-1.41%
Expected rate of salary increases	2.00%-4.50%	2.50%-4.50%

Sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31			
	2023		2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (61,164)	\$ -	\$ (76,992)
Discount rate decreases by 0.5%	68,503	-	83,779	-
Rate of future salary increases by 0.5%	67,600	-	82,023	-
Rate of future salary decreases by 0.5%	-	(61,000)	-	(76,218)

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

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) Other non-current liabilities

	December 31, 2023	December 31, 2022
Provisions	\$ 4,183,904	\$ -
Decommissioning liabilities	45,042	45,007
Others	2,654,983	2,017,485
Total	<u>\$ 6,883,929</u>	<u>\$ 2,062,492</u>

Please refer to Note 9 for disclosures of provisions.

(20) Equity**A. Share capital**

MTK's authorized capital as of December 31, 2023 and 2022 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\$15,996,475 thousand and NT\$15,994,353 thousand divided into 1,599,647,517 shares and 1,599,435,327 shares, as of December 31, 2023 and 2022, respectively. Each share has one voting right and a right to receive dividends.

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2023, 9,012,427 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 216,995 shares and 95,598 shares of issued restricted stocks for employees during the years ended December 31, 2023 and 2022, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

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

MTK issued 215,971 new shares for the year ended December 31, 2023, at par value of NT\$10 for exercising employee stock options. 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 newly 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.

B. Capital surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 3,046,242	\$ 22,828,512
Treasury share transactions	3,209,443	2,617,042
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	7,120,637	9,477,276
Changes in ownership interests in subsidiaries	8,090,280	3,003,434
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,138,812	4,105,933
Employee stock options	-	73,524
Restricted stocks for employees	2,384,116	4,787,238
Others	359,647	291,061
Total	<u>\$ 28,350,438</u>	<u>\$ 47,185,281</u>

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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Treasury shares

As of December 31, 2023 and 2022, 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, 2023 and 2022, 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 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.

On May 31, 2023, MTK's shareholders resolved to amend the Articles that the distribution of profits or the covering of losses may be made on a half-yearly basis after the close of each half fiscal year. The Board of Directors shall prepare relevant proposals per applicable laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such proposals to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

When allocating the profits, MTK shall first estimate and reserve the taxes to be paid, offset its losses per laws and regulations, and set aside a legal reserve at 10% of leftover profits provided that the legal reserve requirement shall not apply in the event that the amount of accumulated legal reserve has reached the amount of the paid-in capital of MTK, then set aside or reverse a special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. For the distribution of profits for the first half of each fiscal year, MTK shall also estimate and reserve the employees' compensation and remuneration to directors per applicable laws and regulations and the provisions specified in the Articles of Incorporation.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Based on the authorization from 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 distribution of earnings for 2022 was resolved by the general shareholders' meeting on February 24, 2023. The details of the distribution are as follows:

	<u>Distribution of earnings</u>	<u>Dividends per share (NT\$)</u>
	2022	2022
Legal reserve	\$ 13,724,450	-
Cash dividends-common stock	99,178,441	\$ 62.00
Total	<u>\$ 112,902,891</u>	

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

In addition, the general shareholders' meeting on February 24, 2023 resolved to distribute the additional paid-in capital by cash in the amount of NT\$22,395,132 thousand, or NT\$14 per share.

The distribution of earnings for the first and second half year of 2023 was resolved by the Board of Directors' meeting on October 27, 2023 and February 23, 2024, respectively. The details of the distribution are as follows:

	First half year of 2023	Second half year of 2023
Legal reserve (Note)	\$ 3,540,881	\$ 4,282,606
Cash dividends-common stock	\$ 39,350,914	\$ 48,628,552
Dividends per share (NT\$)	\$ 24.60	\$ 30.40

Note: Legal reserve for 2023 is subject to the resolution of general shareholders' meeting which will be held on May 27, 2024.

E. Non-controlling interests

	For the years ended of December 31	
	2023	2022
Beginning balance	\$ 2,948,949	\$ 1,632,598
Gains attributable to non-controlling interests	212,307	483,915
Other comprehensive income (losses), attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plans	1,292	900
Exchange differences resulting from translating the financial statements of foreign operations	(21,617)	10,614
Share-based payment transactions	123,999	353,540
Changes in associates and joint ventures accounted for using the equity method	4,453	-
Changes in ownership interests in subsidiaries	3,856,274	534,551
(Sale) acquisition of additional interest in a subsidiary	(612,082)	781,621
Others	(513,999)	(848,790)
Ending balance	\$ 5,999,576	\$ 2,948,949

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

(21) 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 of MTK

In 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)
2013.08.22	1,436,343	-	-	\$ 368.0

Note: The exercise prices have been adjusted to reflect the change of outstanding shares (e.g. shares issued for cash, the distribution 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%
Expected volatility (%)	32.9%-33.7%
Risk free interest rate (%)	1.18515%-1.65%
Expected life (Years)	6.5 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 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:

Employee Stock Option	For the years ended December 31			
	2023		2022	
	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)
Outstanding at beginning of period	218,120	\$ 368.0	456,479	\$ 334.5
Granted	-	-	-	-
Exercised (Note)	(215,971)	368.0	(222,635)	305.1
Forfeited (Expired)	(2,149)	368.0	(15,724)	284.9
Outstanding at end of period	-	-	218,120	368.0
Exercisable at end of period	-	-	218,120	-
Weighted-average fair value of options granted during the period (in NT\$)	\$ -	-	\$ -	-

Note: The weighted average share price at the date of exercise of those options was NT\$704.0 and NT\$770.7 for the years ended December 31, 2023 and 2022, respectively.

The information on the outstanding share-based payment plans as of December 31, 2023 and 2022 is as follows:

Date of grant	Range of Exercise Price (NT\$)	December 31, 2023		December 31 2022	
		Outstanding stock options		Outstanding stock options	
		Weighted- average Expected Remaining Years	Weighted- average Exercise Price per Share (NT\$)	Weighted- average Expected Remaining Years	Weighted- average Exercise Price per Share (NT\$)
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, 272,034 and 201,938 gratuitous restricted stocks on August 31, 2021, February 23, 2022, August 31, 2022 and February 23, 2023, 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, NT\$610.31-NT\$667, and NT\$681.68-NT\$745 per share, respectively. The estimated compensation expenses amounted to NT\$7,541,352 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2023, MTK had recognized NT\$6,975,803 thousand as compensation expense and NT\$533,584 thousand as unearned employee compensation, which were recorded under salary expense and other equity, respectively.

The aforementioned restricted stocks plans for employees 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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- 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 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.

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

(A) Employee stock option at cash capital increase

On May 3, 2023, Board of Directors of the subsidiary, Airoha Technology Corp. resolved a pre-IPO cash capital injection of 20,516 thousand shares (including 3,077 thousand shares are reserved for employees to subscribe) with subscription price of NT\$434.84 per share. Airoha Technology Corp. adopted the fair value method to determine 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>Employee stock option</u>
Expected dividend yield (%)	0.00%
Expected volatility (%)	39%
Risk free interest rate (%)	1.0565%
Expected life (Years)	0.01918 years

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:

	<u>For the years ended December 31</u>	
	<u>2023</u>	
<u>Employee Stock Option</u>	<u>Options (Unit)</u>	<u>Weighted-average Exercise Price per Share (NT\$)</u>
Outstanding at beginning of period	-	\$ -
Granted	3,077,000	434.84
Exercised (Note)	<u>(3,077,000)</u>	434.84
Outstanding at end of period	<u>-</u>	-
Weighted-average fair value of options granted during the period (in NT\$)	<u>\$ 2.31</u>	

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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Note: The weighted average share price at the date of exercise of those options was NT\$414.17 for the year ended December 31, 2023.

(B) Employee Stock Option

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.

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

Airoha Technology Corp. adopted the fair value method to determine 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

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			
	2023		2022	
	Options	Weighted- average Exercise Price	Options	Weighted- average Exercise Price
Employee Stock Option	(Unit)	per Share (NT\$)	(Unit)	per Share (NT\$)
Outstanding at beginning of period	1,491,839	\$ 82	-	\$ -
Granted	-	-	3,709,177	188
Exercised (Note)	-	-	(2,155,464)	264
Forfeited (Expired)	(7,988)	80	(61,874)	91
Outstanding at end of period	1,483,851	82	1,491,839	82
Exercisable at end of period	-		-	
Weighted-average fair value of options granted during the period (in NT\$)	\$ -		\$ 131	

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

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, 2023		December 31, 2022		
	Outstanding Option Plans		Outstanding Option Plans		
	Weighted- average Expected	Weighted- average Exercise Price	Weighted- average Expected	Weighted- average Exercise Price	
Range of Exercise Price	Remaining Years	per Share (NT\$)	Remaining Years	per Share (NT\$)	
Date of grant	(NT\$)			(NT\$)	
2022.01.10	\$ 67-137	0.14	\$ 67-137	0.75	\$ 67-137

Share-based compensation expenses recognized for employee services received for the years ended December 31, 2023 and 2022 are shown in the following table:

	For the years ended December 31	
	2023	2022
Employee stock options	\$ 123,999	\$ 353,540
Restricted stocks for employees	1,773,142	3,821,433
Total	\$ 1,897,141	\$ 4,174,973

The Company did not modify or cancel any share-based payment plans for the year ended December 31, 2023.

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.

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

(22) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 is as follows:

A. Disaggregation of revenue

	For the years ended	
	December 31	
	2023	2022
Sale of goods	\$ 424,144,048	\$ 543,013,101
Services and other operating revenue	9,302,282	5,782,929
Total	<u>\$ 433,446,330</u>	<u>\$ 548,796,030</u>
Revenue recognition point:		
At a point in time	\$ 426,794,340	\$ 546,277,147
Satisfies the performance obligation over time	6,651,990	2,518,883
Total	<u>\$ 433,446,330</u>	<u>\$ 548,796,030</u>

B. Contract balances

Contract liabilities-current

	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	\$ 1,615,650	\$ 4,043,364	\$ 5,930,981
Services and other operating revenue	1,761,109	857,530	437,502
Total	<u>\$ 3,376,759</u>	<u>\$ 4,900,894</u>	<u>\$ 6,368,483</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

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

	For the years ended	
	December 31	
	2023	2022
Revenue recognized during the period that was included in the beginning balance	\$ 4,185,794	\$ 5,958,222
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	\$ 2,665,760	\$ 4,435,055

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2023 and 2022, 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\$5,176,196 thousand and NT\$6,419,324 thousand. The Company recognizes revenue in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

(23) Expected credit losses

	For the years ended	
	December 31	
	2023	2022
Operating expense-expected credit losses		
Trade receivables	\$ 55,669	\$ 446

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its receivables (including notes receivable, 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, 2023 and 2022 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:

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**2023.12.31

	Neither past due	Past due				Total
	(Note)	Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 53,323,182	\$ 1,565,910	\$ 97,942	\$ 4,263	\$ 116,365	\$ 55,107,662
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(195)	(57,738)	(57,933)
Carrying amount of trade receivables	\$ 53,323,182	\$ 1,565,910	\$ 97,942	\$ 4,068	\$ 58,627	\$ 55,049,729

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

Note: Neither the Company's note and 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, 2023 and 2022 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)

	Notes receivable	Trade receivables (including related parties)	Financing lease receivables
As of January 1, 2023	\$ -	\$ 1,640	\$ -
Allowance for the current period	-	55,669	-
Effect of changes in exchange rate	-	624	-
As of December 31, 2023	<u>\$ -</u>	<u>\$ 57,933</u>	<u>\$ -</u>
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	<u>\$ -</u>	<u>\$ 1,640</u>	<u>\$ -</u>

(24) Leases

A. The Company as a lessee

The Company leases various property (land and buildings), machinery equipment, transportation equipment and office equipment. The leases have terms between 1 and 50 years.

a. Right-of-use asset

	December 31, 2023	December 31, 2022
Land	\$ 6,582,463	\$ 6,652,269
Buildings and facilities	1,900,361	2,172,719
Machinery equipment	104,406	83,797
Transportation equipment	7,213	14,537
Office equipment	2,862	4,428
Total	<u>\$ 8,597,305</u>	<u>\$ 8,927,750</u>

During the years ended December 31, 2023 and 2022, the additions to right-of-use assets of the Company amounted to NT\$614,681 thousand and NT\$6,221,328 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, 2023	December 31, 2022
Lease liability-current	\$ 837,485	\$ 795,500
Lease liability-noncurrent	8,060,351	8,308,237
Total	<u>\$ 8,897,836</u>	<u>\$ 9,103,737</u>

Please refer to Note 6. (29) for the interest on lease liability recognized during the years ended December 31, 2023 and 2022 and Note 12. (2) C. for the maturity analysis of lease liabilities

In accordance with IAS 16 and IAS 23, the Company capitalized certain depreciation and interest expenses during the years ended December 31, 2023. Please refer to Note 6. (10) for related information.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2023	2022
Land	\$ 125,120	\$ 86,365
Buildings and facilities	717,417	636,195
Machinery equipment	96,164	74,467
Transportation equipment	8,174	8,635
Office equipment	1,536	6,193
Total	<u>\$ 948,411</u>	<u>\$ 811,855</u>

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2023	2022
The expense relating to short-term leases	<u>\$ 88,995</u>	<u>\$ 83,409</u>
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	<u>\$ 6,197</u>	<u>\$ 5,907</u>
Income from subleasing right-of-use assets	<u>\$ 28,321</u>	<u>\$ 29,780</u>

e. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to NT\$983,167 thousand and NT\$779,459 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	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 261,430	\$ 254,345
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	23,293
Total	\$ 284,723	\$ 277,638

The undiscounted lease payments to be received for the remaining years as of December 31, 2023 and 2022 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)**

	December 31, 2023	December 31, 2022
Not later than one year	\$ 746,853	\$ 23,293
Later than one year and not later than two years	735,143	746,853
Later than two years and not later than three years	-	735,143
Total non-discounted lease payments	1,481,996	1,505,289
Less: unearned finance income of finance lease	(26,212)	(49,505)
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>\$ 727,892</u>	<u>\$ -</u>
Noncurrent	<u>\$ 727,892</u>	<u>\$ 1,455,784</u>

(25) Employee benefits, depreciation and amortization expenses are summarized by function as follows:

	For the years ended December 31					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 51,741	\$ 2,748,519	\$ 2,800,260	\$ 53,157	\$ 2,442,044	\$ 2,495,201
Others	\$ 1,322,443	\$ 82,261,409	\$ 83,583,852	\$ 1,605,540	\$ 95,095,377	\$ 96,700,917
Depreciation	\$ 97,963	\$ 10,903,332	\$ 11,001,295	\$ 126,521	\$ 9,155,737	\$ 9,282,258
Amortization	\$ 4,792	\$ 7,194,110	\$ 7,198,902	\$ 5,893	\$ 5,691,508	\$ 5,697,401

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.

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(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, 2023. 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 23, 2024 to distribute NT\$1,045,717 thousand and NT\$103,000 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 2023.

A resolution was approved in a meeting of the Board of Directors 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, respectively. There was no difference between the aforementioned approved amounts and the amounts charged against earnings in 2022.

(26) Interest income

	For the years ended	
	December 31	
	2023	2022
Financial assets measured at amortized cost	\$ 7,190,205	\$ 3,112,271
Financial assets at fair value through other comprehensive income	117,626	106,063
Total	<u>\$ 7,307,831</u>	<u>\$ 3,218,334</u>

(27) Other income

	For the years ended	
	December 31	
	2023	2022
Rental income	\$ 261,430	\$ 254,345
Dividend income	6,192,604	1,902,463
Others	246,724	383,651
Total	<u>\$ 6,700,758</u>	<u>\$ 2,540,459</u>

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

(28) Other gains and losses

	For the years ended	
	December 31	
	2023	2022
Losses on disposal of property, plant and equipment	\$ (15,667)	\$ (17,852)
Losses on disposal of intangible assets	-	(529)
(Losses) gains on disposal of investments		
Investments accounted for using the equity method	(2,466)	698,914
Financial assets measured at amortized cost	(14,616)	(1,231)
Subsidiary	-	(12,466)
Foreign exchange losses	(169,940)	(709,904)
Gains on financial assets at fair value through profit or loss	1,610,379	2,101,331
Losses on financial liabilities at fair value through profit or loss	(301,675)	(6,097)
Others	(10,679)	(45,576)
Total	<u>\$ 1,095,336</u>	<u>\$ 2,006,590</u>

(29) Finance costs

	For the years ended	
	December 31	
	2023	2022
Interest expenses on borrowings	\$ 329,234	\$ 284,800
Interest expenses on lease liabilities	70,139	86,130
Total	<u>\$ 399,373</u>	<u>\$ 370,930</u>

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(30) Components of other comprehensive income**

For the year ended December 31, 2023 :

	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	\$ 134,517	\$ -	\$ 134,517	\$ (26,291)	\$ 108,226
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	8,383,303	-	8,383,303	(97,376)	8,285,927
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(341,870)	-	(341,870)	-	(341,870)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,083,346)	-	(1,083,346)	-	(1,083,346)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	15,216	-	15,216	-	15,216
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(203,744)	2,466	(201,278)	-	(201,278)
Total	\$ 6,904,076	\$ 2,466	\$ 6,906,542	\$ (123,667)	\$ 6,782,875

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, 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)**

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of nil for the years ended December 31, 2023 and 2022, which were recognized in other comprehensive income, were reclassified to profit or loss.

(31) Income tax

The major components of income tax expense are as follows:

	For the years ended	
	December 31	
	2023	2022
Current income tax	\$ 13,535,347	\$ 17,697,890
Deferred tax income	(3,574,588)	(1,175,024)
Others	(369,261)	413,356
Income tax expense recognized in profit or loss	<u>\$ 9,591,498</u>	<u>\$ 16,936,222</u>

Income tax recognized in other comprehensive income

	For the years ended	
	December 31	
	2023	2022
Deferred tax expense (income):		
Remeasurements of defined benefit plans	\$ 26,291	\$ 17,260
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	97,376	(775,930)
Income tax relating to components of other comprehensive income	<u>\$ 123,667</u>	<u>\$ (758,670)</u>

Income tax charged directly to equity

	For the years ended	
	December 31	
	2023	2022
Current income tax expense:		
Realized gains from equity instrument investments measured at fair value through other comprehensive income	<u>\$ 789,930</u>	<u>\$ 216,532</u>

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	
	2023	2022
Accounting profit before tax from continuing operations	\$ 86,782,442	\$ 135,561,243
Tax at the domestic rates applicable to profits in the country concerned	\$ 23,304,835	\$ 40,249,284
Tax effect of revenue exempt from taxation	(2,761,056)	(7,600,679)
Tax effect of expenses not deductible for tax purposes	1,234,181	1,580,058
Investment tax credits	(6,755,069)	(6,985,909)
Tax effect of deferred tax assets/liabilities	(7,886,451)	(12,318,737)
Corporate income surtax on undistributed retained earnings	1,058,086	672,085
Others	1,396,972	1,340,120
Total income tax expense recognized in profit or loss	\$ 9,591,498	\$ 16,936,222

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$ 5,182,997	\$ (1,809,594)	\$ -	\$ -	\$ 3,373,403
Allowance for sales returns and discounts	2,596,375	2,333,928	-	-	4,930,303
Amortization of difference for tax purpose	359,003	370,472	-	-	729,475
Amortization of goodwill difference for tax purpose	(4,017,390)	(721,025)	-	-	(4,738,415)
Unused tax losses	20,297	(7,323)	-	-	12,974
Unused tax credits	683,275	(214,676)	-	-	468,599

(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)

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Ending balance
Others	(4,897,291)	7,245,894	(123,667)	(789,930)	1,435,006
Deferred tax income (expense)		\$ 7,197,676	\$ (123,667)	\$ (789,930)	
Net deferred tax assets	\$ (72,734)				\$ 6,211,345
Reflected in balance sheet as follows:					
Deferred tax assets	\$ 11,511,991				\$ 14,663,824
Deferred tax liabilities	\$ (11,584,725)				\$ (8,452,479)

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Acquired from business combinations	Ending balance
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)

The risk exposure of Pillar Two income tax

Some of the Company's subsidiaries are located in the tax jurisdictions where the Pillar Two legislation has been enacted or substantially enacted. However, as of December 31, 2023, the aforementioned Pillar Two legislation has not yet come into effect. The Company is currently assessing the potential risk exposure brought by Pillar Two legislation, and the Company expects to report this potential risk exposure in the financial statements of the following year.

The assessment of income tax returns

As of December 31, 2023, 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 2020	
Subsidiary- Hsu-Ta Investment Corp.	Assessed and approved up to 2021	(1)
Subsidiary- Richtek Technology Corp.	Assessed and approved up to 2021	
Subsidiary- Airoha Technology Corp.	Assessed and approved up to 2021	

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.

(32) 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.

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	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Basic earnings per share (NT\$)	\$ 48.51	\$ 74.59
B. Diluted earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Effect of dilution:		
Employees' compensation-stock (share)	1,356,873	2,768,917
Employee stock options (share)	102,997	227,521
Restricted stocks for employees (share)	4,179,580	4,833,086
Weighted average number of ordinary shares outstanding after dilution (share)	1,592,472,791	1,591,630,277
Diluted earnings per share (NT\$)	\$ 48.34	\$ 74.23

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.

(33) 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.

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

The fair values of the identifiable assets and liabilities of Audiowise as of the acquisition date were :

	<u>Fair value recognized on the acquisition date</u>
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	<u>2,823</u>
	<u>799,276</u>
Short-term borrowings	(253,000)
Other current liabilities	(85,179)
Deferred tax liabilities	<u>(116,636)</u>
	<u>(454,815)</u>
The fair value of net identifiable assets	<u>\$ 344,461</u>

The net asset amounts recognized by the Company in the consolidated financial statements as of December 31, 2022 were based on the appraisal report dated January 18, 2023.

Goodwill of Audiowise is as follows:

	<u>Fair value recognized on the acquisition date</u>
Cash consideration	\$ 990,000
Less : identifiable net assets at fair value	<u>(344,461)</u>
Goodwill	<u>\$ 645,539</u>

Cash flows on acquisition:

	<u>Amount</u>
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, revenue 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 revenue 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.

(34) Changes in ownership interests in subsidiaries

Changes in ownership of subsidiaries

Airoha Technology Corp. increased its capital by cash in January 2022 and October 2023. The Company did not subscribe to the new shares issued proportionate to its original ownership interest that resulted in a change in ownership interest. In addition, from February 2022 to December 2023, the Company acquired and disposed of certain of Airoha Technology Corp.'s outstanding shares. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 70%. As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions.

The differences between the fair value of purchased equity investments and the increase in the non-controlling interest were NT\$2,704,676 thousand and NT\$8,541,650 thousand for the years ended December 31, 2023 and 2022, respectively, which had been recorded in equity.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED 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>
Intelligo Technology Inc. and its subsidiaries	Associate (Note)
Cyberon Corp.	Associate (Note)
ASIX Electronics Corporation	Associate
IC PLUS CORP.	Associate
Amobile Intelligent Corp. Limited	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
MoMAGIC Technologies Private Limited	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party

Note : Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Significant transactions with the related parties

(1) Sales

Sales of goods

	For the years ended	
	December 31	
	2023	2022
Associates		
Intelligo Technology Inc. and its subsidiaries	\$ 25,798	\$ 11,574
IC PLUS CORP.	-	45,832
ASIX Electronics Corporation	108,202	291,541
Amobile Intelligent Corp. Limited	-	466
Subtotal	134,000	349,413

(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)

Services and other operating revenue

	For the years ended December 31	
	2023	2022
Associates		
ASIX Electronics Corporation	-	12,000
Sigmastar Technology Ltd. and its subsidiaries	97,530	99,897
Intelligo Technology Inc. and its subsidiaries	-	8,419
Amobile Intelligent Corp. Limited	7,612	-
Subtotal	105,142	120,316
Total	\$ 239,142	\$ 469,729

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	
	2023	2022
Associates		
ASIX Electronics Corporation	\$ -	\$ 1,814
IC PLUS CORP.	-	843
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	6,824,466	8,301,806
Total	\$ 6,824,466	\$ 8,304,463

The trade credit terms for related parties and third-party customers were both 60 to 75 days.

(3) Payments of operating expense (mainly license expense)

	For the years ended December 31	
	2023	2022
Associate		
Cyberon Corp.	\$ -	\$ 10,645
Intelligo Technology Inc. and its subsidiaries	54,147	9,183
MoMAGIC Technologies Private Limited	3,729	-
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	5,152	2,243
Total	\$ 63,028	\$ 22,071

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(4) Other income

	For the years ended	
	December 31	
	2023	2022
Associate		
ASIX Electronics Corporation	\$ 4,240	\$ 3,930

(5) Rental income

	For the years ended	
	December 31	
	2023	2022
Associate		
Sigmastar Technology Ltd. and its subsidiaries	\$ 862	\$ 22,681

(6) Trade receivables from related parties

	December 31,	December 31,
	2023	2022
Associate		
Intelligo Technology Inc. and its subsidiaries	\$ 3,391	\$ 1,836
ASIX Electronics Corporation	33,903	19,694
Sigmastar Technology Ltd. and its subsidiaries	16,168	13,063
Total	\$ 53,462	\$ 34,593

(7) Contract liabilities-current

	For the years ended	
	December 31	
	2023	2022
Associate		
Amobile Intelligent Corp. Limited	\$ 4,377	\$ -

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

(8) Trade payables to related parties

	For the years ended	
	December 31	
	2023	2022
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	\$ 1,919,652	\$ 1,763,794

(9) Other payables to related parties

	December 31,	December 31,
	2023	2022
Associate		
Intelligo Technology Inc. and its subsidiaries	\$ 105,679	\$ 124,675
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	2,950	384
Total	\$ 108,629	\$ 125,059

(10) Long-term payables to related parties

	December 31,	December 31,
	2023	2022
Associate		
Intelligo Technology Inc. and its subsidiaries	\$ -	\$ 92,139

(11) Deposits received

	December 31,	December 31,
	2023	2022
Associate		
Sigmastar Technology Ltd. and its subsidiaries	\$ 151	\$ 3,989

(12) Others

A. During the year ended December 31, 2023 and 2022, the Company acquired computer software from Intelligo Technology Inc. and its subsidiaries in the amount of NT\$16,001 thousand and NT\$61,298 thousand which was recorded as intangible assets, 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. During the year ended December 31, 2023, the Company acquired computer and telecommunication equipment and testing equipment from King Yuan Electronics Co., Ltd. and its subsidiaries in the amount of NT\$214,485 thousand which was recorded as property, plant and equipment.

C. Intelligo Technology Inc. acquired 3,431,722 shares of Cyberon Corp. from Hsiang Fa Co. by paying cash of NT\$89,260 thousand and, 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	
	2023	2022
Short-term employee benefits (Note)	\$ 2,073,174	\$ 2,079,634
Share-based payment	449,106	1,045,299
Post-employment benefits	11,758	4,889
Total	\$ 2,534,038	\$ 3,129,822

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.

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, 2023	December 31, 2022	
Financial assets measured at amortized cost-noncurrent	\$ 12,204	\$ 12,095	Lease execution deposits
Financial assets measured at amortized cost-noncurrent	79,126	79,292	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	92,543	63,135	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	170,000	170,000	Performance bond
Total	\$ 353,873	\$ 324,522	

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations.

(3) Legal claim contingency

A. 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.

B. 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.

C. 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. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek USA on April 17, 2023.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. 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 court dismissed the claims against MTK on September 29, 2023.

E. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary 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 operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

F. 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 court dismissed the claims against MTK and its subsidiaries on September 12, 2023.

G. MOSAID Technologies, Inc. (“MOSAID”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

H. Innomemory LLC (“Innomemory”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK on May 26, 2023, alleging infringement of U.S. Patent No. 6,240,046. The operations of MTK will not be materially affected by this case.

I. Realtek Semiconductor Corporation (“Realtek”) filed a complaint in the United States District Court for the Northern District of California against MTK on June 6, 2023, asserting claims based on alleged unfair competition. The operations of MTK will not be materially affected by this case.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

J. Bell Northern Research, LLC (“BNR”) filed a complaint in the United States District Court for the Central District of California against MTK subsidiary MediaTek USA Inc. and Mediatek Northern America Inc. on June 15, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. The operations of MTK subsidiary MediaTek USA Inc. and Mediatek Northern America Inc. will not be materially affected by this case.

Bell Northern Research, LLC (“BNR”) filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.

K. Deepwell IP LLC (“Deepwell”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK on September 19, 2023, alleging infringement of U.S. Patent Nos. 7,149,851, 7,645,664, 8,415,730, RE44,025. The operations of MTK will not be materially affected by this case.

L. Gamehancement LLC (“Gamehancement”) filed a complaint in the United States District Court for the Western District of Texas against MTK on December 9, 2023, alleging infringement of U.S. Patent No. 7,046,252. The court dismissed the claims against MTK on December 13, 2023.

M. LED Apogee LLC (“LED Apogee”) filed a complaint in the United States District Court for the Western District of Texas against MTK on January 16, 2024, alleging infringement of U.S. Patent No. 6,982,527. The operations of MTK will not be materially affected by this case.

N. Redstone Logics LLC (“Redstone”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent No. 8,549,339. The operations of MTK and subsidiary MediaTek USA Inc. 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. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED 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, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 20,591	\$ 75,354
Mandatorily measured at fair value through profit or loss (Note 1)	12,444,416	17,242,983
Subtotal	<u>12,465,007</u>	<u>17,318,337</u>
Financial assets at fair value through other comprehensive income	78,441,336	76,970,268
Financial assets measured at amortized cost (Note 2)	<u>283,987,641</u>	<u>234,332,546</u>
Total	<u>\$ 374,893,984</u>	<u>\$ 328,621,151</u>

Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 301,675	\$ 6,097
Financial liabilities at amortized cost:		
Short-term borrowings	2,200,000	3,700,000
Trade payables (including related parties)	38,779,040	21,517,950
Other payables (including related parties)	91,761,734	52,509,602
Long-term payables (including current portion and related parties)	10,230,990	2,904,380
Long-term borrowings (including current portion)	-	827,660
Lease liabilities	8,897,836	9,103,737
Subtotal	<u>151,869,600</u>	<u>90,563,329</u>
Total	<u>\$ 152,171,275</u>	<u>\$ 90,569,426</u>

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED 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 in the amount of NT\$1,922,492 thousand and NT\$2,151,487 thousand as of December 31, 2023 and 2022, 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\$1,922,492 thousand and NT\$2,151,487 thousand as of December 31, 2023 and 2022, 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).

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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.

(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.

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

(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:

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value				
through profit or loss				
Bonds	\$ -	\$ -	\$ 1,541,120	\$ 1,541,120
Linked deposits	-	-	2,736,431	2,736,431
Stocks	121,256	-	-	121,256
Funds	1,910,145	-	2,797,941	4,708,086
Trust funds	1,415,031	-	-	1,415,031
Forward exchange contracts	-	13,268	-	13,268
Cross-currency swap contracts	-	7,323	-	7,323
Financial assets at fair value				
through other comprehensive				
income				
Equity instruments measured				
at fair value through other				
comprehensive income	46,195,800	-	31,049,499	77,245,299
Debt instruments measured at				
fair value through other				
comprehensive income	561,410	-	634,627	1,196,037
Total	<u>\$ 50,203,642</u>	<u>\$ 20,591</u>	<u>\$ 38,759,618</u>	<u>\$ 88,983,851</u>
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value				
through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 301,675</u>	<u>\$ -</u>	<u>\$ 301,675</u>

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, 2022

	<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	\$ 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 fair value:

Financial liabilities at fair value

through profit or loss

Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,097</u>	<u>\$ -</u>	<u>\$ 6,097</u>
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For the years ended December 31, 2023 and 2022, amounts transferred from level 2 of the fair value hierarchy to level 1 due to the release of the stock transfer restrictions were NT\$368,457 thousand and nil, 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			
	Bonds	Funds	Link deposits	Bonds	Capital	Stocks	
As of January 1, 2023	\$ 1,480,393	\$ 5,555,174	\$ 4,993,444	\$ 641,183	\$ 49,386,393	\$ 10,431,499	\$ 72,488,086
Amount recognized in profit or loss	61,420	150,308	9,314	-	-	-	221,042
Amount recognized in OCI	-	-	-	5,406	(21,897,354)	(1,707,475)	(23,599,423)
Amount recognized in OCI- exchange differences	(319)	(141,412)	2,577	(11,962)	274,008	14,308	137,200
Acquisitions	67,270	9,463,962	100,000	-	1,735,077	359,831	11,726,140
Settlements	(67,644)	(12,230,091)	(2,368,904)	-	(7,395,580)	(95,601)	(22,157,820)
Others	-	-	-	-	8,623	-	8,623
Transfer out of level 3	-	-	-	-	-	(64,230)	(64,230)
As of December 31, 2023	\$ 1,541,120	\$ 2,797,941	\$ 2,736,431	\$ 634,627	\$ 22,111,167	\$ 8,938,332	\$ 38,759,618

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

	Asset							Total
	Mandatorily measured at fair value			Measured at fair value through other				
	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

Total gains related to assets recognized for the years ended December 31, 2023 and 2022 amounted to NTS122,814 thousand and NT\$88,214 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, 2023:

	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, 2023 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, 2023 by NT\$215,716 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, 2023 by NT\$33,367 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, 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)

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.

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, 2023

	<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:				
Investment property	\$ -	\$ -	\$ 3,543,736	\$ 3,543,736

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:				
Investment property	\$ -	\$ -	\$ 3,067,378	\$ 3,067,378

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 and cross-currency swap contracts. The related information is as follows:

The Company entered into forward exchange contracts and cross-currency swap 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 and cross-currency swap contracts:

Forward exchange contracts	Currency	Contract amount ('000)	Maturity
As of December 31, 2023	TWD to USD	Buy USD 500,000	January 2024
As of December 31, 2023	TWD to USD	Sell USD 17,470	January 2024
As of December 31, 2023	TWD to USD	Sell USD 4,470	February 2024
As of December 31, 2023	TWD to USD	Sell USD 3,250	March 2024
As of December 31, 2023	JPY to USD	Buy USD 1,443	June 2024
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	TWD 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

Cross-currency swap contracts	Currency	Contract amount ('000)	Maturity
As of December 31, 2023	TWD to USD	Sell USD 10,000	January 2024

The Company entered into forward exchange contracts and cross-currency swap 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 revenue 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 and cross-currency swap 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 and cross-currency swap contracts are 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, 2023 and 2022 decreases/increases by NT\$44,897 thousand and NT\$31,382 thousand, while equity decreases/increases by NT\$217,151 thousand and NT\$199,965 thousand, respectively.

When NTD appreciates or depreciates against CNY by 0.1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NT\$1,228 thousand and increases/decreases NT\$176 thousand, while equity decreases/increases by NT\$20,076 thousand and NT\$26,419 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, 2023 and 2022 to increase/decrease by NT\$1,006 thousand and NT\$1,762 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, 2023 and 2022 to increase/decrease by NT\$1,213 thousand and NT\$1,974 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, 2023 and 2022 to increase/decrease by NT\$461,958 thousand and NT\$159,705 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, 2023 and 2022, receivables from top ten customers represented 62.46%, and 57.27% of the total trade receivables of the Company, respectively. The credit concentration risk of other account 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, 2023	December 31, 2022
Low credit risk	Credit risk measure belongs to IG category Counter parties with investment grade credit rating	12-month expected credit losses	\$ 59,107,560	\$ 28,325,072
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	\$ 261,079	\$ 935,130
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	\$ -	\$ -
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 56,620,050	\$ 42,299,764

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes notes receivable, 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.

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED 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

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Later than 5 years</u>	<u>Total</u>
<u>As of December 31, 2023</u>				
Short-term borrowings	\$ 2,204,557	\$ -	\$ -	\$ 2,204,557
Trade payables (including related parties)	38,779,040	-	-	38,779,040
Other payables (including related parties)	91,760,541	-	-	91,760,541
Lease liabilities	861,949	1,749,264	8,926,636	11,537,849
Long-term payables	5,626,183	4,604,807	-	10,230,990
Total	<u>\$ 139,232,270</u>	<u>\$ 6,354,071</u>	<u>\$ 8,926,636</u>	<u>\$ 154,512,977</u>
<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>

MEDIATEK INC. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED 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, 2023</u>			
Gross settlement			
Forward exchange contracts			
Inflow	\$ 44,358	\$ -	\$ 44,358
Outflow	(44,761)	-	(44,761)
Net	<u>\$ (403)</u>	<u>\$ -</u>	<u>\$ (403)</u>
Net settlement			
Forward exchange contracts			
	(301,272)	-	(301,272)
Total	<u>\$ (301,675)</u>	<u>\$ -</u>	<u>\$ (301,675)</u>
<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>

The table above contains the undiscounted net cash flows of derivative financial liabilities.

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

D. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2023	\$ 3,700,000	\$ 827,660	\$ 9,103,737	\$ 189,707	\$ 13,821,104
Cash flows	(1,500,000)	(827,660)	(817,836)	22,089	(3,123,407)
Non-cash movement	-	-	611,935	-	611,935
As of December 31, 2023	<u>\$ 2,200,000</u>	<u>\$ -</u>	<u>\$ 8,897,836</u>	<u>\$ 211,796</u>	<u>\$ 11,309,632</u>

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>

(3) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

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

	December 31, 2023		
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
Financial assets			
Monetary item:			
USD	\$ 6,321,566	30.747	\$ 194,369,172
CNY	\$ 333,152	4.333	\$ 1,443,466
Non-monetary item:			
USD	\$ 3,532,366	30.747	\$ 108,609,648
CNY	\$ 4,625,198	4.333	\$ 20,039,872
Financial liabilities			
Monetary item:			
USD	\$ 1,797,476	30.747	\$ 55,266,993
CNY	\$ 41,508	4.333	\$ 179,843
December 31, 2022			
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
Financial assets			
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
Financial liabilities			
Monetary item:			
USD	\$ 1,060,940	30.713	\$ 32,584,650
CNY	\$ 69,928	4.453	\$ 311,385

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 were NT\$169,940 thousand and NT\$709,904 thousand for the years ended December 31, 2023 and 2022, 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, 2023: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 2.
- C. Securities held as of December 31, 2023: 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, 2023: 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, 2023: 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, 2023: 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, 2023: 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, 2023: Please refer to Attachment 7.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- 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.

(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.

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Geographical information

A. Net sales from external customers

	For the years ended	
	December 31	
	2023	2022
Taiwan	\$ 27,614,086	\$ 33,794,698
Asia	393,288,434	507,712,143
Others	12,543,810	7,289,189
Total	\$ 433,446,330	\$ 548,796,030

Net sales are classified by customers' countries.

B. Non-current assets

	December 31,	December 31,
	2023	2022
Taiwan	\$ 133,923,831	\$ 130,288,768
Asia	35,807,275	34,854,722
Others	1,793,117	1,812,950
Total	\$ 171,524,223	\$ 166,956,440

(3) Major customers

Customers accounting for 10% (or above) of net sales are as follows:

	For the years ended	
	December 31	
	2023	2022
Customer A	\$ 48,676,082	\$ 71,890,831
Customer B	50,496,067	66,242,678
Customer C	47,201,879	60,116,603
Total	\$ 146,374,028	\$ 198,250,112

MEDIATEK INC. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2023

Attachment 1

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
												Item	Value		
1	Hsu Chia (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,262,137	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	-	\$ 5,539,753	\$ 5,539,753
					CNY 285,000,000	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
					CNY 885,710	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 5,539,753	CNY 5,539,753	
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,511,827	\$ 1,473,138	\$ 1,473,138	3.00%	Short-term financing	-	Operating Capital	-	-	\$ 5,539,753	\$ 5,539,753
					CNY 340,000,000	CNY 340,000,000	CNY 340,000,000	3.00%	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
					CNY 1,262,137	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	CNY 5,526,868	\$ 5,526,868	
3	Hsu Fu (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 675,876	\$ 658,580	\$ 658,580	3.00%	Short-term financing	-	Operating Capital	-	-	\$ 5,549,306	\$ 5,549,306
					CNY 152,000,000	CNY 152,000,000	CNY 152,000,000	3.00%	Short-term financing	-	Operating Capital	-	CNY 1,275,999,759	CNY 1,275,999,759	
					CNY 774,996	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	CNY 5,526,868	\$ 5,526,868	
4	Hsu Zhan (HK) Investment Limited (Note 1)	Media Tek (Chengde) Inc.	Other receivables from related party	Yes	\$ 311,259	\$ 303,293	\$ 303,293	3.00%	Short-term financing	-	Operating Capital	-	-	\$ 5,549,306	\$ 5,549,306
					CNY 70,000,000	CNY 70,000,000	CNY 70,000,000	3.00%	Short-term financing	-	Operating Capital	-	CNY 1,280,778,453	CNY 1,280,778,453	
					\$ 1,156,103	\$ 1,126,518	\$ 1,126,518	3.00%	Short-term financing	-	Operating Capital	-	CNY 5,549,306	\$ 5,549,306	
5	Digmoo Holdings Limited (Note 1)	Media Tek (Wuhan) Inc.	Other receivables from related party	Yes	\$ 260,000,000	CNY 260,000,000	CNY 260,000,000	1.00%	Short-term financing	-	Operating Capital	-	-	CNY 1,280,778,453	CNY 1,280,778,453
					CNY 69,234	\$ 43,490	\$ 43,490	1.00%	Short-term financing	-	Operating Capital	-	CNY 77,857,067	\$ 77,857,067	
					JPY 306,000,000	JPY 206,000,000	JPY 200,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 2,532,184,181	USD 2,532,184,181	
6	MTKC Global Holdings Co. Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 7,766,935	\$ 5,070,180	\$ 5,070,180	0.00%	Short-term financing	-	Operating Capital	-	-	\$ 48,526,015	\$ 48,526,015
					USD 249,500,000	USD 164,900,000	USD 164,900,000	0.00%	Short-term financing	-	Operating Capital	-	USD 1,578,235,755	USD 1,578,235,755	
					\$ 5,419,940	\$ 3,640,445	\$ 3,640,445	0.00%	Short-term financing	-	Operating Capital	-	\$ 10,951,152	\$ 10,951,152	
7	Gaiitech Co. Limited (Note 1)	Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,211,200	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	-	\$ 356,169,777	\$ 356,169,777
					USD 300,000,000	USD -	USD -	NA	Short-term financing	-	Operating Capital	-	USD 223,998,083	\$ 223,998,083	
					\$ 22,704,500	\$ 21,522,900	\$ 19,985,550	0.00%	Short-term financing	-	Operating Capital	-	USD 7,272,191,859	USD 7,272,191,859	
8	Mediatek Singapore Pre Ltd (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 20,423,000	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	-	\$ 43,078,426	\$ 43,078,426
					USD 650,000,000	USD -	USD -	NA	Short-term financing	-	Operating Capital	-	USD 1,401,061,123	USD 1,401,061,123	
					\$ 9,426,000	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	USD 7,272,191,859	USD 7,272,191,859	
9	LePower (HK) Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,946,100	\$ 1,122,266	\$ 814,796	6.29%	Short-term financing	-	Operating Capital	-	-	\$ 3,002,648	\$ 3,002,648
					USD 60,000,000	USD 36,500,000	USD 26,500,000	6.29%	Short-term financing	-	Operating Capital	-	CNY 693,010,522	CNY 693,010,522	
					\$ 648,700	\$ 614,940	\$ 614,940	6.29%	Short-term financing	-	Operating Capital	-	\$ 5,181,037	\$ 5,181,037	
10	Gold Rich International (HK) Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 20,000,000	USD 20,000,000	USD 20,000,000	0.00%	Short-term financing	-	Operating Capital	-	-	\$ 168,505,448	USD 168,505,448
					USD 810,875	\$ 768,675	\$ 768,675	0.00%	Short-term financing	-	Operating Capital	-	\$ 1,681,848	\$ 1,681,848	
					USD 25,000,000	USD 25,000,000	USD 25,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 54,699,579	USD 54,699,579	

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fu (Samoa) Investment Ltd., Hsu Zhan (HK) Investment Limited, Digmoo Holdings Limited, MTKC Global Holdings Co. Limited, Gaiitech Co. Limited, Mediatek Singapore Pre. Ltd., LePower (HK) Limited, Gold Rich International (HK) Limited, and Cloud Ranger Limited 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: 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, 2023

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.	Gaintech Co. Limited	A	\$ 73,641,156 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	-	6.52%	\$ 184,102,891	Y	N	N
		MediaTek China Limited	A	\$ 73,641,156 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	-	2.44%		Y	N	N

(Amounts in Thousands of New Taiwan 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.

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 endorsor/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. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2023

Attachment 3

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023				Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
MediaTek Inc.	Bonds	Chialase Finance Co., Ltd.	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 20,113	-	\$ 20,113	-
		Weibo Corporation	Financial assets measured at amortized cost- current	-	\$ 261,079	-	-	-
		YAGEO Corporation	Financial assets measured at amortized cost- current	-	\$ 100,000	-	-	-
		Baidu, Inc.	Financial assets measured at amortized cost- noncurrent	-	\$ 43,117	-	-	-
		KG3 Securities Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 580,000	-	-	-
		Tencent Music Entertainment Group	Financial assets measured at amortized cost- noncurrent	-	\$ 157,167	-	-	-
		Vanguard International Semiconductor Corporation	Financial assets measured at amortized cost- noncurrent	-	\$ 100,000	-	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 500,756	-	-	-
		Cathay Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 580,000	-	-	-
		Fubon Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-
		MERRY ELECTRONICS CO.,LTD.	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 200,190	-	\$ 200,190	-
		Taiwan mask corporation	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 129,875	-	\$ 129,875	-
		Wahsin Technology Corporation	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 190,310	-	\$ 190,310	-
Taihsin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 295,895	-	\$ 295,895	-		
Guant Manufacturing Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 292,247	-	\$ 292,247	-		
MediaTek Inc.	Funds	Fubon Financial Holdings Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	145,703,000	\$ 2,438,560	-	\$ 2,438,560	-
		Fubon Financial Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	30,165,000	\$ 414,922	-	\$ 414,922	-
		KG3 Securities Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- current	115,195,956	\$ 1,910,145	-	\$ 1,910,145	-
		WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	10,900,000	\$ 512,300	1%	\$ 512,300	-
		Shin Kong Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,888,000	\$ 369,241	0%	\$ 369,241	-
		Chialase 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	-
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,241,000	\$ 376,202	1%	\$ 376,202	-
		FUBON Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	15,800,000	\$ 898,500	0%	\$ 898,500	-
		FUBON Financial Holding Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,786,666	\$ 109,165	0%	\$ 109,165	-
		FUBON Financial Holding Co., Ltd. Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,056,243	\$ 388,094	0%	\$ 388,094	-
		Cathay Financial Holdings preferred stocks	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,405,000	\$ 143,338	0%	\$ 143,338	-
		Taihsin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	45,325,000	\$ 770,525	0%	\$ 770,525	-
		East88 Limited(Cyprus)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	640,000	\$ 1,180	6%	\$ 1,180	-
Cloud Ronger Limited	Stocks	Shin Kong Financial Holding Co., Ltd., Preferred Stock A	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	4,200,000	\$ 120,330	0%	\$ 120,330	-
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,809,900	USD 2,971,722	1%	USD 2,971,722	-
		TRANSNET TECHNOLOGY INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,970,316	USD 1,900,709	8%	USD 1,900,709	-
		Scaldflix Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,096,587	USD 1,333,327	2%	USD 1,333,327	-
		SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 444,819	-	USD 444,819	-
		Celesta Capital I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,157,571	-	USD 2,157,571	-
		Celesta Capital II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 9,826,047	-	USD 9,826,047	-
		Amrit Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 10,083,527	-	USD 10,083,527	-
		Celesta Capital III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 14,825,095	-	USD 14,825,095	-
		Walton Catalyst Ventures, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 5,850,113	-	USD 5,850,113	-
		Cyress Frontline Venture Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,621,235	-	USD 2,621,235	-
		Walton Technology Ventures IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,480,698	-	USD 3,480,698	-
		Achi Capital Partners Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 14,857,421	-	USD 14,857,421	-
Digiome Holdings Limited	Stocks	Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	846,010	USD 2,072,725	1%	USD 2,072,725	-
		Shenzhen Transsion Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	51,123,649	USD 997,056,680	6%	USD 997,056,680	2
		General Mobile Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,000,000	USD 50,000	17%	USD 50,000	-
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,205,734	USD 6,400,473	3%	USD 6,400,473	-
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	55,009,500	USD 80,832,280	3%	USD 80,832,280	-
		COO Tech Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	6,000,000	USD 84,000	17%	USD 84,000	-
		DSP Concepts Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,132,118	USD 3,973,734	2%	USD 3,973,734	-

(To be continued)

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(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023				Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
DigiOne Holdings Limited	Stocks	Facefluent Corporation	Equity instrument investments measured at fair value through other comprehensive income: non-current	2,000,000	USD 440,000	1%	USD 440,000	-
		SIMO Holdings Inc.	Equity instrument investments measured at fair value through other comprehensive income: non-current	11,292,110	USD 1,316,739	13%	USD 1,316,739	-
		RYOS INC.	Equity instrument investments measured at fair value through other comprehensive income: non-current	2,587,568	USD 5,000,000	1%	USD 5,000,000	-
		NOZOMI FUND	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 156	-	USD 156	-
		Innovation Works Development Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 3,953,002	-	USD 3,953,002	-
		Shanghai Walden Venture Capital Enterprise	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 46,133,162	-	USD 46,133,162	-
		China Broadband Capital Partners II, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 8,573,445	-	USD 8,573,445	-
		SoftBank PrimeVibe Investments, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 1,974,385	-	USD 1,974,385	-
		PVG GCN Ventures, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 2,732,603	-	USD 2,732,603	-
		China Broadband Capital Partners III, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 12,579,900	-	USD 12,579,900	-
		China Walden Venture Investments II, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 15,602,152	-	USD 15,602,152	-
		Shanghai Summit kw. K. M AND A Investment Limited partnership	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 131,150,947	-	USD 131,150,947	-
		Beijing Integrated Circuit Industry International Fund	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 8,909,860	-	USD 8,909,860	-
		China Prosperity Capital Mobile	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 5,517,355	-	USD 5,517,355	-
		HOPU USD Master Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 39,350,955	-	USD 39,350,955	-
		Walden Technology Ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 54,376,477	-	USD 54,376,477	-
		Phi Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 10,465,735	-	USD 10,465,735	-
		ALL-STAR INVESTMENT FUND	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 1,275,467	-	USD 1,275,467	-
		Suzhou Poohu Technology Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 433,680	-	USD 433,680	-
		Bain Capital Tech Opportunities Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 6,053,659	-	USD 6,053,659	-
III Strategic M&A Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 3,184,498	-	USD 3,184,498	-		
Vickers Venture Co-Investment LLC	Equity instrument investments measured at fair value through other comprehensive income: non-current	-	USD 2,182,442	-	USD 2,182,442	-		
Amobak Intelligent Corp. Limited	Financial assets mandatorily measured at fair value through profit or loss-current	-	USD 709,142	-	USD 709,142	-		
Lion Best Global Limited	Financial assets measured at amortized cost-noncurrent	-	USD 10,000,000	-	-	-		
Cypress Capital Wealth Management SPC	Financial assets mandatorily measured at fair value through profit or loss-current	-	USD 9,940,940	-	USD 9,940,940	-		
Innoviz Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income: non-current	6,684,281	USD 1,691,123	0%	USD 1,691,123	-		
DDI Global Inc.	Equity instrument investments measured at fair value through other comprehensive income: non-current	250,022	USD 3,950,348	0%	USD 3,950,348	-		
Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income: non-current	490,196	USD 36,833,327	0%	USD 36,833,327	-		
Innovation Works Limited	Equity instrument investments measured at fair value through other comprehensive income: non-current	2,400,000	USD 266,732	4%	USD 266,732	-		
AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income: non-current	5,444,300	USD 7,999,985	0%	USD 7,999,985	-		
Easy-Logic technology holding (eyam) Limited	Equity instrument investments measured at fair value through other comprehensive income: non-current	842,734	USD 2,002,877	3%	USD 2,002,877	-		
WI HARPER INC FUND V, LTD.	Equity instrument investments measured at fair value through other comprehensive income: non-current	3,000	USD 771	2%	USD 771	-		
ITH Corporation	Equity instrument investments measured at fair value through other comprehensive income: non-current	53,889,085	USD 5,389,085	12%	USD 5,389,085	-		
Especkin, Inc.	Equity instrument investments measured at fair value through other comprehensive income: non-current	7,151,085	USD 3,933,097	7%	USD 3,933,097	-		
Jingxin Silicon Integrity Semiconductor Technology Limited Company	Equity instrument investments measured at fair value through other comprehensive income: non-current	3,000,000	USD 2,100,252	0%	USD 2,100,252	-		
Agricultural Development Bank of China	Financial assets measured at amortized cost-current	-	CNY 100,000,000	-	-	-		
Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost-noncurrent	-	CNY 50,000,000	-	-	-		
Credit Agricole S.A.	Financial assets measured at amortized cost-noncurrent	-	CNY 50,000,000	-	-	-		
The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost-noncurrent	-	CNY 12,000,000	-	-	-		
Banque Paribas	Financial assets measured at amortized cost-noncurrent	-	CNY 93,999,974	-	-	-		
Bank of America Corporation	Financial assets measured at amortized cost-noncurrent	-	CNY 5,000,000	-	-	-		
National Bank of Canada	Financial assets measured at amortized cost-noncurrent	-	CNY 115,000,000	-	-	-		
Banque Paribas	Debt instrument investments measured at fair value through other comprehensive income: non-current	-	CNY 50,027,500	-	CNY 50,027,500	-		
Agricultural Development Bank of China	Financial assets measured at amortized cost-current	-	CNY 50,000,000	-	-	-		
Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost-noncurrent	-	CNY 50,000,000	-	-	-		
Societe Generale	Financial assets measured at amortized cost-noncurrent	-	CNY 50,000,000	-	-	-		
The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost-noncurrent	-	CNY 23,000,000	-	-	-		
Credit Agricole	Financial assets measured at amortized cost-noncurrent	-	CNY 50,000,000	-	-	-		

(To be continued)

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Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023			Note	
				Units/Shares	Carrying Amount	Percentage of Ownership(%)		Fair Value
Hsu Fu (Samoa) Investment Ltd.	Bonds	Banque Paribas	Financial assets measured at amortized cost- noncurrent	-	CNY 21,997,684	-	-	
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 129,000,000	-	-	
Hsu Kang (Samoa) Investment Ltd.	Bonds	Banque Paribas	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,027,500	-	CNY 50,027,500	
		Agricultural Development Bank of China	Financial assets measured at amortized cost- current	-	CNY 100,000,000	-	-	
	Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-		
	Credit Agricole S.A.	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-		
	The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	CNY 56,000,000	-	-		
	Credit Agricole	Financial assets measured at amortized cost- noncurrent	-	CNY 67,000,000	-	-		
	Banque Paribas	Financial assets measured at amortized cost- noncurrent	-	CNY 132,999,855	-	-		
	Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-		
	National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 180,000,000	-	-		
	Space Mobility Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	11,886,019	NR	33,402,833	5%	NR	
Media Tek India Technology Pvt. Ltd.	Stocks	One97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,095,113	NR	1,310,082,488	0%	NR
		HEVC ADVANCE LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,672,372	-	USD 3,672,372	-
Media Tek USA Inc.	Capital Trust Funds	Trust fund	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 46,021,747	-	USD 46,021,747	
		Imvivo Ventures II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,517,336	-	USD 3,517,336	
MTK Global Holdings Co. Limited	Capital	Amihiv Fund III, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,372,683	-	USD 3,372,683	
		Vertex Ventures(SG) SEA IV LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,685,950	-	USD 3,685,950	
		Palm Drive Capital III LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,149,497	-	USD 2,149,497	
		Hias Capital Integrated Circuit Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,519,152	-	USD 8,519,152	
		Prime Movers Growth Fund II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,529,536	-	USD 3,529,536	
		Velo Ventures VI, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,111,367	-	USD 2,111,367	
		Invista Ventures III, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,105,489	-	USD 2,105,489	
		BCV CRYPTO FUND I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,712,508	-	USD 1,712,508	
		Bain Capital Tech Opportunities Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,238,534	-	USD 1,238,534	
		Amihiv L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 956,542	-	USD 956,542	
	New Trail Capital, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,300,955	-	USD 3,300,955		
	Decibel Partners II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,329,180	-	USD 1,329,180		
	Odin Sea Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,420,927	-	USD 4,420,927		
	Black Cyber Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,994,172	-	USD 1,994,172		
	Matter Venture Fund I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,730,884	-	USD 1,730,884		
	Symbal Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 805,577	-	USD 805,577		
	Vertex Ventures (SG) SEA V LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 74,015	-	USD 74,015		
	Custom Group Convertible Promissory Note	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 10,838,380	-	USD 10,838,380		
	System Elite Holdings Group Limited	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 1,039,682	-	USD 1,039,682		
	Vantana Micron Systems Inc.	Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 5,000,000	-	USD 5,000,000	
Vantana Micron Systems Inc.			Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 5,000,000	-	USD 5,000,000	
Vaxxinity, Inc.	Linked Deposits	Vaxxinity, Inc.	Financial assets mandatorily measured at fair value through profit or loss- current	35,450	USD 30,133	0%	USD 30,133	
		Vadens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	980,000	USD 2,400,000	1%	USD 2,400,000	
		Noritas Semiconductor Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	138,182	USD 1,115,129	0%	USD 1,115,129	
		Muata Keel Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,483,659	USD 1,937,254	4%	USD 1,937,254	
		Vantel Holding Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,800,000	USD 8,164,800	1%	USD 8,164,800	
		Transsect Fin Tech Group	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	14,526,620	USD 19,389,003	2%	USD 19,389,003	
		NeoBlade Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,437,370	USD 3,617,057	5%	USD 3,617,057	
		PROTEANTICS LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	251,981	USD 6,501,110	1%	USD 6,501,110	
		ViaC Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	40,355	USD 122,839	0%	USD 122,839	
		SandTech Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	706,023	USD 20,651,173	9%	USD 20,651,173	
Universal Grammar Ltd.	Stocks	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	24,021	USD 1,500,000	9%	USD 1,500,000		
		SocGen AB	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	192,366	USD 946,954	4%	USD 946,954	

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				Units/Shares	Carrying Amount	Percentage of Ownership(%)	
MTK Global Holdings Co., Limited	Stocks	TXOne Networks, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	909,006	USD 3,790,905	1% USD	3,790,905
		KALIDEOS, INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	516,191	USD 738,669	2% USD	738,669
Hefei Xuhai Management Consulting Co., Ltd.	Capital	Shahera IP Holdings Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	65,083	USD 1,857,469	2% USD	1,857,469
		Kunr Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 600,499,935	- CNY	600,499,935
		Kunr Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 153,354,864	- CNY	153,354,864
		Kunr Qiao Phase II (Shenzhen) Emerging Industry Venture Capital Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 203,300,079	- CNY	203,300,079
		Industrial and Commercial Bank of China Limited	Financial assets measured at amortized cost- current	-	USD 10,003,777	-	-
		Bank of China Limited	Financial assets measured at amortized cost- current	-	USD 5,076,401	-	-
		Citigroup Inc.	Financial assets measured at amortized cost- current	-	USD 20,000,000	-	-
		Sanikomo Mitsui Banking Corporation	Financial assets measured at amortized cost- current	-	USD 9,775,097	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- current	-	USD 3,984,513	-	-
		Fonssas Plastics Group	Financial assets measured at amortized cost- noncurrent	-	USD 9,913,406	-	-
Hsi Zhan (HK) Investment Limited	Bonds	ING Group, N.V.	Financial assets measured at amortized cost- noncurrent	-	USD 19,198,824	-	-
		UBS Group AG	Financial assets measured at amortized cost- noncurrent	-	USD 29,497,263	-	-
		HSBC Holdings plc	Financial assets measured at amortized cost- noncurrent	-	USD 48,931,381	-	-
		Banque Paribas	Financial assets measured at amortized cost- noncurrent	-	USD 13,224,476	-	-
		The Toronto-Dominion Bank	Financial assets measured at amortized cost- noncurrent	-	USD 9,007,427	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 18,716,534	-	-
		National Australia Bank	Financial assets measured at amortized cost- noncurrent	-	USD 8,799,605	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	USD 18,000,000	-	-
		Morgan Stanley	Financial assets measured at amortized cost- noncurrent	-	USD 114,054,231	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 79,351,821	-	-
Hsi Zhan (HK) Investment Limited	Bonds	The Bank of Nova Scotia	Financial assets measured at amortized cost- noncurrent	-	USD 94,571,265	-	-
		Royal Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	USD 91,144,732	-	-
		Mizuho Financial Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 52,656,313	-	-
		JPMorgan Chase & Co.	Financial assets measured at amortized cost- noncurrent	-	USD 19,322,495	-	-
		Foxconn Technology Group	Financial assets measured at amortized cost- noncurrent	-	USD 31,466,636	-	-
		Westpac Banking Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 3,237,527	-	-
		Commonwealth Bank of Australia	Financial assets measured at amortized cost- noncurrent	-	USD 17,299,987	-	-
		Wells Fargo & Company	Financial assets measured at amortized cost- noncurrent	-	USD 45,947,264	-	-
		Australia and New Zealand Banking Group Limited	Financial assets measured at amortized cost- noncurrent	-	USD 9,054,732	-	-
		Cathay Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	USD 30,000,000	-	-
Xixin Investment (Shanghai) Inc.	Linked Deposits	Mitsubishi UFJ Financial Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 89,314,973	-	-
		Sanikomo Mitsui Banking Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 48,722,606	-	-
		International Business Machines Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 701,703,559	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	USD 59,692,933	-	-
		NVIDIA CORP	Financial assets measured at amortized cost- noncurrent	-	USD 241,988,980	-	-
		Amazon.com, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 41,937,695	-	-
		Citigroup Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 133,741,472	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 18,259,000	-	USD 18,259,000
		Standard Chartered	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,247,000	-	USD 10,247,000
		UBS Group AG	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,212,000	-	USD 10,212,000
Xixin Investment (Shanghai) Inc.	Capital	BNP Paribas	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,233,000	-	USD 10,233,000
		HSBC Holdings plc	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,219,000	-	USD 10,219,000
		Shanghai Ying Information Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 1,768,643	-	CNY 1,768,643
		Ningbo ABAX Sensing Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 2,091,535	-	CNY 2,091,535
Fibon Bank (China) Co., Ltd	Funds	Hangzhou Ulinception Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 13,147,162	-	CNY 13,147,162
		Fibon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 42,140,000	-	CNY 42,140,000

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				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
Xixin Investment (Shanghai) Inc.	Stocks	Ohbco Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	424,450	CNY 15,933,853	0%	CNY 15,933,853	-
		Shenzhen ORVIBO Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	141,939	CNY 17,926,620	2%	CNY 17,926,620	-
Hua-Tu Investment Corp.	Bonds	China Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-
	Linked Deposits	Gant Manufacturing Co. Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 136,046	-	\$ 136,046	-
		Chialase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	\$ 195,800	0%	\$ 195,800	-
		WT Microsystems Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,800,000	\$ 264,770	1%	\$ 264,770	-
	Stocks	FUBON Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,333,000	\$ 199,647	0%	\$ 199,647	-
		FUBON Financial Holding Co., Ltd. Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	77,284	\$ 4,251	0%	\$ 4,251	-
		Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 115,160,000	-	CNY 115,160,000	-
	Funds	Mesh Cooperative Ventures Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 50,034	-	\$ 50,034	-
	Capital	Ennocon Corporation	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 1,072,964	-	\$ 1,072,964	-
	Bonds	Guozhi Technology, Inc.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 15,000	-	\$ 15,000	-
Linked Deposits	Guibay Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-	
	Taishan Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 80,243	-	\$ 80,243	-	
Hsiung Fu Co.		Andes Technology Corporation	Equity instrument investments measured at fair value through other comprehensive income- current	4,005,324	\$ 1,922,556	8%	\$ 1,922,556	-
		ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	1,857,008	\$ 17,289	5%	\$ 17,289	-
		CHUNGWA PRECISION TEST TECH. CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- current	351,000	\$ 197,964	1%	\$ 197,964	-
	Stocks	Mediatek Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,794,085	\$ 7,910,996	0%	\$ 7,910,996	3
		Mers Semiconductor Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,103,982	\$ 106,410	7%	\$ 106,410	-
		Taiwan Capital Buffika Fund Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	231,500,000	\$ 185,664	5%	\$ 185,664	-
		International Trust Machines Corporation.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,500,000	\$ 274	2%	\$ 274	-
		Golden Smart Home Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	425,000	\$ 125	1%	\$ 125	-
	Stocks	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	13,126,705	USD 122,917,190	3%	USD 122,917,190	-
		Maxone Semiconductor (Shenzhen) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 77,247,646	-	CNY 77,247,646	-
	Capital	Cleanix Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 66,917,285	-	CNY 66,917,285	-
		AbloSemi Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 108,800,000	-	CNY 108,800,000	-
Bonds	Recopeak Limited	Financial assets mandatorily measured at fair value through other comprehensive income- noncurrent	-	CNY 29,586,002	-	CNY 29,586,002	-	
Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,264,518	-	CNY 15,264,518	-	
Funds	Cypress Capital Wealth Management SPC	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 39,000,000	-	CNY 39,000,000	-	
Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 1,246,989	-	USD 1,246,989	-	
Capital	Shanghai Summit View Pujing Equity Investment Limited Partnership II	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 19,800,000	-	CNY 19,800,000	-	
Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 158,465,700	-	CNY 158,465,700	-	
Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 702,700,000	-	CNY 702,700,000	-	
Capital	Shanghai Summit View Pujing Equity Investment Limited Partnership II	Financial assets mandatorily measured at fair value through other comprehensive income- noncurrent	-	CNY 63,305,423	-	CNY 63,305,423	-	
Funds	Nanjing Auteval Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 32,502,482	-	CNY 32,502,482	-	
Funds	Shanghai UniVision Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 132,470,399	-	CNY 132,470,399	-	
	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 40,000,000	-	CNY 40,000,000	-	
Capital	Shanghai Intertek OF Things VC Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 99,449,984	-	CNY 99,449,984	-	
Funds	Hubei Changjiang New energy industry investment fund partnership firm (limited partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 203,391,721	-	CNY 203,391,721	-	
Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 210,000,000	-	CNY 210,000,000	-	
Stocks	Al Speed Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	4,638,600	CNY 70,321,408	1%	CNY 70,321,408	-	
Stocks	Dyna Resh CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	9,854,272	\$ 176,391	9%	\$ 176,391	-	
	Asia Global Venture Capital II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	531,300	\$ 23,083	10%	\$ 23,083	-	

Note 1: Including the 2022 first offering of 5-year and 7-year unsecured ordinary corporate bonds (green bonds) of Taiwan Semiconductor Manufacturing Company Limited (TSMC).

Note 2: GainTech Co., Limited previously recognized the economic benefits of the stocks of Shenzhen Transision Holdings Co., Ltd. In August 2023, Shenzhen Transision Holdings Co., Ltd. was delisted as Yuan Ke (Ping'an) Investment Fund Limited Partnership (Limited Partnership) disposed of Shenzhen Transision Holdings Co., Ltd. earlier.

Note 3: Ultimate parent entity.

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, 2023

Attachment 4

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Units/Shares	Amounts	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount (Note 1)
						CNY		USD		USD		CNY
Xuxin Investment (Shanghai) Inc.	Xuxin (Shanghai) Management Consulting Co., Ltd	Investments accounted for using the equity method	Note 1	Subsidiary	-	659,216,087	-	80,010,000	-	-	-	703,344,744
Xuxin (Shanghai) Management Consulting Co., Ltd	Hefei Xuxin Management Consulting Co., Ltd.	Investments accounted for using the equity method	Note 1	Subsidiary	-	627,192,444	-	80,000,000	-	-	-	703,331,090
Gold Rich International (HK) Limited	Sherzen Good's Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-current measurement	-	-	18,206,973	123,705,512	-	-	4,402,783	32,915,983	13,126,705	122,917,190
MediaTek Global Holdings Limited	Digimac Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	915,638,880	686,926,432	655,000,000	65,000,000	-	-	-	1,578,085,456
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Investments accounted for using the equity method	Note 2	Subsidiary	102,200,000	162,507,505	-	-	101,200,000	101,200,000	-	-
Hsu Zhan (HK) Investment Limited	Cathy Life Insurance US-Dollar Denominated Subordinated Corporate Bonds	Financial assets measured at amortized cost-noncurrent	-	-	-	-	-	30,000,000	-	-	-	30,000,000
Hsing Fu Co.	Andes Technology Corporation	Equity instrument investments measured at fair value through other comprehensive income-current	-	-	5,657,334	2,814,519	-	-	692,335	646,366	-	1,922,555
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	3,450,118,214	3,463,172,263	655,000,000	65,000,000	-	-	-	4,466,934,596
Gaintech Co. Limited	Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-	490,196	24,999,996	-	-	-	36,833,327
Gaintech Co. Limited	Fall Track Alliance ADR	Equity instrument investments measured at fair value through other comprehensive income-current	Note 3	-	-	-	5,324,733	34,451,023	34,451,023	1,658,189	-	-
Digimac Holdings Limited	Sherzen Transmission Holdings Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-	51,123,649	762,218,758	-	-	-	997,656,680
Hsu-Ti Investment Corp.	Aioha Technology Corp.	Investments accounted for using the equity method	Note 1	Subsidiary	-	-	5,592,000	2,968,722	-	-	-	611,969

Note 1: Subscribed to the new shares issued.

Note 2: Proceeds from capital return, for the purpose of reorganization, the 100% ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited, in December 2023.

Note 3: Subscribed to the stock dividend through equity investments.

MEDIA TEK INC. AND SUBSIDIARIES
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, 2023

Attachment 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counterparty			Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer	Transfer Date			
MediaTek Inc.	Building and construction in progress	2023.12.20	\$ 1,024,655	\$ 15,231	Bio-architecture Formosana, WSP International LLC., Taiwan Branch(USA), Kedge Construction Co., Ltd.	None	-	-	-	Not applicable	Space requirements for staff expansion	None
Richtek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	\$ 447,200	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	\$ 1,850,000	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Hsu-Yuan Investment Corp.	Building and construction in progress	2023.11.10	\$ 5,301,925	\$ 35,028	IJP Architecture & Planners, LEEMING Construction Co., Ltd.	None	-	-	-	Not applicable	Space requirements for staff expansion	None

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, 2023

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)	
MediaTek Inc.	HFI Innovation Inc.	Subsidiary	Sales (Note 1)	\$ 208,329	0.08%	30 days	-	\$ -	-	-
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 2)	\$ 2,567,621	0.96%	Charged by a certain period	-	\$ 258,688	0.76%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 3,192,772	-	75 days	-	\$ (931,294)	(3.64)%	-
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 251,884	-	75 days	-	\$ (97,766)	(0.38)%	-
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	\$ 236,885	1.13%	60 days	-	\$ 68,386	2.05%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 381,299	-	75 days	-	\$ (91,499)	(13.23)%	-
Airoha Technology Corp.	ASIX Electronics Corp.	Substantive related party	Sales	\$ 108,202	-	30 days	-	\$ 33,903	4.90%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 90,727,131	-	75 days	-	USD (24,428,271)	(5.62)%	-
MediaTek Singapore Pte. Ltd.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 3,693,077	-	75 days	-	USD (1,063,665)	(0.24)%	-

Note 1: mainly IP revenues

Note 2: mainly license revenues

MEDIA TEK INC. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2023

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		
					(Amounts in Thousands of New Taiwan Dollars)			
MediaTek Inc.	Media Tek Singapore Pte. Ltd.	Subsidiary	\$ 258,688	-	\$ -	\$ -	\$ 258,688	\$ -
MediaTek Inc.	Nephos (Heifei) Co., Ltd.	Subsidiary	\$ 478,405	-	\$ -	\$ -	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 405,720	-	\$ -	\$ -	\$ 207,692	\$ -
Digimoc Holdings Limited	Gaitech Co. Limited	Subsidiary	\$ 5,070,180	-	\$ -	\$ -	\$ -	\$ -
MediaTek Bangalore Private Limited	Media Tek Singapore Pte. Ltd.	Subsidiary	\$ 234,415	-	\$ -	\$ -	\$ 234,415	\$ -
Gaitech Co. Limited	MediaTek Inc.	Subsidiary	\$ 19,985,550	-	\$ -	\$ -	\$ -	\$ -
Cloud Ranger Limited	Gaitech Co. Limited	Subsidiary	\$ 768,675	-	\$ -	\$ -	\$ -	\$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 107,607	-	\$ -	\$ -	\$ 107,607	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 109,350	-	\$ -	\$ -	\$ 109,350	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,473,138	-	\$ -	\$ -	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 303,293	-	\$ -	\$ -	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,126,518	-	\$ -	\$ -	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 658,580	-	\$ -	\$ -	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaitech Co. Limited	Subsidiary	\$ 3,640,445	-	\$ -	\$ -	\$ -	\$ -
LePower (HK) Limited	Gaitech Co. Limited	Subsidiary	\$ 838,303	-	\$ -	\$ -	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	\$ 157,131	-	\$ -	\$ -	\$ 118,145	\$ -
Gold Rich International (HK) Limited	Gaitech Co. Limited	Subsidiary	\$ 626,385	-	\$ -	\$ -	\$ -	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 992,338	-	\$ -	\$ -	\$ 992,338	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 246,866	-	\$ -	\$ -	\$ 246,866	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 359,935	-	\$ -	\$ -	\$ 359,935	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 149,006	-	\$ -	\$ -	\$ 149,006	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 172,083	-	\$ -	\$ -	\$ 172,083	\$ -
MediaTek North America Inc.	MediaTek Inc.	Subsidiary	\$ 103,011	-	\$ -	\$ -	\$ 103,011	\$ -
Richtek USA, Inc.	Richtek Technology Corp.	Subsidiary	\$ 102,570	-	\$ -	\$ -	\$ 44,426	\$ -

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.

MEDIA TEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2023

Attachment 8

(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	Transaction Terms		
0	MediaTek Inc.	Richtek Technology Corp.	A	Trade payables to related party	\$ 36,214		0.01%	
		Airoha Technology Corp.	A	Trade receivables from related party	\$ 90,023		0.01%	
			A	Trade payables to related party	\$ 405,720		0.06%	
			A	Operating revenue	\$ 130,883		0.03%	
		MediaTek Singapore Pte. Ltd.	A	Trade receivables from related party	\$ 258,688		0.04%	
		HFI Innovation Inc.	A	Operating revenue	\$ 2,567,621		0.59%	
		Gaintech Co. Limited	A	Operating revenue	\$ 208,329		0.05%	
		Zelus (Shenzhen) Technology Ltd.	A	Other payables to related party	\$ 19,985,550		3.15%	
			A	Other payables to related party	\$ 35,955		0.01%	
			A	Operating revenue	\$ 90,172		0.02%	
		MediaTek Research UK Limited	A	Research and development expenses	\$ 45,100		0.01%	
			A	Research and development expenses	\$ 88,459		0.02%	
			A	Trade receivables from related party	\$ 173,954		0.03%	
		Nephos (Hefei) Co., Ltd.	A	Other receivables from related party	\$ 304,451		0.05%	
		MediaTek USA Inc.	A	Other payables to related party	\$ 992,338		0.16%	
		MediaTek North America Inc.	A	Research and development expenses	\$ 10,069,823		2.32%	
			A	Other payables to related party	\$ 103,011		0.02%	
A	Selling expenses		\$ 800,392		0.18%			
MediaTek Research Corp.	A	Research and development expenses	\$ 52,764		0.01%			
InnoFusion Technology Corp.	A	Research and development expenses	\$ 250,500		0.06%			
MediaTek Bangalore Private Limited	C	Trade payables to related party	\$ 234,415		0.04%			
	C	Research and development expenses	\$ 2,287,200		0.53%			
	C	Research and development expenses	\$ 239,277		0.06%			
MediaTek Japan Inc.	C	Trade payables to related party	\$ 107,607		0.02%			
MediaTek India Technology Pvt. Ltd.	C	Research and development expenses	\$ 953,385		0.22%			
MediaTek Korea Inc.	C	Trade payables to related party	\$ 109,350		0.02%			
	C	Research and development expenses	\$ 874,731		0.20%			
MediaTek Singapore Pte. Ltd.	C	Selling expenses	\$ 46,819		0.01%			
MTK Wireless Limited	C	Trade payables to related party	\$ 86,206		0.01%			
MediaTek Sweden AB	C	Research and development expenses	\$ 905,203		0.21%			
	C	Trade payables to related party	\$ 40,015		0.01%			
MediaTek Wireless Finland Oy	C	Research and development expenses	\$ 154,097		0.04%			
	C	Trade payables to related party	\$ 246,866		0.04%			
MediaTek (Hefei) Inc.	C	Research and development expenses	\$ 1,151,961		0.27%			
		Prepayments to related party	\$ 317,878		0.05%			

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2023

(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			
1	MediaTek Singapore Pte. Ltd.	MediaTek (Hefei) Inc.	C	Research and development expenses	\$ 2,647,263		0.61%	
		Mediatek (Beijing) Inc.	C	Prepayments to related party	\$ 100,692		0.02%	
		MediaTek (Shenzhen) Inc.	C	Research and development expenses	\$ 3,290,938		0.76%	
		MediaTek (Shenzhen) Inc.	C	Trade payables to related party	\$ 359,935		0.06%	
		MediaTek (Shenzhen) Inc.	C	Research and development expenses	\$ 4,129,750		0.95%	
		MediaTek (Chengdu) Inc.	C	Trade payables to related party	\$ 149,006		0.02%	
		MediaTek (Chengdu) Inc.	C	Research and development expenses	\$ 1,604,382		0.37%	
		MediaTek (Wuhan) Inc.	C	Trade payables to related party	\$ 45,082		0.01%	
		MediaTek (Wuhan) Inc.	C	Research and development expenses	\$ 683,747		0.16%	
		MediaTek (Shanghai) Inc.	C	Trade payables to related party	\$ 172,083		0.03%	
2	Gaitech Co. Limited	MediaTek (Shanghai) Inc.	C	Research and development expenses	\$ 1,903,927		0.44%	
		MediaTek Germany GmbH	C	Research and development expenses	\$ 82,402		0.02%	
		Digimoc Holdings Limited	C	Long-term payables to related party	\$ 5,070,180		0.80%	
		Cloud Ranger Limited	C	Long-term payables to related party	\$ 768,675		0.12%	
		MTKC Global Holdings Co. Limited	C	Long-term payables to related party	\$ 3,640,445		0.57%	
		LePower (HK) Limited	C	Other payables to related party	\$ 838,303		0.13%	
		Gold Rich International (HK) Limited	C	Other payables to related party	\$ 626,385		0.10%	
		MediaTek (Shanghai) Inc.	C	Interest revenue	\$ 44,859		0.01%	
		MediaTek (Chengdu) Inc.	C	Other receivables from related party	\$ 1,473,138		0.23%	
		MediaTek (Chengdu) Inc.	C	Other receivables from related party	\$ 303,293		0.05%	
3	Hsu Chia (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	C	Other receivables from related party	\$ 1,126,518		0.18%	
		MediaTek (Wuhan) Inc.	C	Interest revenue	\$ 34,304		0.01%	
		MediaTek (Shenzhen) Inc.	C	Other receivables from related party	\$ 658,580		0.10%	
		MediaTek North America Inc.	C	Non-operating revenue	\$ 33,954		0.01%	
		Airoha Technology (HK) Limited	C	Trade receivables from related party	\$ 92,292		0.01%	
		Airoha Technology (HK) Limited	C	Operating revenue	\$ 511,593		0.12%	
		Airoha Technology India Private Limited	C	Research and development expenses	\$ 51,396		0.01%	
		MediaTek (Hefei) Inc.	C	Research and development expenses	\$ 33,907		0.01%	
		Airotek (Shenzhen) Inc.	C	Research and development expenses	\$ 213,411		0.05%	
		Airotek (Chengdu) Inc.	C	Research and development expenses	\$ 224,919		0.05%	
4	Richtek Technology Corp.	Li-We Technology Corp.	C	Other payables to related party	\$ 37,649		0.01%	
		Li-We Technology Corp.	C	Selling expenses	\$ 218,380		0.05%	
		Li-We Technology Corp.	C	Trade receivables from related party	\$ 68,386		0.01%	
		Li-We Technology Corp.	C	Other payables to related party	\$ 102,570		0.02%	
		Li-We Technology Corp.	C	Operating revenue	\$ 236,885		0.05%	
		Li-We Technology Corp.	C	Research and development expenses	\$ 450,868		0.10%	
		Li-We Technology Corp.	C	Selling expenses	\$ 146,008		0.03%	
		Li-We Technology Corp.	C	Other receivables from related party	\$ 1,126,518		0.18%	
		Li-We Technology Corp.	C	Other receivables from related party	\$ 303,293		0.05%	
		Li-We Technology Corp.	C	Other receivables from related party	\$ 1,126,518		0.18%	

(To be continued)

MEDIA TEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2023

(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	Amount		
8	Richtek Technology Corp.	Richtek Microelectronics Co., Ltd.	C	Selling expenses	\$ 92,006		0.02%	
		Richtek Korea LLC.	C	Research and development expenses	\$ 108,311		0.02%	
			C	Selling expenses	\$ 123,349		0.03%	
			C	Research and development expenses	\$ 96,293		0.02%	
9	Airoha Technology Corp.	Richtek Japan Inc.	C	Selling expenses	\$ 107,506		0.02%	
			C	Operating revenue	\$ 107,057		0.02%	
		Airoha Technology (HK) Limited	C	Purchases from related party	\$ 42,875		0.01%	
			C	Trade payables to related party	\$ 157,131	By contract	0.02%	
		Airoha Technology (Suzhou) Limited	C	Operating revenue	\$ 102,386		0.02%	
			C	Trade receivables from related party	\$ 13,069		0.00%	
10	Hsu Zhan (HK) Investment Limited	Airoha Technology USA Inc.	C	Research and development expenses	\$ 58,733		0.01%	
		MediaTek Japan Inc.	C	Other receivables from related party	\$ 43,519		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 INVESTES IN MAINLAND CHINA)
For the year ended December 31, 2023

Attachment 9

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 1,118,000	111,800,000	100%	\$ 708,831	\$ (35,990)	Note 20	
	HF Innovation Inc.	Note 1	Intellectual property right management	\$ 1,955,248	\$ 1,746,918	195,524,752	100%	\$ 1,630,852	\$ 394,171	Note 20	
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ 9,378,890	\$ 9,378,890	111,235,745	67%	\$ 12,166,800	\$ 967,544	Note 20	
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 30,966	\$ 8,969	-	
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 3,960,811	592,580,103	100%	\$ 7,899,208	\$ 1,124,212	Note 20	
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 500,000	\$ 500,000	50,000,000	100%	\$ 442,271	\$ (2,204)	Note 20	
	Reitek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 16,715,876	\$ 2,394,286	Note 20	
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 300,370	13,125,454	19%	\$ 292,763	\$ (120,492)	(15,683)	
	Spidcom Technologies	Note 13	Intellectual property right management	\$ -	\$ 4,722	146,200	100%	\$ -	\$ -	(525)	
	MSIAR Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 145,348	\$ 18,556	Note 20	
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 4,137,594	187,513,879	100%	\$ 43,041,504	\$ 22,794,288	Note 20	
MediaTek Research UK Limited	Note 12	Research	\$ 24,363	\$ 24,363	280,000	100%	\$ 39,429	\$ 6,438	Note 20		
MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 49,803,483	2,233,845,498	100%	\$ 224,563,433	\$ 12,684,124	Note 20		
MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ 581,508	1,999,999	100%	\$ 994,720	\$ 348,981	Note 20		
Airoha Technology India Private Limited	Note 4	Research	USD 12	USD 12	95	0%	USD -	USD 234,282	-		
ASIX Electronics Corporation	Note 1	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,306	20%	\$ 555,277	\$ (415,671)	-		
IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ 14,311	650,000	1%	\$ 14,297	\$ (120,492)	-		
Shudow Investment Limited	Note 5	General investing	\$ -	\$ 71,755	12,360,000	100%	\$ 11,104	\$ 1,231	Note 20		
Airoha Technology USA, Inc.	Note 6	Research	\$ 12,563	\$ 12,563	10,000	100%	\$ 15,609	\$ 2,423	Note 20		
Airoha Technology India Private Limited	Note 4	Research	\$ 37,312	\$ 37,312	9,500,000	100%	\$ 38,345	\$ 7,164	Note 20		
Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,214,341	\$ 2,753,984	48,034,520	100%	\$ 2,808,738	\$ 207,387	Note 20		
Airoha (Cayman) Inc.	Note 2	General investing	\$ 55,183	\$ 482,580	4,253,337	100%	\$ 160,243	\$ (18,075)	Note 20		
SirooTek Holding Inc.	Note 2	General investing	USD -	USD 1	-	-	USD -	USD -	Note 28		
Intelligo Technology Inc.	Note 2	General investing	USD 3,168,380	USD 3,168,380	9,345,603	15%	USD 6,696,965	USD 7,124,640	-		
Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 168,585,458	USD (2,343,822)	Note 20		
Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,000	100%	USD 54,699,579	USD 698,818	Note 20		
MediaTek China Limited	Note 11	General investing	USD 391,444,293	USD 391,444,293	3,044,078,500	100%	USD 649,309,527	USD 116,320,923	Note 20		
ZENA TECHNOLOGY INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-		
Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,203,817	USD (118,873)	Note 20		
Sigmar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 257,394,115	USD 8,366,783	Note 20		
Nephos Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD 448,906	USD 5,839,532	Note 20		
MTK Wireless Limited	Note 12	Research	USD 135,664,604	USD 135,664,604	84,394,826	100%	USD 203,304,881	USD 34,481,038	Note 20		
MOUNTAIN CAPITAL FUND, L.P.	Note 2	General investing	USD -	USD 25,920,843	-	-	USD -	USD -	Note 21		
MediaTek Wireless FZ-LIC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 430,411	USD 71,361	Note 20		
MediaTek Korea Inc.	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 13,079,670	USD 4,098,793	Note 20		
MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	7,100	100%	USD 3,571,528	USD 885,902	Note 20		
MediaTek Global Holdings Limited	Note 12	General investing	USD 4,085,118,215	USD 3,450,118,215	4,085,118,214	100%	USD 4,466,934,596	USD 146,580,126	Note 20		
BStar Technology Ltd.	Note 2	General investing	USD -	USD 277,673	-	-	USD -	USD (65)	Note 20 and Note 22		
FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD 11,428,571	USD 11,428,571	-	-	USD -	USD (116,500)	Note 23		
Cove Tech Resources Inc.	Note 3	General investing	USD 19,814,286	USD 19,860,000	-	43%	USD 14,543,527	USD (3,098,888)	-		
CNC Capital Investments, L.P.	Note 2	General investing	USD 2,296,822	USD -	1,000,000	100%	USD 2,306,530	USD 5,996,044	Note 20 and Note 27		
Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 4,184,921	3,177,056	32%	USD 3,626,145	USD (1,529,697)	-		

(To be continued)

Mediatek Inc. and Subsidiaries
 NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
 For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2023			Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount		
Hsiang Fa Co.	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 114.16	\$ 2,229	Note 20
	Imofusion Technology Corp.	Note 1	Technical services	\$ 74,539	\$ 224,539	112,000,000	100%	\$ 1,086,781	\$ 18,743	Note 20
	Ching's Technology Corporation	Note 1	Research	\$ 727,932	\$ 777,932	100,936,991	100%	\$ 514,965	\$ 30,909	Note 20
	E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	25%	\$ 52,253	\$ 169	-
	CMOS-CRYSTAL TECHNOLOGY CO., LIMITED	Note 1	Research	\$ 18,189	\$ 18,189	25,000	20%	\$ 157,69	\$ (1,300)	-
	Indigo Technology Inc.	Note 2	General investing	\$ 178,805	\$ 178,805	1,335,626	2%	\$ 184,841	\$ 71,24,640	-
	Gold Rich International (HK) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 168,505,448	USD (2,342,495)	Note 20
	Ziltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ 1,239,420	7,000,000	13%	\$ 1,259,368	\$ 372,772	-
	HiStar Technology Corp.	Note 1	Research, manufacturing and sales	\$ 2,968,722	\$ -	5,592,000	3%	\$ 611,969	\$ 967,544	Note 20
	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 14,943,731	\$ 7,16,511	Note 20
Hsu-Ta Investment Corp.	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	0%	\$ -	\$ 348,981	Note 20
	MediaTek India Technology Pvt. Ltd.	Note 4	Research, manufacturing and sales	INR 3,896,338,069	INR 3,896,338,069	5,499,999	100%	INR 2,831,434,866	INR 246,827,242	Note 20
	Ziltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ 531,180	3,000,000	5%	\$ 539,738	\$ 372,772	Note 20
	Bisar Technology Ltd.	Note 2	General investing	\$ 4,056	\$ -	50,000	100%	\$ 3,807	\$ (85)	Note 20 and Note 22
	MediaTek India Technology Pvt. Ltd.	Note 3	General investing and sales	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 35,438,963	CNY 941,085	Note 20
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD 0	USD 0	1	0%	USD -	INR 246,827,242	Note 20
	Hsu-Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD 2,406,283,105	2,383,399,545	100%	USD 2,532,184,181	USD 116,489,520	Note 20
	MTKCT Global Holdings Co. Limited	Note 3	General investing	USD 355,354,142	USD 355,354,142	12	100%	USD 356,169,777	USD 4,983,374	Note 20
	Digimac Holdings Limited	Note 3	General investing	USD 1,322,980,967	USD 687,980,967	1,550,638,880	100%	USD 1,578,085,456	USD 25,116,004	Note 20
	Gaintech Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 7,272,191,850	USD 408,616,720	Note 20
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Note 11	General investing	USD 507,099,959	USD 507,099,959	554,587,474	100%	USD 540,492,664	USD 16,993,790	Note 20
	Core Tech Resources Inc.	Note 3	General investing	USD -	USD 160,478,723	-	-	USD -	USD 5,996,044	Note 20 and Note 27
	MediaTek Germany GmbH	Note 18	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 721,389	EUR 147,892	Note 20
	MSI France SAS	Note 13	Research	GBP 22,405,985	GBP 22,405,985	458,500	100%	GBP 4,280,441	GBP (23,549)	Note 20
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 10,194,966	GBP 1,947,784	Note 20
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 38,799,897	111,815	100%	GBP 119,618,835	GBP 25,345,831	Note 20
	MediaTek Technology USA Inc.	Note 6	Research	GBP 238,534	GBP -	-	-	GBP 235,673	GBP 137	Note 20 and Note 25
	MediaTek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 11,857,755	GBP 282,794	Note 20
	MSI Semiconductor UK Ltd.	Note 12	Research and technical services	GBP -	GBP -	-	-	GBP -	-	Note 20 and Note 24
	MediaTek Poland sp. z o.o.	Note 19	Technical services	GBP 603,598	GBP -	100	100%	GBP 665,609	GBP 2,401,9	Note 20 and Note 26
Reichle Technology Corp.	MediaTek North America Inc.	Note 6	Sales support and marketing services	GBP 4,079,498	GBP 4,079,498	10,000	100%	GBP 4,187,757	GBP (737,351)	Note 20
	Reichle Microelectronics Corp.	Note 6	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 49,160	\$ 1,923	Note 20
	Reichle USA Inc.	Note 9	Sales, research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 227,311	\$ 60,592	Note 20
	Reichle Korea LLC.	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 24,525	\$ 12,788	Note 20
	Reichle Japan Inc.	Note 10	Research and technical services	\$ 41,893	\$ 41,893	1,900	100%	\$ 44,781	\$ 31,675	Note 20
	Reichle Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 60,821	\$ (2,592)	Note 20
	Reichle Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 39,972	\$ (7,828)	Note 20
	Hsu Kang (Samsa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD 183,806,174	1,000,000,000	100%	USD 179,753,080	USD 6,041,020	Note 20
	Hsu Fa (Samsa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD 184,907,275	1,000,000,000	100%	USD 180,482,844	USD 5,733,226	Note 20
	Hsu Chia (Samsa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD 185,774,024	1,000,000,000	100%	USD 180,172,153	USD 5,232,298	Note 20
MTKCT Global Holdings Co. Limited	LePower (HK) Limited	Note 11	General investing	USD 81,998,125	USD 81,998,125	85,050,000	100%	USD 97,656,632	USD 5,455,840	Note 20
	Amiti IV Quantum L.P.	Note 6	General investing	USD 2,000,000	USD 2,000,000	2,000,000	92%	USD 1,983,264	USD (2,308)	-
	Reichle Europe B.V.	Note 16	Marketing	EUR 1,500,000	EUR 1,500,000	1,500,000	100%	EUR 691,038	EUR (229,202)	Note 20
	Smarthead Limited	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,022,344	USD (767,607)	-

Note 1 : Taiwan
 Note 2 : Cayman Islands
 Note 3 : British Virgin Islands
 Note 4 : India
 Note 5 : Samoa
 Note 6 : United States
 Note 7 : Singapore
 Note 8 : Sweden
 Note 9 : Japan
 Note 10 : Hong Kong
 Note 11 : United Kingdom
 Note 12 : United Kingdom
 Note 13 : France
 Note 14 : Dubai
 Note 15 : Seychelles
 Note 16 : Netherlands
 Note 17 : Finland
 Note 18 : Germany
 Note 19 : Poland
 Note 20 : Investee is a subsidiary in consolidated group.
 Note 21 : Mountain Capital Fund, L.P. has not been consolidated by Gaintech Co. Limited since the day Gaintech Co. Limited lost control over it.
 Note 22 : For the purpose of reorganization, the 100% ownership of IStar Technology Ltd., which was previously owned by Gaintech Co. Limited, was transferred to Mediatek Capital Co. in August 2023.
 Note 23 : FONTAINE CAPITAL FUND, L.P. was dissolved to be dissolved and liquidated in August 2023, and the liquidation process has been completed in January 2024.
 Note 24 : For the purpose of reorganization, MSI Semiconductor UK Ltd. has been liquidated in February 2023.
 Note 25 : MTK Wireless Limited established Mediatek Technology USA Inc. in June 2023.
 Note 26 : MTK Wireless Limited established Mediatek Poland sp. z o.o. in January 2023.
 Note 27 : For the purpose of reorganization, the ownership of Core Tech Resources Inc., which was previously owned by Mediatek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in December 2023.
 Note 28 : Digimac Holdings Limited has completed the transfer of 39% shareholding rights of SmoTck Holding Inc. in December 2023.

MEDIA TEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA

For the year ended December 31, 2023

Attachment 10

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

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, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	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, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,767,230 USD 90,000,000	MediaTek China Limited	\$ 2,767,230 USD 90,000,000	- -	- -	\$ 2,767,230 USD 90,000,000	\$ 1,970,225 USD 63,234,247	100%	\$ 1,970,225 USD 63,234,247	\$ 5,816,435 USD 189,170,826	-
MediaTek (Hefei) Inc.	Note 2	\$ 522,699 USD 17,000,000	MediaTek China Limited	\$ 522,699 USD 17,000,000	- -	- -	\$ 522,699 USD 17,000,000	\$ 204,538 USD 6,564,623	100%	\$ 204,538 USD 6,564,623	\$ 994,952 USD 32,359,309	-
MediaTek (Beijing) Inc.	Note 2	\$ 3,074,700 USD 100,000,000	MediaTek China Limited	\$ 3,074,700 USD 100,000,000	- -	- -	\$ 3,074,700 USD 100,000,000	\$ 488,283 USD 15,671,400	100%	\$ 488,283 USD 15,671,400	\$ 4,714,151 USD 153,320,676	-
MediaTek (Chengdu) Inc.	Note 2	\$ 1,531,201 USD 49,800,000	MediaTek China Limited	\$ 1,531,201 USD 49,800,000	- -	- -	\$ 1,531,201 USD 49,800,000	\$ 148,189 USD 4,756,105	100%	\$ 148,189 USD 4,756,105	\$ 1,774,199 USD 57,703,169	-
MediaTek (Wuhan) Inc.	Note 2	\$ 744,077 USD 24,200,000	MediaTek China Limited	\$ 510,611 USD 16,606,858	- -	- -	\$ 510,611 USD 16,606,858	\$ 33,609 USD 1,078,670	100%	\$ 33,609 USD 1,078,670	\$ 821,560 USD 26,713,510	-
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 2,164,589 USD 70,400,000	MediaTek China Limited	\$ 1,906,314 USD 62,000,000	\$ 258,275 USD 8,400,000	- -	\$ 2,164,589 USD 70,400,000	\$ 17,433 USD 559,497	100%	\$ 17,433 USD 559,497	\$ 3,521,337 USD 114,526,197	-
MediaTek (Shanghai) Inc.	Note 2	\$ 1,286,830 CNY 297,000,000	MediaTek China Limited	\$ 1,490,283 USD 48,469,221	- -	- -	\$ 1,490,283 USD 48,469,221	\$ 862,573 USD 27,684,228	100%	\$ 862,573 USD 27,684,228	\$ 2,518,467 USD 81,909,373	-
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 922,410 USD 30,000,000	MStar Co., Ltd.	\$ 922,410 USD 30,000,000	- -	- -	\$ 922,410 USD 30,000,000	\$ 12,073 USD 387,497	100%	\$ 12,073 USD 387,497	\$ 511,287 USD 16,628,833	-
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,470 USD 10,000,000	Airoha Technology (HK) Limited	\$ 303,470 USD 10,000,000	- -	- -	\$ 307,470 USD 10,000,000	\$ 544,585 USD 17,478,420	70%	\$ 399,640 USD 12,997,706	\$ 2,354,533 USD 76,577,648	\$ 7,079,644 USD 230,254,777
Richpower Microelectronics Co., Ltd.	Note 2	\$ 98,390 USD 3,200,000	Richtek Technology Corp.	\$ 98,390 USD 3,200,000	- -	- -	\$ 98,390 USD 3,200,000	\$ 8,456 USD	100%	\$ 8,456 USD	\$ 24,080 USD	-
Li-We Technology Corp.	Note 2	\$ 76,868 USD 2,500,000	Richtek Technology Corp.	\$ 76,868 USD 2,500,000	- -	- -	\$ 76,868 USD 2,500,000	\$ 12,173 USD	100%	\$ 12,173 USD	\$ 48,753 USD	-
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,347 USD 5,150,000	Gaintech Co. Limited	\$ 159,279 USD 5,180,299	- -	- -	\$ 159,279 USD 5,180,299	\$ 12,593 USD 404,163	88%	\$ 11,107 USD 356,471	\$ 162,943 USD 5,279,974	-
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,811,810 CNY 418,165,234	Gaintech Co. Limited	\$ 1,229,880 USD 40,000,000	- -	- -	\$ 1,229,880 USD 40,000,000	\$ 13,719 USD 440,325	24%	\$ (41,491) USD (1,331,653)	\$ 4,434,223 USD 144,216,459	-
Nephos (Hefei) Co., Ltd.	Note 3	\$ 1,268,314 USD 41,250,000	Nephos Cayman Co. Limited	\$ 3,506,703 USD 114,050,238	- -	- -	\$ 3,506,703 USD 114,050,238	\$ (2,833) USD (90,929)	100%	\$ (2,833) USD (90,929)	\$ (35,035) USD (1,139,459)	-
Airotek (Shenzhen) Inc.	Note 2	\$ 29,210 USD 950,000	Airoha (Cayman) Inc.	\$ 29,210 USD 950,000	- -	- -	\$ 29,210 USD 950,000	\$ (13,353) USD (428,574)	70%	\$ (10,469) USD (336,006)	\$ 70,975 USD 2,308,351	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2023

(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, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	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, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Airotek (Chengdu) Inc.	Note 2	\$ 29,210 USD 950,000	Airoha (Cayman) Inc.	\$ 29,210 USD 950,000	-	-	\$ 29,210 USD 950,000	\$ (9,654) USD (309,849)	70%	\$ (7,686) USD (246,688)	\$ 76,465 USD 2,486,913	-
Sigmastar Technology Ltd.	Note 3	\$ 1,641,888 CNY 378,947,370	Sigmastar Technology Inc.	\$ 61,494 USD 2,000,000	-	-	\$ 61,494 USD 2,000,000	\$ 901,720 USD 28,940,664	32%	\$ 290,152 USD 9,312,412	\$ 8,788,996 USD 285,848,892	-
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,885,011 CNY 435,060,000	Xuxin Investment (Shanghai) Inc.	\$ 1,570,000 USD 51,061,907	\$ 338,386 USD 11,005,502	-	\$ 1,908,387 USD 62,067,409	\$ 10,661 CNY 2,424,124	100%	\$ 10,661 CNY 2,424,124	\$ 3,047,424 CNY 703,344,744	-
Shanghai KQC Financial Management	Note 4	\$ 142,981 CNY 33,000,000	Xuxin Investment (Shanghai) Inc.	\$ 30,036 USD 976,861	-	-	\$ 30,036 USD 976,861	\$ (1) CNY (273)	20%	\$ - CNY (54)	\$ 28,596 CNY 6,599,937	-
HeFei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,884,751 CNY 435,000,000	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,569,786 USD 51,054,922	\$ 338,344 USD 11,004,127	-	\$ 1,908,130 USD 62,059,049	\$ 10,749 CNY 2,444,213	100%	\$ 10,749 CNY 2,444,213	\$ 3,047,365 CNY 703,331,090	-

Accumulated Investment in Mainland China as of December 31, 2023		Investment Amounts Authorized by Investment Commission, MOEA	
\$	22,328,777	\$	28,911,356
USD	726,209,935	USD	940,298,436
		Upper Limit on Investment	
		\$ 220,923,469	

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=31,15756 NTD; 1 CNY=4,3979 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30,747 NTD; 1 CNY=4,433276 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, 2023 AND 2022**

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, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material 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, 2023 and 2022, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 2023 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\$268,685,527 thousand as net sales, which includes sale of goods in the amount of NT\$258,217,320 thousand and services and other operating revenues in the amount of NT\$10,468,207 thousand for the year ended December 31, 2023. 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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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 23, 2024

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.

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 47,975,519	9	\$ 22,417,724	4
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	2,430,520	-	1,747,234	1
Financial assets measured at amortized cost-current	4, 6(4)	361,079	-	20,396	-
Trade receivables, net	4, 6(5), 6(21)	33,354,341	6	25,012,979	5
Trade receivables from related parties, net	4, 6(5), 6(21), 7	529,579	-	508,276	-
Financing lease receivables, net	4, 6(21), 6(22)	727,892	-	-	-
Other receivables	6(6)	2,921,418	1	3,927,095	1
Other receivables from related parties	7	304,451	-	399,764	-
Inventories, net	4, 5, 6(7)	25,078,769	4	39,408,674	7
Prepayments	6(8), 9	2,755,272	1	1,654,250	-
Other current assets		853,426	-	1,164,932	-
Total current assets		117,292,266	21	96,261,324	18
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	708,472	-	2,387,451	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	6,892,365	1	7,227,546	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	2,363,083	1	2,023,508	-
Investments accounted for using the equity method	4, 6(9)	308,672,201	55	313,235,289	58
Property, plant and equipment	4, 6(10)	30,714,741	6	32,197,708	6
Right-of-use assets	4, 6(22)	2,325,926	-	2,355,779	-
Intangible assets	4, 6(11), 6(12)	62,090,859	11	57,005,420	11
Deferred tax assets	4, 5, 6(29)	10,028,618	2	8,527,393	2
Refundable deposits	9	5,834,185	1	6,638,424	1
Long-term financing lease receivables, net	4, 6(21), 6(22)	727,892	-	1,455,784	-
Other non-current assets-others	9	12,264,954	2	13,448,903	2
Total non-current assets		442,623,296	79	446,503,205	82
Total assets		\$ 559,915,562	100	\$ 542,764,529	100

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2023	%	December 31, 2022	%
LIABILITIES AND EQUITY					
Current liabilities					
Financial liabilities at fair value through profit or loss-current		\$ 301,272	-	\$ 3,353	-
Contract liabilities-current	4, 5, 6(2)	3,225,795	1	2,122,229	-
Trade payables	4, 5, 6(20), 7	24,113,488	4	12,068,347	2
Trade payables to related parties	7	1,470,994	-	1,386,107	-
Other payables	6(13)	76,542,380	14	35,878,684	7
Other payables to related parties	7	21,151,965	4	10,129,960	2
Current tax liabilities	4, 5, 6(29)	8,740,833	1	2,518,768	-
Lease liabilities-current	4, 6(22)	255,038	-	263,466	-
Other current liabilities	4, 6(14), 7	35,480,009	6	25,525,176	5
Current portion of long-term liabilities	6(15)	3,701,876	1	2,456,385	1
Total current liabilities		174,983,650	31	92,352,475	17
Non-current liabilities					
Long-term payables		2,892,890	1	529,406	-
Net defined benefit liabilities-noncurrent	4, 6(16)	485,127	-	607,180	-
Deposits received	7	56,677	-	56,309	-
Deferred tax liabilities	4, 5, 6(29)	6,225,407	1	6,252,799	1
Lease liabilities-noncurrent	4, 6(22)	2,101,208	-	2,133,549	1
Other non-current liabilities-others	4, 6(17), 9	4,964,821	1	723,521	-
Total non-current liabilities		16,726,130	3	10,302,764	2
Total liabilities		191,709,780	34	102,655,239	19
Equity					
Share capital	6(18)	15,996,475	3	15,994,353	3
Common stock		-	-	113	-
Capital collected in advance	6(18), 6(19)	28,350,438	5	47,185,281	9
Capital surplus	6(18)				
Retained earnings		75,782,948	14	62,058,498	11
Legal reserve		212,669,736	38	286,688,675	53
Undistributed earnings		35,462,155	6	28,238,340	5
Other equity	6(19)	(55,970)	-	(55,970)	-
Treasury shares	4, 6(18)	368,205,782	66	440,109,290	81
Total equity		559,915,562	100	542,764,529	100
Total liabilities and equity		\$ 559,915,562	100	\$ 542,764,529	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, 2023 and 2022

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

Description	Notes	2023	%	2022	%
Net sales	4, 5, 6(20), 7	\$ 268,685,527	100	\$ 332,181,124	100
Operating costs	4, 5, 6(7), 6(23), 7	(131,565,573)	(49)	(176,996,071)	(53)
Gross profit		137,119,954	51	155,185,053	47
Unrealized gross profit on sales		(207,605)	-	(657)	-
Realized gross profit on sales		189,921	-	170,395	-
Gross profit, net		137,102,270	51	155,354,791	47
Operating expenses	6(21), 6(23), 7				
Selling expenses		(9,013,919)	(3)	(8,800,102)	(2)
Administrative expenses		(5,135,942)	(2)	(9,970,588)	(3)
Research and development expenses		(80,592,743)	(30)	(82,369,154)	(25)
Expected credit losses		(56,293)	-	(770)	-
Total operating expenses		(94,798,897)	(35)	(101,140,614)	(30)
Operating income		42,303,373	16	54,214,177	17
Non-operating income and expenses					
Interest income	4, 6(24)	966,082	-	695,486	-
Other income	4, 6(25), 7	312,893	-	511,693	-
Other gains and losses	4, 6(26), 7	790,848	-	910,789	-
Finance costs	6(27), 7	(172,510)	-	(299,940)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	39,455,194	15	71,561,982	22
Total non-operating income and expenses		41,352,507	15	73,380,010	22
Net income before income tax		83,655,880	31	127,594,187	39
Income tax expense	4, 5, 6(29)	(6,677,243)	(2)	(9,453,081)	(3)
Net income		76,978,637	29	118,141,106	36
Other comprehensive income	4, 6(9), 6(16), 6(28), 6(29)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		118,934	-	57,848	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(327,518)	-	(448,568)	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		8,283,361	3	(29,610,670)	(9)
Income tax relating to those items not to be reclassified to profit or loss		(23,787)	-	(11,570)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(1,251,022)	(1)	20,834,513	6
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		164	-	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		3,068	-	(45,022)	-
Other comprehensive income, net of tax		6,803,200	2	(9,222,520)	(3)
Total comprehensive income		\$ 83,781,837	31	\$ 108,918,586	33
Basic Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 48.51		\$ 74.59	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 48.34		\$ 74.23	

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 CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Retained earnings			Other equity			Treasury shares	Total equity
	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 2022	\$ 15,988,420	\$ 483	\$ 59,776,045	\$ 50,217,220	\$ 252,432,501	\$ (13,474,837)	\$ 72,222,376	\$ (5,090,942)	\$ 432,015,296	
Distribution of 2021 earnings:	-	-	-	-	(11,841,278)	-	-	-	-	
Legal reserve	-	-	-	11,841,278	(91,147,046)	-	-	-	(91,147,046)	
Cash dividends	-	-	-	11,841,278	(102,988,324)	-	-	-	(91,147,046)	
Total	-	-	-	-	-	-	-	-	-	
Cash dividends distributed from capital surplus	-	-	(25,585,136)	-	-	-	-	-	(25,585,136)	
Profit for the year ended December 31, 2022	-	-	-	-	118,141,106	-	-	-	118,141,106	
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	73,778	20,834,513	60,130,811	-	118,141,106	
Total comprehensive income	-	-	-	-	118,214,884	20,834,513	(30,130,811)	-	(9,222,520)	
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)	-	17,604	-	-	-	(95,784)	
Changes in ownership interests in subsidiaries	3,337	-	935,937	-	-	-	-	2,890,051	3,846,949	
Issuance of restricted stock for employees	-	-	(10,626)	-	-	-	-	-	(10,626)	
Changes in other capital surplus	-	-	-	-	19,012,010	-	(19,012,010)	-	-	
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	286,688,675	7,359,676	23,079,555	(2,200,891)	440,109,290	
Balance as of December 31, 2022	15,994,353	113	47,185,281	62,038,498	(13,724,450)	-	-	-	(138,529,355)	
Distribution of 2022 earnings:	-	-	-	-	(13,724,450)	-	-	-	-	
Legal reserve	-	-	-	13,724,450	(138,529,355)	-	-	-	(138,529,355)	
Cash dividends	-	-	-	13,724,450	(152,253,805)	-	-	-	(138,529,355)	
Total	-	-	-	-	-	-	-	-	-	
Cash dividends distributed from capital surplus	-	-	(22,395,132)	-	-	-	-	-	(22,395,132)	
Profit for the year ended December 31, 2023	-	-	-	-	76,978,637	-	-	-	76,978,637	
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	106,934	(1,251,022)	7,947,288	-	6,803,200	
Total comprehensive income	-	-	-	-	77,085,571	(1,251,022)	7,947,288	-	83,781,837	
Share-based payment transactions	2,273	(113)	81,354	-	-	-	-	-	83,514	
Adjustments due to dividends that subsidiaries received from parent company	-	-	592,402	-	-	-	-	-	592,402	
Changes in associates and joint ventures accounted for using the equity method	-	-	32,879	-	-	-	-	-	32,879	
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(2,356,639)	-	-	-	-	-	(2,356,639)	
Changes in ownership interests in subsidiaries	-	-	5,061,315	-	-	-	-	-	5,061,315	
Issuance of restricted stock for employees	(151)	-	107,552	-	9,537	-	-	1,667,307	1,784,245	
Changes in other capital surplus	-	-	41,426	-	-	-	-	-	41,426	
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,139,758	-	(1,139,758)	-	-	
Balance as of December 31, 2023	\$ 15,996,475	\$ -	\$ 28,350,438	\$ 75,782,948	\$ 212,669,736	\$ 6,108,654	\$ 29,887,085	\$ (533,584)	\$ 368,205,782	

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities :		
Profit before tax from continuing operations	\$ 83,655,880	\$ 127,594,187
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	6,683,855	5,648,634
Amortization	4,456,803	3,340,491
Expected credit losses	56,293	770
Losses on financial assets and liabilities at fair value through profit or loss	118,593	81,629
Interest expenses	172,510	299,940
Losses on derecognition of financial assets measured at amortized cost	-	36
Interest income	(966,082)	(695,486)
Dividend income	(117,011)	(123,722)
Share-based payment expenses	1,430,641	3,261,615
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(39,455,194)	(71,561,982)
(Gains) losses on disposal of property, plant and equipment	(3,440)	2,312
Unrealized gross profit on sales	(724)	657
Realized gross profit on sales	(189,921)	(170,395)
Others	-	26
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,177,029	(1,712,413)
Trade receivables	(8,397,655)	7,669,892
Trade receivables from related parties	(21,303)	104,259
Other receivables	987,563	1,162,037
Other receivables from related parties	95,313	(124,391)
Inventories	14,329,905	1,405,050
Prepayments	82,927	(1,177,201)
Other current assets	311,506	49,787
Other non-current assets-others	-	5,970,957
Contract liabilities	1,103,566	(1,286,875)
Trade payables	12,045,141	(12,388,565)
Trade payables to related parties	84,887	(167,568)
Other payables	1,278,930	(1,029,935)
Other payables to related parties	311,167	823,061
Other current liabilities	9,990,101	896,357
Long-term payables to related parties	-	(8,618,791)
Net defined benefit liabilities	(3,119)	(6,999)
Other non-current liabilities-others	4,079,654	(14,528)
Cash generated from operating activities:	93,297,815	59,232,846
Interest received	992,019	762,768
Dividends received	55,034,008	48,921,938
Interest paid	(172,510)	(303,261)
Income tax paid	(2,007,582)	(14,508,933)
Net cash provided by operating activities	147,143,750	94,105,358
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,157,410)
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,827	-
Acquisition of financial assets measured at amortized cost	(710,091)	(500,000)
Proceeds from redemption of financial assets measured at amortized cost	20,000	55,887
Acquisition of investments accounted for using the equity method	-	(4,693,510)
Proceeds from disposal of investments accounted for using the equity method	-	693,414
Proceeds from capital return of investments accounted for using the equity method	-	25,294,580
Acquisition of property, plant and equipment	(4,849,045)	(7,974,778)
Proceeds from disposal of property, plant and equipment	4,191	2,427
Decrease in refundable deposits	804,239	2,032,126
Acquisition of intangible assets	(4,943,961)	(3,266,551)
Net cash (used in) provided by investing activities	(9,666,840)	10,486,185
Cash flows from financing activities :		
Decrease in short-term borrowings	-	(45,327,350)
Repayment of long-term borrowings	(827,660)	(558,060)
Increase (decrease) in deposits received	368	(49,990)
Other payables to related parties	10,710,838	9,274,712
Cash payment for the principal portion of the lease liabilities	(329,658)	(220,793)
Proceeds from exercise of employee stock options	79,477	67,929
Cash dividends	(121,573,573)	(116,709,637)
Other financing activities	21,093	-
Net cash used in financing activities	(111,919,115)	(153,523,189)
Net increase (decrease) in cash and cash equivalents	25,557,795	(48,931,646)
Cash and cash equivalents at the beginning of the year	22,417,724	71,349,370
Cash and cash equivalents at the end of the year	\$ 47,975,519	\$ 22,417,724

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 23, 2024.

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, 2023. 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 Standards Board (“IASB”) which were 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	“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
IAS 7 and IFRS 7	“Supplier Finance Arrangements” (Amendment)	January 1, 2024

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, 2024. All standards and interpretations 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 21	“Lack of Exchangeability” (Amendment)	January 1, 2025

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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. All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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:
 - 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.
- 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(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
- (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:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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.

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 are classified as financial assets or liabilities for hedging.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

MEDIATEK INC.

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.

MEDIATEK INC.

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.

Provision for onerous contracts

A contract is considered as onerous contract when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it. If the Company has any such onerous contracts, it recognizes the present obligation of the contract and measures it as provision.

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. Revenue is 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 license 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; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- b. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- b. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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.

According to the temporary exception in the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 parent company only financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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. (14) for more details.

MEDIATEK INC.

NOTES TO 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, 2023	December 31, 2022
Checking and savings accounts	\$ 1,532,441	\$ 904,209
Time deposits	41,443,078	21,513,515
Repurchase agreements	5,000,000	-
Total	<u>\$ 47,975,519</u>	<u>\$ 22,417,724</u>

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

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

	December 31, 2023	December 31, 2022
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 1,910,145	\$ 1,729,818
Linked deposits	520,375	-
Forward exchange contracts	-	17,416
Total	<u>\$ 2,430,520</u>	<u>\$ 1,747,234</u>
<u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 301,272</u>	<u>\$ 3,353</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Stocks	\$ 120,330	\$ 150,780
Linked deposits	588,142	2,087,371
Bonds	-	149,300
Total	<u>\$ 708,472</u>	<u>\$ 2,387,451</u>

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, 2023	December 31, 2022
<u>Noncurrent</u>		
<u>Debt instrument investments measured at fair value through other comprehensive income</u>		
Bonds	\$ 201,113	\$ 200,949
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Funds	2,853,482	3,084,804
Listed company stocks	3,836,590	3,940,024
Unlisted company stocks	1,180	1,769
Subtotal	6,691,252	7,026,597
Total	\$ 6,892,365	\$ 7,227,546

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 2023 and 2022 are as follows:

	For the years ended December 31	
	2023	2022
Related to investments held at the end of the reporting period	\$ 117,011	\$ 123,722

(4) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
<u>Current</u>		
Bonds	\$ 361,079	\$ 20,396

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

	December 31, 2023	December 31, 2022
<u>Noncurrent</u>		
Bonds	\$ 2,251,040	\$ 1,940,693
Time deposits	112,043	82,815
Total	<u>\$ 2,363,083</u>	<u>\$ 2,023,508</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, 2023	December 31, 2022
Trade receivables	\$ 33,412,274	\$ 25,014,619
Less: allowance for doubtful debts	(57,933)	(1,640)
Subtotal	<u>33,354,341</u>	<u>25,012,979</u>
Trade receivables from related parties	529,579	508,276
Less: allowance for doubtful debts	-	-
Subtotal	<u>529,579</u>	<u>508,276</u>
Total	<u>\$ 33,883,920</u>	<u>\$ 25,521,255</u>

Trade receivables are generally on 45 to 60 day terms. The total carrying amounts were NT\$33,941,853 thousand and NT\$25,522,895 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6. (21) for more details on impairment of trade receivables for the years ended December 31, 2023 and 2022. 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\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, 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, 2023	December 31, 2022
Factoring receivables	\$ 1,426,120	\$ 2,031,467
Others	1,495,298	1,895,628
Total	<u>\$ 2,921,418</u>	<u>\$ 3,927,095</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.

As of December 31, 2023 and 2022, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2023:

The Factor (Transferee)	Interest Rate (%)	Trade receivables		Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
		derecognized (US\$'000)				
Taishin						
International Bank	-	\$ 32,730	\$ -	\$ 32,730	\$ 200,000	
BNP Paribas	-	12,050	-	12,050	105,000	
CHB	-	384	-	384	1,200	
CTBC	-	-	-	-	400	
SinoPac	-	1,218	-	1,218	10,000	
Total		<u>\$ 46,382</u>	<u>\$ -</u>	<u>\$ 46,382</u>	<u>\$ 316,600</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, 2022:

The Factor (Transferee)	Interest Rate (%)	Trade	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
		receivables derecognized (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		\$ 66,143	\$ -	\$ 66,143	\$ 371,900

(7) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 1,671,403	\$ 177,792
Work in progress	16,702,037	27,579,946
Finished goods	6,705,329	11,650,936
Net amount	\$ 25,078,769	\$ 39,408,674

The operating cost related to inventories included the reversal of write-down of inventories of NT\$13,769,854 thousand for the year ended December 31, 2023 because of circumstances that caused the net realizable value of inventory to be lower than its cost no longer existed and write-down of inventories of NT\$14,794,109 thousand for the year ended December 31, 2022.

(8) Prepayments

	December 31, 2023	December 31, 2022
Prepaid expenses	\$ 438,219	\$ 685,262
Others	2,317,053	968,988
Total	\$ 2,755,272	\$ 1,654,250

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, 2023		December 31, 2022	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Subsidiaries:				
MediaTek Investment Singapore Pte. Ltd.	\$ 224,563,433	100	\$ 204,066,817	100
Hsu-Ta Investment Corp.	7,899,208	100	9,232,568	100
MediaTek Singapore Pte. Ltd.	43,041,504	100	67,147,396	100
MStar Co., Ltd.	145,348	100	141,281	100
HFI Innovation Inc.	1,630,852	100	1,043,078	100
Spidcom Technologies	-	100	525	100
Richtek Technology Corp.	16,715,876	100	21,363,741	100
Airoha Technology Corp.	12,166,800	67	8,125,045	77
MediaTek Capital Co.	708,830	100	726,135	100
Hsu-Yuan Investment Corp.	442,271	100	444,475	100
MediaTek Research UK Limited	39,430	100	31,054	100
MediaTek Bangalore Private Limited	994,720	100	559,675	100
Subtotal	<u>308,348,272</u>		<u>312,881,790</u>	
Investments in associates:				
IC Plus Corp. Intellectual Property Innovation Corp.	292,963	19	324,395	19
	30,966	30	29,104	30
Subtotal	<u>323,929</u>		<u>353,499</u>	
Total	<u>\$ 308,672,201</u>		<u>\$ 313,235,289</u>	

MediaTek Investment Singapore Pte. Ltd. returned its capital of NT\$25,294,580 thousand to the Company in December 2022.

The Company increased its investment in Hsu-Ta Investment Corp. by cash in the amount of NT\$1,932,000 thousand in April 2022.

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 HFI Innovation Inc. by intellectual property in the amount of NT\$208,329 thousand in February 2023.

Airoha Technology Corp. increased capital by cash in January 2022 and October 2023, respectively. The Company did not subscribe to the new shares proportionate to its original ownership interest that resulted in a change in ownership interest. Moreover, the Company increased its investment in the amount of NT\$820,707 thousand and disposed of a portion of Airoha Technology Corp. shares in the amount of NT\$693,414 thousand in 2022. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 67%.

The Company increased its investment in MediaTek Capital Co. by cash in the amount of NT\$828,000 thousand in May 2022.

The Company established Hsu-Yuan Investment Corp. by cash in the amount of NT\$500,000 thousand in May 2022.

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 increased its investment in IC Plus Corp. by cash in the amount of NT\$6,932 thousand in March 2022.

(10) Property, plant and equipment

	December 31, 2023	December 31, 2022
Owner-occupied property, plant and equipment	\$ 30,714,741	\$ 32,197,708

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Computer and telecommunication equipment			Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
			Machinery equipment	telecommunication equipment	equipment				
Cost:									
As of January 1, 2023	\$ 7,348,942	\$ 16,390,378	\$ 152,331	\$ 11,620,360	\$ 13,330,119	\$ 4,451,846	\$ 55,220	\$ 53,349,196	
Additions-acquired separately	-	162,842	3,752	602,988	1,768,179	2,294,196	50,940	4,882,897	
Disposals	-	(270,556)	-	(124,522)	(388,919)	(15,533)	-	(799,530)	
Transfers	-	4,585	-	-	50,635	-	(55,220)	-	
As of December 31, 2023	\$ 7,348,942	\$ 16,287,249	\$ 156,083	\$ 12,098,826	\$ 14,760,014	\$ 6,730,509	\$ 50,940	\$ 57,432,563	
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)	(14,808)	
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	

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Computer and telecommunication equipment			Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
			Machinery equipment	telecommunication equipment	equipment				
Depreciation and impairment:									
As of January 1, 2023	\$ -	\$ 4,943,740	\$ 71,833	\$ 6,572,979	\$ 7,717,244	\$ 1,845,692	\$ -	\$ 21,151,488	
Depreciation	-	457,561	24,309	2,152,475	1,606,730	2,124,038	-	6,365,113	
Disposals	-	(270,354)	-	(124,160)	(388,732)	(15,533)	-	(798,779)	
As of December 31, 2023	\$ -	\$ 5,130,947	\$ 96,142	\$ 8,601,294	\$ 8,935,242	\$ 3,954,197	\$ -	\$ 26,717,822	
As of January 1, 2022									
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	
Net carrying amount as of:									
December 31, 2023	\$ 7,348,942	\$ 11,156,302	\$ 59,941	\$ 3,497,532	\$ 5,824,772	\$ 2,776,312	\$ 50,940	\$ 30,714,741	
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	

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(11) Intangible assets	Patents, IPs and others				Total
	Trademarks	Software	Goodwill		
Cost:					
As of January 1, 2023	\$ -	\$ 402,581	\$ 12,259,833	\$ 52,604,453	\$ 65,266,867
Additions-acquired separately	-	231,975	9,310,267	-	9,542,242
Disposals	-	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	\$ -	\$ 441,605	\$ 15,995,409	\$ 52,604,453	\$ 69,041,467
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)
Transfers	-	14,808	-	-	14,808
As of December 31, 2022	\$ -	\$ 402,581	\$ 12,259,833	\$ 52,604,453	\$ 65,266,867

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, 2023	\$ -	\$ 223,653	\$ 8,037,794	\$ -	\$ 8,261,447
Amortization	-	192,672	4,264,131	-	4,456,803
Disposals	-	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	\$ -	\$ 223,374	\$ 6,727,234	\$ -	\$ 6,950,608
As of January 1, 2022					
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
Net carrying amount as of:					
December 31, 2023	\$ -	\$ 218,231	\$ 9,268,175	\$ 52,604,453	\$ 62,090,859
December 31, 2022	\$ -	\$ 178,928	\$ 4,222,039	\$ 52,604,453	\$ 57,005,420

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) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	\$ 23,581,098	\$ 25,335,258
Accrued royalties	1,995,110	1,916,226
Dividends payable	39,350,914	-
Others	11,615,258	8,627,200
Total	<u>\$ 76,542,380</u>	<u>\$ 35,878,684</u>

(14) Other current liabilities

	December 31, 2023	December 31, 2022
Refund liabilities	\$ 34,733,675	\$ 24,812,571
Others	746,334	712,605
Total	<u>\$ 35,480,009</u>	<u>\$ 25,525,176</u>

(15) Long-term borrowings

Details of long-term loans as of December 31, 2023 are as follows:

None.

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	<u>(827,660)</u>		
Noncurrent portion	<u>\$ -</u>		

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(16) 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, 2023 and 2022 were NT\$1,103,384 thousand and NT\$1,034,383 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.

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\$8,077 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefit obligations were 14 years and 16 years as of December 31, 2023 and 2022, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31	
	2023	2022
Current service cost	\$ 1,361	\$ 1,399
Net interest on the net defined benefit liabilities	8,561	5,511
Total	\$ 9,922	\$ 6,910

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

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	December 31, 2023	December 31, 2022
Defined benefit obligation	\$ 681,351	\$ 793,239
Plan assets at fair value	(196,224)	(186,059)
Net defined benefit liabilities	<u>\$ 485,127</u>	<u>\$ 607,180</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, 2023	\$ 793,239	\$ (186,059)	\$ 607,180
Current service cost	1,361	-	1,361
Interest expenses (income)	11,185	(2,624)	8,561
Subtotal	<u>12,546</u>	<u>(2,624)</u>	<u>9,922</u>
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(878)	-	(878)
Actuarial gains and losses arising from changes in financial assumptions	(92,379)	-	(92,379)
Experience adjustments	(25,191)	-	(25,191)
Remeasurements of the defined benefit assets	-	(486)	(486)
Subtotal	<u>(118,448)</u>	<u>(486)</u>	<u>(118,934)</u>
Payment of benefit obligation	(5,986)	5,986	-
Contributions by employer	-	(13,041)	(13,041)
As of December 31, 2023	<u>\$ 681,351</u>	<u>\$ (196,224)</u>	<u>\$ 485,127</u>

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

	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	8,257	(1,347)	6,910
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

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	December 31, 2023	December 31, 2022
Discount rate	1.29%	1.41%
Expected rate of salary increases	2.00%	3.00%

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

Sensitivity analysis for significant assumptions is shown below:

	For the years ended			
	December 31			
	2023		2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (45,494)	\$ -	\$ (59,227)
Discount rate decreases by 0.5%	51,701	-	64,643	-
Rate of future salary increases by 0.5%	51,065	-	63,280	-
Rate of future salary decreases by 0.5%	-	(45,410)	-	(58,624)

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.

(17) Other non-current liabilities

	For the years ended	
	December 31	
	2023	2022
Provisions	\$ 4,183,904	\$ -
Others	780,917	723,521
Total	\$ 4,964,821	\$ 723,521

Please refer to Note 9 for disclosures of provisions.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(18) Equity

A. Share capital

The Company's authorized capital as of December 31, 2023 and 2022 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\$15,996,475 thousand and NT\$15,994,353 thousand divided into 1,599,647,517 shares and 1,599,435,327 shares, as of December 31, 2023 and 2022, respectively. Each share has one voting right and a right to receive dividends.

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2023, 9,012,427 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 216,995 shares and 95,598 shares of issued restricted stocks for employees during the years ended December 31, 2023 and 2022, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company issued 215,971 new shares for the year ended December 31, 2023, at par value of NT\$10 for exercising employee stock options. 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 newly 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.

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

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 3,046,242	\$ 22,828,512
Treasury share transactions	3,209,443	2,617,042
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	7,120,637	9,477,276
Changes in ownership interests in subsidiaries	8,090,280	3,003,434
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,138,812	4,105,933
Employee stock options	-	73,524
Restricted stocks for employees	2,384,116	4,787,238
Others	359,647	291,061
Total	\$ 28,350,438	\$ 47,185,281

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, 2023 and 2022, 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, 2023 and 2022, the Company did not hold any other treasury shares.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 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.

On May 31, 2022, the Company's shareholders resolved to amend the Articles that the distribution of profits or the covering of losses may be made on a half-yearly basis after the close of each half fiscal year. The Board of Directors shall prepare relevant proposals per applicable laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such proposals to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

When allocating the profits, the Company shall first estimate and reserve the taxes to be paid, offset its losses per laws and regulations, and set aside a legal reserve at 10% of leftover profits provided that the legal reserve requirement shall not apply in the event that the amount of accumulated legal reserve has reached the amount of the paid-in capital of the Company, then set aside or reverse a special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. For the distribution of profits for the first half of each fiscal year, the Company shall also estimate and reserve the employees' compensation and remuneration to directors per applicable laws and regulations and the provisions specified in the Articles of Incorporation.

Based on the authorization from 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 distribution of earnings for 2022 was resolved by the general shareholders' meeting on February 24, 2023. The details of the distribution are as follows:

	<u>Distribution of earnings</u>	<u>Dividends per share (NT\$)</u>
	2022	2022
Legal reserve	\$ 13,724,450	-
Cash dividends-common stock	99,178,441	\$ 62.00
Total	<u>\$ 112,902,891</u>	

In addition, the general shareholders' meeting on February 24, 2023 resolved to distribute the additional paid-in capital by cash in the amount of NT\$22,395,132 thousand, or NT\$14 per share.

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

The distribution of earnings for the first and second half year of 2023 was resolved by the Board of Directors' meeting on October 27, 2023 and February 23, 2024, respectively. The details of the distribution are as follows:

	<u>First half year of 2023</u>	<u>Second half year of 2023</u>
Legal reserve (Note)	\$ 3,540,881	\$ 4,282,606
Cash dividends-common stock	\$ 39,350,914	\$ 48,628,552
Dividends per share (NT\$)	\$ 24.60	\$ 30.40

Note: Legal reserve for 2023 is subject to the resolution of general shareholders' meeting which will be held on May 27, 2024.

(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 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)
2013.08.22	1,436,343	-	-	\$ 368.0

Note: The exercise prices have been adjusted to reflect the change of outstanding shares (e.g. shares issued for cash, the distribution 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.

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

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:

	<u>Employee Stock Option</u>
Expected dividend yield (%)	2.43%
Expected volatility (%)	32.9%-33.7%
Risk free interest rate (%)	1.18515%-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:

	<u>For the years ended December 31</u>			
	<u>2023</u>		<u>2022</u>	
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	218,120	\$ 368.0	456,479	\$ 334.5
Granted	-	-	-	-
Exercised (Note)	(215,971)	368.0	(222,635)	305.1
Forfeited (Expired)	(2,149)	368.0	(15,724)	284.9
Outstanding at end of period	<u>-</u>	-	<u>218,120</u>	368.0
Exercisable at end of period	<u>-</u>		<u>218,120</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\$704.0 and NT\$770.7 for the years ended December 31, 2023 and 2022, respectively.

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

The information on the outstanding share-based payment plans as of December 31, 2023 and 2022 is as follows:

	December 31, 2023			December 31, 2022		
	Outstanding stock options	Weighted- average Expected Remaining	Weighted- average Exercise Price per Share (NT\$)	Outstanding stock options	Weighted- average Expected Remaining	Weighted- average Exercise Price per Share (NT\$)
Date of grant	Range of Exercise Price (NT\$)	Years		Years		
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, 272,034 and 201,938 gratuitous restricted stocks on August 31, 2021, February 23, 2022, August 31, 2022 and February 23, 2023, 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, NT\$610.31-NT\$667 and NT\$681.68-NT\$745 per share, respectively. The estimated compensation expenses amounted to NT\$7,541,352 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2023, the Company had recognized NT\$6,975,803 thousand as compensation expense and NT\$533,584 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 was recorded under other equity.

The aforementioned restricted stocks plans for employees were evaluated under the fair value method. Assumptions used in calculating the fair value are disclosed as follows:

	Restricted stocks plan for employees
Expected volatility (%)	40%
Risk free interest rate (%)	0.24%
Pricing Approach	Monte Carlo Simulation

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 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, 2023 and 2022 are shown in the following table:

	For the years ended December 31	
	2023	2022
Restricted stocks for employees	\$ 1,430,641	\$ 3,261,615

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, 2023 and 2022.

(20) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 is as follows:

A. Disaggregation of revenue

	For the years ended December 31	
	2023	2022
Sale of goods	\$ 258,217,320	\$ 324,816,989
Services and other operating revenue	10,468,207	7,364,135
Total	<u>\$ 268,685,527</u>	<u>\$ 332,181,124</u>
Revenue recognition point:		
At a point in time	\$ 262,473,904	\$ 330,006,670
Satisfies the performance obligation over time	6,211,623	2,174,454
Total	<u>\$ 268,685,527</u>	<u>\$ 332,181,124</u>

B. Contract balances**Contract liabilities – current**

	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	\$ 1,464,686	\$ 1,264,699	\$ 2,971,602
Services and other operating revenue	1,761,109	857,530	437,502
Total	<u>\$ 3,225,795</u>	<u>\$ 2,122,229</u>	<u>\$ 3,409,104</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31	
	2023	2022
Revenue recognized during the period that was included in the beginning balance	\$ 1,430,722	\$ 3,017,654
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 2,534,078</u>	<u>\$ 1,675,449</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, 2023, and 2022, 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\$5,176,196 thousand and NT\$6,419,324 thousand. The Company recognizes revenue 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

	For the years ended December 31	
	2023	2022
Operating expense – expected credit losses		
Trade receivables	\$ 56,293	\$ 770

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its receivables (including 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, 2023, and 2022 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:

2023.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 31,860,951	\$ 1,346,263	\$ 87,634	\$ 1,950	\$ 115,476	\$ 33,412,274
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(195)	(57,738)	(57,933)
Carrying amount of trade receivables	\$ 31,860,951	\$ 1,346,263	\$ 87,634	\$ 1,755	\$ 57,738	\$ 33,354,341

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

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, 2023 and 2022 are as follows:

	Trade receivables (including related parties)	Financing lease receivables
As of January 1, 2023	\$ 1,640	\$ -
Allowance for the current period	56,293	-
As of December 31, 2023	\$ 57,933	\$ -
As of January 1, 2022	\$ 9,671	\$ -
Allowance for the current period	770	-
Written off	(8,801)	-
As of December 31, 2022	\$ 1,640	\$ -

(22) Leases**A. The Company as a 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, 2023	December 31, 2022
Land	\$ 1,702,732	\$ 1,694,529
Buildings and facilities	516,532	572,591
Machinery equipment	104,406	83,797
Transportation equipment	2,256	4,862
Total	<u>\$ 2,325,926</u>	<u>\$ 2,355,779</u>

During the years ended December 31, 2023 and 2022, the additions to right-of-use assets of the Company amounted to NT\$288,889 thousand and NT\$874,935 thousand, respectively.

b. Lease liability

	December 31, 2023	December 31, 2022
Lease liability-current	\$ 255,038	\$ 263,466
Lease liability-noncurrent	2,101,208	2,133,549
Total	<u>\$ 2,356,246</u>	<u>\$ 2,397,015</u>

Please refer to Note 6. (27) for the interest on lease liability recognized during the years ended December 31, 2023 and 2022 and Note 12. (3) C. for the maturity analysis of lease liabilities.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2023	2022
Land	\$ 44,460	\$ 40,691
Buildings and facilities	175,513	135,110
Machinery equipment	96,163	74,467
Transportation equipment	2,606	2,606
Total	<u>\$ 318,742</u>	<u>\$ 252,874</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	
	2023	2022
The expense relating to short-term leases	\$ 46,324	\$ 56,069
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	\$ 4,616	\$ 4,508
Income from subleasing right-of-use assets	\$ 23,526	\$ 23,718

e. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to NT\$410,969 thousand and NT\$306,391 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	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 93,782	\$ 96,088
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	23,293
Total	\$ 117,075	\$ 119,381

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, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Not later than one year	\$ 746,853	\$ 23,293
Later than one year and not later than two years	735,143	746,853
Later than two years and not later than three years	-	735,143
Total non-discounted lease payments	1,481,996	1,505,289
Less: unearned finance income of finance lease	(26,212)	(49,505)
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>\$ 727,892</u>	<u>\$ -</u>
Noncurrent	<u>\$ 727,892</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					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 34,624	\$ 1,078,682	\$ 1,113,306	\$ 33,129	\$ 1,008,164	\$ 1,041,293
Others	\$ 892,719	\$ 49,441,562	\$ 50,334,281	\$ 913,020	\$ 60,937,960	\$ 61,850,980
Depreciation	\$ 43,502	\$ 6,640,353	\$ 6,683,855	\$ 16,507	\$ 5,632,127	\$ 5,648,634
Amortization	\$ 777	\$ 4,456,026	\$ 4,456,803	\$ 518	\$ 3,339,973	\$ 3,340,491

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, 2023. 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 23, 2024 to distribute NT\$1,045,717 thousand and NT\$103,000 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 2023.

A resolution was approved in a meeting of the Board of Directors 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, respectively. There was no difference between the aforementioned approved amounts and the amounts charged against earnings in 2022.

(24) Interest income

	For the years ended	
	December 31	
	2023	2022
Financial assets measured at amortized cost	\$ 885,116	\$ 618,940
Financial assets at fair value through other comprehensive income	80,966	76,546
Total	\$ 966,082	\$ 695,486

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	
	2023	2022
Rental income	\$ 93,782	\$ 96,088
Dividend income	117,011	123,722
Others	102,100	291,883
Total	<u>\$ 312,893</u>	<u>\$ 511,693</u>

(26) Other gains and losses

	For the years ended December 31	
	2023	2022
Gains (losses) on disposal of property, plant and equipment	\$ 3,440	\$ (2,312)
Losses on disposal of investments		
Financial assets measured at amortized cost	-	(1,231)
Foreign exchange gains (losses)	632,142	(975,401)
Gains on financial assets at fair value through profit or loss	450,999	1,893,111
Losses on financial liabilities at fair value through profit or loss	(301,272)	(3,353)
Others	5,539	(25)
Total	<u>\$ 790,848</u>	<u>\$ 910,789</u>

(27) Finance costs

	For the years ended December 31	
	2023	2022
Interest expenses on borrowings	\$ 142,139	\$ 218,714
Interest expenses on long-term payables to related parties	-	56,205
Interest expenses on lease liabilities	30,371	25,021
Total	<u>\$ 172,510</u>	<u>\$ 299,940</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, 2023:

	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	\$ 118,934	\$ -	\$ 118,934	\$ (23,787)	\$ 95,147
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(327,518)	-	(327,518)	-	(327,518)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	8,283,361	-	8,283,361	-	8,283,361
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,251,022)	-	(1,251,022)	-	(1,251,022)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	164	-	164	-	164
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	3,068	-	3,068	-	3,068
Total	\$ 6,826,987	\$ -	\$ 6,826,987	\$ (23,787)	\$ 6,803,200

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:

	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)

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of nil for the years ended December 31, 2023 and 2022, which were recognized in other comprehensive income, were reclassified to profit or loss.

(29) Income tax

The major components of income tax expense are as follows:

	For the years ended December 31	
	2023	2022
Current income tax	\$ 8,164,594	\$ 9,688,881
Deferred tax income	(1,552,404)	(471,866)
Others	65,053	236,066
Income tax expense recognized in profit or loss	<u>\$ 6,677,243</u>	<u>\$ 9,453,081</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2023	2022
Deferred tax expense		
Remeasurements of defined benefit plans	<u>\$ 23,787</u>	<u>\$ 11,570</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	
	2023	2022
Accounting profit before tax from continuing operations	<u>\$ 83,655,880</u>	<u>\$ 127,594,187</u>
Tax at the domestic rates applicable to profits in the country concerned	16,731,176	25,518,838
Tax effect of revenue exempt from taxation	(59,522)	1,607,198
Tax effect of expenses not deductible for tax purposes	73	-
Investment tax credits	(6,330,170)	(6,511,339)
Tax effect of deferred tax assets/liabilities	(6,741,058)	(11,742,287)
Corporate income surtax on undistributed retained earnings	1,058,087	672,085
Others	2,018,657	(91,414)
Total income tax expense recognized in profit or loss	<u>\$ 6,677,243</u>	<u>\$ 9,453,081</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, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 4,654,160	\$ (1,927,780)	\$ -	\$ 2,726,380
Allowance for sales returns and discounts	2,559,210	2,279,464	-	4,838,674
Amortization of difference for tax purpose	294,539	374,823	-	669,362
Amortization of goodwill difference for tax purpose	(4,017,390)	(686,653)	-	(4,704,043)
Others	(1,215,925)	1,512,550	(23,787)	272,838
Deferred tax income (expense)		\$ 1,552,404	\$ (23,787)	
Net deferred tax assets	\$ 2,274,594			\$ 3,803,211
Reflected in balance sheet as follows:				
Deferred tax assets	\$ 8,527,393			\$ 10,028,618
Deferred tax liabilities	\$ (6,252,799)			\$ (6,225,407)

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)

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, 2023, the income tax returns of the Company have been assessed and approved up to 2020.

(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	
	2023	2022
A. Basic earnings per share		
Profit (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Basic earnings per share (NT\$)	\$ 48.51	\$ 74.59
B. Diluted earnings per share		
Profit (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Effect of dilution:		
Employees' compensation-stock (share)	1,356,873	2,768,917
Employee stock options (share)	102,997	227,521
Restricted stocks for employees (share)	4,179,580	4,833,086
Weighted average number of ordinary shares outstanding after dilution (share)	1,592,472,791	1,591,630,277
Diluted earnings per share (NT\$)	\$ 48.34	\$ 74.23

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 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
Hsu-Yuan Investment Corp.	Subsidiary
MediaTek Technology USA Inc.	Subsidiary
MediaTek Poland sp. z o.o.	Subsidiary
Cyberon Corp.	Associate (Note)
Amobile Intelligent Corp. Limited	Associate
Intelligo Technology Inc. and its subsidiaries	Associate (Note)
Sigmastar Technology Ltd. and its subsidiaries	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Note : Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Significant transactions with the related parties

(1) Sales

	For the years ended	
	December 31	
	2023	2022
<u>Sale of goods</u>		
Subsidiaries	\$ 90,347	\$ 225,251
Associates	25,798	11,761
Subtotal	116,145	237,012
<u>Services and other operating revenue</u>		
Subsidiaries	2,931,913	3,345,484
Associates	7,612	8,420
Subtotal	2,939,525	3,353,904
Total	\$ 3,055,670	\$ 3,590,916

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 revenue, which were charged based on the royalty agreement and collected with certain period.

(2) Purchases

	For the years ended	
	December 31	
	2023	2022
Subsidiaries	\$ 55,598	\$ 113,050

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	
	2023	2022
Other related parties	\$ 3,444,656	\$ 4,355,931

The trade credit terms for related parties and third-party suppliers were both 60 to 75 days.

(4) Payments of operating expense (mainly license expense and marketing service expense)

	For the years ended December 31	
	2023	2022
Subsidiaries		
MediaTek USA Inc.	\$ 10,069,823	\$ 7,703,829
Other	1,258,010	765,411
Associates	20,785	16,039
Other related parties	47	372
Total	\$ 11,348,665	\$ 8,485,651

(5) Rental income

	For the years ended December 31	
	2023	2022
Subsidiaries		
Airoha Technology Corp.	\$ 19,531	\$ 20,894
Others	304	286
Associates	862	862
Total	\$ 20,697	\$ 22,042

(6) Other income due to technical service

	For the years ended December 31	
	2023	2022
Subsidiaries		
Others	\$ 1,687	\$ 6,622

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

(7) Endorsement amount for office lease, bank financing and IP purchasing

	December 31, 2023		December 31, 2022	
	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	-
Total	<u>\$ 33,000,000</u>	<u>\$ -</u>	<u>\$ 33,000,000</u>	<u>\$ -</u>

(8) Trade receivables from related parties

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 526,188	\$ 506,440
Associates	3,391	1,836
Total	<u>\$ 529,579</u>	<u>\$ 508,276</u>

(9) Other receivables from related parties

	December 31, 2023	December 31, 2022
Subsidiaries	<u>\$ 304,451</u>	<u>\$ 399,764</u>

Other receivables from related parties were composed mainly of dividends income, rental income and technical service revenue.

(10) Contract liabilities-current

	December 31, 2023	December 31, 2022
Associates	<u>\$ 145</u>	<u>\$ -</u>

(11) Trade payables to related parties

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 441,934	\$ 408,879
Other related parties	1,029,060	977,228
Total	<u>\$ 1,470,994</u>	<u>\$ 1,386,107</u>

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

(12) Other payables to related parties

	December 31, 2023	December 31, 2022
Subsidiaries		
Gaintech Co. Limited	\$ 19,985,550	\$ 9,274,712
Others	1,163,380	853,425
Associates	3,035	1,823
Total	<u>\$ 21,151,965</u>	<u>\$ 10,129,960</u>

Financing provided to others for the year ended December 31, 2023.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Gaintech Co. Limited	\$ 21,522,900	\$ 19,985,550	\$ -	-

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) Other current liabilities

	December 31, 2023	December 31, 2022
Subsidiaries	<u>\$ 1,643</u>	<u>\$ 18,917</u>

(14) 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)**

(15) Deposits received

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 3,785	\$ 708
Associates	151	151
Total	<u>\$ 3,936</u>	<u>\$ 859</u>

(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, 2023, the Company acquired computer and telecommunication equipment and testing equipment from King Yuan Electronics Co., Ltd. and its subsidiaries in the amount of NT\$214,485 thousand, which was recorded as property, plant and equipment.

(20) Key management personnel compensation

	For the years ended December 31	
	2023	2022
Short-term employee benefits (Note)	\$ 1,667,806	\$ 1,576,938
Share-based payment	421,126	965,488
Post-employment benefits	6,641	2,692
Total	<u>\$ 2,095,573</u>	<u>\$ 2,545,118</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.

MEDIATEK INC.**NOTES TO 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, 2023	December 31, 2022	
Financial assets measured at amortized cost-noncurrent	27,000	27,180	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	85,043	55,635	Land lease guarantee
Total	<u>\$ 112,043</u>	<u>\$ 82,815</u>	

9. Contingencies and Off-Balance Sheet Commitments**(1) 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. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations.

(2) Legal claim contingency

- A. 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.
- B. 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- C. 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. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on April 17, 2023.
- D. 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 court dismissed the claims against the Company on September 29, 2023.
- E. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary 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 operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

- F. 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 court dismissed the claims against the Company and its subsidiaries on September 12, 2023.
- G. MOSAID Technologies, Inc. (“MOSAID”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- H. Innomemory LLC (“Innomemory”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 26, 2023, alleging infringement of U.S. Patent No. 6,240,046. The operations of the Company will not be materially affected by this case.
- I. Realtek Semiconductor Corporation (“Realtek”) filed a complaint in the United States District Court for the Northern District of California against the Company on June 6, 2023, asserting claims based on alleged unfair competition. The operations of the Company will not be materially affected by this case.
- J. Bell Northern Research, LLC (“BNR”) filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- K. Deepwell IP LLC (“Deepwell”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on September 19, 2023, alleging infringement of U.S. Patent Nos. 7,149,851, 7,645,664, 8,415,730, RE44,025. The operations of the Company will not be materially affected by this case.
- L. Gamehancement LLC (“Gamehancement”) filed a complaint in the United States District Court for the Western District of Texas against the Company on December 9, 2023, alleging infringement of U.S. Patent No. 7,046,252. The court dismissed the claims against the Company on December 13, 2023.
- M. LED Apogee LLC (“LED Apogee”) filed a complaint in the United States District Court for the Western District of Texas against the Company on January 16, 2024, alleging infringement of U.S. Patent No. 6,982,527. The operations of the Company will not be materially affected by this case.
- N. Redstone Logics LLC (“Redstone”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent No. 8,549,339. The operations of the Company and subsidiary MediaTek USA Inc. 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, 2023	December 31, 2022
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)	4,325,670	5,745,711
Subtotal	4,325,670	5,763,127
Financial assets at fair value through other comprehensive income	6,892,365	7,227,546
Financial assets measured at amortized cost (Note 2)	88,078,576	54,137,084
Total	\$ 99,296,611	\$ 67,127,757

Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 301,272	\$ 3,353
Financial liabilities at amortized cost:		
Trade payables (including related parties)	25,584,482	13,454,454
Other payables (including related parties)	97,694,345	46,008,644
Long-term payables (including current portion)	6,594,766	2,158,131
Long-term borrowings (including current portion)	-	827,660
Lease liabilities	2,356,246	2,397,015
Subtotal	132,229,839	64,845,904
Total	\$ 132,531,111	\$ 64,849,257

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 in the amount of NT\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, 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\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, 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), 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, 2023

	<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	\$ 120,330	\$ -	\$ -	\$ 120,330
Funds	1,910,145	-	-	1,910,145
Linked deposits	-	-	1,108,517	1,108,517
Financial assets at fair				
value through other				
comprehensive income				
Equity instruments				
measured at fair value				
through other				
comprehensive income	6,690,072	-	1,180	6,691,252
Debt instruments				
measured at fair value				
through other				
comprehensive income	-	-	201,113	201,113
Total	<u>\$ 8,720,547</u>	<u>\$ -</u>	<u>\$ 1,310,810</u>	<u>\$ 10,031,357</u>

Liabilities measured at fairvalue:

Financial liabilities at fair

value through profit or

loss

Forward exchange

contracts

\$ -	\$ 301,272	\$ -	\$ 301,272
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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 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	-	1,769	7,026,597
Debt instruments measured at fair value through other comprehensive income				
	-	-	200,949	200,949
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 value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 3,353	\$ -	\$ 3,353

For the years ended December 31, 2023 and 2022, 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, 2023	\$ 2,087,371	\$ 1,769	\$ 200,949	\$	2,290,089
Amount recognized in profit or loss	6,146	-	-		6,146
Amount recognized in OCI	-	(589)	164		(425)
Settlements	(985,000)	-	-		(985,000)
As of December 31, 2023	\$ 1,108,517	\$ 1,180	\$ 201,113	\$	1,310,810

	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	\$ 2,087,371	\$ 1,769	\$ 200,949	\$	2,290,089

Total gains (losses) related to assets recognized for the years ended December 31, 2023 and 2022 amounted to NT\$6,146 thousand and NT\$(3,159) 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, 2023:

None

As of December 31, 2022:

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:

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

Forward exchange contracts	Currency	Contract amount		Maturity
			('000)	
As of December 31, 2023	TWD to USD	Buy USD	500,000	January 2024
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

The Company entered into forward 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 revenue or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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, 2023 and 2022 decreases / increases by NT\$24,921 thousand and NT\$22,224 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 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, there is no significant impact of the related rate increase/ decrease on the Company.

MEDIATEK INC.

NOTES TO 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, 2023 and 2022 to increase/decrease by NT\$1,203 thousand and NT\$1,508 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, 2023 and 2022 to increase/decrease by NT\$66,901 thousand and NT\$70,248 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.

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

As of December 31, 2023 and 2022, receivables from top ten customers represented 55.01%, and 55.38% of the total trade receivables of the Company, respectively. The credit concentration risk of other account 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 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, 2023	December 31, 2022
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 2,552,153	\$ 1,848,825
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	\$ 261,079	\$ 313,213
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	\$ -	\$ -
	Simplified method (Note)	Lifetime expected credit losses	\$ 35,397,637	\$ 26,978,679

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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, 2023</u>				
Trade payables (including related parties)	\$ 25,584,482	\$ -	\$ -	\$ 25,584,482
Other payables (including related parties)	97,694,345	-	-	97,694,345
Lease liabilities	284,310	625,397	2,012,307	2,922,014
Long-term payables	3,701,876	2,892,890	-	6,594,766
Total	<u>\$ 127,265,013</u>	<u>\$ 3,518,287</u>	<u>\$ 2,012,307</u>	<u>\$ 132,795,607</u>

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

	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>

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
<u>As of December 31, 2023</u>			
Net settlement			
Forward exchange contracts	<u>\$ (301,272)</u>	<u>\$ -</u>	<u>\$ (301,272)</u>
<u>As of December 31, 2022</u>			
Net settlement			
Forward exchange contracts	<u>\$ (3,353)</u>	<u>\$ -</u>	<u>\$ (3,353)</u>

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, 2023:

	Long-term borrowings	Lease liabilities	Deposits received	Other payables (Related parties)	Total liabilities from financing activities
As of January 1, 2023	\$ 827,660	\$ 2,397,015	\$ 56,309	\$ 10,129,960	\$ 13,410,944
Cash flows	(827,660)	(329,658)	368	10,710,838	9,553,888
Non-cash movement	-	288,889	-	311,167	600,056
As of December 31, 2023	<u>\$ -</u>	<u>\$ 2,356,246</u>	<u>\$ 56,677</u>	<u>\$ 21,151,965</u>	<u>\$ 23,564,888</u>

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

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Other payables (Related parties)	Total liabilities 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

(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, 2023		
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 2,302,628	30.747	\$ 70,798,911
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 2,001,914	30.747	\$ 61,552,859
	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

MEDIATEK INC.

NOTES TO 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 gains (losses) were NT\$632,142 thousand and NT\$(975,401) thousand for the years ended December 31, 2023 and 2022, 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, 2023: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 2.
- C. Securities held as of December 31, 2023: 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, 2023: 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, 2023: 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, 2023: 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, 2023: 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, 2023: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.

MEDIATEK INC.

NOTES TO 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 8.

(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, 2023

Attachment 1

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
												Item	Value		
1	Hsu Chia (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,262,137	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	NA	\$ 5,539,753	\$ 5,539,753
					CNY 285,000,000	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
					CNY 200,000,000	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,511,827	\$ 1,473,138	\$ 1,473,138	3.00%	Short-term financing	-	Operating Capital	-	NA	\$ 5,539,753	\$ 5,539,753
					CNY 340,000,000	CNY 340,000,000	CNY 340,000,000	NA	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
					CNY 285,000,000	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 1,278,573,670	CNY 1,278,573,670	
3	Hsu Fu (Samoa) Investment Ltd. (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 675,876	\$ 658,580	\$ 658,580	3.00%	Short-term financing	-	Operating Capital	-	NA	\$ 5,526,868	\$ 5,526,868
					CNY 152,000,000	CNY 152,000,000	CNY 152,000,000	NA	Short-term financing	-	Operating Capital	-	CNY 1,275,999,759	CNY 1,275,999,759	
					CNY 175,000,000	CNY -	CNY -	NA	Short-term financing	-	Operating Capital	-	CNY 1,275,999,759	CNY 1,275,999,759	
4	Hsu Zhan (HK) Investment Limited (Note 1)	Media Tek (Chengde) Inc.	Other receivables from related party	Yes	\$ 311,259	\$ 303,293	\$ 303,293	3.00%	Short-term financing	-	Operating Capital	-	NA	\$ 5,549,306	\$ 5,549,306
					CNY 70,000,000	CNY 70,000,000	CNY 70,000,000	NA	Short-term financing	-	Operating Capital	-	CNY 1,280,778,453	CNY 1,280,778,453	
					CNY 1,156,103	\$ 1,126,518	\$ 1,126,518	3.00%	Short-term financing	-	Operating Capital	-	CNY 1,280,778,453	CNY 1,280,778,453	
5	Digmoo Holdings Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 69,234	\$ 43,490	\$ 43,490	1.00%	Short-term financing	-	Operating Capital	-	NA	\$ 77,857,067	\$ 77,857,067
					JPY 306,000,000	JPY 206,000,000	JPY 200,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 2,532,184,181	USD 2,532,184,181	
					USD 7,766,935	USD 5,070,180	USD 5,070,180	0.00%	Short-term financing	-	Operating Capital	-	USD 1,578,235,755	USD 1,578,235,755	
6	MTKC Global Holdings Co. Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 5,419,940	\$ 3,640,445	\$ 3,640,445	0.00%	Short-term financing	-	Operating Capital	-	NA	\$ 10,951,152	\$ 10,951,152
					USD 170,000,000	USD 118,400,000	USD 118,400,000	NA	Short-term financing	-	Operating Capital	-	USD 356,169,777	USD 356,169,777	
					USD 9,211,200	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	USD 223,998,083	USD 223,998,083	
7	Gaiitech Co. Limited (Note 1)	Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 22,704,500	\$ 21,522,900	\$ 19,985,550	0.00%	Short-term financing	-	Operating Capital	-	NA	\$ 223,998,083	\$ 223,998,083
					USD 700,000,000	USD 700,000,000	USD 650,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 7,272,191,859	USD 7,272,191,859	
					USD 20,423,000	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	USD 43,078,426	USD 43,078,426	
8	Mediatek Singapore Pte Ltd (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 9,426,000	\$ -	\$ -	NA	Short-term financing	-	Operating Capital	-	NA	\$ 43,078,426	\$ 43,078,426
					USD 300,000,000	USD -	USD -	NA	Short-term financing	-	Operating Capital	-	USD 1,401,061,123	USD 1,401,061,123	
					USD 60,000,000	USD 36,500,000	USD 26,500,000	6.29%	Short-term financing	-	Operating Capital	-	USD 1,401,061,123	USD 1,401,061,123	
9	LePower (HK) Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 1,946,100	\$ 1,122,266	\$ 814,796	6.29%	Short-term financing	-	Operating Capital	-	NA	\$ 3,002,648	\$ 3,002,648
					USD 60,000,000	USD 36,500,000	USD 26,500,000	6.29%	Short-term financing	-	Operating Capital	-	CNY 693,010,522	CNY 693,010,522	
					\$ 648,700	\$ 614,940	\$ 614,940	6.29%	Short-term financing	-	Operating Capital	-	\$ 5,181,037	\$ 5,181,037	
10	Gold Rich International (HK) Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 20,000,000	USD 20,000,000	USD 20,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	\$ 168,505,448	\$ 168,505,448
					USD 20,000,000	USD 20,000,000	USD 20,000,000	0.00%	Short-term financing	-	Operating Capital	-	\$ 1,681,848	\$ 1,681,848	
					\$ 810,875	\$ 768,675	\$ 768,675	0.00%	Short-term financing	-	Operating Capital	-	USD 54,699,579	USD 54,699,579	
11	Cloud Ranger Limited (Note 1)	Gaiitech Co Limited	Other receivables from related party	Yes	\$ 25,000,000	USD 25,000,000	USD 25,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	\$ 54,699,579	\$ 54,699,579
					USD 25,000,000	USD 25,000,000	USD 25,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 54,699,579	USD 54,699,579	
					USD 25,000,000	USD 25,000,000	USD 25,000,000	0.00%	Short-term financing	-	Operating Capital	-	USD 54,699,579	USD 54,699,579	

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fu (Samoa) Investment Ltd., Hsu Zhan (HK) Investment Limited, Digmoo Holdings Limited, MTKC Global Holdings Co. Limited, Gaiitech Co. Limited, Mediatek Singapore Pte. Ltd., LePower (HK) Limited, Gold Rich International (HK) Limited, and Cloud Ranger Limited 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: Maximum accumulated balance 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, 2023

Attachment 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorser/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.	Gaintech Co. Limited	A	\$ 73,641,156 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	\$ -	6.52%	\$ 184,102,891	Y	N	N
		MediaTek China Limited	A	\$ 73,641,156 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	\$ -	2.44%		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.

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2023

Attachment 3

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023			Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	
Mediatek Inc.	Bonds	Chalaise Finance Co., Ltd.	Debt instrument investments measured at fair value through other comprehensive income-noncurrent	-	\$ 20,113	-	-
		Weibo Corporation	Financial assets measured at amortized cost-current	-	\$ 261,079	-	-
		YAGEO Corporation	Financial assets measured at amortized cost-current	-	\$ 100,000	-	-
		Baidu, Inc.	Financial assets measured at amortized cost-noncurrent	-	\$ 43,117	-	-
		KGI Securities Co., Ltd.	Financial assets measured at amortized cost-noncurrent	-	\$ 580,000	-	-
		Tencent Music Entertainment Group	Financial assets measured at amortized cost-noncurrent	-	\$ 157,167	-	-
		Vanguard International Semiconductor Corporation	Financial assets measured at amortized cost-noncurrent	-	\$ 100,000	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets measured at amortized cost-noncurrent	-	\$ 500,756	-	1
		Canary Life Insurance Co., Ltd.	Financial assets measured at amortized cost-noncurrent	-	\$ 580,000	-	-
		Fibon Life Insurance Co., Ltd.	Financial assets measured at amortized cost-noncurrent	-	\$ 290,000	-	-
Mediatek Inc.	Linked Deposits	MERRY ELECTRONICS CO., LTD.	Financial assets mandatorily measured at fair value through profit or loss-current	-	\$ 200,190	-	\$ 200,190
		Taiwan mask corporation	Financial assets mandatorily measured at fair value through profit or loss-current	-	\$ 129,875	-	\$ 129,875
		Wahsin Technology Corporation	Financial assets mandatorily measured at fair value through profit or loss-current	-	\$ 190,310	-	\$ 190,310
		Taiwan Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss-current	-	\$ 295,895	-	\$ 295,895
		Giant Manufacturing Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss-current	-	\$ 292,247	-	\$ 292,247
		Canary Financial Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	145,703,000	\$ 2,438,560	-	\$ 2,438,560
		Fubon Financial Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	30,165,000	\$ 414,922	-	\$ 414,922
		KGI Securities Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss-current	10,900,000	\$ 512,300	1%	\$ 512,300
		WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	12,888,000	\$ 369,241	0%	\$ 369,241
		Shin Kong Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	2,750,000	\$ 269,225	0%	\$ 269,225
Mediatek Inc.	Funds	WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	8,241,000	\$ 376,202	1%	\$ 376,202
		FUBON Financial Holding Co., Ltd. Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	15,000,000	\$ 898,500	0%	\$ 898,500
		FUBON Financial Holding Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	1,786,666	\$ 109,165	0%	\$ 109,165
		FUBON Financial Holding Co., Ltd. Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	7,056,243	\$ 388,094	0%	\$ 388,094
		Canary Financial Holding preferred stockA	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	2,405,000	\$ 143,338	0%	\$ 143,338
		Taiwan Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	45,325,000	\$ 770,225	0%	\$ 770,225
		Eos Tek Limited(Cayman)	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	640,000	\$ 1,180	6%	\$ 1,180
		Shin Kong Financial Holding Co., Ltd. Preferred Stock A	Financial assets mandatorily measured at fair value through profit or loss-noncurrent	42,000,000	\$ 120,330	0%	\$ 120,330
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	3,809,900	USD 2,971,722	1%	USD 2,971,722
		TRANSNET TECHNOLOGY INC.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	1,970,316	USD 11,900,709	8%	USD 11,900,709
Cloud Ranger Limited	Stocks	Scaleflex Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	2,096,537	USD 13,313,327	2%	USD 13,313,327
		SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 444,819	-	USD 444,819
		Celesta Capital I, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 2,157,571	-	USD 2,157,571
		Celesta Capital II, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 9,826,047	-	USD 9,826,047
		Amrit Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 10,083,527	-	USD 10,083,527
		Celesta Capital III, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 14,825,095	-	USD 14,825,095
		Walden Catalyst Ventures, LP	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 5,850,113	-	USD 5,850,113
		Cypress Frontline Venture Fund LP	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 2,621,235	-	USD 2,621,235
		Walden Technology Ventures IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 3,480,698	-	USD 3,480,698
		Ashi Capital Partners Fund LP	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	USD 14,857,421	-	USD 14,857,421
Dignome Holdings Limited	Stocks	Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	846,010	USD 2,072,725	1%	USD 2,072,725
		Shenzhen Tianshan Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	51,123,649	USD 997,056,680	6%	USD 997,056,680
		General Mobile Corporation	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	5,000,000	USD 50,000	17%	USD 50,000
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	8,205,714	USD 6,400,473	3%	USD 6,400,473
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	80,832,280	USD 80,832,280	3%	USD 80,832,280
		COO Tech Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	6,000,000	USD 84,000	12%	USD 84,000
		DSP Concept Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	1,132,118	USD 3,973,734	2%	USD 3,973,734

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2023

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2023		Note
			Units/Shares	Carrying Amount	Percentage of Consolidated CS	Fair Value	
Digmao Holdings Limited	Stocks	Facefirst Corporation	2,000,000	USD 440,000	11%	USD 440,000	-
		SIAMO Holdings Inc.	11,292,110	USD 1,316,739	13%	USD 1,316,739	-
Gintech Co. Limited	Stocks	RVOS INC.	2,867,568	USD 5,000,000	1%	USD 5,000,000	-
		MOZOMI FUND	-	USD 156	-	USD 156	-
		Innovation Works Development Fund, L.P.	-	USD 3,953,002	-	USD 3,953,002	-
		Shanghai Walden Venture Capital Enterprise	-	USD 46,133,162	-	USD 46,133,162	-
		China Broadband Capital Partners II, L.P.	-	USD 8,573,445	-	USD 8,573,445	-
		Soibank PrinceVik Investments, L.P.	-	USD 1,974,385	-	USD 1,974,385	-
		PRG GCN Ventures, L.P.	-	USD 2,732,603	-	USD 2,732,603	-
		China Broadband Capital Partners III, L.P.	-	USD 12,579,900	-	USD 12,579,900	-
		China Walden Venture Investments III, L.P.	-	USD 15,602,152	-	USD 15,602,152	-
		Shanghai Summitview IC M AND A Investment Limited partnership	-	USD 131,350,947	-	USD 131,350,947	-
		Beijing Integrated Circuit Industry International Fund	-	USD 8,909,860	-	USD 8,909,860	-
		China Prosperity Capital Mobile	-	USD 5,517,355	-	USD 5,517,355	-
		HOPI USD Master Fund III, L.P.	-	USD 39,350,955	-	USD 39,350,955	-
		Walden Technology Ventures III, L.P.	-	USD 54,376,477	-	USD 54,376,477	-
		PHI Fund, L.P.	-	USD 10,465,735	-	USD 10,465,735	-
		ALL-STAR INVESTMENT FUND	-	USD 1,275,467	-	USD 1,275,467	-
		Suzhou Fosha Technology Co., Ltd	-	USD 433,680	-	USD 433,680	-
		Bain Capital Tech Opportunities Fund, L.P.	-	USD 6,053,659	-	USD 6,053,659	-
		III Strategic M&A Fund, L.P.	-	USD 3,184,498	-	USD 3,184,498	-
		Vickers Venture Co-Investment LLC	-	USD 2,182,442	-	USD 2,182,442	-
Anobile Intelligent Corp. Limited	-	USD 709,142	-	USD 709,142	-		
Leon Best Global Limited	-	USD 10,000,000	-	USD 10,000,000	-		
Cypress Capital Wealth Management SPC	-	USD 9,940,940	-	USD 9,940,940	-		
Gintech Co. Limited	Stocks	Innoviz Technologies Ltd.	668,428	USD 1,691,123	0%	USD 1,691,123	-
		DDI Global Inc.	250,022	USD 3,950,348	0%	USD 3,950,348	-
		Arm Holdings plc	400,196	USD 36,833,327	0%	USD 36,833,327	-
		Innovation Works Limited	2,000,000	USD 266,732	4%	USD 266,732	-
		AutoX, Inc.	5,444,300	USD 7,999,985	0%	USD 7,999,985	-
		Easy-Logic technology holding (eyymn) Limited	842,734	USD 2,002,877	3%	USD 2,002,877	-
		WIHARPERING FUND VI LTD.	3,000	USD 771	2%	USD 771	-
		ITH Corporation	53,889,085	USD 53,889,085	12%	USD 53,889,085	-
		Esqatera, Inc.	7,151,085	USD 3,933,097	7%	USD 3,933,097	-
		Jingsu Silicon Integrity Semiconductor Technology Limited Company	3,000,000	USD 2,100,252	0%	USD 2,100,252	-
		Agricultural Development Bank of China	-	CNY 100,000,000	-	CNY 100,000,000	-
		Fabron Bank (China) Co., Ltd	-	CNY 50,000,000	-	CNY 50,000,000	-
		Credit Agricole S.A.	-	CNY 50,000,000	-	CNY 50,000,000	-
		The Goldman Sachs Group, Inc.	-	CNY 121,000,000	-	CNY 121,000,000	-
Banque Paribas	-	CNY 93,999,974	-	CNY 93,999,974	-		
Bank of America Corporation	-	CNY 51,000,000	-	CNY 51,000,000	-		
National Bank of Canada	-	CNY 115,000,000	-	CNY 115,000,000	-		
Banque Paribas	-	CNY 50,027,500	-	CNY 50,027,500	-		
Agricultural Development Bank of China	-	CNY 50,000,000	-	CNY 50,000,000	-		
Fabron Bank (China) Co., Ltd	-	CNY 50,000,000	-	CNY 50,000,000	-		
Societe Generale	-	CNY 50,000,000	-	CNY 50,000,000	-		
The Goldman Sachs Group, Inc.	-	CNY 233,000,000	-	CNY 233,000,000	-		
Credit Agricole	-	CNY 50,000,000	-	CNY 50,000,000	-		
Hua Chu (Shimo) Investment Ltd.	Bonds	Financial assets measured at fair value through other comprehensive income - non-current	-	-	-	-	-
		Financial assets measured at amortized cost - non-current	-	-	-	-	-
Hua Chu (Shimo) Investment Ltd.	Bonds	Financial assets measured at fair value through other comprehensive income - non-current	-	-	-	-	-
		Financial assets measured at amortized cost - non-current	-	-	-	-	-

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2023

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023			Note
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	
Hsu Fu (Simoo) Investment Ltd.	Bonds	Barelays PE	Financial assets measured at amortized cost- noncurrent	-	CNY 231,997,684	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 129,000,000	-	-
Hsu Kung (Simoo) Investment Ltd.	Bonds	Barelays PE	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,027,540	-	CNY 50,027,540
		Agricultural Development Bank of China	Financial assets measured at amortized cost- current	-	CNY 100,000,000	-	-
		Fabon Bank (China) Co., Ltd	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-
		Credit Agricole S.A.	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	CNY 56,000,000	-	-
		Credit Agricole	Financial assets measured at amortized cost- noncurrent	-	CNY 67,000,000	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	CNY 132,999,855	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	CNY 180,000,000	-	-
		State Mobility Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	11,886,019	NR 333,402,833	5%	NR 333,402,833
Mediatek India Technology Pvt. Ltd.	Stocks	One97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,095,113	NR 1,330,082,488	0%	NR 1,330,082,488
		HEVC ADVANCE LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,672,372	-	USD 3,672,372
Mediatek USA Inc.	Capital Trust Funds	Trust Fund	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 46,021,747	-	USD 46,021,747
		Imada Ventures II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,517,336	-	USD 3,517,336
MTRC Global Holdings Co. Limited	Capital	Amih Fund III, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,372,683	-	USD 3,372,683
		Vertex Ventures (SG) SEA V, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,685,590	-	USD 3,685,590
		Palm Drive Capital III, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,149,497	-	USD 2,149,497
		Inst Capital Integrated Credit Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,519,152	-	USD 8,519,152
		Prime Movers Growth Fund I, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,529,536	-	USD 3,529,536
		Yoda Ventures V, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,111,267	-	USD 2,111,267
		Imada Ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,105,489	-	USD 2,105,489
		BCV-CRYPTO FUND-A, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,712,508	-	USD 1,712,508
		Bain Capital Tech Opportunities Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,238,534	-	USD 1,238,534
		Amih IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 956,542	-	USD 956,542
		New Fund Capital, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,300,955	-	USD 3,300,955
		Decibel Partners II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,329,180	-	USD 1,329,180
		Odin Sea Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,420,927	-	USD 4,420,927
		Black Cyber Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,994,172	-	USD 1,994,172
		Matter Venture Fund I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,730,884	-	USD 1,730,884
Symbol Fund I, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 805,577	-	USD 805,577		
Vertex Ventures (SG) SEA V, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 74,015	-	USD 74,015		
Bonds	Carsons Group Convertible Promissory Note	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 10,838,380	-	USD 10,838,380	
	System Elite Holdings Group Limited	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 1,039,682	-	USD 1,039,682	
Linked Deposits	Ventum Micro Systems Inc.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 5,000,000	-	USD 5,000,000	
	Vaxxinity, Inc.	Financial assets mandatorily measured at fair value through profit or loss- current	35,450	USD 30,133	0%	USD 30,133	
Stocks	Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	980,000	USD 2,401,000	1%	USD 2,401,000	
	Navitas Semiconductor Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	138,182	USD 1,115,129	0%	USD 1,115,129	
	Muun Koa Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,483,659	USD 1,937,254	4%	USD 1,937,254	
	Vastai Holding Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,800,000	USD 8,164,800	1%	USD 8,164,800	
	Tansnet FinTech Group	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	14,256,620	USD 19,389,003	2%	USD 19,389,003	
	NeuroBlade Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,437,370	USD 3,617,057	5%	USD 3,617,057	
	PROTEANTICS LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	251,981	USD 6,501,110	1%	USD 6,501,110	
	VisiC Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	40,352	USD 122,589	0%	USD 122,589	
	Sandtek Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	706,023	USD 20,651,173	9%	USD 20,651,173	
	Universal Grammar Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	24,021	USD 1,500,000	9%	USD 1,500,000	
StaveGen AB	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	19,366	USD 946,954	4%	USD 946,954		

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2023

		(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
Held Company Name	Securities Type	Securities Name	Financial Statement Account		Note	
			Units/Shares	Carrying Amount		Percentage of Ownership(%)
MTKC Global Holdings Co., Limited	Stocks	TXOne Networks Inc.	909,090	USD 3,790,905	1%	USD 3,790,905
		KALEIDOS, INC.	516,911	USD 738,669	2%	USD 738,669
		Shahera IP Holdings Inc.	65,083	USD 1,857,469	2%	USD 1,857,469
Hefei Xuhui Management Consulting Co., Ltd.	Capital	Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	-	CNY 600,499,935	-	CNY 600,499,935
		Kun Qiao Phase II (Xuzhou) Semiconductor Industry Equity Investment Partnership (L.P.)	-	CNY 153,354,864	-	CNY 153,354,864
		Kun Qiao Phase II (Shenzhen) Emerging Industry Venture Capital Partnership (L.P.)	-	CNY 20,330,079	-	CNY 20,330,079
		Industrial and Commercial Bank of China Limited	-	USD 10,003,777	-	-
		Bank of China Limited	-	USD 5,076,401	-	-
		Chitigroup Inc.	-	USD 20,000,000	-	-
		Sumitomo Mitsui Banking Corporation	-	USD 9,775,097	-	-
		The Goldman Sachs Group, Inc.	-	USD 3,984,513	-	-
		Fomosa Plastics Group	-	USD 9,913,406	-	-
		JNG Group, N.V.	-	USD 19,198,824	-	-
		UBS Group AG	-	USD 29,497,263	-	-
		HSBC Holdings plc	-	USD 48,931,381	-	-
		Banque Paribas	-	USD 15,224,476	-	-
		The Toronto-Dominion Bank	-	USD 9,007,427	-	-
		The Goldman Sachs Group, Inc.	-	USD 18,716,534	-	-
		National Australia Bank	-	USD 8,799,605	-	-
		National Bank of Canada	-	USD 18,000,000	-	-
		Morgan Stanley	-	USD 114,054,231	-	-
		Bank of America Corporation	-	USD 79,351,821	-	-
		The Bank of Nova Scotia	-	USD 94,571,265	-	-
		Royal Bank of Canada	-	USD 91,144,732	-	-
		Mizuho Financial Group, Inc.	-	USD 52,656,313	-	-
JPMorgan Chase & Co.	-	USD 193,922,495	-	-		
Foxconn Technology Group	-	USD 31,466,636	-	-		
Westpac Banking Corporation	-	USD 32,237,527	-	-		
Commonwealth Bank of Australia	-	USD 17,299,987	-	-		
Wells Fargo & Company	-	USD 45,847,264	-	-		
Australia and New Zealand Banking Group Limited	-	USD 9,054,732	-	-		
Cathay Life Insurance Co., Ltd.	-	USD 30,000,000	-	-		
Mitsubishi UFJ Financial Group, Inc.	-	USD 89,314,973	-	-		
Sumitomo Mitsui Banking Corporation	-	USD 48,722,666	-	-		
International Business Machines Corporation	-	USD 70,170,559	-	-		
Taiwan Semiconductor Manufacturing Co., Ltd.	-	USD 59,692,933	-	-		
NVIDIA CORP	-	USD 24,198,980	-	-		
Amazon.com, Inc.	-	USD 41,977,095	-	-		
Crigroup Inc.	-	USD 133,741,472	-	-		
Taiwan Semiconductor Manufacturing Co., Ltd.	-	USD 18,259,000	-	-		
Standard Chartered	-	USD 10,247,000	-	-		
UBS Group AG	-	USD 10,212,000	-	-		
BNP Paribas	-	USD 10,212,000	-	-		
HSBC Holdings plc	-	USD 10,233,000	-	-		
Shanghai Yip Information Technology Co., Ltd.	-	USD 10,219,000	-	-		
Ningbo ABOX Sensing Co., Ltd.	-	CNY 1,768,643	-	CNY 1,768,643		
Hangzhou Ultimection Technology Co., Ltd.	-	CNY 2,091,535	-	CNY 2,091,535		
Fiboro Bank (China) Co., Ltd.	-	CNY 13,147,162	-	CNY 13,147,162		
	-	CNY 42,140,000	-	CNY 42,140,000		
Hsu Zhan (HK) Investment Limited	Bonds	Financial assets measured at amortized cost-current	-	-	-	-
		Financial assets measured at amortized cost-noncurrent	-	-	-	-
		Financial assets measured at amortized cost-current	-	-	-	-
		Financial assets measured at amortized cost-noncurrent	-	-	-	-
		Financial assets measured at amortized cost-current	-	-	-	-
	Linked Deposits	Debt instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	-
Xuxin Investment (Shanghai) Inc.	Capital	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-
		Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-
	Funds	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	-
		Financial assets mandatorily measured at fair value through profit or loss-current	-	-	-	-

(To be continued)

MEDIA TEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
 For the year ended December 31, 2023

Held Company Name	Securities Type	Securities Name	Financial Statement Account		December 31, 2023		Fair Value	Note
			Units/Shares	Carrying Amount	Percentage of Ownership(%)	CNY		
Xiaomi Investment (Shanghai) Inc.	Stocks	Obbex Inc.	424,450	CNY 15,933,853	0%	CNY	15,933,853	-
	Stocks	Shenzhen ORVIBO Technology Co., Ltd.	1,419,593	CNY 17,926,620	2%	CNY	17,926,620	-
Hsu-Ta Investment Corp.	Bonds	Chin Life Insurance Co., Ltd.	-	\$ 290,000	-	-	-	-
	Linked Deposits	Giant Manufacturing Co. Ltd.	-	\$ 136,046	-	\$	136,046	-
	Linked Deposits	Chalbase Finance Co., Ltd. Preferred Stock A	2,000,000	\$ 895,800	0%	\$	895,800	-
	Stocks	WT Microelectronics Preferred Stock A	5,800,000	\$ 284,770	1%	\$	284,770	-
	Stocks	FUBON Financial Holding Co., Ltd. Preferred Stock B	3,333,000	\$ 899,647	0%	\$	899,647	-
	Stocks	FUBON Financial Holding Co., Ltd. Preferred Stock C	77,284	\$ 4,251	0%	\$	4,251	-
	Funds	Fibon Bank (China) Co., Ltd	-	CNY 115,160,000	-	CNY	115,160,000	-
	Capital	Mesh Cooperative Ventures Fund LP	-	\$ 50,034	-	\$	50,034	-
	Bonds	Fansuon Corporation	-	\$ 1,072,964	-	\$	1,072,964	-
	Bonds	Gauzin Technology, Inc.	-	\$ 15,000	-	\$	15,000	-
Hsing Fa Co.	Linked Deposits	Canlog Life Insurance Co., Ltd.	-	\$ 290,000	-	-	-	-
	Linked Deposits	Taichin Financial Holding Co., Ltd.	-	\$ 80,243	-	\$	80,243	-
	Stocks	Acadex Technology Corporation	4,005,324	\$ 1,922,556	8%	\$	1,922,556	-
	Stocks	ACSP TECHNOLOGY CORP.	1,857,008	\$ 17,289	5%	\$	17,289	-
	Stocks	CHUNGHWA PRECISION TEST TECH. CO., LTD.	351,000	\$ 197,964	1%	\$	197,964	-
	Stocks	Mediatek Inc.	7,794,085	\$ 7,910,996	0%	\$	7,910,996	3
	Stocks	Mars Semiconductor Corp.	2,103,982	\$ 105,410	7%	\$	105,410	-
	Stocks	Taiwan Capital Buffalo Fund Co., Ltd.	231,500,000	\$ 185,664	5%	\$	185,664	-
	Stocks	International Trust Machines Corporation	2,500,000	\$ 274	2%	\$	274	-
	Stocks	Golden Smart Home Technology Corp.	425,000	\$ 125	1%	\$	125	-
Lepowee (HK) Limited	Stocks	Shenzhen Goodix Technology Co., Ltd.	13,126,705	USD 122,917,190	3%	USD	122,917,190	-
	Capital	Maxore Semiconductor (Shanghai) Co., Ltd.	-	CNY 77,247,646	-	CNY	77,247,646	-
	Capital	Chouk Limited	-	CNY 66,917,285	-	CNY	66,917,285	-
	Capital	AbaoSemi Inc.	-	CNY 108,800,000	-	CNY	108,800,000	-
	Capital	Shanghai YunYuan Industrial Software Group Co., Ltd.	-	CNY 29,886,002	-	CNY	29,886,002	-
	Bonds	Recogtek Limited	-	CNY 15,264,518	-	CNY	15,264,518	-
	Funds	Fibon Bank (China) Co., Ltd	-	CNY 39,000,000	-	CNY	39,000,000	-
	Funds	Cypress Capital Wealth Management SPC	-	USD 1,246,989	-	USD	1,246,989	-
	Funds	Fibon Bank (China) Co., Ltd	-	CNY 19,800,000	-	CNY	19,800,000	-
	Funds	Shanghai Summit View Peijiang Equity Investment Limited Partnership II	-	CNY 138,465,700	-	CNY	138,465,700	-
MediaTek (Chengdu) Inc.	Capital	Fibon Bank (China) Co., Ltd	-	CNY 70,270,000	-	CNY	70,270,000	-
	Capital	Shanghai Summit View Peijiang Equity Investment Limited Partnership II	-	CNY 30,000,000	-	CNY	30,000,000	-
	Capital	Shanghai Summit View Peijiang Equity Investment Limited Partnership II	-	CNY 63,305,423	-	CNY	63,305,423	-
	Capital	Nanjing AutoX Technology Co., Ltd.	-	CNY 32,502,482	-	CNY	32,502,482	-
	Capital	Shanghai YunYuan Industrial Software Group Co., Ltd.	-	CNY 132,470,399	-	CNY	132,470,399	-
	Funds	Fibon Bank (China) Co., Ltd	-	CNY 40,000,000	-	CNY	40,000,000	-
	Capital	Hebei Changling No. new energy industry investment fund partnership firm (limited partnership)	-	CNY 99,449,984	-	CNY	99,449,984	-
	Funds	Fibon Bank (China) Co., Ltd	-	CNY 203,391,721	-	CNY	203,391,721	-
	Stocks	Al Speech Co., Ltd	4638,600	CNY 70,321,408	1%	CNY	70,321,408	-
	Stocks	Dyna Recti Co., LTD.	9,854,272	\$ 176,391	9%	\$	176,391	-
Reitek Technology Corp.	Stocks	Asia Global Venture Capital II	531,300	\$ 23,083	10%	\$	23,083	-

Note 1: Including the 2022 first offering of 5-year and 7-year unsecured ordinary corporate bonds (green bonds) of Taiwan Semiconductor Manufacturing Company Limited (TSMC).
 Note 2: Gaintech Co., Limited previously recognized the economic benefits of the stocks of Shenzhen Transsion Holdings Co., Ltd. In August 2023, Shenzhen Transsion Holdings Co., Ltd. was derecognized as Yuanke (Pig) Investment Fund Limited Partnership (Limited Partnership) disposed of Shenzhen Transsion Holdings Co., Ltd. earlier.
 Note 3: Ultimate parent entity.

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, 2023

Attachment 4

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Units/Shares	Amounts	Units/Shares	Amount	Units/Shares	Amount	Units/Shares	Amount (Note 1)
Xuein Investment (Shanghai) Inc.	Xuein (Shanghai) Management Consulting Co., Ltd.	Investments accounted for using the equity method	Note 1	Subsidiary	-	629,216,087	-	80,010,000	-	-	-	703,344,744
Xuein (Shanghai) Management Consulting Co., Ltd.	Hefei Xuein Management Consulting Co., Ltd.	Investments accounted for using the equity method	Note 1	Subsidiary	-	627,192,344	-	80,000,000	-	-	-	703,331,090
Gold Rich International (HK) Limited	Shenzhen Goodrich Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-current	-	-	18,206,973	USD	125,705,412	-	37,318,766	USD	32,915,383	122,817,190
MediaTek Global Holdings Limited	Digimove Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	915,638,880	USD	686,926,382	635,000,000	-	USD	-	1,578,885,456
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Investments accounted for using the equity method	Note 2	Subsidiary	102,200,000	USD	162,807,605	-	101,200,000	USD	-	-
Hsuei Zhan (HK) Investment Limited	Cathay Life Insurance US Dollar Denominated Subordinated Corporate Bonds	Financial assets measured at amortized cost-noncurrent	-	-	-	USD	-	30,000,000	-	USD	-	30,000,000
Hsiang Fa Co.	Andes Technology Corporation	Equity instrument investments measured at fair value through other comprehensive income-current	-	-	5,657,334	TWD	2,814,419	-	692,335	TWD	646,366	1,922,555
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	3,450,118,214	USD	3,463,172,263	635,000,000	-	USD	-	4,088,118,214
Gaintech Co. Limited	Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income-measurement	-	-	-	USD	-	490,186	-	USD	-	4,466,934,596
Gaintech Co. Limited	Full Truck Alliance ADR	Equity instrument investments measured at fair value through other comprehensive income-current	Note 3	-	-	USD	-	34,451,023	36,109,212	USD	1,688,189	36,333,277
Digimove Holdings Limited	Shenzhen Transmission Holdings Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-measurement	-	-	-	USD	-	51,123,649	-	USD	-	997,056,680
Hse-PA Investment Corp.	Arotech Technology Corp.	Investments accounted for using the equity method	Note 1	Subsidiary	-	TWD	-	5,592,000	-	TWD	-	611,969

Note 1: Subscribed to the new shares issued.

Note 2: Proceeds from capital return, for the purpose of reorganization, the 100% ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited, in December 2023.

Note 3: Subscribed to the stock dividends through equity investments.

MEDIATEK INC.
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, 2023

Attachment 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counterparty			Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer	Transfer Date			
MediaTek Inc.	Building and construction in progress	2023.12.20	\$ 1,024,655	\$ 15,231	Bio-architecture Formosana, WSP International LLC., Taiwan Branch(USA), Kedge Construction Co., Ltd.	None	-	-	-	Not applicable	Space requirements for staff expansion	None
Richtek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	\$ 447,200	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	\$ 1,850,000	Winsome Development Company Limited	None	-	-	-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Hsu-Yuan Investment Corp.	Building and construction in progress	2023.11.10	\$ 5,301,925	\$ 35,028	IJP Architecture & Planners, LEEMING Construction Co., Ltd.	None	-	-	-	Not applicable	Space requirements for staff expansion	None

MEDIA TEK 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, 2023

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)	
MediaTek Inc.	HFI Innovation Inc.	Subsidiary	Sales (Note 1)	\$ 208,329	0.08%	30 days	-	\$ -	-	-
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 2)	\$ 2,567,621	0.96%	Charged by a certain period	-	\$ 258,688	0.76%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 3,192,772	-	75 days	-	\$ (931,294)	(3.64)%	-
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 251,884	-	75 days	-	\$ (97,766)	(0.38)%	-
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	\$ 236,885	1.13%	60 days	-	\$ 68,386	2.05%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 381,299	-	75 days	-	\$ (91,499)	(13.23)%	-
Airoha Technology Corp.	ASIX Electronics Corp.	Substantive related party	Sales	\$ 108,202	-	30 days	-	\$ 33,903	4.90%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 90,727,131	-	75 days	-	USD (24,428,271)	(5.62)%	-
MediaTek Singapore Pte. Ltd.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 3,693,077	-	75 days	-	USD (1,063,665)	(0.24)%	-

Note 1: mainly IP revenues

Note 2: mainly license revenues

MEDIA TEK INC.
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NTS100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2023

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	\$ 258,688	-	\$ -	-	\$ 258,688	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 478,405	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 403,720	-	\$ -	-	\$ 207,692	\$ -
Digimac Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 5,070,180	-	\$ -	-	\$ -	\$ -
MediaTek Bangalore Private Limited	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 234,415	-	\$ -	-	\$ 234,415	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 19,985,550	-	\$ -	-	\$ -	\$ -
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	\$ 768,675	-	\$ -	-	\$ -	\$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 107,607	-	\$ -	-	\$ 107,607	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 109,350	-	\$ -	-	\$ 109,350	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,473,138	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 303,293	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,126,518	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 658,580	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,040,445	-	\$ -	-	\$ -	\$ -
LePower (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 838,303	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	\$ 157,131	-	\$ -	-	\$ 118,145	\$ -
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 626,385	-	\$ -	-	\$ -	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 992,338	-	\$ -	-	\$ 992,338	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 246,866	-	\$ -	-	\$ 246,866	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 359,935	-	\$ -	-	\$ 359,935	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 149,006	-	\$ -	-	\$ 149,006	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 172,083	-	\$ -	-	\$ 172,083	\$ -
MediaTek North America Inc.	MediaTek Inc.	Subsidiary	\$ 103,011	-	\$ -	-	\$ 103,011	\$ -
Richtek USA, Inc.	Richtek Technology Corp.	Subsidiary	\$ 102,570	-	\$ -	-	\$ 44,426	\$ -

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.

MEDIA TEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
For the year ended December 31, 2023

Attachment 8

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 1,118,000	111,800,000	100%	\$ 708,831	\$ (35,990)	Note 20	
	HF Innovation Inc.	Note 1	Intellectual property right management	\$ 1,955,248	\$ 1,746,918	195,524,752	100%	\$ 1,630,852	\$ 394,171	\$ 397,853	Note 20
	Arohah Technology Corp.	Note 1	Research, manufacturing and sales	\$ 9,378,890	\$ 9,378,890	111,235,745	67%	\$ 12,166,800	\$ 967,544	\$ 625,734	Note 20
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 30,966	\$ 8,969	\$ 1,862	-
	Hsu-Fa Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 3,960,811	592,580,103	100%	\$ 7,899,208	\$ 1,124,212	\$ 531,811	Note 20
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 500,000	\$ 500,000	50,000,000	100%	\$ 442,271	\$ (2,204)	\$ (2,204)	Note 20
	Reitek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 16,715,876	\$ 2,394,286	\$ 2,165,977	Note 20
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 300,370	13,125,454	19%	\$ 292,963	\$ (120,492)	\$ (15,681)	-
	Spidcom Technologies	Note 13	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ -	\$ -	\$ (525)	Note 20
	MSIAR Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 145,348	\$ 18,556	\$ 18,556	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 4,137,594	187,513,879	100%	\$ 43,041,504	\$ 22,704,288	\$ 22,728,258	Note 20
MediaTek Research UK Limited	Note 12	Research	\$ 24,363	\$ 24,363	280,000	100%	\$ 394,329	\$ 6,438	\$ 6,438	Note 20	
MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 49,803,483	2,233,845,498	100%	\$ 224,563,433	\$ 12,684,124	\$ 12,684,124	Note 20	
MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ 581,508	1,999,999	100%	\$ 994,720	\$ 348,981	\$ 348,981	Note 20	
Arohah Technology India Private Limited	Note 4	Research	USD 12	USD 12	95	0%	USD 1.3	USD 234,282	-	Note 20	
ASIX Electronics Corporation	Note 1	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,306	20%	\$ 555,277	\$ (45,671)	-	-	
IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ 14,311	650,000	1%	\$ 14,297	\$ (120,492)	-	-	
Shadow Investment Limited	Note 5	General investing	\$ -	\$ 71,755	12,360,000	100%	\$ 1,104	\$ 1,231	-	Note 20	
Arohah Technology USA Inc.	Note 6	Research	\$ 12,563	\$ 12,563	10,000	100%	\$ 15,609	\$ 2,423	-	Note 20	
Arohah Technology India Private Limited	Note 4	Research	\$ 37,312	\$ 37,312	9,500,000	100%	\$ 38,345	\$ 7,164	-	Note 20	
Arohah Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,214,341	\$ 2,753,984	48,034,520	100%	\$ 2,808,738	\$ 207,387	-	Note 20	
Arohah (Cayman) Inc.	Note 2	General investing	\$ 55,183	\$ 482,580	4,253,337	100%	\$ 160,243	\$ (18,075)	-	Note 20	
SirooTek Holding Inc.	Note 2	General investing	USD -	USD 1	-	-	USD -	-	-	Note 28	
Intelligo Technology Inc.	Note 2	General investing	USD 3,168,380	USD 3,168,380	9,345,603	15%	USD 6,696,965	USD 7,124,640	-	-	
Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 168,585,458	USD (2,343,822)	-	Note 20	
Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,000	100%	USD 54,699,579	USD 698,818	-	Note 20	
MediaTek China Limited	Note 11	General investing	USD 391,444,293	USD 391,444,293	3,044,078,500	100%	USD 640,309,527	USD 116,320,923	-	Note 20	
ZENA TECHNOLOGY INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-	
Smairhead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,203,817	USD (118,873)	-	Note 20	
SigmaStar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 257,394,115	USD 8,366,783	-	Note 20	
Nephos Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD 448,906	USD 5,839,532	-	Note 20	
MTK Wireless Limited	Note 12	Research	USD 1,356,604,604	USD 1,356,604,604	84,394,826	100%	USD 205,304,881	USD 34,481,038	-	Note 20	
MOUNTAIN CAPITAL FUND, L.P.	Note 2	General investing	USD -	USD 25,920,843	-	-	USD -	USD -	-	Note 21	
MediaTek Wireless FZ-LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 430,411	USD 71,361	-	Note 20	
MediaTek Global Holdings Limited	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 13,079,670	USD 4,098,793	-	Note 20	
MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	7,100	100%	USD 3,571,528	USD 885,902	-	Note 20	
MediaTek Global Holdings Limited	Note 12	General investing	USD 4,085,118,215	USD 3,450,118,215	4,085,118,214	100%	USD 4,466,934,596	USD 146,580,126	-	Note 20	
BStar Technology Ltd.	Note 2	General investing	USD -	USD 277,673	-	-	USD -	USD -	-	Note 20 and Note 22	
FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD -	USD 11,428,571	-	-	USD -	USD (116,500)	-	Note 23	
CSVI VENTURES, L.P.	Note 2	General investing	USD 19,814,286	USD 19,860,000	-	-	USD 14,543,527	USD (3,098,888)	-	-	
Cove Tech Resources Inc.	Note 3	General investing	USD 2,296,822	USD -	1,000,000	100%	USD 2,306,930	USD 5,996,044	-	Note 20 and Note 27	
CMC Capital Investments, L.P.	Note 2	General investing	USD 4,612,856	USD 4,612,856	-	-	USD 3,295,344	USD -	-	-	
Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 4,184,921	3,177,056	32%	USD 3,626,145	USD (1,529,697)	-	-	

(To be continued)

MediaTek Inc.
 NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEE IN MAINLAND CHINA)
 For the year ended December 31, 2023

(Continued)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2023			Investment Income (Loss) Recognized	Note	
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			Net Income (Loss) of Investee
Hsiang Fa Co.	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	800,000	100%	\$ 11,416	\$ 2,229	Note 20	
	Imofusion Technology Corp.	Note 1	Technical services	\$ 74,539	\$ 224,539	112,000,000	100%	\$ 1,086,781	\$ 18,743	Note 20	
	Ching's Technology Corporation	Note 1	Research	\$ 727,932	\$ 777,932	100,936,991	100%	\$ 514,965	\$ 30,909	Note 20	
	E-Valtech Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	25%	\$ 52,523	\$ -	-	
	CMOS-CRYSTAL TECHNOLOGY CO., LIMITED	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 15,769	\$ (1,300)	-	
	Indigo Technology Inc.	Note 2	General investing	\$ 178,805	\$ 178,805	1,335,626	2%	\$ 184,841	\$ 7,124,640	-	
	Gold Rich International (HK) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 160,505,448	USD (2,342,495)	Note 20	
	Zihtek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ 1,239,420	7,000,000	13%	\$ 1,259,368	\$ 372,772	-	
	Arohia Technology Corp.	Note 1	Research, manufacturing and sales	\$ 2,968,722	\$ -	5,592,000	3%	\$ 967,544	\$ -	Note 20	
	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 14,943,731	\$ 716,511	Note 20	
Hui-Fa Investment Corp.	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	0%	\$ -	\$ 348,981	Note 20	
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	INR 3,896,338,069	INR 3,896,338,069	5,499,999	100%	INR 2,831,434,866	INR 246,827,242	Note 20	
	Zihtek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ 531,180	3,000,000	5%	\$ 539,738	\$ 372,772	-	
	Sisar Technology Ltd.	Note 2	General investing	\$ 4,036	\$ -	50,000	100%	\$ 3,807	\$ (68)	Note 20 and Note 22	
	Teosir Limited	Note 3	General investing	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 35,438,963	CNY 941,085	Note 20	
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD 0	USD 0	1	0%	USD -	INR 246,827,242	Note 20	
	Hui Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD 2,406,283,105	2,383,399,545	100%	USD 2,532,184,181	USD 116,489,520	Note 20	
	MTKG Global Holdings Limited	Note 3	General investing	USD 3,553,541,142	USD 3,553,541,142	12	100%	USD 356,109,777	USD 4,983,374	Note 20	
	Digimove Holdings Limited	Note 3	General investing	USD 1,322,880,967	USD 687,980,967	1,550,638,880	100%	USD 1,578,085,456	USD 251,116,104	Note 20	
	MediaTek Investment Singapore Pte. Ltd.	Note 22	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 7,272,191,859	USD 408,616,720	Note 20	
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Note 11	General investing	USD 507,099,959	USD 507,099,959	554,887,474	100%	USD 540,492,664	USD 16,993,790	Note 20	
	Core Tech Resources Inc.	Note 3	General investing	-	USD 160,478,723	-	-	USD -	USD 5,996,044	Note 20 and Note 27	
	MediaTek Germany GmbH	Note 18	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 721,389	EUR 147,092	Note 20	
	MSIR France SAS	Note 13	Research	GBP 2,405,985	GBP 22,405,985	458,900	100%	GBP 4,280,441	GBP (23,549)	Note 20	
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 10,194,966	GBP 1,947,784	Note 20	
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 38,799,897	111,815	100%	GBP 119,618,835	GBP 25,345,831	Note 20	
	MediaTek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 11,857,255	GBP 282,794	Note 20	
	MSIR Semiconductor UK Ltd.	Note 12	Research and technical services	-	GBP -	-	-	GBP -	-	Note 20 and Note 24	
	MediaTek Poland sp. z o.o.	Note 19	Technical services	GBP 603,598	GBP -	100	100%	GBP 665,609	GBP 24,019	Note 20 and Note 26	
	MediaTek North America Inc.	Note 6	Sales support and marketing services	GBP 4,079,498	GBP 4,079,498	10,000	100%	GBP 4,187,757	GBP (737,351)	Note 20	
Reihtek Technology Corp.	Reihtek Microelectronics Corp.	Note 6	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 49,160	\$ 1,923	Note 20	
	Reihtek USA, Inc.	Note 6	Sales, research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 227,311	\$ 60,992	Note 20	
	Reihtek Korea LLC.	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 24,525	\$ 12,788	Note 20	
	Reihtek Japan Inc.	Note 10	Research and technical services	\$ 41,893	\$ 41,893	1,900	100%	\$ 44,781	\$ 31,675	Note 20	
	Reihtek Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 60,821	\$ (2,992)	Note 20	
	Reihtek Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 39,972	\$ (7,828)	Note 20	
	Hui Kong (Samsa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD 183,806,174	1,000,000,000	100%	USD 179,753,080	USD 6,041,020	Note 20	
	Hui Fa (Samsa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD 184,907,275	1,000,000,000	100%	USD 180,482,844	USD 5,733,226	Note 20	
	Hui Chia (Samsa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD 185,774,024	1,000,000,000	100%	USD 180,172,153	USD 5,232,298	Note 20	
	Lefover (HK) Limited	Note 11	General investing	USD 81,998,125	USD 81,998,125	85,050,000	100%	USD 97,656,632	USD 5,453,840	Note 20	
Reihtek Europe Holding B.V.	Avant IV Quantum L.P.	Note 6	General investing	EUR 2,000,000	EUR 2,000,000	2,000,000	92%	EUR 1,983,264	EUR (2,308)	Note 20	
	Reihtek Europe B.V.	Note 16	Marketing	EUR 1,500,000	EUR 1,500,000	1,500,000	100%	EUR 691,038	EUR (229,202)	Note 20	
Sinarhead Limited	MOA/MGIC Technologies Private Limited	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,022,344	USD (767,607)	-	
	Note 2 : Cayman Islands									Note 5 : Samoa	
	Note 7 : Singapore									Note 6 : United States	
	Note 13 : France									Note 12 : United Kingdom	
	Note 19 : Poland									Note 18 : Germany	
	Note 21 : Mountain Capital Fund, L.P. has not been consolidated by Gaitech Co. Limited since the day Gaitech Co. Limited lost control over it.										
	Note 23 : FOSTARNE CAPITAL FUND, L.P. was resolved to be dissolved and liquidated in August 2023, and the liquidation process has been completed in January 2024.										
	Note 24 : For the purpose of reorganization, MSIR Semiconductor UK Ltd. has been liquidated in February 2023.										
	Note 25 : MTK Wireless Limited established MediaTek Technology USA Inc. in June 2023.										
	Note 27 : For the purpose of reorganization, the ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaitech Co. Limited in December 2023.										
Note 28 : Digimove Holdings Limited has completed the transfer of 39% shareholding rights of Sino'Gek Holding Inc. in December 2023.											

MEDIA TEK INC.

INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2023

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, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	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, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,767,230 USD 90,000,000	MediaTek China Limited	\$ 2,767,230 USD 90,000,000	- -	- -	\$ 2,767,230 USD 90,000,000	\$ 1,970,225 USD 63,234,247	100%	\$ 1,970,225 USD 63,234,247	\$ 5,816,435 USD 189,170,826	-
MediaTek (Hefei) Inc.	Note 2	\$ 522,699 USD 17,000,000	MediaTek China Limited	\$ 522,699 USD 17,000,000	- -	- -	\$ 522,699 USD 17,000,000	\$ 204,538 USD 6,564,623	100%	\$ 204,538 USD 6,564,623	\$ 994,952 USD 32,359,509	-
MediaTek (Beijing) Inc.	Note 2	\$ 3,074,700 USD 100,000,000	MediaTek China Limited	\$ 3,074,700 USD 100,000,000	- -	- -	\$ 3,074,700 USD 100,000,000	\$ 488,283 USD 15,671,400	100%	\$ 488,283 USD 15,671,400	\$ 4,714,151 USD 153,320,676	-
MediaTek (Chengdu) Inc.	Note 2	\$ 1,531,201 USD 49,800,000	MediaTek China Limited	\$ 1,531,201 USD 49,800,000	- -	- -	\$ 1,531,201 USD 49,800,000	\$ 148,189 USD 4,756,105	100%	\$ 148,189 USD 4,756,105	\$ 1,774,199 USD 57,703,169	-
MediaTek (Wuhan) Inc.	Note 2	\$ 744,077 USD 24,200,000	MediaTek China Limited	\$ 510,611 USD 16,606,858	- -	- -	\$ 510,611 USD 16,606,858	\$ 33,609 USD 1,078,670	100%	\$ 33,609 USD 1,078,670	\$ 821,560 USD 26,713,510	-
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 2,164,589 USD 70,400,000	MediaTek China Limited	\$ 1,906,314 USD 62,000,000	\$ 258,275 USD 8,400,000	- -	\$ 2,164,589 USD 70,400,000	\$ 17,433 USD 559,497	100%	\$ 17,433 USD 559,497	\$ 3,521,337 USD 114,526,197	-
MediaTek (Shanghai) Inc.	Note 2	\$ 1,286,830 CNY 297,000,000	MediaTek China Limited	\$ 1,490,283 USD 48,469,221	- -	- -	\$ 1,490,283 USD 48,469,221	\$ 862,573 USD 27,684,228	100%	\$ 862,573 USD 27,684,228	\$ 2,518,467 USD 81,909,373	-
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 922,410 USD 30,000,000	MStar Co., Ltd.	\$ 922,410 USD 30,000,000	- -	- -	\$ 922,410 USD 30,000,000	\$ 12,073 USD 387,497	100%	\$ 12,073 USD 387,497	\$ 511,287 USD 16,628,833	-
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,470 USD 10,000,000	Airoha Technology (HK) Limited	\$ 303,470 USD 10,000,000	- -	- -	\$ 307,470 USD 10,000,000	\$ 544,585 USD 17,478,420	70%	\$ 399,640 USD 12,997,706	\$ 2,354,533 USD 76,577,648	\$ 7,079,644 USD 230,254,777
Richpower Microelectronics Co., Ltd.	Note 2	\$ 98,390 USD 3,200,000	Richtek Technology Corp.	\$ 98,390 USD 3,200,000	- -	- -	\$ 98,390 USD 3,200,000	\$ 8,456 USD	100%	\$ 8,456 USD	\$ 24,080 USD	-
Li-We Technology Corp.	Note 2	\$ 76,868 USD 2,500,000	Richtek Technology Corp.	\$ 76,868 USD 2,500,000	- -	- -	\$ 76,868 USD 2,500,000	\$ 12,173 USD	100%	\$ 12,173 USD	\$ 48,753 USD	-
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,347 USD 5,150,000	Gaintech Co. Limited	\$ 159,279 USD 5,180,299	- -	- -	\$ 159,279 USD 5,180,299	\$ 12,593 USD 404,163	88%	\$ 11,107 USD 356,471	\$ 162,943 USD 5,279,974	-
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,811,810 CNY 418,165,234	Gaintech Co. Limited	\$ 1,229,880 USD 40,000,000	- -	- -	\$ 1,229,880 USD 40,000,000	\$ 13,719 USD 440,325	24%	\$ (41,491) USD (1,331,653)	\$ 4,434,223 USD 144,216,459	-
Nephos (Hefei) Co., Ltd.	Note 3	\$ 1,268,314 USD 41,250,000	Nephos Cayman Co. Limited	\$ 3,506,703 USD 114,050,238	- -	- -	\$ 3,506,703 USD 114,050,238	\$ (2,833) USD (90,929)	100%	\$ (2,833) USD (90,929)	\$ (35,035) USD (1,139,459)	-
Airotek (Shenzhen) Inc.	Note 2	\$ 29,210 USD 950,000	Airoha (Cayman) Inc.	\$ 29,210 USD 950,000	- -	- -	\$ 29,210 USD 950,000	\$ (13,353) USD (428,574)	70%	\$ (10,469) USD (336,006)	\$ 70,975 USD 2,308,351	-

(To be continued)

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2023

(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, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	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, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Airotek (Chengdu) Inc.	Note 2	\$ 29,210 USD 950,000	Airoha (Cayman) Inc.	\$ 29,210 USD 950,000	-	-	\$ 29,210 USD 950,000	(9,654) (309,849)	70%	\$ (7,686) USD (246,688)	\$ 76,465 USD 2,486,913	-
Sigmastar Technology Ltd.	Note 3	\$ 1,641,888 CNY 378,947,370	Sigmastar Technology Inc.	\$ 61,494 USD 2,000,000	-	-	\$ 61,494 USD 2,000,000	901,720 28,940,664	32%	\$ 290,152 USD 9,312,412	\$ 8,788,996 USD 285,848,892	-
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,885,011 CNY 435,060,000	Xuxin Investment (Shanghai) Inc.	\$ 1,570,000 USD 51,061,907	\$ 338,386 USD 11,005,502	-	\$ 1,908,387 USD 62,067,409	10,661 2,424,124	100%	\$ 10,661 CNY 2,424,124	\$ 3,047,424 CNY 703,344,744	-
Shanghai KQC Financial Management	Note 4	\$ 142,981 CNY 33,000,000	Xuxin Investment (Shanghai) Inc.	\$ 30,036 USD 976,861	-	-	\$ 30,036 USD 976,861	(1) (273)	20%	\$ - CNY (54)	\$ 28,596 CNY 6,599,937	-
Hefei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,884,751 CNY 435,000,000	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,569,786 USD 51,054,922	\$ 338,344 USD 11,004,127	-	\$ 1,908,130 USD 62,059,049	10,749 2,444,213	100%	\$ 10,749 CNY 2,444,213	\$ 3,047,365 CNY 703,331,090	-
Accumulated Investment in Mainland China as of December 31, 2023				Investment Amounts Authorized by Investment Commission, MOEA				Upper Limit on Investment				
				\$ 22,328,777	\$ 28,911,356					\$ 220,923,469		
				USD 726,209,935	USD 940,298,436							

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=31,15756 NTD; 1 CNY=4,3979 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30,747 NTD; 1 CNY=4,433276 NTD)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				
Foreign currency deposits		\$ 1,021,965	USD 32,614 CNY 2,196 EUR 284 EUR 154	1. USD1=NTD30.747 CNY1=NTD4.33276 EUR1=NTD34.01848 JPY1=NTD0.21745
Savings and checking deposits		<u>510,476</u>		
Subtotal		<u>1,532,441</u>		
Time Deposits				
Time Deposits - NT Dollars		13,000,000		
Time Deposits - US Dollars		<u>28,443,078</u>	USD 925,068	2. The period is from November 7, 2023 to January 30, 2024, the interest rate is from 1.35% to 5.82%.
Subtotal		<u>41,443,078</u>		
Repurchase agreements		<u>5,000,000</u>		3. Maturity date is January 29, 2024 and interest rate is 1.42%.
Total		<u>\$ 47,975,519</u>		

MEDIA TEK INC.

2. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

As of December 31, 2023

(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			Acquisition Cost			
Financial assets mandatorily measured at fair value through profit or loss						
Fund						
KGI Fengli Fund		45,856,514	\$ 610,097		\$ 807,336	
KGI Fuli Strategic Fund		69,339,442	854,184		1,102,809	
Subtotal			1,464,281		1,910,145	
Linked Deposits						
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond			129,500		129,875	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond			200,000		200,190	
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond			190,000		190,310	
Subtotal			519,500		520,375	
Total			\$ 1,983,781		\$ 2,430,520	
Financial liabilities at fair value through profit or loss						
Held for trading financial liabilities						
Forward exchange contracts - purchase US dollars			Contract Amount USD 500,000	2023.12-2024.1	\$ (301,272)	

MEDIATEK INC.
3. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
WEIBO CORP DUE 050724		261,079	2.17%	109/11/20 ~ 113/07/05	
YAGEO Corporation 2nd unsecured corporate bond (Green Bond)		<u>100,000</u>	0.50%	110/09/03 ~ 113/09/03	
Total		<u>\$ 361,079</u>			

MEDIATEK INC.

4. STATEMENT OF TRADE RECEIVABLES AND TRADE RECEIVABLES FROM RELATED PARTIES

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 5,519,098	
Client B		4,619,134	
Client C		3,646,800	
Client D		2,995,227	
Client E		2,397,627	
Client F		1,686,167	
Others	The amount of individual client in others does not exceed 5% of the account balance.	12,548,221	
Subtotal		<u>33,412,274</u>	
Less: Allowance for doubtful debts		<u>(57,933)</u>	
Net amount		<u>33,354,341</u>	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		258,688	
Nephos (Hefei) Co., Ltd.		173,954	
Airoha Technology Corp.		90,023	
Other	The amount of individual client in others does not exceed 5% of the account balance.	6,914	
Subtotal		<u>529,579</u>	
Total		<u>\$ 33,883,920</u>	

MEDIATEK INC.
5. STATEMENT OF OTHER RECEIVABLES AND OTHER RECEIVABLES FROM
RELATED PARTIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 1,426,120	
VAT deductibles		1,426,884	
Interest receivables		68,208	
Others	The amount of individual	<u>206</u>	
Subtotal	item in others does not exceed 5% of the account balance.	<u>2,921,418</u>	
Other receivables from related parties			
Nepfos (Hefei) Co., Ltd.	Technical service revenue	<u>304,451</u>	
Total		<u>\$ 3,225,869</u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 5,184,378	\$ 8,881,125	
Work in process		27,099,956	53,887,199	
Finished goods		12,268,576	26,094,451	
Total		44,552,910	<u>\$ 88,862,775</u>	
Less : Allowance for inventory valuation losses		<u>(19,474,141)</u>		
Net Amount		<u>\$ 25,078,769</u>		

MEDIATEK INC.
7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Payment in advance		\$ 1,170,386	
Prepaid supplies inventory		1,097,391	
Prepaid expenses		438,219	
Others	The amount of individual item in others does not exceed 5% of the account balance.	49,276	
Subtotal		<u>2,755,272</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	777,395	
Others	The amount of individual item in others does not exceed 5% of the account balance.	76,031	
Subtotal		<u>853,426</u>	
Total		<u>\$ 3,608,698</u>	

MEDIA TEK INC.

8. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NONCURRENT
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Gain on Disposal		Reclassification		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount	Amount	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	\$ 150,780	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ (30,450)	4,200,000	\$ 120,330	None	
Linked Deposits															
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	201,088	-	(5,000)	-	(200,000)	-	(200,000)	-	(200,000)	3,912	-	-	None	
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	-	129,497	-	-	-	(129,500)	-	(129,500)	-	(129,500)	3	-	-	None	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	197,759	-	-	-	(200,000)	-	(200,000)	-	(200,000)	2,241	-	-	None	
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	150,152	-	(150,000)	-	(150,000)	-	(150,000)	-	(80,000)	(152)	-	-	None	
ENNOCORPORATION 3rd Unsecured Convertible Bond	-	79,940	-	-	-	(290,000)	-	(290,000)	-	-	60	-	-	None	
CLN of AcBel Polytex Inc. 1st Domestic Unsecured Convertible Bonds	-	289,908	-	-	-	(290,000)	-	(290,000)	-	-	92	-	-	None	
CLN of Taishin Financial Holding Co., Ltd.	-	295,626	-	-	-	-	-	-	-	-	269	-	295,895	None	
CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bond	-	70,141	-	(70,000)	-	(70,000)	-	(70,000)	-	-	(141)	-	-	None	
CLN of Sercomm Corporation 6th Domestic Unsecured Convertible Bonds	-	290,653	-	(290,000)	-	(290,000)	-	(290,000)	-	-	(653)	-	-	None	
CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bond	-	292,092	-	-	-	-	-	-	-	-	155	-	292,247	None	
CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	90,515	-	(90,000)	-	(90,000)	-	(90,000)	-	-	(515)	-	-	None	
Subtotal		2,087,371		(895,000)		(895,000)		(895,000)		(609,500)	5,271		588,142	None	
Bond															
Taishin Financial Holding Co., Ltd. 1st Exchangeable Bond	-	100,200	-	(103,349)	-	(103,349)	2,602	2,602	-	-	547	-	-	None	
ELITE MATERIAL CO., LTD 5th Convertible Bond	-	49,100	-	(88,680)	-	(88,680)	38,250	38,250	-	-	1,330	-	-	None	
Subtotal		149,300		(192,029)		(192,029)	40,852	40,852			1,877		-		
Total		\$ 2,387,451		\$ (1,087,029)		\$ (1,087,029)	\$ 40,852	\$ 40,852		\$ (609,500)	\$ (23,302)		\$ 708,472	None	

MEDIA TEK INC.

9. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
For the year ended December 31, 2023

(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	\$ 1,468,096	-	\$ -	-	\$ -	\$ (89,320)	81,200,000	\$ 1,378,776	Not applicable	None	
Cathay No.2 Real Estate Investment Trust	64,503,000	1,148,154	-	-	-	-	(88,370)	64,503,000	1,059,784	Not applicable	None	
Fubon No.1 Real Estate Investment Trust	16,744,000	264,555	-	-	-	-	(26,790)	16,744,000	237,765	Not applicable	None	
Fubon No.2 Real Estate Investment Trust	13,421,000	203,999	-	-	-	-	(26,842)	13,421,000	177,157	Not applicable	None	
Subtotal		<u>3,084,804</u>					<u>(231,322)</u>		<u>2,853,482</u>			
Stocks												
EosTek Limited (Cayman)	640,000	1,769	-	-	-	-	(589)	640,000	1,180	Not applicable	None	
Chailense Finance Co., Ltd. Preferred Stock A	2,750,000	269,225	-	-	-	-	-	2,750,000	269,225	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	393,508	-	-	-	-	(17,306)	8,241,000	376,202	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	12,888,000	462,679	-	-	-	-	(93,438)	12,888,000	369,241	Not applicable	None	
WPG Holdings Limited Preferred Share A	10,900,000	534,100	-	-	-	-	(21,800)	10,900,000	512,300	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	107,914	-	-	-	-	1,251	1,786,666	109,165	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	862,500	-	-	-	-	36,000	15,000,000	898,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	388,799	-	-	-	-	(705)	7,056,243	388,094	Not applicable	None	
Cathay Financial Holdings preferred stock A	2,405,000	136,123	-	-	-	-	7,215	2,405,000	143,338	Not applicable	None	
Cathay Financial Holdings common stock	196,293	7,852	-	-	196,293	(7,827)	(25)	-	-	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	45,325,000	777,524	-	-	-	-	(6,799)	45,325,000	770,525	Not applicable	None	
Subtotal		<u>3,941,793</u>					<u>(96,196)</u>		<u>3,837,770</u>			
Total		<u>\$ 7,026,597</u>		<u>\$ -</u>		<u>\$ (7,827)</u>	<u>\$ (327,518)</u>		<u>\$ 6,691,252</u>			
Debt instrument investments measured at fair value through other comprehensive income												
Bonds												
Chailense Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	<u>\$ 200,949</u>	-	\$ -	-	\$ -	164	-	\$ 201,113			

MEDIATEK INC.
10. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - NONCURRENT
As of December 31, 2023

(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	\$ 39,096	1.035~1.575%	2019/05/12~2024/07/13	Please refer to Note 8 of the notes to the financial statements.
Mega Bank	Science Park Administration Lease execution deposits	21,744	0.1%~1.575%	2020/02/02~2024/09/01	
First Commercial Bank	Customs clearance deposits	27,000	1.1%~1.575%	2020/03/30~2024/04/14	
	Lease execution deposits	24,203	1.31%~1.575%	2023/11/06~2024/05/06	
	Subtotal	<u>112,043</u>			
Financial assets measured at amortized cost - noncurrent	Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	\$ 290,000			
	1.375% TENCENT MUSIC ENT GRP DUE 03/09/25	157,167			
	3.075% BAIDU INC DUE 07/04/25	43,117			
	KGi Life Insurance Co., Ltd. 1st Perpetual cumulative Subordinated Corporate Bonds issued in 2020	580,000			
	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			
	TSMC 4th Unsecured Corporate Bond in 2022-Tranche B	100,756			
	Cathay Life Insurance Co., Ltd. 1st Issue of Unsecured Cumulative Subordinated Corporate Bonds in 2023	290,000			
	Fubon Life Insurance Co., Ltd. 1st Issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	290,000			
	Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	100,000			
	Subtotal	<u>2,251,040</u>			
	Total	<u>\$ 2,363,083</u>			

MEDIATEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2023

(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	%			
HFI Innovation Inc.	174,691,821	\$ 1,043,078	20,832,931	\$ 208,329	-	(18,408)	\$ 397,853	195,524,752	100%	\$ 1,630,852	None	
Hsu-Ta Investment Corp.	592,580,103	9,232,568	-	623,891	-	(2,489,062)	531,811	592,580,103	100%	7,899,208	None	
Media Tek Investment Singapore Pre. Ltd.	2,233,845,498	204,066,817	-	9,247,400	-	(1,434,908)	12,684,124	2,233,845,498	100%	224,563,433	None	
Media Tek Singapore Pre. Ltd.	187,513,879	67,147,396	-	296,195	-	(47,130,345)	22,728,258	187,513,879	100%	43,041,504	None	
MStar Co., Ltd.	13,350,000	141,281	-	-	-	(14,489)	18,556	13,350,000	100%	145,348	None	
Spidcom Technologies	146,200	525	-	-	-	(525)	-	146,200	100%	-	None	
Richtek Technology Corp.	148,482,806	21,563,741	-	121,947	-	(6,935,789)	2,165,977	148,482,806	100%	16,715,876	None	
IC Plus Corp.	13,125,454	324,395	-	-	-	(15,751)	(15,681)	13,125,454	19%	292,963	None	
Media Tek Capital Co.	111,800,000	726,135	-	22,282	-	(3,596)	(35,990)	111,800,000	100%	708,831	None	(Note 3)
Intellectual Property Innovation Corp.	3,000,000	29,104	-	-	-	-	1,862	3,000,000	30%	30,966	None	
Airoha Technology Corp.	111,235,745	8,125,045	-	5,133,531	-	(1,717,510)	625,734	111,235,745	67%	12,166,800	None	
Hsu-Yuan Investment Corp.	50,000,000	444,475	-	-	-	-	(2,204)	50,000,000	100%	442,271	None	
Media Tek Research UK Limited	280,000	31,054	-	1,937	-	-	6,438	280,000	100%	39,429	None	
Media Tek Bangalore Private Limited	1,999,999	559,675	-	96,875	-	(10,811)	348,981	1,999,999	100%	994,720	None	
Total		<u>\$ 313,235,289</u>		<u>\$ 15,752,387</u>		<u>\$ (59,770,669)</u>	<u>\$ 39,455,194</u>			<u>\$ 308,672,201</u>		

Note 1: The increase 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, 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, 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, etc.

Note 3: Calculated based on the closing price of Taipei Exchange on December 29, 2023.

Note 4: Calculated based on the closing price of Taiwan Stock Exchange Corporation on December 29, 2023.

MEDIATEK INC.

12. STATEMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS
AND OTHER NON-CURRENT ASSETS

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 30,714,741</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 62,090,859</u>	Please refer to Note 6(11) of the notes to the financial statements.
Other non-current assets			
Deferred tax assets		\$ 10,028,618	
Refundable deposits		5,834,185	
Long-term financing lease receivables, net		727,892	
Other non-current assets-others		<u>12,264,954</u>	
Total		<u>\$ 28,855,649</u>	

MEDIATEK INC.
13. RIGHT-OF-USE ASSET
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,849,022	\$ 52,663	\$ -	\$ 1,901,685	
Buildings and facilities	772,267	119,454	(1,913)	889,808	
Machinery equipment	234,373	116,772	-	351,145	
Transportation equipment	9,570	-	-	9,570	
Total	<u>\$ 2,865,232</u>	<u>\$ 288,889</u>	<u>\$ (1,913)</u>	<u>\$ 3,152,208</u>	
Amortization and impairment					
Land	\$ 154,493	\$ 44,460	\$ -	\$ 198,953	
Buildings and facilities	199,676	175,513	(1,913)	373,276	
Machinery equipment	150,576	96,163	-	246,739	
Transportation equipment	4,708	2,606	-	7,314	
Total	<u>\$ 509,453</u>	<u>\$ 318,742</u>	<u>\$ (1,913)</u>	<u>\$ 826,282</u>	

MEDIATEK INC.
14 STATEMENT OF TRADE PAYABLES AND TRADE PAYABLES TO RELATED PARTIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Vendor A		\$ 8,109,392	
Vendor B		2,414,327	
Vendor C		2,031,556	
Vendor D		1,755,180	
Vendor E		1,328,202	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	8,474,831	
Subtotal		<u>24,113,488</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		\$ 931,294	
Airoha Technology Corp.		405,720	
King Long Tech (Suzhou) Ltd.		97,766	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	36,214	
Subtotal		<u>1,470,994</u>	
Total		<u>\$ 25,584,482</u>	

MEDIATEK INC.
15. STATEMENT OF OTHER PAYABLES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 23,581,098	
Dividends payable		39,350,914	
Others	The amount of individual item in others does not exceed 5% of the account balance.	13,610,368	
Subtotal		<u>76,542,380</u>	
Other Payables to related parties			
Gaintech Co. Limited		\$ 19,985,550	
Other	The amount of individual item in others does not exceed 5% of the account balance.	1,166,415	
Subtotal		<u>21,151,965</u>	
Total		<u>\$ 97,694,345</u>	

MEDIATEK INC.
 16. STATEMENT OF OTHER CURRENT LIABILITIES
 As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 34,733,675	
Temporary receipts		746,334	
Total		<u>\$ 35,480,009</u>	

MEDIATEK INC.
17. STATEMENT OF LEASE LIABILITIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Lease term	Discount rates (annual)	Ending Balance	Note
Land	2019/01/01~2073/04/30	0.925%~2.235%	\$ 1,751,241	
Buildings and facilities	2019/04/01~2027/12/31	0.163%~1.541%	536,085	
Machinery equipment	2021/03/25~2025/10/07	4.328%	66,656	
Transportation equipment	2020/11/01~2025/02/28	0.48%~0.73%	2,264	
Total			<u>2,356,246</u>	
Less: current portion			<u>(255,038)</u>	
Noncurrent portion			<u>\$ 2,101,208</u>	

MEDIATEK INC.
18. STATEMENT OF OTHER NON-CURRENT LIABILITIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 2,892,890	
Net defined benefit liabilities - noncurrent		485,127	
Deposits received		56,677	
Deferred tax liabilities		6,225,407	
Provisions		4,183,904	
Others	The amount of individual item in others does not exceed 5% of the account balance.	780,917	
Total		<u>\$ 14,624,922</u>	

MEDIATEK INC.
 19. STATEMENT OF NET SALES
 For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	2,898,415,564	\$ 258,217,320	
Services and other operating revenue		<u>10,468,207</u>	
Net operating revenue		<u>\$ 268,685,527</u>	

MEDIATEK INC.
20. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2023

(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	\$ 1,613,262		
Add: Raw material purchased	66,888,779		
Less: Raw material, end of year	<u>(5,184,378)</u>		
Direct material used		\$ 63,317,663	
Manufacturing Expenses	<u>32,225,652</u>	<u>32,225,652</u>	
Manufacturing Costs		95,543,315	
Add: Work in process, beginning of year	50,877,806		
Work in process purchased	12,667,551		
Less: Work in process, end of year	<u>(27,099,956)</u>	<u>36,445,401</u>	
Cost of Finished Goods		131,988,716	
Add: Finished goods, beginning of year	20,161,601		
Finished goods purchased	895,059		
Less: Finished goods, end of year	<u>(12,268,576)</u>		
Transferred to operating expenses	<u>(1,007,728)</u>	<u>7,780,356</u>	
Subtotal		139,769,072	
Other Operating Costs			
The reversal of write-down of inventories		(13,769,854)	
Gain on sales of scrap		(27,113)	
Others		<u>5,593,468</u>	
Total Operating Costs		<u>\$ 131,565,573</u>	

MEDIATEK INC.
21. STATEMENT OF OPERATING EXPENSES
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 42,575,996	\$ 2,845,661	\$ 844,814
Depreciation	5,933,876	706,100	377
Amortization	4,409,735	40,737	5,554
Service fee and advertisement expenses	3,434,588	298,531	2,904,330
License fee	3,290,545	-	3,949,081
Design and experiment expenses	14,267,088	12,775	17
Others	6,680,915	1,232,138	1,309,746
Total	<u>\$ 80,592,743</u>	<u>\$ 5,135,942</u>	<u>\$ 9,013,919</u>

MEDIATEK INC.

22. STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2023		For the year ended December 31, 2022		Total
	Operating Costs	Operating Expenses	Operating Costs	Operating Expenses	
Employee benefits expenses (Note)					
Payroll	\$ 806,034	\$ 46,441,833	\$ 821,562	\$ 57,902,928	\$ 58,724,490
Labor and health	65,580	2,058,532	69,727	2,132,812	2,202,539
Pension	34,624	1,078,682	33,129	1,008,164	1,041,293
Board compensation	-	119,890	-	111,285	111,285
Others	21,105	821,307	21,731	790,935	812,666
Depreciation	43,502	6,640,353	16,507	5,632,127	5,648,634
Amortization	777	4,456,026	518	3,339,973	3,340,491

NOTE:

1. For the years end December 31, 2023 and 2022, the Company had 12,293 and 11,768 employees on average, respectively, which included 6 and 5 non-employee directors , respectively.
2. Employee benefits expenses in average were NT\$4,177 thousand and NT\$5,337 thousand for the years ended December 31, 2023 and 2022, respectively.
3. Payroll expenses in average were NT\$3,845 thousand and NT\$4,992 thousand for the years ended December 31, 2023 and 2022, respectively.
4. Average payroll decreased by 23%.
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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