

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, 2021 AND 2020

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, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of MediaTek Inc. as of December 31, 2021 and 2020, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. recognized NT\$305,571,342 thousand as net sales, which includes sale of goods in the amount of NT\$298,550,832 thousand and services and other operating revenues in the amount of NT\$7,020,510 thousand for the year ended December 31, 2021. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control which is related to the timing of revenue recognition; performing test of details on samples selected from details of sales, reviewing the significant terms of sales agreements, testing five steps of revenue recognition and tracing to relevant documentation of transactions; performing test for contract modification, test for contract consolidation and test for principal and agent; adopting audit sampling on trade receivables and performing confirmation procedures on final balance and key terms of sales agreements; and reviewing transactions for certain period before and after the reporting date, analyzing the reasonableness of fluctuations and selecting samples to perform cutoff procedures, tracing to relevant documentation to verify that revenue has been recorded in the correct accounting period. Besides, we also reviewed if there are any significant revenue reversals in subsequent periods.

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 25, 2022

Notice to Readers

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

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

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

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

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

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

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Other equity			Treasury shares	Equity attributable to owners of the parent
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 2020	\$ 15,896,473	\$ 3,780	\$ 82,392,203	\$ 41,507,689	\$ 127,729,843	\$ (3,949,641)	\$ 50,322,680	\$ (1,096,713)	\$ (55,970)	\$ 312,750,344
Appropriation and distribution of 2019 earnings:										
Legal reserve	-	-	-	3,075,336	(3,075,336)	-	-	-	-	-
Cash dividends	-	-	-	-	(7,944,252)	-	-	-	-	(7,944,252)
Total	-	-	-	3,075,336	(11,019,588)	-	-	-	-	(7,944,252)
Cash dividends distributed from capital surplus	-	-	(8,738,677)	-	-	-	-	-	-	(8,738,677)
Profit for the year ended December 31, 2020	-	-	-	-	40,916,800	-	-	-	-	40,916,800
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(57,308)	(4,761,203)	35,949,040	-	-	31,130,529
Total comprehensive income	-	-	-	-	40,859,492	(4,761,203)	35,949,040	-	-	72,047,329
Share-based payment transactions	18,866	(1,647)	603,448	-	-	-	-	-	-	620,667
Treasury stock acquired	-	-	-	-	-	-	-	-	(53,600)	(53,600)
Treasury stock retired	(1,300)	-	(5,657)	-	(46,643)	-	-	-	53,600	-
Adjustments due to dividends that subsidiaries received from parent company	-	-	81,845	-	-	-	-	-	-	81,845
Changes in associates and joint ventures accounted for using the equity method	-	-	(9,810)	-	(99,498)	-	-	-	-	(109,308)
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	1,001,352	-	-	-	-	-	-	1,001,352
Changes in ownership interests in subsidiaries	-	-	1,185,977	-	-	-	-	-	-	1,185,977
Issuance of restricted stock for employees	(13,417)	-	284,705	-	3,352	-	-	767,140	-	1,041,780
Changes in other capital surplus	-	-	(49,636)	-	-	-	-	-	-	(49,636)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	15,625,247	-	(15,625,247)	-	-	-
Balance as of December 31, 2020	15,900,622	2,133	76,745,750	44,583,025	173,052,205	(8,710,844)	70,646,473	(329,573)	(55,970)	371,833,821
Appropriation and distribution of 2020 earnings:										
Legal reserve	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-
Cash dividends	-	-	-	-	(33,398,284)	-	-	-	-	(33,398,284)
Total	-	-	-	5,634,195	(39,032,479)	-	-	-	-	(33,398,284)
Cash dividends distributed from capital surplus	-	-	(25,446,312)	-	-	-	-	-	-	(25,446,312)
Profit for the year ended December 31, 2021	-	-	-	-	111,421,062	-	-	-	-	111,421,062
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	51,650	(4,763,993)	8,533,218	-	-	3,820,875
Total comprehensive income	-	-	-	-	111,472,712	(4,763,993)	8,533,218	-	-	115,241,937
Share-based payment transactions	5,244	(1,650)	191,090	-	-	-	-	-	-	194,684
Adjustments due to dividends that subsidiaries received from parent company	-	-	288,382	-	-	-	-	-	-	288,382
Changes in associates and joint ventures accounted for using the equity method	-	-	1,223,848	-	-	-	-	-	-	1,223,848
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(162,502)	-	-	-	-	-	-	(162,502)
Changes in ownership interests in subsidiaries	-	-	609,264	-	-	-	-	-	-	609,264
Issuance of restricted stock for employees	82,554	-	6,376,784	-	(17,252)	-	-	(4,761,369)	-	1,680,717
Changes in other capital surplus	-	-	(50,259)	-	-	-	-	-	-	(50,259)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,957,315	-	(6,957,315)	-	-	-
Balance as of December 31, 2021	\$ 15,988,420	\$ 483	\$ 59,776,045	\$ 50,217,220	\$ 252,432,501	\$ (13,474,837)	\$ 72,222,376	\$ (5,090,942)	\$ (55,970)	\$ 432,015,296

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

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

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Amounts in thousands of New Taiwan Dollars)

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

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

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 25, 2022.

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, 2021. 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 are 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	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 3, IAS 16 and IAS 37	“Business Combination”, “Property, Plant and Equipment” and “Provisions, Contingent Liabilities and Contingent Assets” (Amendment) and the Annual Improvements	January 1, 2022

The abovementioned standards and interpretations were issued by IASB and have been endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2022 and have no material impact on the Company.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 10 and IAS 28	“Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)	To be determined by IASB
IFRS 17	“Insurance Contracts”	January 1, 2023
IAS 1	“Classification of Liabilities as Current or Non-current” (Amendment)	January 1, 2023
IAS 1	“Disclosure Initiative - Accounting Policies” (Amendment)	1 January 2023
IAS 8	“Definition of Accounting Estimates” (Amendment)	1 January 2023
IAS 12	“Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Amendment)	1 January 2023

- 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, it is not practicable to estimate the impact on the Company at this point in time. All other standards and interpretations have no material impact on the Company.

4. Summary of Significant Accounting Policies

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(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.
- (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:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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.

Recognition 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- 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 receivable 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.

(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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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:

- (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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 and are classified as financial assets or liabilities for hedging.

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

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

Fair value measurement

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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.

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.

NOTES TO 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.

NOTES TO 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	3-5 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 assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- 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
- 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Sales returns and allowances (Refund liabilities)

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

Revenue recognition

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

Sale of goods

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Rendering of services

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

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

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

Silicon intellectual property license

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

B. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

Business combinations and goodwill

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

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

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

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

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 revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The judgments and estimates made by the Company are based on historical experience and other related factors and continuously being evaluated and adjusted. Please refer to below description:

Estimates and assumptions

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

A. Fair value of Level 3 financial instruments

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

B. Valuation of inventory - estimation of obsolescence provision

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

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. (15) 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, 2021	December 31, 2020
Checking and savings accounts	\$ 1,574,291	\$ 10,183,617
Time deposits	69,775,079	86,734,216
Total	<u>\$ 71,349,370</u>	<u>\$ 96,917,833</u>

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

Cash and cash equivalents were not pledged.

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

	December 31, 2021	December 31, 2020
<u>Current</u>		
<u>Financial assets mandatorily</u>		
<u>measured at fair value through</u>		
<u>profit or loss</u>		
Funds	\$ 1,502,219	\$ 1,126,846
Linked deposits	210,026	-
Forward exchange contracts	-	920
Total	<u>\$ 1,712,245</u>	<u>\$ 1,127,766</u>
 <u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 4,252</u>	<u>\$ 520</u>
 <u>Noncurrent</u>		
<u>Financial assets mandatorily</u>		
<u>measured at fair value through</u>		
<u>profit or loss</u>		
Stocks	\$ 178,920	\$ 183,750
Linked deposits	618,430	100,601
Total	<u>\$ 797,350</u>	<u>\$ 284,351</u>

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

	December 31, 2021	December 31, 2020
<u>Current</u>		
<u>Equity instrument investments</u>		
<u>measured at fair value through</u>		
<u>other comprehensive income</u>		
Listed company stocks	\$ -	\$ 16,279
<u>Noncurrent</u>		
<u>Equity instrument investments</u>		
<u>measured at fair value through</u>		
<u>other comprehensive income</u>		
Funds	\$ 3,262,841	\$ 3,340,082
Listed company stocks	3,252,826	555,490
Unlisted company stocks	2,088	2,151
Total	\$ 6,517,755	\$ 3,897,723

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

The Company has equity instrument investments measured at fair value through other comprehensive income. Details on dividends recognized for the years ended 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Related to investments held at the end of the reporting period	\$ 40,116	\$ -

(4) Financial assets measured at amortized cost

	December 31, 2021	December 31, 2020
<u>Current</u>		
Bonds	\$ 84,211	\$ -

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

	December 31, 2021	December 31, 2020
<u>Noncurrent</u>		
Bonds	\$ 1,440,694	\$ 1,118,475
Time deposits	75,845	189,404
Total	<u>\$ 1,516,539</u>	<u>\$ 1,307,879</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, 2021	December 31, 2020
Trade receivables	\$ 32,693,312	\$ 17,873,736
Less: allowance for doubtful debts	(9,671)	(24,678)
Subtotal	<u>32,683,641</u>	<u>17,849,058</u>
Trade receivables from related parties	612,535	638,850
Less: allowance for doubtful debts	-	-
Subtotal	<u>612,535</u>	<u>638,850</u>
Total	<u>\$ 33,296,176</u>	<u>\$ 18,487,908</u>

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

Trade receivables are generally on 45 to 60 day terms. The total carrying amounts were NT\$33,305,847 thousand and NT\$18,512,586 thousand as of December 31, 2021 and 2020, respectively. Please refer to Note 6. (21) for more details on impairment of trade receivables for the years ended December 31, 2021 and 2020. 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\$9,110,270 thousand and NT\$2,989,981 thousand as of December 31, 2021 and 2020, 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, 2021	December 31, 2020
Factoring receivables	\$ 3,778,202	\$ 3,025,695
Others	1,372,494	1,033,429
Total	<u>\$ 5,150,696</u>	<u>\$ 4,059,124</u>

The Company entered into several factoring agreements without recourse with financial institutions. According to those agreements, the Company does not take the risk of uncollectible trade receivables, but only the risk of loss due to commercial disputes. The Company did not provide any collateral, and the factoring agreements met the criteria of financial asset derecognition. The Company derecognized related trade receivables after deducting the estimated value of commercial disputes. Receivables from banks due to factoring agreement were NT\$3,778,202 thousand and NT\$3,025,695 thousand as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2021:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
Taishin					
International Bank	-	\$ 107,149	\$ -	\$ 107,149	\$ 181,000
BNP Paribas	-	26,432	-	26,432	155,000
CHB	-	913	-	913	1,200
CTBC	-	681	-	681	1,900
SinoPac	-	1,350	-	1,350	5,000
Total		<u>\$ 136,525</u>	<u>\$ -</u>	<u>\$ 136,525</u>	<u>\$ 344,100</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, 2020:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US\$'000)	Cash withdrawn (US\$'000)	Unutilized (US\$'000)	Credit line (US\$'000)
Taishin					
International Bank	-	\$ 85,413	\$ -	\$ 85,413	\$ 121,000
BNP Paribas	-	18,862	-	18,862	155,000
CHB	-	263	-	263	1,200
CTBC	-	904	-	904	1,800
ESB	-	-	-	-	15,000
SinoPac	-	601	-	601	5,000
SKCB	-	92	-	92	2,500
Total		<u>\$ 106,135</u>	<u>\$ -</u>	<u>\$ 106,135</u>	<u>\$ 301,500</u>

(7) Inventories

	December 31, 2021	December 31, 2020
Raw materials	\$ 1,248,322	\$ 1,464,230
Work in progress	22,885,957	14,326,064
Finished goods	16,679,445	5,112,597
Net amount	<u>\$ 40,813,724</u>	<u>\$ 20,902,891</u>

The cost of inventories recognized in expenses amounted to NT\$174,236,062 thousand and NT\$94,346,514 thousand for the years ended December 31, 2021 and 2020, including the write-down of inventories of NT\$7,293,812 thousand and reversal of write-down of inventories of NT\$1,861,878 thousand for the year ended December 31, 2021 and 2020, respectively. The reversal of write-down was because of circumstances that caused the net realizable value of inventory to be lower than its cost no longer existed.

Inventories were not pledged.

(8) Prepayments

	December 31, 2021	December 31, 2020
Prepaid expenses	\$ 421,882	\$ 381,070
Others	244,448	94,927
Total	<u>\$ 666,330</u>	<u>\$ 475,997</u>

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, 2021		December 31, 2020	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Subsidiaries:				
MediaTek Investment				
Singapore Pte. Ltd.	\$ 224,583,578	100	\$ 184,460,781	100
Hsu-Si Investment Corp.	-	-	8,793,354	100
Hsu-Ta Investment Corp.	7,541,670	100	11,597,759	100
MediaTek Singapore Pte. Ltd.	43,982,690	100	11,244,859	100
MStar Co., Ltd.	145,792	100	117,897	100
HFI Innovation Inc.	729,424	100	504,571	100
MStar International Technology				
Inc.	-	-	83,377	100
Digimoc Holdings Limited	-	-	44,669	100
Spidcom Technologies	1,574	100	2,623	100
Richtek Technology Corp.	21,636,457	100	22,351,726	100
Airoha Technology Corp.	219,299	5	-	-
MediaTek Capital Co.	265,767	100	-	-
Airoha Technology (Cayman)				
Inc.	8,422,740	66	-	-
Subtotal	<u>307,528,991</u>		<u>239,201,616</u>	
Investments in associates:				
IC Plus Corp.	302,975	19	-	-
Intellectual Property Innovation				-
Corp.	29,981	30	-	
Subtotal	<u>332,956</u>		<u>-</u>	
Total	<u>\$ 307,861,947</u>		<u>\$ 239,201,616</u>	

The Company increased its investment in MediaTek Investment Singapore Pte. Ltd. through several cash injections in the aggregate amount of NT\$18,904,372 thousand from July to December 2021. Moreover, MediaTek Investment Singapore Pte. Ltd. issued new shares to the Company in exchange for the ownership of Digimoc Holdings Limited in September 2021.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Hsu-Ta Investment Corp. reduced its capital and returned the 100% ownership of Hsu-Si Investment Corp., which was previously owned by Hsu-Ta Investment Corp., back to MediaTek Inc. in April 2020. Moreover, Hsu-Si Investment Corp. reduced its capital and returned the 100% ownership of Richtek Technology Corp., which was previously owned by Hsu-Si Investment Corp., back to MediaTek Inc. on the next day. The differences (if any) resulting from those transfers shall be reimbursed by cash. Moreover, Hsu-Si Investment Corp. returned NT\$1,310,000 thousand in June 2021 due to capital reduction, Hsu-Si Investment spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and the Company acquired 5% new shares of the capital increase of Airoha Technology Corp. in October 2021. Hsu-Ta Investment Corp. was dissolved due to merger with the Company in December 2021. The ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to the Company.

Hsu-Ta Investment Corp. spun-off the ownership of Core Tech Resources Inc. to MediaTek Singapore Pte. Ltd., and the Company acquired new shares of MediaTek Singapore Pte. Ltd. in November 2021.

The Company increased its investment in HFI Innovation Inc. by intellectual property in the amount of NT\$41,711 thousand and NT\$566,297 thousand in August 2020 and August 2021, respectively.

MStar International Technology Inc. returned NT\$72,800 thousand in April 2021 due to capital reduction. Moreover, MStar International Technology Inc. was dissolved due to merger with Hsu-Ta Investment Corp. in June 2021.

The Company established MediaTek Capital Co. by cash of NT\$290,000 thousand in July 2021.

The Company totally purchased NT\$277,158 thousand of voting shares of IC Plus Corp. from market during the period from January to February 2021 and its ownership of IC Plus Corp. has reached 19%. The Company assessed that it has significant influence over IC Plus Corp., and therefore the Company reclassified IC Plus Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method.

The Company subscribed 30% new shares issued by Intellectual Property Innovation Corp. in the amount of NT\$30,000 thousand in December 2021.

Investments in subsidiaries and associates were not pledged.

(10)Property, plant and equipment

	December 31, 2021	December 31, 2020
Owner-occupied property, plant and equipment	<u>\$ 29,877,083</u>	<u>\$ 20,388,079</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2021	\$ 3,966,512	\$ 14,587,244	\$ 129,395	\$ 5,883,738	\$ 8,958,413	\$ 267,077	\$ 54,035	\$ 33,846,414
Additions-acquired separately	2,901,400	557,965	19,088	5,420,695	2,018,133	2,692,165	344,426	13,953,872
Disposals	-	(8,604)	(1,071)	(484,741)	(84,039)	(1,324,429)	-	(1,902,884)
Transfers	-	20,127	1,094	898	49,004	57,336	(128,459)	-
As of December 31, 2021	<u>\$ 6,867,912</u>	<u>\$ 15,156,732</u>	<u>\$ 148,506</u>	<u>\$ 10,820,590</u>	<u>\$ 10,941,511</u>	<u>\$ 1,692,149</u>	<u>\$ 270,002</u>	<u>\$ 45,897,402</u>
As of January 1, 2020	\$ 3,966,512	\$ 14,354,679	\$ 97,600	\$ 5,013,895	\$ 7,380,042	\$ 255,606	\$ 225,001	\$ 31,293,335
Additions-acquired separately	-	110,425	32,479	991,253	1,508,779	142,424	113,088	2,898,448
Disposals	-	-	-	(121,410)	(69,511)	(130,953)	-	(321,874)
Transfers	-	122,140	(684)	-	139,103	-	(284,054)	(23,495)
As of December 31, 2020	<u>\$ 3,966,512</u>	<u>\$ 14,587,244</u>	<u>\$ 129,395</u>	<u>\$ 5,883,738</u>	<u>\$ 8,958,413</u>	<u>\$ 267,077</u>	<u>\$ 54,035</u>	<u>\$ 33,846,414</u>

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total	
Depreciation and impairment:									
As of January 1, 2021	\$ -	\$ 4,031,158	\$ 25,678	\$ 3,875,701	\$ 5,321,843	\$ 203,955	\$ -	\$ 13,458,335	
Depreciation	-	472,075	22,059	1,198,050	1,182,622	257,947	-	3,132,753	
Disposals	-	(2,262)	-	(484,978)	(83,151)	(378)	-	(570,769)	
As of December 31, 2021	\$ -	\$ 4,500,971	\$ 47,737	\$ 4,588,773	\$ 6,421,314	\$ 461,524	\$ -	\$ 16,020,319	
As of January 1, 2020	\$ -	\$ 3,540,577	\$ 8,765	\$ 3,212,331	\$ 4,347,450	\$ 180,323	\$ -	\$ 11,289,446	
Depreciation	-	490,537	16,913	784,664	1,043,512	23,856	-	2,359,482	
Disposals	-	-	-	(121,294)	(69,075)	(224)	-	(190,593)	
Transfers	-	44	-	-	(44)	-	-	-	
As of December 31, 2020	\$ -	\$ 4,031,158	\$ 25,678	\$ 3,875,701	\$ 5,321,843	\$ 203,955	\$ -	\$ 13,458,335	
Net carrying amount as of:									
December 31, 2021	\$ 6,867,912	\$ 10,655,761	\$ 100,769	\$ 6,231,817	\$ 4,520,197	\$ 1,230,625	\$ 270,002	\$ 29,877,083	
December 31, 2020	\$ 3,966,512	\$ 10,556,086	\$ 103,717	\$ 2,008,037	\$ 3,636,570	\$ 63,122	\$ 54,035	\$ 20,388,079	

The property, plant and equipment were not pledged.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(11) Intangible assets

	Trademarks	Software	Patents, IPs and others	Goodwill	Total
Cost:					
As of January 1, 2021	\$ 390,512	\$ 1,259,255	\$ 17,049,698	\$ 52,604,453	\$ 71,303,918
Additions-acquired separately	-	111,206	1,583,798	-	1,695,004
Disposals	-	(12,412)	(62,375)	-	(74,787)
As of December 31, 2021	<u>\$ 390,512</u>	<u>\$ 1,358,049</u>	<u>\$ 18,571,121</u>	<u>\$ 52,604,453</u>	<u>\$ 72,924,135</u>
As of January 1, 2020	\$ 390,512	\$ 1,053,782	\$ 12,577,987	\$ 52,604,453	\$ 66,626,734
Additions-acquired separately	-	196,947	6,653,136	-	6,850,083
Disposals	-	(14,969)	(2,181,425)	-	(2,196,394)
Transfers	-	23,495	-	-	23,495
As of December 31, 2020	<u>\$ 390,512</u>	<u>\$ 1,259,255</u>	<u>\$ 17,049,698</u>	<u>\$ 52,604,453</u>	<u>\$ 71,303,918</u>

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, 2021	\$ 390,512	\$ 988,868	\$ 11,419,188	\$ -	\$ 12,798,568
Amortization	-	164,746	2,763,360	-	2,928,106
Disposals	-	(12,412)	(62,149)	-	(74,561)
As of December 31, 2021	<u>\$ 390,512</u>	<u>\$ 1,141,202</u>	<u>\$ 14,120,399</u>	<u>\$ -</u>	<u>\$ 15,652,113</u>
As of January 1, 2020	\$ 385,088	\$ 832,365	\$ 10,762,613	\$ -	\$ 11,980,066
Amortization	5,424	171,472	2,838,000	-	3,014,896
Disposals	-	(14,969)	(2,181,425)	-	(2,196,394)
As of December 31, 2020	<u>\$ 390,512</u>	<u>\$ 988,868</u>	<u>\$ 11,419,188</u>	<u>\$ -</u>	<u>\$ 12,798,568</u>
Net carrying amount as of:					
December 31, 2021	<u>\$ -</u>	<u>\$ 216,847</u>	<u>\$ 4,450,722</u>	<u>\$ 52,604,453</u>	<u>\$ 57,272,022</u>
December 31, 2020	<u>\$ -</u>	<u>\$ 270,387</u>	<u>\$ 5,630,510</u>	<u>\$ 52,604,453</u>	<u>\$ 58,505,350</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(12) Impairment testing of goodwill

The Company's goodwill allocated to each of cash-generating units or groups of cash-generating units is expected to benefit from synergies of the business combination. Key assumptions used in impairment testing are as follows:

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from financial budgets approved by management covering a five-year period. The projected cash flows reflect the change in demand for products and services. As a result of the analysis, the Company did not identify any impairment for goodwill of NT\$52,604,453 thousand.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rates of sales of budget period

Gross margins - Gross margins are based on the gross margins of latest fiscal year and future trend of the market.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.

Growth rates of sales estimates - The growth rates of sales were estimated by historical experience. The long-term average growth rate the Company predicted was adjusted by considering the product life cycle and the macroeconomic environment.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(13) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured bank loans	\$ 45,327,350	\$ 16,251,740
Interest rates	(0.5)%~0.41%	0%~0.46%

(14) Other payables

	December 31, 2021	December 31, 2020
Accrued salaries and bonuses	\$ 26,333,495	\$ 16,571,218
Accrued royalties	1,186,619	1,187,714
Other payables to related parties	32,187	57,482
Others	9,630,672	8,200,839
Total	\$ 37,182,973	\$ 26,017,253

(15) Other current liabilities

	December 31, 2021	December 31, 2020
Refund liabilities	\$ 24,029,774	\$ 15,111,597
Others	599,045	843,065
Total	\$ 24,628,819	\$ 15,954,662

(16) Long-term borrowings

Details of long-term loans as of December 31, 2021 are as follows:

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
JP Morgan Chase Bank	558,060	(0.4)%	Effective from October 26, 2021 to November 25, 2022, principal is repaid once due.
Total	1,385,720		
Less: current portion	(558,060)		
Noncurrent portion	\$ 827,660		

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Details of long-term loans as of December 31, 2020 are as follows:

None.

Long-term borrowings were not pledged.

(17) Post-employment benefits plans

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2021 and 2020 were NT\$867,086 thousand and NT\$793,749 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\$4,873 thousand to its defined benefit plan during the 12 months beginning after December 31, 2021.

The weighted average duration of the defined benefit obligation were 17 years and 18 years as of December 31, 2021 and 2020, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31	
	2021	2020
Current service cost	\$ 1,315	\$ 1,184
Net interest on the net defined benefit liabilities	3,211	5,592
Total	<u>\$ 4,526</u>	<u>\$ 6,776</u>

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

	December 31, 2021	December 31, 2020
Defined benefit obligation	\$ 836,356	\$ 891,373
Plan assets at fair value	(164,329)	(161,485)
Net defined benefit liabilities	<u>\$ 672,027</u>	<u>\$ 729,888</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, 2021	\$ 891,373	\$ (161,485)	\$ 729,888
Current service cost	1,315	-	1,315
Interest expenses (income)	3,922	(711)	3,211
Subtotal	<u>5,237</u>	<u>(711)</u>	<u>4,526</u>
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(10,139)	-	(10,139)
Actuarial gains and losses arising from changes in financial assumptions	(55,488)	-	(55,488)
Experience adjustments	20,154	-	20,154
Remeasurements of the defined benefit assets	-	(2,199)	(2,199)
Subtotal	<u>(45,473)</u>	<u>(2,199)</u>	<u>(47,672)</u>
Payment of benefit obligation	(14,781)	14,781	-
Contributions by employer	-	(14,715)	(14,715)
As of December 31, 2021	<u>\$ 836,356</u>	<u>\$ (164,329)</u>	<u>\$ 672,027</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, 2020	\$ 812,974	\$ (155,131)	\$ 657,843
Current service cost	1,184	-	1,184
Interest expenses (income)	6,910	(1,318)	5,592
Subtotal	8,094	(1,318)	6,776
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	14,186	-	14,186
Actuarial gains and losses arising from changes in financial assumptions	61,108	-	61,108
Experience adjustments	(2,343)	-	(2,343)
Remeasurements of the defined benefit assets	-	(3,089)	(3,089)
Subtotal	72,951	(3,089)	69,862
Payment of benefit obligation	(2,646)	2,646	-
Contributions by employer	-	(4,593)	(4,593)
As of December 31, 2020	\$ 891,373	\$ (161,485)	\$ 729,888

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

	December 31, 2021	December 31, 2020
Discount rate	0.82%	0.44%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31			
	2021		2020	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (66,579)	\$ -	\$ (74,947)
Discount rate decreases by 0.5%	73,048	-	82,650	-
Rate of future salary increases by 0.5%	71,069	-	80,089	-
Rate of future salary decreases by 0.5%	-	(65,537)	-	(73,511)

MEDIATEK INC.

NOTES TO 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.

(18) Equity

A. Share capital

The Company's authorized capital as of December 31, 2021 and 2020 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\$15,988,420 thousand and NT\$15,900,622 thousand divided into 1,598,841,998 shares and 1,590,062,183 shares, as of December 31, 2021 and 2020, 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, 2021, 8,381,181 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 125,822 shares and 1,341,752 shares of issued restricted stocks for employees during the years ended December 31, 2021 and 2020, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company issued 359,451 new shares for the year ended December 31, 2021 at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$483 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2021.

The Company issued 1,721,878 new shares for the year ended December 31, 2020 at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$2,133 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2020.

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

	December 31, 2021	December 31, 2020
Additional paid-in capital	\$ 45,612,340	\$ 69,595,338
Treasury share transactions	2,048,065	1,759,683
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	839,842	1,002,344
Changes in ownership interests in subsidiaries	2,968,846	2,359,582
Donated assets	1,261	1,261
From share of changes in net assets of associates	1,223,848	-
Employee stock options	391,175	354,686
Restricted stocks for employees	6,388,981	1,320,910
Others	301,687	351,946
Total	<u>\$ 59,776,045</u>	<u>\$ 76,745,750</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 or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

On March 20, 2020, Board of Directors of the Company resolved to purchase and retire the treasury shares. During the period from May 14, 2020 to May 15, 2020, the Company purchased 130,000 common shares in the amounts of NT\$53,600 thousand on the centralized securities exchange market. Those shares have all been cancelled. Relevant regulators' approvals have been obtained and related registration processes have been completed.

As of December 31, 2021 and 2020, 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2021 and 2020, the Company did not hold any other treasury shares.

D. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. reserve for tax payments;
- b. offset accumulated losses in previous years, if any;
- c. legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock;
- d. allocation or reverse of special reserves as required by law or government authorities;
- e. the remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

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 2021 general shareholders' meeting of the Company has been postponed due to the COVID-19 pandemic. But the resolutions of the distributions of earnings and the additional paid-in capital by cash have been approved by shareholders through electronic voting by June 10, 2021. Details of the 2020 and 2019 earnings distributions and dividends per share as resolved by general shareholders' meeting on July 5, 2021 and June 11, 2020, respectively, are as follows:

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

	Appropriation of earnings		Dividends per share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 5,634,195	\$ 3,075,336	-	-
Cash dividends-common stock	33,398,284	7,944,252	\$ 21.00	\$ 5.00
Total	<u>\$ 39,032,479</u>	<u>\$ 11,019,588</u>		

In addition, the general shareholders' meeting on July 5, 2021 and June 11, 2020 resolved to distribute the additional paid-in capital by cash in the amount of NT\$25,446,312 thousand and NT\$8,738,677 thousand, or NT\$16 per share and NT\$5.5 per share, respectively.

(19) Share-based payment plans**Share-based payment plans**

Certain employees of the Company are entitled to share-based payment as part of their remunerations. 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.

In August 2011, August 2012 and August 2013, the Company was authorized by the FSC, Executive Yuan, to issue employee stock options of 3,500,000 units, each unit eligible to subscribe for one common share. The options may be granted to qualified employees of the Company or any of its domestic or foreign subsidiaries, in which the Company's shareholding with voting rights, directly or indirectly, is more than fifty percent. The options are valid for ten years and exercisable at certain percentage subsequent to the second anniversary of the granted date. Under the terms of the plan, the options are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Stock Exchange Corporation ("TWSE") on the grant date.

Detail information relevant to the share-based payment plan as of December 31, 2021 is as follows:

Date of grant	Total number of options granted	Total number of options outstanding	Shares available for option holders	Exercise price (NT\$) (Note)
2011.08.24	2,109,871	-	-	\$ 272.6
2012.08.14	1,346,795	174,743	174,743	\$ 280.4
2013.08.22	1,436,343	281,736	281,736	\$ 368.0

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

Note: The exercise prices have been adjusted to reflect the change of outstanding shares (e.g. the share issued for cash, the appropriations of earnings, issuance of new shares in connection with merger, or issuance of new shares to acquire shares of other companies) in accordance with the plan.

The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Employee Stock Option
Expected dividend yield (%)	2.43%-3.07%
Expected volatility (%)	32.9%-38.5%
Risk free interest rate (%)	1.0479%-1.65%
Expected life (Years)	6.5 years

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plan:

	For the years ended December 31			
	2021		2020	
	Options	Weighted- average Exercise Price per Share (Unit) (NT\$)	Options	Weighted- average Exercise Price per Share (Unit) (NT\$)
Employee Stock Option	(Unit)		(Unit)	
Outstanding at beginning of period	879,147	\$ 316.8	2,721,463	\$ 329.0
Granted	-	-	-	-
Exercised (Note)	(359,451)	300.4	(1,721,878)	330.8
Forfeited (Expired)	(63,217)	278.7	(120,438)	391.0
Outstanding at end of period	456,479	334.5	879,147	316.9
Exercisable at end of period	456,479		879,147	
Weighted-average fair value of options granted during the period (in NT\$)	\$ -		\$ -	

MEDIATEK INC.**NOTES TO 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 were NT\$940.2 and NT\$640.2 for the years ended December 31, 2021 and 2020, respectively.

The information on the outstanding share-based payment plan as of December 31, 2021 and 2020 is as follows:

Date of grant	Range of Exercise Price (NT\$)	December 31, 2021		December 31, 2020	
		Outstanding stock options		Outstanding stock options	
		Weighted- average Expected	Weighted- average Exercise Price	Weighted- average Expected	Weighted- average Exercise Price
		Remaining Years	per Share (NT\$)	Remaining Years	per Share (NT\$)
2011.08.09	\$ 272.6	-	\$ 272.6	-	\$ 272.6
2012.08.09	280.4	-	280.4	-	281.9
2013.08.09	368.0	-	368.0	-	368.0

Restricted stocks plan for employees

On June 15, 2018 and July 5, 2021, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 19,200,000 and 19,080,000 common shares, respectively. 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 12,259,550, 2,205,888, 17,818, 2,182,958 and 8,381,181 gratuitous restricted stocks on September 6, 2018, February 27, 2019, April 12, 2019, July 15, 2019, and August 31, 2021, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT\$255, NT\$280, NT\$293.5, NT\$314.5 and NT\$824.81~NT\$901 per share, respectively. The estimated compensation expenses amounted to NT\$10,164,353 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2021, MTK had recognized NT\$5,068,945 thousand as compensation expense and NT\$5,090,942 thousand as unearned employee compensation, and compensation expense were recorded under salary expense and share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method, respectively, unearned employee compensation were recorded under other equity.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The first restricted stocks plan for employees of 2021 was 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

Restrictions on the rights and vesting conditions of 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.

Share-based compensation expenses recognized for employee services received for the years ended December 31, 2021 and 2020 are shown in the following table:

	For the years ended December 31	
	2021	2020
Restricted stocks for employees	\$ 1,545,455	\$ 1,029,459

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, 2021 and 2020.

(20) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2021 and 2020 is as follows:

A. Disaggregation of revenue

	For the years ended December 31	
	2021	2020
Sale of goods	\$ 298,550,832	\$ 162,523,119
Services and other operating revenues	7,020,510	5,814,789
Total	<u>\$ 305,571,342</u>	<u>\$ 168,337,908</u>
Revenue recognition point:		
At a point in time	\$ 303,420,816	\$ 165,830,337
Satisfies the performance obligation over time	2,150,526	2,507,571
Total	<u>\$ 305,571,342</u>	<u>\$ 168,337,908</u>

B. Contract balances

Contract liabilities – current

	December 31, 2021	December 31, 2020	January 1, 2020
Sales of goods	\$ 2,971,602	\$ 7,735,068	\$ 1,468,620
Services and other operating revenues	437,502	117,161	314,524
Total	<u>\$ 3,409,104</u>	<u>\$ 7,852,229</u>	<u>\$ 1,783,144</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2021 and 2020 are as follows:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	For the years ended December 31	
	2021	2020
Revenue recognized during the period that was included in the beginning balance	\$ 7,596,679	\$ 1,193,984
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	\$ 3,158,421	\$ 7,248,437

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2021, and 2020, 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\$1,026,152 thousand and NT\$1,752,672 thousand. The Company recognizes revenues in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

(21) Expected credit gains (losses)

	For the years ended December 31	
	2021	2020
Operating expense – Expected credit gains (losses)		
Trade receivables	\$ 15,007	\$ (16,001)

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

The Company measures the loss allowance of its receivables (including trade receivables, trade receivables from related parties) and financing lease receivable, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2021, and 2020 is as follow:

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.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

2021.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 32,597,251	\$ 72,602	\$ 7,004	\$ 7,367	\$ 9,088	\$ 32,693,312
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(737)	(8,934)	(9,671)
Carrying amount of trade receivables	\$ 32,597,251	\$ 72,602	\$ 7,004	\$ 6,630	\$ 154	\$ 32,683,641

2020.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 17,251,258	\$ 155,703	\$ 359,615	\$ 40,269	\$ 66,891	\$ 17,873,736
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(3,996)	(20,682)	(24,678)
Carrying amount of trade receivables	\$ 17,251,258	\$ 155,703	\$ 359,615	\$ 36,273	\$ 46,209	\$ 17,849,058

Note: Neither the Company's trade receivables from related parties nor financing lease receivable was past due.

The movements in the provision for impairment of receivables and financing lease receivable for the years ended December 31, 2021 and 2020 are as follows:

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

	Trade receivables	Financing lease receivables
As of January 1, 2021	\$ 24,678	\$ -
Reversal for the current period	(15,007)	-
As of December 31, 2021	<u>\$ 9,671</u>	<u>\$ -</u>
As of January 1, 2020	\$ 8,677	\$ -
Allowance for the current period	16,001	-
As of December 31, 2020	<u>\$ 24,678</u>	<u>\$ -</u>

(22) Leases**A. The Company as lessee**

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

a. Right-of-use asset

	December 31, 2021	December 31, 2020
Land	\$ 1,436,661	\$ 1,474,595
Buildings and facilities	131,279	167,127
Machinery equipment	158,384	15,131
Transportation equipment	7,465	4,101
Total	<u>\$ 1,733,789</u>	<u>\$ 1,660,954</u>

During the years ended December 31, 2021 and 2020, the additions to right-of-use assets of the Company amounted to NT\$251,567 thousand and NT\$116,518 thousand, respectively.

b. Lease liability

	December 31, 2021	December 31, 2020
Lease liability-current	\$ 155,571	\$ 101,898
Lease liability-noncurrent	1,587,347	1,572,046
Total	<u>\$ 1,742,918</u>	<u>\$ 1,673,944</u>

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

Please refer to Note 6. (27) for the interest on lease liability recognized during 2021 and 2020 and Note 12. (3) C. for the maturity analysis of lease liabilities as of December 31, 2021.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2021	2020
Land	\$ 37,934	\$ 37,934
Buildings and facilities	70,053	58,763
Machinery equipment	67,668	9,078
Transportation equipment	2,664	2,275
Office equipment	-	133
Total	<u>\$ 178,319</u>	<u>\$ 108,183</u>

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2021	2020
The expense relating to short-term leases	<u>\$ 130,329</u>	<u>\$ 62,964</u>
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	<u>\$ 2,708</u>	<u>\$ 3,828</u>
Income from subleasing right-of-use assets	<u>\$ 23,606</u>	<u>\$ 23,080</u>

e. Cash outflow relating to leasing activities

During the years ended December 31, 2021 and 2020, the Company's total cash outflows for leases amounted to NT\$338,899 thousand and NT\$188,030 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	For the years ended	
	December 31	
	2021	2020
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 98,130	\$ 93,876
Lease income for finance leases		
Finance income on the net investment in the lease	15,657	-
Total	<u>\$ 113,787</u>	<u>\$ 93,876</u>

The undiscounted lease payments to be received for the remaining years as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Not later than one year	\$ 23,293	\$ 2,092
Later than one year and not later than two years	23,292	2,092
Later than two years and not later than three years	746,853	2,092
Later than three years and not later than four years	735,143	67,067
Later than four years and not later than five years	-	66,015
Total non-discounted lease payments	1,528,581	139,358
Less: unearned finance income of finance lease	(72,797)	(8,629)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	<u>\$ 1,455,784</u>	<u>\$ 130,729</u>
Current	<u>\$ -</u>	<u>\$ -</u>
Non-Current	<u>\$ 1,455,784</u>	<u>\$ 130,729</u>

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

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

	For the years ended December 31					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 27,824	\$ 843,788	\$ 871,612	\$ 25,589	\$ 774,936	\$ 800,525
Others	\$ 730,801	\$ 52,657,397	\$ 53,388,198	\$ 658,765	\$ 32,071,871	\$ 32,730,636
Depreciation	\$ 7,230	\$ 3,303,842	\$ 3,311,072	\$ 9,784	\$ 2,457,881	\$ 2,467,665
Amortization	\$ -	\$ 2,928,106	\$ 2,928,106	\$ 80	\$ 3,014,816	\$ 3,014,896

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.

MTK accrued employees' compensation and remuneration to directors based on a specific rate of profit of the year ended December 31, 2021. 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. The amounts of employees' compensation and remuneration to directors were NT\$1,513,219 thousand and NT\$153,213 thousand for the year ended December 31, 2021, respectively. The employees' compensation and remuneration to directors were recognized as salary expense.

A resolution was approved in a meeting of the Board of Directors held on March 19, 2021 to distribute NT\$546,125 thousand and NT\$55,295 thousand in cash as employees' compensation and remuneration to directors, respectively. There were no material differences between the aforementioned approved amounts and the amounts charged against earnings in 2020.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(24) Interest income**

	For the years ended December 31	
	2021	2020
Financial assets measured at amortized cost	\$ 517,531	\$ 1,126,089
Financial assets at fair value through other comprehensive income	77,733	108,497
Total	<u>\$ 595,264</u>	<u>\$ 1,234,586</u>

(25) Other income

	For the years ended December 31	
	2021	2020
Rental income	\$ 98,130	\$ 93,876
Dividend income	40,116	-
Others	483,367	84,274
Total	<u>\$ 621,613</u>	<u>\$ 178,150</u>

(26) Other gains and losses

	For the years ended December 31	
	2021	2020
Gains on disposal of property, plant and equipment	\$ 972	\$ 2,956
Foreign exchange gains	412,620	63,940
Gains on financial assets at fair value through profit or loss	151,293	138,315
Losses on financial liabilities at fair value through profit or loss	(4,252)	(520)
Others	(14,123)	(10,638)
Total	<u>\$ 546,510</u>	<u>\$ 194,053</u>

(27) Finance costs

	For the years ended December 31	
	2021	2020
Interest expenses on borrowings	\$ 75,936	\$ 422,848
Interest expenses on long-term payables to related parties	13,520	-
Interest expenses on lease liabilities	23,886	23,493
Total	<u>\$ 113,342</u>	<u>\$ 446,341</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, 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 47,672	\$ -	\$ 47,672	\$ (9,534)	\$ 38,138
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(57,688)	-	(57,688)	-	(57,688)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	8,606,502	-	8,606,502	-	8,606,502
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(4,763,993)	-	(4,763,993)	-	(4,763,993)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(2,084)	-	(2,084)	-	(2,084)
Total	\$ 3,830,409	\$ -	\$ 3,830,409	\$ (9,534)	\$ 3,820,875

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2020 :

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ (69,862)	\$ -	\$ (69,862)	\$ 13,972	\$ (55,890)
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	334,081	-	334,081	-	334,081
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	35,590,684	-	35,590,684	-	35,590,684
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(4,761,203)	-	(4,761,203)	-	(4,761,203)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	22,857	-	22,857	-	22,857
Total	\$ 31,116,557	\$ -	\$ 31,116,557	\$ 13,972	\$ 31,130,529

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

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of NT\$0 for the years ended December 31, 2021 and 2020, 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	
	2021	2020
Current income tax	\$ 9,781,761	\$ 2,731,411
Deferred tax income	(486,058)	(22,738)
Others	187,577	9,244
Income tax expense recognized in loss	<u>\$ 9,483,280</u>	<u>\$ 2,717,917</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2021	2020
Deferred tax expense (income)		
Remeasurements of defined benefit plans	<u>\$ 9,534</u>	<u>\$ (13,972)</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	
	2021	2020
Accounting profit before tax from continuing operations	<u>\$ 120,904,342</u>	<u>\$ 43,634,717</u>
Tax at the domestic rates applicable to profits in the country concerned	24,180,869	8,726,943
Tax effect of revenues exempt from taxation	(35,216)	(21,342)
Tax effect of expenses not deductible for tax purposes	21,594	2,117
Investment tax credits	(5,172,191)	(2,025,980)
Tax effect of deferred tax assets/liabilities	(10,806,860)	(4,540,957)
Corporate income surtax on undistributed retained earnings	872,613	1,034,681
Others	422,471	(457,545)
Income tax expense recognized in loss	<u>\$ 9,483,280</u>	<u>\$ 2,717,917</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, 2021

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Acquired thought business combinations	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$ 1,560,314	\$ 1,023,761	\$ -	\$ -	\$ 2,584,075
Allowance for sales returns and discounts	2,174,672	1,263,297	-	-	3,437,969
Amortization of difference for tax purpose	283,448	(19,003)	-	-	264,445
Amortization of goodwill difference for tax purpose	(2,644,084)	(686,653)	-	-	(3,330,737)
Others	(37,490)	(1,095,344)	(9,534)	914	(1,141,454)
Deferred tax income (expense)		\$ 486,058	\$ (9,534)	\$ 914	
Net deferred tax assets	<u>\$ 1,336,860</u>				<u>\$ 1,814,298</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$ 4,274,948</u>				<u>\$ 6,780,908</u>
Deferred tax liabilities	<u>\$ (2,938,088)</u>				<u>\$ (4,966,610)</u>

For the year ended December 31, 2020

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 1,822,513	\$ (262,199)	\$ -	\$ 1,560,314
Allowance for sales returns and discounts	1,406,103	768,569	-	2,174,672
Amortization of difference for tax purpose	214,957	68,491	-	283,448
Amortization of goodwill difference for tax purpose	(1,957,431)	(686,653)	-	(2,644,084)
Others	(185,992)	134,530	13,972	(37,490)
Deferred tax income		\$ 22,738	\$ 13,972	
Net deferred tax assets	<u>\$ 1,300,150</u>			<u>\$ 1,336,860</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$ 3,501,079</u>			<u>\$ 4,274,948</u>
Deferred tax liabilities	<u>\$ (2,200,929)</u>			<u>\$ (2,938,088)</u>

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, 2021, the income tax returns of the Company have been assessed and approved up to 2019.

(30) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31	
	2021	2020
A. Basic earnings per share		
Profit (in thousand NT\$)	\$ 111,421,062	\$ 40,916,800
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,579,074,576	1,573,329,335
Basic earnings per share (NT\$)	\$ 70.56	\$ 26.01
B. Diluted earnings per share		
Profit (in thousand NT\$)	\$ 111,421,062	\$ 40,916,800
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,579,074,576	1,573,329,335
Effect of dilution:		
Employees' compensation-stock (share)	1,399,199	980,921
Employee stock options (share)	462,010	1,425,487
Restricted stocks for employees (share)	5,845,245	7,875,783
Weighted average number of ordinary shares outstanding after dilution (share)	1,586,781,030	1,583,611,526
Diluted earnings per share (NT\$)	\$ 70.22	\$ 25.84

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
Cloud Ranger Limited	Subsidiary
EcoNet Limited	Subsidiary
Gaintech Co. Limited	Subsidiary
MediaTek Bangalore Private Limited	Subsidiary
MediaTek India Technology Pvt. Ltd.	Subsidiary
MediaTek Korea Inc.	Subsidiary
MediaTek Singapore Pte. Ltd.	Subsidiary
MediaTek USA Inc.	Subsidiary
MediaTek Research UK Limited	Subsidiary
MTK Wireless Limited (UK)	Subsidiary
Mstar France SAS	Subsidiary
MediaTek Investment Singapore Pte. Ltd.	Subsidiary
Richtek Technology Corp.	Subsidiary
InnoFusion Technology Corp.	Subsidiary
Zelus Technology (HangZhou) Ltd.	Subsidiary
ILI Technology Corporation	Subsidiary (Note 1)
MStar Software R&D (Shenzhen), Ltd.	Subsidiary
Airoha Technology (Suzhou) Limited	Subsidiary
HFI Innovation Inc.	Subsidiary
Nephos (Hefei) Co., Ltd.	Subsidiary
MediaTek (Chengdu) Inc.	Subsidiary
MediaTek Research Corp.	Subsidiary
MediaTek China Limited	Subsidiary
Airoha Technology Corp.	Subsidiary
MediaTek Capital Co.	Subsidiary

(To be continued)

MEDiatek INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(Continued)

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Hsu Zhan (HK) Investment Limited	Subsidiary
Cyberon Corp.	Associate
Amobile Intelligent Corp. Limited	Associate
Intelligo Technology Inc.	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate (Note 2)
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party
Andes Technology Corp.	Substantive related party (Note3)
MediaTek Foundation	Substantive related party

Note 1: ILI Technology Corporation has completed the transfer of shareholding rights in November 2020. As a result, ILI Technology Corporation was no longer a subsidiary.

Note 2: The Company lost control over Xiamen Sigmastar Technology Inc. (renamed Sigmastar Technology Ltd. in May 2021) in February 2021. As a result, Sigmastar Technology Ltd. has become an associate of the Company since that month.

Note 3: The Andes Technology Corp. became a non-related party as the chairman of MTK resigned as the chairman of Andes Technology Crop. in July 2021.

Significant transactions with the related parties

(1) Sales

	For the years ended December 31	
<u>Sale of goods</u>	2021	2020
Subsidiaries	\$ 137,432	\$ 39,700
Associates	14,114	7,803
Subtotal	151,546	47,503
<u>Services and other operating revenues</u>		
Subsidiaries	3,577,795	2,082,599
Associates	4,183	-
Subtotal	3,581,978	2,082,599
Total	\$ 3,733,524	\$ 2,130,102

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The trade credit terms for related parties and third-party customers were both 45 to 60 days. Third-party customers may pay their accounts in advance. Above sales include royalty revenues, which were charged based on the royalty agreement and collected with certain period.

(2) Purchases

	For the years ended December 31	
	2021	2020
Subsidiaries	\$ 802,680	\$ 1,963

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.

(3) IC testing, experimental services, and manufacturing technology services

	For the years ended December 31	
	2021	2020
Other related parties	\$ 5,383,760	\$ 3,070,193

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

(4) Consign research and development expenses and license expenses

	For the years ended December 31	
	2021	2020
Subsidiaries	\$ 318,388	\$ 163,634
Associates	21,168	31,644
Other related parties	16,772	14,892
Total	\$ 356,328	\$ 210,170

(5) Donations Expenses

	For the years ended December 31	
	2021	2020
Other related parties		
MediaTek Foundation	\$ 120,000	\$ -

MEDiatek INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(6) Rental income

	For the years ended	
	December 31	
	2021	2020
Subsidiaries		
ILI Technology Corporation	\$ -	\$ 26,815
Airoha Technology Corp.	22,547	21,791
Others	2,599	4,730
Total	<u>\$ 25,146</u>	<u>\$ 53,336</u>

(7) Other income due to technology service

	For the years ended	
	December 31	
	2021	2020
Subsidiaries		
EcoNet (Suzhou) Limited	\$ 24,858	\$ 24,816
Others	1,538	1,069
Total	<u>\$ 26,396</u>	<u>\$ 25,885</u>

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

	December 31, 2021		December 31, 2020	
	Endorsement	Actual	Endorsement	Actual
	limit	amount	limit	amount
Subsidiaries				
Gaintech				
Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek				
China				
Limited	9,000,000	1,786,357	9,000,000	3,161,537
Others	9,488	9,488	2,432,954	9,774
Total	<u>\$ 33,009,488</u>	<u>\$ 1,795,845</u>	<u>\$ 35,432,954</u>	<u>\$ 3,171,311</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(9) Disposals of property, plant and equipment

		For the years ended December 31	
		2021	2020
		Carrying amount	Carrying amount
		Proceeds	Proceeds
Subsidiaries	\$	-	\$ 334
			\$ 431

(10) Trade receivables from related parties

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 610,160	\$ 638,220
Associates	2,375	630
Total	\$ 612,535	\$ 638,850

(11) Other receivables from related parties

	December 31, 2021	December 31, 2020
Subsidiaries		
Nephos (Hefei) Co., Ltd.	\$ 274,260	\$ 282,454
Others	1,113	1,129
Total	\$ 275,373	\$ 283,583

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

(12) Trade payables to related parties

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 388,165	\$ 1,616,504
Other related parties	1,165,510	1,039,480
Total	\$ 1,553,675	\$ 2,655,984

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

(13) Other payables to related parties

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 25,336	\$ 10,351
Associates	6,851	5,631
Other related parties	-	41,500
Total	<u>\$ 32,187</u>	<u>\$ 57,482</u>

(14) Other current liabilities

	December 31, 2021	December 31, 2020
Subsidiaries	<u>\$ -</u>	<u>\$ 285,423</u>

(15) Long-term payables to related parties

Financing provided to others for the year ended December 31, 2021.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Hsu Zhan (HK) Investment Limited	\$ 21,585,720	\$ 8,618,791	\$ 6,028	0.84%
MediaTek China Limited	-	-	7,492	0.84%

(16) Deposits received

	December 31, 2021	December 31, 2020
Associates	<u>\$ 151</u>	<u>\$ -</u>

(17) During the year ended December 31, 2021, the Company acquired patent from Andes Technology Corp. in the amount of NT\$37,852 thousand which was recorded as intangible assets.

(18) The Company sold 3,805 shares of Digimoc Holdings Limited to MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$47,027 thousand for the year ended December 31, 2021.

(19) The Company sold 458,900 shares of Mstar France SAS to MTK Wireless Limited (UK) in the amount of NT\$853,713 thousand for the year ended December 31, 2020.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(20) Key management personnel compensation

	For the years ended	
	December 31	
	2021	2020
Short-term employee benefits (Note)	\$ 1,929,210	\$ 1,208,667
Share-based payment	433,921	173,223
Post-employment benefits	2,697	2,353
Total	<u>\$ 2,365,828</u>	<u>\$ 1,384,243</u>

Note: The compensation (including remuneration to directors) to key management personnel was determined by the Compensation Committee of the Company in accordance with individual performance and the market trends.

8. Assets Pledged as Collateral

The following table lists assets of the Company pledged as collateral:

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2021	December 31, 2020	
Financial assets measured at amortized cost-noncurrent	\$ -	\$ 9,180	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	27,180	24,000	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	23,765	22,980	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	24,900	133,244	Performance bond
Total	<u>\$ 75,845</u>	<u>\$ 189,404</u>	

9. Contingencies and Off Balance Sheet Commitments

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 prepayment by the Company.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Legal claim contingency

- A. Nippon Telegraph and Te(h)hone Corporation (“NTT”) and Essential WiFi, LLC (“EWF”) filed complaints in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on March 25, 2020, alleging infringement of United States Patent Nos. 7,280,551, 7,545,781, 7,400,616, and 7,242,720. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- B. Divx, LLC (“Divx”) filed a complaint in the United States District Court for the District of Delaware against MTK and subsidiaries MediaTek USA Inc. and MStar Semiconductor Inc. on September 9, 2020, alleging infringement of United States Patent Nos. 8,832,297, 10,212,486, 10,412,141, and 10,484,749. The court dismissed the claims against MTK and its subsidiaries pursuant to the plaintiff’s voluntary dismissal on February 8, 2021.

Divx filed a complaint with the U.S. International Trade Commission against MTK and subsidiaries MediaTek USA Inc. and MStar Semiconductor Inc. on September 10, 2020 alleging infringement of the same patents listed above. Pursuant to the parties’ joint motion to terminate, the Administrative Law Judge issued an Initial Determination terminating MTK and its subsidiaries from the investigation on February 22, 2021.

- C. 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.

Philips filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on September 18, 2020 alleging infringement of the same patents listed above. Pursuant to the Complainant’s motion to terminate, the Administrative Law Judge issued an Initial Determination terminating MTK and its subsidiary MediaTek USA Inc. from the investigation on July 19, 2021.

- D. Liberty Patents, LLC (“Liberty”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on October 16, 2020, alleging infringement of U.S. Patent No. 6,535,959. The court dismissed the claims against MTK and subsidiary MediaTek USA Inc. with prejudice pursuant to the plaintiff’s voluntary dismissal on July 1, 2021.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- E. Ocean Semiconductor LLC (“Ocean”) filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on December 31, 2020, alleging infringement of U.S. Patent Nos. 6,660,651, 6,907,305, 6,725,402, 6,968,248, 7,080,330, 6,836,691, and 8,676,538. The operations of MTK and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- F. Continental Circuits LLC and Continental Circuits of Texas LLC (“Continental Circuits”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK on May 28, 2021, alleging infringement of U.S. Patent Nos. 7,501,582, 8,278,560, 8,581,105, and 9,374,912. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against MTK with prejudice on December 10, 2021.
- G. Elite Gaming Tech LLC (“EGT”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK on March 18, 2021, alleging infringement of U.S. Patent No. 6,963,947. The court dismissed the claims against MTK with prejudice pursuant to the plaintiff’s voluntary dismissal on August 24, 2021.
- H. DivX, LLC (“DivX”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK and its subsidiary MediaTek Singapore Pte. Ltd. on August 11, 2021, alleging claims arising out of breach of contract. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against MTK and subsidiary MediaTek Singapore Pte. Ltd. with prejudice on January 28, 2022.
- I. NXP USA Inc. (“NXP”) filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on August 24, 2021, alleging infringement of U.S. Patent Nos. 10,038,518, 10,560,158, and 10,742,780. The operations of MTK and its subsidiary will not be materially affected by this case.

NXP Semiconductors Inc. (“NXP”) filed 8 complaint in the People’s Republic of China for the Nanjing Intellectual Property Court against MTK on September 26, 2021, September 27, 2021, September 29, 2021 and October 9, 2021 alleging infringement of China Patent Nos. ZL201510695445.0, ZL200580026196.0, ZL02820012.8 and ZL200780002987.9. The operations of MTK will not be materially affected by this case.

NXP USA Inc. and NXP Semiconductors NV (“NXP”) filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on November 1, 2021 alleging infringement of U.S. Patent Nos. 7,593,202, 8,482,136, 9,729,214, 10,904,058 and 8,558,591. The operations of MTK and its subsidiary 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)**

NXP USA Inc. (“NXP”) filed a complaint in the United States District Court for the Central District of California against MTK and subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of the same patents listed above. The operations of MTK and its subsidiary will not be materially affected by this case.

NXP USA Inc. (“NXP”) asserted counterclaims in the United States District Court for the Central District of California against MTK and subsidiary MediaTek USA Inc. on December 15, 2021, alleging infringement of U.S. Patent Nos. 9,480,018, 10,278,224, 10,404,839 and 10,764,874. The operations of MTK and its subsidiary 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

12. Others**(1) Financial instruments****A. Categories of financial instruments**Financial assets

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ -	\$ 920
Mandatorily measured at fair value through profit or loss (Note 1)	11,619,865	4,401,178
Subtotal	11,619,865	4,402,098
Financial assets at fair value through other comprehensive income	6,517,755	3,914,002
Financial assets measured at amortized cost (Note 2)	104,017,879	118,197,075
Total	\$ 122,155,499	\$ 126,513,175

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

	December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 4,252	\$ 520
Financial liabilities at amortized cost:		
Short-term borrowings	45,327,350	16,251,740
Trade payables (including related parties)	26,010,587	22,946,414
Other payables (including related parties)	37,182,973	26,017,253
Long-term payables (including current portion and related parties)	11,114,051	4,439,062
Long-term borrowings (including related parties)	1,385,720	-
Lease liabilities	1,742,918	1,673,944
Subtotal	122,763,599	71,328,413
Total	\$ 122,767,851	\$ 71,328,933

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss as of December 31, 2021 and 2020 in the amount of NT\$9,110,270 thousand and NT\$2,989,981 thousand, respectively. Please refer to Note 6. (5) for further explanation.
2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$9,110,270 thousand and NT\$2,989,981 thousand as of December 31, 2021 and 2020, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and financing lease receivable, 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:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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).
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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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:

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 178,920	\$ -	\$ -	\$ 178,920
Funds	1,502,219	-	-	1,502,219
Linked deposits	-	-	828,456	828,456
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	6,515,667	-	2,088	6,517,755
Total	\$ 8,196,806	\$ -	\$ 830,544	\$ 9,027,350

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**As of December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 4,252	\$ -	\$ 4,252

As of December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 183,750	\$ -	\$ -	\$ 183,750
Funds	1,126,846	-	-	1,126,846
Linked deposits	-	-	100,601	100,601
Forward exchange contracts	-	920	-	920
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	3,911,851	-	2,151	3,914,002
Total	\$ 5,222,447	\$ 920	\$ 102,752	\$ 5,326,119

As of December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 520	\$ -	\$ 520

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the years ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

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	
	Link deposits	Stocks	Total
As of January 1, 2021	\$ 100,601	\$ 2,151	\$ 102,752
Amount recognized in profit or loss	1,269	-	1,269
Amount recognized in OCI	-	(63)	(63)
Acquisitions	840,000	-	840,000
Settlements	(113,414)	-	(113,414)
As of December 31, 2021	\$ 828,456	\$ 2,088	\$ 830,544

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	
	Link deposits	Stocks	Total
As of January 1, 2020	\$ -	\$ 5,147	\$ 5,147
Amount recognized in profit or loss	828	-	828
Amount recognized in OCI	-	(2,996)	(2,996)
Acquisitions	270,000	-	270,000
Settlements	(170,227)	-	(170,227)
As of December 31, 2020	\$ 100,601	\$ 2,151	\$ 102,752

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Total gains related to assets recognized for the years ended December 31, 2021 and 2020 amounted to NT\$1,056 thousand and NT\$601 thousand, respectively.

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, 2021:

None

As of December 31, 2020:

None

D. Derivative financial instruments

The Company's derivative financial instruments held for trading was forward exchange contracts. The related information is as follows:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The Company entered into forward exchange contracts to manage its exposure to financial risk, but these contracts were not designated as hedging instruments. The table below lists the information related to outstanding forward exchange contracts:

Forward exchange contracts	Currency	Contract amount (‘000)	Maturity
As of December 31, 2021	TWD to USD	Buy USD 10,000	February 2022
As of December 31, 2021	TWD to USD	Buy USD 20,000	March 2022
As of December 31, 2020	TWD to USD	Buy USD 10,000	January 2021
As of December 31, 2020	JPY to USD	Buy USD 12,009	January 2021

The Company entered into forward foreign exchange contracts to hedge foreign currency risk of net assets or net liabilities. As there will be corresponding cash inflows or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

(2) Financial risk management objectives and policies

The Company’s principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company’s policy and risk tendency.

The Company has established appropriate policies, procedures and internal controls for financial risk management. The plans for material treasury activities are reviewed by Board of Directors and Audit Committee in accordance with relevant regulations and internal controls. The Company complies with its financial risk management policies at all times.

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise foreign currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

a. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenues or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts is to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

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, 2021 and 2020 decreases / increases by NT\$32,642 thousand and increases / decreases by NT\$3,754 thousand, respectively.

b. Interest rate risk

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, there is no significant impact of the related rate increase/ decrease on the Company.

c. Other price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's equity securities are classified under the category of equity instrument investments measured at fair value through profit or loss and equity instrument investments measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves certain equity investments according to level of authority.

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, 2021 and 2020 to increase/decrease by NT\$1,789 thousand and NT\$1,838 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, 2021 and 2020 to increase/decrease by NT\$65,156 thousand and NT\$39,119 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.

NOTES TO 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 policy, 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, 2021 and 2020, receivables from top ten customers represented 44.94%, and 22.83% of the total trade receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

The Company's exposure to credit risk arises from potential default of the counter-party or other third-party. The level of exposure depends on several factors including concentrations of credit risk, components of credit risk, the price of contract and other receivables of financial instruments. Since the counter-party or third-party to the foregoing forward exchange contracts and cross currency swap contracts are all reputable financial institutions, management believes that the Company's exposure to default by those parties is minimal.

Credit risk of credit-linked deposits 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 receivable which is 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.

NOTES TO 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, 2021	December 31, 2020
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 1,524,905	\$ 1,118,475
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 30 days			
Credit-impaired	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days			
	Other impaired evidence			
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 34,761,631	\$ 18,643,315

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes trade receivables and financing lease receivable.

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 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2021</u>				
Short-term borrowings	\$ 45,332,426	\$ -	\$ -	\$ 45,332,426
Trade payables (including related parties)	26,010,587	-	-	26,010,587
Other payables (including related parties)	37,179,652	-	-	37,179,652
Lease liabilities	178,251	353,807	1,675,881	2,207,939
Long-term borrowings	558,060	827,660	-	1,385,720
Long-term payables (including related parties)	2,077,133	9,399,105	-	11,476,238
Total	<u>\$ 111,336,109</u>	<u>\$ 10,580,572</u>	<u>\$ 1,675,881</u>	<u>\$ 123,592,562</u>

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2020</u>				
Short-term borrowings	\$ 16,258,844	\$ -	\$ -	\$ 16,258,844
Trade payables (including related parties)	22,946,414	-	-	22,946,414
Other payables (including related parties)	26,012,888	-	-	26,012,888
Lease liabilities	124,889	309,759	1,726,427	2,161,075
Long-term payables	2,103,031	2,336,031	-	4,439,062
Total	<u>\$ 67,446,066</u>	<u>\$ 2,645,790</u>	<u>\$ 1,726,427</u>	<u>\$ 71,818,283</u>

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
<u>As of December 31, 2021</u>			
Net settlement			
Forward exchange contracts	<u>\$ (4,252)</u>	<u>\$ -</u>	<u>\$ (4,252)</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	Total
<u>As of December 31, 2020</u>			
Gross settlement			
Forward exchange contracts			
Inflow	\$ 342,405	\$ -	\$ 342,405
Outflow	(343,700)	-	(343,700)
Net	<u>\$ (1,295)</u>	<u>\$ -</u>	<u>\$ (1,295)</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, 2021:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2021	\$ 16,251,740	\$ -	\$ 1,673,944	\$ 313,681	\$ 18,239,365
Cash flows	29,075,610	1,385,720	(181,976)	(207,382)	30,071,972
Non-cash movement	-	-	250,950	-	250,950
As of December 31, 2021	<u>\$ 45,327,350</u>	<u>\$ 1,385,720</u>	<u>\$ 1,742,918</u>	<u>\$ 106,299</u>	<u>\$ 48,562,287</u>

Reconciliation of liabilities for the year ended December 31, 2020:

	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2020	\$ 51,601,684	\$ 1,658,319	\$ 425,644	\$ 53,685,647
Cash flows	(35,349,944)	(97,745)	(111,963)	(35,559,652)
Non-cash movement	-	113,370	-	113,370
As of December 31, 2020	<u>\$ 16,251,740</u>	<u>\$ 1,673,944</u>	<u>\$ 313,681</u>	<u>\$ 18,239,365</u>

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(3) Significant assets and liabilities denominated in foreign currencies**

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

		December 31, 2021		
		Foreign Currency		
		(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>				
Monetary item:				
USD	\$	3,049,764	27.674	\$ 84,399,362
<u>Financial liabilities</u>				
Monetary item:				
USD	\$	2,050,232	27.674	\$ 56,738,121
		December 31, 2020		
		Foreign Currency		
		(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>				
Monetary item:				
USD	\$	1,954,689	28.508	\$ 55,724,271
<u>Financial liabilities</u>				
Monetary item:				
USD	\$	2,108,334	28.508	\$ 60,104,382

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 were NT\$412,620 thousand and NT\$63,940 thousand for the years ended December 31, 2021 and 2020, 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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, 2021: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2021: Please refer to Attachment 2.
- C. Securities held as of December 31, 2021: 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, 2021: 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, 2021: 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, 2021: 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, 2021: 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, 2021: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control (excluding investees in Mainland China). Please refer to Attachment 8.

(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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2021

Attachment 1

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	Hsu Chia (Samoa) Investment Ltd. (Note 1)	MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	\$ 1,768,840 CNY 400,000,000	\$ 1,742,668 CNY 400,000,000	\$ 1,742,668 CNY 400,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,176,782 CNY 1,197,350,742	\$ 5,176,782 CNY 1,197,350,742
		MediaTek China Limited	Other receivables from related party	Yes	\$ 654,071 CNY 150,000,000	\$ 653,501 CNY 150,000,000	\$ -	0.45% ~ 3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,176,782 CNY 1,197,350,742	\$ 5,176,782 CNY 1,197,350,742
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	MediaTek (Shenzhen) Inc.	Other receivables from related party	Yes	\$ 3,092,441 CNY 699,315,000	\$ 3,046,685 CNY 699,315,000	\$ 3,046,685 CNY 699,315,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,121,946 CNY 1,184,667,553	\$ 5,121,946 CNY 1,184,667,553
3	Hsu Fa (Samoa) Investment Ltd. (Note 1)	MediaTek (Hefei) Inc.	Other receivables from related party	Yes	\$ 353,768 CNY 80,000,000	\$ 348,534 CNY 80,000,000	\$ 348,534 CNY 80,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,152,629 CNY 1,191,764,369	\$ 5,152,629 CNY 1,191,764,369
		MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	\$ 309,547 CNY 70,000,000	\$ 304,967 CNY 70,000,000	\$ 304,967 CNY 70,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,152,629 CNY 1,191,764,369	\$ 5,152,629 CNY 1,191,764,369
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	\$ 1,149,746 CNY 260,000,000	\$ 1,132,734 CNY 260,000,000	\$ 1,132,734 CNY 260,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,152,629 CNY 1,191,764,369	\$ 5,152,629 CNY 1,191,764,369
4	MediaTek China Limited (Note 2)	MediaTek Inc.	Other receivables from related party	Yes	\$ 21,735,480 USD 780,000,000	\$ -	\$ -	0.84%	Short-term financing	-	Operating Capital	-	NA	-	\$ 42,605,073 USD 1,528,926,740	\$ 42,605,073 USD 1,528,926,740
5	Hsu Zhan (HK) Investment Ltd. (Note 1)	MediaTek Inc.	Other receivables from related party	Yes	\$ 21,645,000 USD 780,000,000	\$ 21,585,720 USD 780,000,000	\$ 8,618,791 USD 311,440,000	0.84%	Short-term financing	-	Operating Capital	-	NA	-	\$ 55,732,000 USD 2,000,000,000	\$ 55,732,000 USD 2,000,000,000
		MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 73,587 JPY 300,000,000	\$ 72,138 JPY 300,000,000	\$ 48,092 JPY 200,000,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 55,732,000 USD 2,000,000,000	\$ 55,732,000 USD 2,000,000,000

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd. and Hsu Zhan (HK) Investment Ltd. required:

- A. The total amount for lending shall not exceed 20% of the lender's net worth,
- B. The maximum amount lendable to a single company is 10% of the lender's net worth or 30% of the borrower's net worth, whichever is lower, and
- C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks shall be excluded from the above limitations. However, total financing amount limits and financing limits for each borrowing company shall not exceed the lender's net worth.

Note 2: The operating procedures of financing provided to others of MediaTek China Limited required:

- A. The total amount for lending and the amount for lending to MediaTek Inc. shall not exceed 200% of the lender's net worth.

Note 3: Maximum accumulated balance of financing amount as of the declaration month for the period.

MEDIATEK INC.
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2021

Attachment 2

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

No.	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relationship (Note 2)										
0	MediaTek Inc.	MediaTek USA Inc.	A	\$ 79,523,861 (Note 1)	\$ 9,782 USD 342,857	\$ 9,488 USD 342,857	\$ 9,488 USD 342,857	\$ -	0.00%	\$198,809,652 (Note 1)	Y	-	-
		Gaintech Co. Limited	A	\$ 79,523,861 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	\$ -	6.04%		Y	-	-
		MediaTek China Limited	A	\$ 79,523,861 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ 1,786,357	\$ -	2.26%		Y	-	-
		Richtek Technology Corp.	A	\$ 79,523,861 (Note 1)	\$ 2,425,135 USD 85,000,000	\$ -	\$ -	\$ -	0.00%		Y	-	-

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.

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2021

Attachment 3

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)												
Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2021								
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note				
MediaTek Inc.	Funds	KGI Fengli Fund	Financial assets mandatorily measured at fair value through profit or loss- current	27,806,950	\$	456,192	-	\$	456,192	-		
		KGI Fuli Strategic Fund	Financial assets mandatorily measured at fair value through profit or loss- current	69,339,442	\$	1,046,027	-	\$	1,046,027	-		
		Cathay No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	81,200,000	\$	1,486,772	-	\$	1,486,772	-		
		Cathay No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	64,503,000	\$	1,264,904	-	\$	1,264,904	-		
		Fubon No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	16,744,000	\$	300,053	-	\$	300,053	-		
		Fubon No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	13,421,000	\$	211,112	-	\$	211,112	-		
	Linked Deposits	ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$	210,026	-	\$	210,026	-		
		WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$	130,177	-	\$	130,177	-		
		TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$	137,946	-	\$	137,946	-		
		Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$	200,178	-	\$	200,178	-		
		Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$	150,129	-	\$	150,129	-		
	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	\$	178,920	0%	\$	178,920	-		
		EOSTEK LIMITED (CAYMAN)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	640,000	\$	2,088	6%	\$	2,088	-		
		Chailase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,750,000	\$	279,125	0%	\$	279,125	-		
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,241,000	\$	403,397	1%	\$	403,397	-		
		Shin Kong Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,888,000	\$	552,251	0%	\$	552,251	-		
		WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	10,900,000	\$	540,095	1%	\$	540,095	-		
		FUBON Financial Holding Co., Ltd., Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,786,666	\$	107,378	0%	\$	107,378	-		
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	15,000,000	\$	946,500	0%	\$	946,500	-		
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,056,243	\$	424,080	0%	\$	424,080	-		
	Bonds	3.875% LENOVO GROUP LTD DUE 160322	Financial assets measured at amortized cost- current	-	\$	63,815	-	-	-	-		
		Taichung Commercial Bank Bond	Financial assets measured at amortized cost- current	-	\$	20,396	-	-	-	-		
		Cathay Life Insurance Co.,Ltd. Cumulative Perpetual Subordinated bond-106-1	Financial assets measured at amortized cost- noncurrent	-	\$	290,000	-	-	-	-		
		3.5% WEIBO CORP DUE 050724	Financial assets measured at amortized cost- noncurrent	-	\$	268,510	-	-	-	-		
		1.375% TENCENT MUSIC ENT GRP DUE 030925	Financial assets measured at amortized cost- noncurrent	-	\$	157,481	-	-	-	-		
		3.075% BAIDU INC DUE 070425	Financial assets measured at amortized cost- noncurrent	-	\$	44,703	-	-	-	-		
		China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	Financial assets measured at amortized cost- noncurrent	-	\$	580,000	-	-	-	-		
		YAGEO Corporation 2nd unsecured corporate bond	Financial assets measured at amortized cost- noncurrent	-	\$	100,000	-	-	-	-		
	Digimoc Holdings Limited	Capital	SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,564,360	-	USD	1,564,360	-	
			Celesta Capital I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	12,297,687	-	USD	12,297,687	-	
Celesta Capital II, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	9,564,408	-	USD	9,564,408	-		
Celesta Capital III, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	14,428,883	-	USD	14,428,883	-		
Walden Catalyst Ventures, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	2,583,557	-	USD	2,583,557	-		
KIBOU FUND L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,975,935	-	USD	1,975,935	-		
Amiti Fund II L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	14,429,508	-	USD	14,429,508	-		
Cypress Frontline Venture Fund LP			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,680,000	-	USD	1,680,000	-		
Stocks		Walden Technology Ventures IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,105,000	-	USD	1,105,000	-		
		Marvell Technology, Inc.	Financial assets mandatorily measured at fair value through profit or loss- current	89,079	USD	7,793,522	0%	USD	7,793,522	-		
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	550,095	USD	80,830,959	3%	USD	80,830,959	-		
		Eta Compute Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,069,976	USD	920,179	3%	USD	920,179	-		
		DSP Concepts, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,132,118	USD	2,003,849	3%	USD	2,003,849	-		
		CIO Tech Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	6,000,000	USD	294,000	12%	USD	294,000	-		
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,205,734	USD	15,000,000	6%	USD	15,000,000	-		
		MCUBE, INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,114,984	USD	8,566,206	5%	USD	8,566,206	-		
		GENERAL MOBILE CORPORATION	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,000,000	USD	350,000	18%	USD	350,000	-		
		Hsiang Fa Co.	Stocks	ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	1,857,008	\$	29,712	5%	\$	29,712	-
				ANDES TECHNOLOGY CORPORATION	Equity instrument investments measured at fair value through other comprehensive income- current	5,657,324	\$	3,032,326	11%	\$	3,032,326	-
CHUNGHWA PRECISION TEST TECH. CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- current			351,000	\$	249,561	1%	\$	249,561	-		
MEDIATEK INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent			7,794,085	\$	9,274,961	0%	\$	9,274,961	1		
ESTINET TECHNOLOGIES INCORPORATION	Equity instrument investments measured at fair value through other comprehensive income- noncurrent			500,000	\$	1,236	2%	\$	1,236	-		

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2021

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2021						
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note		
Hsiang Fa Co.	Stocks	Mars Semiconductor Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,103,982	\$	183,678	8%	\$	183,678	-
		Taiwania Capital Buffalo Fund Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	231,500,000	\$	258,728	5%	\$	258,728	-
		FaceHeart Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	60,000,000	\$	17,294	15%	\$	17,294	-
		International Trust Machines Corporation.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,500,000	\$	6,284	2%	\$	6,284	-
		Maxeda Technology Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	600,000	\$	30,000	15%	\$	30,000	-
	Capital	Mesh Cooperative Ventures Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$	24,000	-	\$	24,000	-
	Bonds	ENNOCONN CORPORATION 1st privately placed domestic unsecured convertible bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$	1,013,053	-	\$	1,013,053	-
Hsu-Ta Investment Corp.	Stocks	ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	327,707	\$	5,243	1%	\$	5,243	-
		ANDES TECHNOLOGY CORPORATION	Equity instrument investments measured at fair value through other comprehensive income- current	63,275	\$	33,915	0%	\$	33,915	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,333,000	\$	210,312	0%	\$	210,312	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	77,284	\$	4,645	0%	\$	4,645	-
		Chailase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	\$	203,000	0%	\$	203,000	-
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,800,000	\$	283,910	1%	\$	283,910	-
	Bonds	China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	Financial assets measured at amortized cost- noncurrent	-	\$	290,000	-	-	-	-
Core Tech Resources Inc.	Linked Deposits	Callable Credit Linked Dual Range due 2023	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	8,918,100	-	USD	8,918,100	-
	Bonds	1Y USD Callable Puttable Step Up Note	Financial assets measured at amortized cost- current	-	USD	10,000,000	-	-	-	-
Gaintech Co. Limited	Stocks	Link Wood Limited	Equity instrument investments measured at fair value through other comprehensive income- current	1,381,818	USD	1,381,818	9%	USD	1,381,818	-
		WI HARPER INC FUND VI.LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,000	USD	1,659,550	2%	USD	1,659,550	-
		INNOVATION WORKS LIMITED	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	USD	136,000	4%	USD	136,000	-
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	61,249	USD	8,999,928	0%	USD	8,999,928	-
		Easy-Logic Technology Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	842,734	USD	937,129	4%	USD	937,129	-
		Innoviz Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	668,428	USD	4,237,834	1%	USD	4,237,834	-
		Expedera, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,383,695	USD	2,640,657	11%	USD	2,640,657	-
		ITH Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	53,889,085	USD	21,000,000	16%	USD	21,000,000	-
		JAFCO V3-(B) FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	36,932	-	USD	36,932	-
		China Walden Venture Investments II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	13,713,592	-	USD	13,713,592	-
	Capital	ALL-STAR INVESTMENT FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	2,082,771	-	USD	2,082,771	-
		NOZOMI FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	287	-	USD	287	-
		INNOVATION WORKS DEVELOPMENT FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	20,654,672	-	USD	20,654,672	-
		Shanghai Walden Venture Capital Enterprise	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	71,797,111	-	USD	71,797,111	-
		CHINA BROADBAND CAPITAL PARTNERS II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	12,594,180	-	USD	12,594,180	-
		CHINA BROADBAND CAPITAL PARTNERS III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	15,133,960	-	USD	15,133,960	-
		SOFTBANK PRINCETON INVESTMENTS L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	4,886,293	-	USD	4,886,293	-
		PVG GCN VENTURES, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,540,262	-	USD	3,540,262	-
		Shanghai Summitview IC, M AND A Investment Limited partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	240,639,678	-	USD	240,639,678	-
		Beijing Integrated Circuit Industry International Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	8,490,800	-	USD	8,490,800	-
		China Prosperity Capital Mobile Internet Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	6,831,100	-	USD	6,831,100	-
		All-Stars Private Investment Cayman Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	41,000,000	-	USD	41,000,000	-
		HOPU USD Master Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	35,429,929	-	USD	35,429,929	-
		China Walden Venture Investments III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	48,156,960	-	USD	48,156,960	-
		Phi Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	6,863,731	-	USD	6,863,731	-
		Bain Capital Tech Opportunities Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,772,454	-	USD	3,772,454	-
		Suzhou Fohu Technology Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	2,410,450	-	USD	2,410,450	-
		IIH STRATEGIC M&A FUND, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,485,396	-	USD	1,485,396	-
		Vickers Venture Co-Investment LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	2,238,463	-	USD	2,238,463	-
	Bonds	AMobile Intelligent Corp. Limited convertible bonds	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD	700,000	-	USD	700,000	-
		Agricultural Development Bank of China bond	Financial assets measured at amortized cost- noncurrent	-	USD	8,997,300	-	-	-	-
		China Merchants Bank Floating USD Bond	Financial assets measured at amortized cost- noncurrent	-	USD	9,000,000	-	-	-	-
		Chailase 2020 offshore USD Bond	Financial assets measured at amortized cost- noncurrent	-	USD	30,000,000	-	-	-	-
		Project Tower Note with Lion Best	Financial assets measured at amortized cost- noncurrent	-	USD	10,000,000	-	-	-	-

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2021

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2021				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Gaintech Co. Limited	Funds	Cypress Selected Secured Lending Fund Segregated Portfolio	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 3,084,000	-	USD 3,084,000	-
MediaTek (Beijing) Inc.	Funds	Industrial and Commercial Bank of China-jih yi yueh hsin III plan B	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		Industrial and Commercial Bank of China-jih yi yueh hsin (F) Fund	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		ICBC "Sui Xin E" RMB financial products	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		ICBC "ICBC Tong Li" series of Sui Xin E RMB financial products	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Xi Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 6,000,000	-	CNY 6,000,000	-
		ICBC Finance "Hengxin" Fixed Income Products with Closed-end Net-value	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 10,000,000	-	CNY 10,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Zun Rong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC 90 days Sustained Profitable Fixed-income Products "Xin Tian Yi"	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,593,120	-	CNY 50,593,120	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Qiang Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC "Xin Wen li" one-month open financial products	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 20,150,642	-	CNY 20,150,642	-
	Capital	Hebei Changjiang Nio new energy industry investment fund partnership firm (limited partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 240,259,763	-	CNY 240,259,763	-
		Shanghai Internet Of Things VC Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 36,240,066	-	CNY 36,240,066	-
	Stocks	AI Speech Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	644,251	CNY 56,194,165	1%	CNY 56,194,165	-
Xuxin Investment (Shanghai) Inc.	Stocks	Adups Technology Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	1,539,011	CNY 2,876,935	8%	CNY 2,876,935	-
		Shenzhen ORVIBO Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,419,593	CNY 51,105,348	2%	CNY 51,105,348	-
	Funds	Orbtec Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,174,040	CNY 74,702,771	1%	CNY 74,702,771	-
		ICBC Xintianyi 7-day holding profit fixed income open corporate financial products	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 20,000,000	-	CNY 20,000,000	-
		Shanghai Yiqi Information Technology Co. Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 4,824,217	-	CNY 4,824,217	-
	Capital	Ningbo ABAX Sensing	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 19,152,717	-	CNY 19,152,717	-
		Hainan zhikelai enteconsulting partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 976,873	-	CNY 976,873	-
MediaTek USA Inc.	Capital	HEVC Advance LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,929,660	-	USD 3,929,660	-
	Trust Funds	Trust fund	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 41,616,324	-	USD 41,616,324	-
MediaTek (Wuhan) Inc.	Funds	FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Xi Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 10,000,000	-	CNY 10,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 48,580,000	-	CNY 48,580,000	-
Cloud Ranger Limited	Stocks	Appier Holding, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	517,930	USD 5,948,582	1%	USD 5,948,582	-
		ScaleFlux International	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,096,587	USD 15,642,824	4%	USD 15,642,824	-
		Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	846,010	USD 6,484,617	1%	USD 6,484,617	-
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,809,900	USD 6,964,459	2%	USD 6,964,459	-
		Transsnet Technology Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,970,316	USD 11,900,709	7%	USD 11,900,709	-
		BACR 3.95 05/30/25	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,586,500	-	CNY 50,586,500	-
Hsu Chia (Samoa) Investment Ltd.	Bonds	BOC 3.30 04/17/22	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		BCHINA 3.15 09/21/22	Financial assets measured at amortized cost- current	-	CNY 30,000,000	-	-	-
		ADBCH 3.18 11/06/22	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		FUBBAN 4.08 01/09/25	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ACAFTP 3.4 01/30/26	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.6 08/11/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,010,000	-	-	-
		QNBK 3.2 03/12/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		3yNC1y CNY Dual Range Accrual Notes link TWD>29 LIBOR < 5%	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 49,365,000	-	CNY 49,365,000	-
Hsu Fa (Samoa) Investment Ltd.	Linked Deposits	3yNC1y CNY Dual Range Accrual Notes link TWD>29 LIBOR < 5.25%	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 39,492,000	-	CNY 39,492,000	-
		3yNC1y CNY Denominated Range Accrual Notes linked TWD>=29.4	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 28,588,200	-	CNY 28,588,200	-
		3yNC1y CNY Dual Range Accrual Notes link TWD> 29.5 Swap Rate <= 3.40%	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 48,605,000	-	CNY 48,605,000	-
		BACR 3.95 05/30/25	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,586,500	-	CNY 50,586,500	-
	Bonds	BOC 3.30 04/17/22	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		BOCI Note	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		BCHINA 3.15 09/21/22	Financial assets measured at amortized cost- current	-	CNY 60,000,000	-	-	-
				-		-		

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2021

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2021				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Hsu Fa (Samoa) Investment Ltd.	Bonds	FUBBAN 4.08 01/09/25	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.6 08/11/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		SG 3.2 2027/9/4	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,010,000	-	-	-
		QNBK 3.2 03/12/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
Hsu Kang (Samoa) Investment Ltd.	Bonds	ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 3.18 11/06/22	Financial assets measured at amortized cost- current	-	CNY 47,000,000	-	-	-
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		FUBBAN 4.08 01/09/25	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ACAFP 3.4 01/30/26	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- noncurrent	-	CNY 38,007,600	-	-	-
		QNBK 3.2 03/12/23	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
MediaTek (Shenzhen) Inc.	Capital	Shanghai Shansheng Chuangxin investment Partnership (Limited Partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 445,978,156	-	CNY 445,978,156	-
		Shanghai SummitView IC M AND A Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 70,115,392	-	CNY 70,115,392	-
		Nanjing AutoAI Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 34,601,637	-	CNY 34,601,637	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 73,000,000	-	CNY 73,000,000	-
	Funds	Industrial and Commercial Bank of China- jih yi yueh hsin III plan B	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 43,500,000	-	CNY 43,500,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 22,600,000	-	CNY 22,600,000	-
		ICBC "HAPPY LIFE" Assets Rotation	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC "Happy Life III" (Section F)	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 35,000,000	-	CNY 35,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Ye Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 33,300,000	-	CNY 33,300,000	-
		China Merchants Bank Zhaorui Ji Tianli (Balance) No.3	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying An Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		China Merchants Bank Zhaorui Yue Tianli (Balance) No. 1	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		China Merchants Bank Zhaorui Jinding 12	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC "HAPPY LIFE" 30 days profit	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
Richtek Technology Corp.	Stocks	DYNA RECHI CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	16,000,000	\$ 100,800	9%	\$ 100,800	-
		Asia Global Venture Capital II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	531,300	\$ 24,898	10%	\$ 24,898	-
Gold Rich International (HK) Limited	Stocks	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	6,876,619	USD 110,682,377	2%	USD 110,682,377	-
		Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	21,268,150	USD 342,320,753	5%	USD 342,320,753	-
MediaTek (Shanghai) Inc.	Capital	Shanghai Shansheng Chuangxin investment Partnership (Limited Partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 219,660,883	-	CNY 219,660,883	-
		Zhu Hai City Yuan Tan Information Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 200,000	-	CNY 200,000	-
		Shanghai Summit View Pujiang Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 30,000,000	-	CNY 30,000,000	-
		ICBCCS collective asset management plan "RUZUN"	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 20,000,000	-	CNY 20,000,000	-
	Funds	ICBC Guaranteed Income Financial Product "Sui Xin E"	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC "HAPPY LIFE" 30 days profit	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
MediaTek India Technology Pvt. Ltd.	Stocks	Spice Mobility Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	13,317,758	INR 683,200,985	6%	INR 683,200,985	-
MediaTek China Limited	Linked Deposits	Callable Range Accrual Note	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 8,926,200	-	USD 8,926,200	-
	Bonds	Morgan Stanley Secured Notes	Financial assets measured at amortized cost- current	-	USD 20,000,000	-	-	-
		Agricultural Development Bank of China bond	Financial assets measured at amortized cost- noncurrent	-	USD 8,997,300	-	-	-
		China Merchants Bank Floating USD Bond	Financial assets measured at amortized cost- noncurrent	-	USD 9,000,000	-	-	-
		Project Tower Note with Lion Best Tranche B	Financial assets measured at amortized cost- noncurrent	-	USD 3,000,000	-	-	-
	Funds	Cypress Selected Secured Lending Fund Segregated Portfolio	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 3,008,781	-	USD 3,008,781	-

(To be continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2021

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2021				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
MStar Software R&D (Shenzhen), Ltd.	Funds	FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Mao Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Qiang Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 7,860,000	-	CNY 7,860,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Kang Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
MediaTek (Hefei) Inc.	Funds	FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Zhan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 26,000,000	-	CNY 26,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 24,000,000	-	CNY 24,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Hong Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		FubonBank (China) Co., Ltd. Yue Xiang Ying Fu Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 43,000,000	-	CNY 43,000,000	-
MOUNTAIN CAPITAL FUND L.P.	Stocks	One 97 Communications Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,095,112	USD 40,895,209	0%	USD 40,895,209	-
	Capital	Mountain SP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,937,208	-	USD 4,937,208	-
Hefei Xuhui Management Consulting Co., Ltd.	Capital	Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 590,000,000	-	CNY 590,000,000	-
LePower (HK) Limited	Capital	Maxone Semiconductor (Suzhou) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,895,601	-	USD 3,895,601	-
		Clounix Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 7,376,222	-	USD 7,376,222	-
		AaltoSemi Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,509,256	-	USD 3,509,256	-
		Recogtek Limited	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 2,000,000	-	USD 2,000,000	-
MTRC Global Holdings Co. Limited	Stocks	NeuroBlade Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	243,737	USD 14,652,713	6%	USD 14,652,713	-
		Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,000,000	USD 7,700,000	1%	USD 7,700,000	-
		Oneview.space Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	340,368	USD 34,478	7%	USD 34,478	-
		Vastai Holding Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,800,000	USD 11,638,080	1%	USD 11,638,080	-
		Transssnet FinTech Group	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,425,662	USD 7,000,000	2%	USD 7,000,000	-
		PROTEANTECS LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	251,981	USD 5,000,000	1%	USD 5,000,000	-
		VisiC Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	100,907	USD 1,441,557	1%	USD 1,441,557	-
		SandTek Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	706,023	USD 7,865,096	8%	USD 7,865,096	-
		Mauna Kea Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,483,659	USD 3,293,011	9%	USD 3,293,011	-
	Bonds	Carsome Convertible Note	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,000,000	-	USD 10,000,000	-
	Capital	Intudo Ventures II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,279,352	-	USD 2,279,352	-
		Amiti Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,197,191	-	USD 2,197,191	-
		Vertex Ventures (SG)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,986,391	-	USD 1,986,391	-
		Palm Drive Capital III L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,283,766	-	USD 1,283,766	-
		Hua Capital Integrated Circuit Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,663,786	-	USD 4,663,786	-
		Prime Movers Growth Fund I L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,297,834	-	USD 3,297,834	-
		Viola Ventures VI, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 459,684	-	USD 459,684	-
		Intudo ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 300,000	-	USD 300,000	-
		BCV Crypto Fund I-A, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 200,330	-	USD 200,330	-
	Linked Deposits	USD 3y Notes Linked to a fund Due 05-May-2022	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 9,363,600	-	USD 9,363,600	-
		CGMHI 1Y BANK of China Credit Linked Unsecured Note	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 10,022,000	-	USD 10,022,000	-
		5 Year USD Denominated Credit Linked Notes linked to Bank of Communications	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 10,017,000	-	USD 10,017,000	-
		Barclays Bank PLC 3.25% ECLEAR DUE 31-OCT-2022 USD REGS	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 8,926,200	-	USD 8,926,200	-
		5 Year USD Denominated JMAB192E Linked Note	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 9,976,500	-	USD 9,976,500	-
		CTBC Credit Linked Notes	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 4,971,500	-	USD 4,971,500	-
		3 Year USD Autocallible Range Note	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 8,849,700	-	USD 8,849,700	-
		Callable Credit Linked Dual Range due 2023	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 8,918,100	-	USD 8,918,100	-
Hsu Zhan (HK) Investment Ltd.	Bonds	Morgan Stanley Secured Notes	Financial assets measured at amortized cost- current	-	USD 30,000,000	-	-	-
		BCHINA 2.5 12/5/2024 (BCHINA 2024)	Financial assets measured at amortized cost- noncurrent	-	USD 5,247,850	-	-	-
		2.75% VIGOROUS CHAMP INTL LTD DUE 020625	Financial assets measured at amortized cost- noncurrent	-	USD 7,196,684	-	-	-
		China International Capital Corporation Due 20240126	Financial assets measured at amortized cost- noncurrent	-	USD 10,034,700	-	-	-

Note 1: Ultimate parent entity.

MEDIATEK INC.
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, 2021

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	Carrying Amount	Gains (Losses) on Disposal	Units/Shares	Amount (Note 1)			
Airoha Technology Corp.	ASIX Electronics Corp.	Investments accounted for using the equity method	-	Associates	-	TWD	-	12,396,396	TWD	495,875	-	TWD	-	TWD	-	TWD	-	12,396,396	TWD	535,236
Airoha Technology Corp.	Airoha (Cayman) Inc.	Investments accounted for using the equity method	Note 2	Subsidiary	-	TWD	-	9,581,167	TWD	482,580	-	TWD	-	TWD	-	TWD	-	9,581,167	TWD	486,581
Sigmastar Technology Inc.	Sigmastar Technology Ltd.	Investments accounted for using the equity method	Note 3	Associates	-	USD	51,312,223	-	USD	-	-	USD	115,500,096	USD	57,459,921	USD	296,901,656	-	USD	276,776,295
Airoha Technology (Cayman) Inc.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 4	Subsidiary	-	USD	-	61,092,908	USD	164,278,608	-	USD	-	USD	-	USD	-	61,092,908	USD	219,849,492
Hsu-Si Investment Corp.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 4	Subsidiary	61,092,908	TWD	4,683,255	-	TWD	-	61,092,908	TWD	4,683,255	TWD	4,683,255	TWD	-	-	TWD	-
Hsu-Si Investment Corp.	Airoha Technology (Cayman) Inc.	Investments accounted for using the equity method	Note 4 and Note 5	Subsidiary	-	TWD	-	61,092,908	TWD	4,683,255	61,092,908	TWD	8,422,740	TWD	8,422,740	TWD	-	-	TWD	-
MediaTek Inc.	Hsu-Si Investment Corp.	Investments accounted for using the equity method	Note 6	Subsidiary	624,304,756	TWD	8,793,354	-	TWD	-	153,329,800	TWD	-	TWD	1,533,298	TWD	-	-	TWD	-
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 7 and Note 8	Subsidiary	2,251,157,978	TWD	184,460,781	681,696,904	TWD	18,951,399	-	TWD	-	TWD	-	TWD	-	2,932,854,882	TWD	224,583,578
MediaTek Inc.	HFH Innovation Inc.	Investments accounted for using the equity method	Note 9	Subsidiary	118,062,084	TWD	504,571	56,629,737	TWD	566,297	-	TWD	-	TWD	-	TWD	-	174,691,821	TWD	729,424
MediaTek Inc.	Fubon Financial Holding Co., Ltd. Preferred Shares B	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	TWD	-	15,000,000	TWD	949,351	-	TWD	-	TWD	-	TWD	-	15,000,000	TWD	946,500
MediaTek Inc.	Hsu-Ta Investment Corp.	Investments accounted for using the equity method	Note 10	Subsidiary	737,515,603	TWD	11,597,759	-	TWD	-	447,135,500	TWD	4,471,355	TWD	4,471,355	TWD	-	399,380,103	TWD	7,541,670
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 10	Subsidiary	111,993,960	TWD	11,244,859	214,913,919	TWD	4,471,355	-	TWD	-	TWD	-	TWD	-	326,907,879	TWD	43,982,689
MediaTek Inc.	Airoha Technology (Cayman) Inc.	Investments accounted for using the equity method	Note 5	Subsidiary	-	TWD	-	61,092,908	TWD	8,422,740	-	TWD	-	TWD	-	TWD	-	61,092,908	TWD	8,422,740
MediaTek Inc.	Fubon Financial Holding Co., Ltd. Preferred Shares C	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	TWD	-	7,056,243	TWD	423,375	-	TWD	-	TWD	-	TWD	-	7,056,243	TWD	424,080
Gaintech Co. Limited	Berkeley Lights	Financial assets at fair value through profit or loss- current	-	-	-	USD	-	-	USD	21,305,182	-	USD	13,515,373	USD	21,305,182	USD	(7,789,809)	-	USD	-
Gaintech Co. Limited	LePower (HK) Limited	Investments accounted for using the equity method	Note 7 and Note 11	Subsidiary	3,050,000	USD	4,860	82,000,000	USD	82,000,000	85,050,000	USD	81,998,125	USD	81,998,125	USD	-	-	USD	-
Gaintech Co. Limited	Vanchip (Tianjin) Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	107,547,461	USD	38,127,754	-	USD	-	6,300,000	USD	32,840,108	USD	662,016	USD	32,436,248	101,247,461	USD	64,274,247
Gaintech Co. Limited	Beijing Xiaomi Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	3,400,000	USD	14,558,586	-	USD	-	3,400,000	USD	11,350,907	USD	7,364,765	USD	3,986,142	-	USD	-
Gaintech Co. Limited	Cloud Ranger Limited	Investments accounted for using the equity method	Note 12 and Note 13	Subsidiary	-	USD	-	23,139,000	USD	57,661,767	23,139,000	USD	57,661,767	USD	61,242,769	USD	(3,581,002)	-	USD	-
Gaintech Co. Limited	Digimoc Holdings Limited	Investments accounted for using the equity method	Note 8, Note 12 and Note 14-16	Subsidiary	-	USD	-	915,638,880	USD	917,331,979	-	USD	-	USD	-	USD	-	915,638,880	USD	924,884,325

(To be continued)

MEDIATEK INC.
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, 2021

(Continued)

(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	Carrying Amount	Gains (Losses) on Disposal	Units/Shares	Amount (Note 1)						
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 11 and Note 15	Subsidiary	-	USD	-	12	USD	324,337,645	-	USD	-	USD	-	-	12	USD	338,592,355	
Gaintech Co. Limited	Celesta Capital III, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	-	-	USD	12,016,056	-	USD	-	-	USD	13,660,431	USD	13,660,431	USD	-	-	USD	-
Gaintech Co. Limited	Shanghai Summitview IC M AND A Investment Limited partnership	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 6	-	-	USD	90,347,872	-	USD	-	-	USD	-	USD	11,226,859	USD	-	-	USD	240,639,678
Gaintech Co. Limited	ITH Corporation	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	USD	-	53,889,085	USD	21,000,000	-	USD	-	USD	-	USD	-	53,889,085	USD	21,000,000
Gaintech Co. Limited	AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	-	652,176	USD	22,382,680	-	USD	-	590,927	USD	86,830,911	USD	81,770,091	USD	5,060,820	61,249	USD	8,999,928
Gaintech Co. Limited	Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	-	8,205,734	USD	15,000,000	-	USD	-	8,205,734	USD	15,000,000	USD	15,000,000	USD	-	-	USD	-
Gaintech Co. Limited	Amiti Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	-	-	USD	10,667,930	-	USD	-	-	USD	14,429,508	USD	14,429,508	USD	-	-	USD	-
Gaintech Co. Limited	Citigroup Global Market Inc.	Financial assets measured at amortized cost-noncurrent	-	-	-	USD	20,000,000	-	USD	-	-	USD	20,000,000	USD	20,000,000	USD	-	-	USD	-
Gaintech Co. Limited	Gold Rich International (Samoa) Limited	Investments accounted for using the equity method	Note 16	Subsidiary	4,290,000	USD	797,561,670	-	USD	-	4,290,000	USD	448,441,153	USD	448,441,153	USD	-	-	USD	-
Gaintech Co. Limited	Hsu Kang (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	1,000,000,000	USD	178,306,742	-	USD	-	1,000,000,000	USD	183,806,174	USD	183,806,174	USD	-	-	USD	-
Gaintech Co. Limited	Hsu Chia (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	1,000,000,000	USD	179,581,122	-	USD	-	1,000,000,000	USD	185,774,024	USD	185,774,024	USD	-	-	USD	-
Gaintech Co. Limited	Hsu Fa (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	1,000,000,000	USD	178,851,935	-	USD	-	1,000,000,000	USD	184,907,275	USD	184,907,275	USD	-	-	USD	-
Gaintech Co. Limited	Hsu Zhan (HK) Investment Ltd.	Investments accounted for using the equity method	Note 18	Subsidiary	-	USD	-	2,053,399,545	USD	2,053,399,545	-	USD	-	USD	-	USD	-	2,053,399,545	USD	2,054,655,262
Gaintech Co. Limited	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 17 and Note 19	Subsidiary	-	USD	-	554,587,474	USD	554,587,475	-	USD	-	USD	-	USD	-	554,587,474	USD	566,533,378
Gaintech Co. Limited	Morgan Stanley Secured Notes	Financial assets measured at amortized cost-current	Note 20	Subsidiary	-	USD	30,000,000	-	USD	-	-	USD	30,000,000	USD	30,000,000	USD	-	-	USD	-
Gold Rich International (HK) Limited	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-current	-	-	2,046,504	USD	46,283,923	-	USD	-	5,117,940	USD	88,214,284	USD	4,545,705	USD	83,668,579	6,876,619	USD	110,682,377
Hsu-Ta Investment Corp.	Hsiang Fa Co.	Investments accounted for using the equity method	Note 6 and Note 7	Subsidiary	163,603,653	TWD	10,618,108	55,000,000	TWD	550,000	10,000,000	TWD	-	TWD	100,000	TWD	-	208,603,653	TWD	15,941,716
Hsu-Ta Investment Corp.	WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	6,300,000	TWD	287,382	-	TWD	-	6,300,000	TWD	301,385	TWD	287,382	TWD	14,003	-	TWD	-
Hsu-Ta Investment Corp.	Core Tech Resources Inc.	Investments accounted for using the equity method	Note 10	Subsidiary	102,200,000	TWD	4,470,546	-	TWD	-	102,200,000	TWD	4,464,358	TWD	4,464,358	TWD	-	-	TWD	-

(To be continued)

MEDIATEK INC.
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, 2021

(Continued)

(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											
					Units/Shares	Amounts	Units/Shares	Amount	Units/Shares	Amount	Carrying Amount	Gains (Losses) on Disposal	Units/Shares	Amount (Note 1)						
MediaTek (Shenzhen) Inc.	Shanghai UniVista Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	CNY	-	-	CNY	73,000,000	-	CNY	-	CNY	-	CNY	-	CNY	73,000,000	
Hsiang Fa Co.	ENNOCONN CORPORATION 1st privately placed domestic unsecured convertible bond	Financial assets mandatorily measured at fair value through profit or loss-noncurrent	-	-	-	TWD	-	-	TWD	1,000,000	-	TWD	-	TWD	-	TWD	-	TWD	1,013,053	
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Investments accounted for using the equity method	Note 7, Note 8, Note 12 and Note 21	Subsidiary	383,813,853	USD	6,367,308,450	739,358,671	USD	739,358,671	-	USD	-	USD	-	USD	-	USD	1,123,172,524	
MediaTek Investment Singapore Pte. Ltd.	Clould Ranger Limited	Investments accounted for using the equity method	Note 12 and Note 13	Subsidiary	23,139,000	USD	41,288,058	-	USD	-	23,139,000	USD	57,661,767	USD	61,242,769	USD	(3,581,002)	-	USD	-
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Investments accounted for using the equity method	Note 11	Subsidiary	-	USD	-	85,050,000	USD	81,998,125	-	USD	-	USD	-	USD	-	USD	85,050,000	
Digimoc Holdings Limited	Clould Ranger Limited	Investments accounted for using the equity method	Note 13	Subsidiary	-	USD	-	23,139,000	USD	57,661,767	-	USD	-	USD	-	USD	-	USD	23,139,000	
Digimoc Holdings Limited	Celesta Capital III, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	-	-	USD	-	-	USD	13,660,431	-	USD	-	USD	-	USD	-	USD	14,428,883	
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	Investments accounted for using the equity method	Note 16	Subsidiary	-	USD	-	4,290,000	USD	448,441,153	-	USD	-	USD	-	USD	-	USD	4,290,000	
Digimoc Holdings Limited	AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	Subsidiary	-	USD	-	550,095	USD	80,830,959	-	USD	-	USD	-	USD	-	USD	550,095	
Digimoc Holdings Limited	Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	Subsidiary	-	USD	-	8,205,734	USD	15,000,000	-	USD	-	USD	-	USD	-	USD	8,205,734	
Digimoc Holdings Limited	Amiti Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	Note 14	Subsidiary	-	USD	-	-	USD	14,429,508	-	USD	-	USD	-	USD	-	USD	14,429,508	
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Investments accounted for using the equity method	Note 10	Subsidiary	-	USD	-	102,200,000	USD	160,478,723	-	USD	-	USD	-	USD	-	USD	102,200,000	
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	-	USD	-	1,000,000,000	USD	183,806,174	-	USD	-	USD	-	USD	-	USD	1,000,000,000	
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	-	USD	-	1,000,000,000	USD	185,774,024	-	USD	-	USD	-	USD	-	USD	1,000,000,000	
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 17	Subsidiary	-	USD	-	1,000,000,000	USD	184,907,275	-	USD	-	USD	-	USD	-	USD	1,000,000,000	
Hefei Xuhui Management Consulting Co., Ltd.	Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund (Limited Partnership)	Equity instrument investments measured at fair value through other comprehensive income-noncurrent	-	-	-	CNY	332,779,620	-	CNY	-	-	CNY	80,000,000	CNY	40,000,000	CNY	40,000,000	CNY	590,000,000	
Hsu Zhan (HK) Investment Ltd.	Morgan Stanley Secured Notes	Financial assets measured at amortized cost- current	Note 20	-	-	USD	-	-	USD	30,000,000	-	USD	-	USD	-	USD	-	USD	30,000,000	

Note 1: Amounts shown for investments accounted for using the equity method included investment income (loss) recognized by the equity method, adjustment for foreign exchange, and unrealized gains (losses) from investments measured at fair value through other comprehensive income.

Note 2: For the purpose of reorganization, Hsu-Si Investment spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021. Moreover, Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month.

Note 3: Sigmaster Technology Inc. has completed the transfer of 16.5% shareholding rights of its subsidiaries, Sigmaster Technology Ltd. in February 2021. As a result, the Company lost control over Sigmaster Technology Ltd., and Sigmaster Technology Ltd. has become an associate of the Company. Gains on disposal include gains on disposing subsidiaries and gains on measuring at fair value.

Note 4: For the purpose of reorganization, the 100% ownership of Airoha Technology Corp., which was previously owned by Hsu-Si Investment Corp., was transferred to EcoNet (Cayman) Inc. on January 1, 2021. By this transfer, Hsu-Si Investment Corp. acquired the ownership of EcoNet (Cayman) Inc. Airoha Technology Corp. was renamed Airoha Technology Corp. in February 2021.

(Only Chinese name was renamed.) EcoNet (Cayman) Inc. was renamed Airoha Technology (Cayman) Inc. in January 2021.

Note 5: For the purpose of reorganization, Hsu-Si Investment Corp. was dissolved due to merger with MediaTek Inc. in December 2021. The 66% ownership of Airoha Technology (Cayman) Inc. which was previously owned by Hsu-Si Investment Corp., was transferred to MediaTek Inc.

(To be continued)

MEDIATEK INC.
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, 2021

(Continued)

Note 6: Proceeds from capital return.

Note 7: Subscribed to the new shares issued.

Note 8: For the purpose of reorganization, the 100% ownership of Digimoc Holdings Limited, which was previously owned by MediaTek Inc., was transferred to MediaTek Investment Singapore Pte. Ltd. in September 2021. MediaTek Investment Singapore Pte. Ltd. issued new shares to MediaTek Inc. Moreover, the 100% ownership of Digimoc Holdings Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in the same month. Gaintech Co. Limited issued new shares to MediaTek Investment Singapore Pte. Ltd.

Note 9: The new shares issued in intellectual property (IP).

Note 10: For the purpose of reorganization, Hsu-Ta Investment Corp. spun-off the 100% ownership of Core Tech Resources Inc. to MediaTek Singapore Pte. Ltd., and MediaTek Inc. acquired new shares of the capital increase of MediaTek Singapore Pte. Ltd. in November 2021.

Note 11: For the purpose of reorganization, Gaintech Co. Limited increased the capital of LePower (HK) Limited. And the 100% ownership of LePower (HK) Limited, which was previously owned by Gaintech Co. Limited, was transferred to MTKC Global Holdings Co. Limited.

Note 12: For the purpose of reorganization, the 100% ownership of Cloud Ranger Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in September 2021. Gaintech Co. Limited issued new shares to MediaTek Investment Singapore Pte. Ltd. Moreover, the 100% ownership of Cloud Ranger Limited, which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in the same month.

Note 13: Gains (losses) on disposal generated from reorganization. The change of the ownership interest was accounted for as an equity transaction. The differences between the selling prices and the carrying amounts are recognized in equity.

Note 14: For the purpose of reorganization, the ownership of WRV III, L.P.(renamed Celesta Capital III, L.P.), AutoX, Inc., Ambiq Micro, Inc. and Amity Fund II, L.P., which were previously owned by Gaintech Co. Limited, were transferred to Digimoc Holdings Limited. Digimoc Holdings Limited issued new shares to Gaintech Co. Limited. Moreover, part of AutoX, Inc. share were sold to others.

Note 15: The new shares issued in cash and in property (investments accounted for using the equity method and financial products).

Note 16: For the purpose of reorganization, the 100% ownership of Gold Rich International (Samoa) Limited, which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in December 2021. Digimoc Holdings Limited issued new shares to Gaintech Co. Limited.

Note 17: For the purpose of reorganization, the 100% ownership of Hsu Chia (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd., and Hsu Kang (Samoa) Investment Ltd., which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Investment HK Limited in October 2021. MediaTek Investment HK Limited issued new shares to Gaintech Co. Limited.

Note 18: The new shares issued in cash and in property (financial products).

Note 19: The new shares issued in cash and in property (investments accounted for using the equity method).

Note 20: For the purpose of reorganization, the ownership of Morgan Stanley Secured Notes, which was previously owned by Gaintech Co. Limited, was transferred to Hsu Zhan (HK) Investment Ltd.. Hsu Zhan (HK) Investment Ltd. issued new shares to Gaintech Co. Limited.

Note 21: The new shares issued in cash. The related registration processes of some investment have not been completed as of December 31, 2021.

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, 2021

Attachment 5

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

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer	Transfer Date	Amount			
MediaTek (Chengdu) Inc.	Building	2018.08.31	CNY 295,000,000	CNY 210,974,888	Horizon Design (Xiamen) Co., Ltd., Sichuan Chuanjian Geotechnical Survey And Design Institute, Sichuan Hareal Consultina Co., Ltd., Sichuan Linda Safety Consulting Technology Service Co., Ltd., Shanghai Zhennan Engineering Supervision Co., Ltd., Jiangsu Wannianda Construction Group Co., Ltd., Nantong Installation Group Co., Ltd., Shanghai Deheng Power Engineering Co., Ltd., The IT Electronics Eleventh Design & Research Institute Scientific, Technological Engineering Corporation Limited and Shanghai Zhen Nan Engineering Supervision Co., Ltd, etc.	None	-	-	-	\$-	Not applicable	Space requirements for staff expansion	None
MediaTek (Wuhan) Inc.	Construction in progress	2019.10.25	CNY 371,000,000	CNY 197,162,904	Jiangsu Wannianda Construction Group Co., Ltd., Lianxing Construction Hubei Co., Ltd.	None	-	-	-	\$-	Not applicable	Space requirements for staff expansion	None
MediaTek Inc.	Land and building	2021.04.28	\$ 3,260,000	\$ 3,260,000	New Century Infocomm Tech Co., Ltd.	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Airoha Technology Corp.	Land and building	2021.11.29	\$ 1,850,000	\$ -	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Richtek Technology Corp.	Construction in progress	2021.12.17	\$ 447,200	\$ -	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
MediaTek Inc.	Land and building	2021.12.24	\$ 925,000	\$ -	MADISON ASSET MANAGEMENT CORP.	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None

MEDIATEK INC.
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2021

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.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	\$ 2,787,409	0.91%	Charged by a certain period	-	-	\$ 265,965	0.79%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Sales	\$ 222,348	0.07%	Charged by a certain period	-	-	\$ 184,843	0.55%	-
MediaTek Inc.	HFI Innovation Inc.	Subsidiary	Sales (Note 2)	\$ 566,297	0.19%	Charged by a certain period	-	-	\$ -	-	-
MediaTek Inc.	Zelus Technology (HangZhou) Ltd.	Subsidiary	Sales	\$ 136,127	0.04%	Charged by a certain period	-	-	\$ 1,535	0.00%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 4,925,135	-	75 days	-	-	\$ (1,029,885)	(3.80)%	-
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 458,625	-	75 days	-	-	\$ (135,625)	(0.50)%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Purchases	\$ 802,680	0.46%	Charged by a certain period	-	-	\$ (362,549)	(1.39)%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 104,829,726	-	75 days	-	-	USD (27,666,561)	(4.80)%	-
MediaTek Singapore Pte. Ltd.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 5,874,868	-	75 days	-	-	USD (1,254,819)	(0.22)%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	CNY 508,494	-	75 days	-	-	CNY (152,563)	(13.89)%	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	Subsidiary	Sales	CNY 120,509,165	9.26%	Charged by a certain period	-	-	CNY -	-	-
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited	Subsidiary	Sales	CNY 677,676,918	52.10%	Charged by a certain period	-	-	CNY 229,644,614	83.75%	-
Airoha Technology (Suzhou) Limited	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	CNY 26,232,573	-	75 days	-	-	CNY (7,155,106)	(4.02)%	-
Airoha Technology (HK) Limited	ASIX Electronics Corp.	Associates	Sales	\$ 205,940	5.80%	30 days	-	-	\$ 29,203	3.59%	-
MediaTek (Hefei) Inc.	Airoha Technology (Suzhou) Limited	Subsidiary	Sales	CNY 42,321,568	7.69%	30 days	-	-	CNY -	-	-

Note 1: License revenues mainly

Note 2: Intellectual property revenues mainly

MEDIATEK INC.
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2021

Attachment 7

(Amounts in Thousands of New Taiwan Dollars)

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.	Airoha Technology Corp.	Subsidiary	\$ 184,843	(Note 1)	-	\$ -	-	\$ 408	\$ -
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 265,965	(Note 1)	-	\$ -	-	\$ 265,965	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 430,591	(Note 1)	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 362,549	(Note 1)	-	\$ -	-	\$ 362,549	\$ -
MediaTek Bangalore Private Limited	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 153,917	(Note 1)	-	\$ -	-	\$ 153,917	\$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 116,997	(Note 1)	-	\$ -	-	\$ 116,997	\$ -
MediaTek USA Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 497,238	(Note 1)	-	\$ -	-	\$ 497,238	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 199,274	(Note 1)	-	\$ -	-	\$ 199,274	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 432,497	(Note 1)	-	\$ -	-	\$ 432,497	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 181,821	(Note 1)	-	\$ -	-	\$ 181,821	\$ -
MediaTek (Shang Hai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 193,351	(Note 1)	-	\$ -	-	\$ 193,351	\$ -
Gaintech Co. Limited	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 150,748	(Note 3)	-	\$ -	-	\$ -	\$ -
Hsu Zhan (HK) Investment Ltd.	MediaTek Inc.	Subsidiary	\$ 8,618,791	(Note 2)	-	\$ -	-	\$ -	\$ -
Airoha Technology (Cayman) Inc.	Airoha Technology (HK) Limited	Subsidiary	\$ 2,241,594	(Note 4)	-	\$ -	-	\$ -	\$ -
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Subsidiary	\$ 2,542,697	(Note 4)	-	\$ -	-	\$ -	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shang Hai) Inc.	Subsidiary	\$ 1,742,668	(Note 2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Hefei) Inc.	Subsidiary	\$ 348,534	(Note 2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 304,967	(Note 2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,132,734	(Note 2)	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 3,046,685	(Note 2)	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited	Subsidiary	\$ 1,000,486	(Note 1)	-	\$ -	-	\$ 794,004	\$ -

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: The amount is from the sale of financial products mainly, but the debtor transferred debt its to MediaTek (Shenzhen) Inc. (recorded in other receivables).

Note 4: Dividend revenues (recorded in other receivables) mainly.

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA)
For the year ended December 31, 2021

Attachment 8

(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, 2021			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	MStar International Technology Inc.	Note 1	Research	\$ -	\$ 300,000	-	-	\$ -	\$ (111)	\$ (111)	Note 20
	HFI Innovation Inc.	Note 1	Intellectual property right management	\$ 1,746,918	\$ 1,180,621	174,691,821	100%	\$ 729,424	\$ (19,304)	\$ 61,232	Note 20
	Hsu-Ta Investment Corp.	Note 1	General investing	\$ 2,028,811	\$ 6,500,166	399,380,103	100%	\$ 7,541,670	\$ (80,874)	\$ (369,250)	Note 20
	MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 72,018,783	\$ 53,067,384	2,932,854,882	100%	\$ 224,583,578	\$ 17,646,108	\$ 17,657,319	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 7,216,874	\$ 2,745,519	326,907,879	100%	\$ 43,982,690	\$ 42,881,383	\$ 42,902,823	Note 20
	MStar Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 145,792	\$ 28,313	\$ 28,313	Note 20
	Digimoc Holdings Limited	Note 3	General investing	\$ -	\$ 36,603	-	-	\$ -	\$ 202,060	\$ (48)	Note 20 and Note 21
	Spidcom Technologies	Note 13	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ 1,574	\$ (1,049)	\$ (1,049)	Note 20
	Richtek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 21,636,457	\$ 5,689,718	\$ 5,421,880	Note 20
	Hsu-Si Investment Corp.	Note 1	General investing	\$ -	\$ 7,800,486	-	-	\$ -	\$ 1,864,705	\$ 1,864,705	Note 20
	IC Plus Corp.	Note 1	Research, manufacturing and sales	\$ 293,437	\$ -	13,025,454	19%	\$ 302,975	\$ 107,432	\$ 9,538	-
	MediaTek Capital Co.	Note 1	General investing	\$ 290,000	\$ -	29,000,000	100%	\$ 265,767	\$ (26,937)	\$ (26,937)	Note 20
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ -	3,000,000	30%	\$ 29,981	\$ (8,734)	\$ (19)	-
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ 189,384	\$ -	3,473,292	5%	\$ 219,299	\$ 1,937,323	\$ 28,823	Note 20 and Note 22
	Airoha Technology (Cayman) Inc.	Note 2	General investing	\$ 8,422,740	\$ -	61,092,908	66%	\$ 8,422,740	\$ 2,830,877	\$ -	Note 20 and Note 23
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 1,921,541,067	1,123,172,524	100%	USD 8,039,822,044	USD 623,273,138	-	Note 20
	Cloud Ranger Limited	Note 5	General investing	USD -	USD 23,139,000	-	-	USD -	USD 36	-	Note 20 and Note 24
	MediaTek Bangalore Private Limited	Note 4	Research	USD 339,847	USD 339,847	1,999,999	100%	USD 33,399,160	USD 7,795,689	-	Note 20
Digimoc Holdings Limited	Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD -	23,139,000	100%	USD 61,076,990	USD 36	-	Note 20 and Note 24
	Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD -	4,290,000	100%	USD 439,036,567	USD 1,782,953	-	Note 20 and Note 25
	INTELLIGO TECHNOLOGY INC.	Note 2	General investing	USD 3,168,380	USD -	8,928,270	21%	USD 3,365,440	USD 746,981	-	Note 26
Hsu-Ta Investment Corp.	Core Tech Resources Inc.	Note 3	General investing	\$ -	\$ 3,357,608	-	-	\$ -	\$ 12,957	-	Note 20 and Note 27
	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 3,955,188	208,603,653	100%	\$ 15,941,716	\$ 290,624	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	-	\$ -	USD 7,795,689	-	Note 20
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Note 4	Research	\$ -	\$ -	1	-	\$ -	USD 3,471,594	-	Note 20
Hsiang Fa Co.	E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	27%	\$ 46,408	\$ (32,251)	-	-
	Chingis Technology Corporation	Note 1	Research	\$ 827,932	\$ 857,932	110,936,991	100%	\$ 467,855	\$ (35,557)	-	Note 20
	CMOS-Crystal Ltd.	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 16,377	\$ (1,875)	-	-
	Cyberon Corp.	Note 1	Research	\$ 250,737	\$ 250,737	3,431,722	30%	\$ 258,091	\$ 31,089	-	-
	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 3,371	\$ 744	-	Note 20
	InnoFusion Technology Corp.	Note 1	Technical services	\$ 224,539	\$ 224,539	127,000,000	100%	\$ 1,186,890	\$ 12,030	-	Note 20
Gaintech Co. Limited	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD 1,797,222	USD 1,797,222	5,499,999	100%	USD 31,214,579	USD 3,471,594	-	Note 20
	MediaTek Korea Inc.	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 8,474,514	USD 684,865	-	Note 20
	MediaTek China Limited	Note 11	General investing	USD 351,444,293	USD 351,444,293	2,730,102,500	100%	USD 837,226,355	USD 124,366,113	-	Note 20
	MediaTek Japan Inc.	Note 10	Technical services	USD 61,978	USD 61,978	7,100	100%	USD 2,971,753	USD (25,744)	-	Note 20
	ZENA TECHNOLOGIES INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-

(To be continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEES IN MAINLAND CHINA)
For the year ended December 31, 2021

(Continued)

(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, 2021			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Gaintech Co. Limited	CMC CAPITAL INVESTMENTS, L.P.	Note 2	General investing	USD 4,612,856	USD 7,215,598	-	67%	USD 3,293,738	USD (1,970,491)	-	-
	Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,589,823	USD 71,338	-	Note 20
	Gold Rich International (Samoa) Limited	Note 5	General investing	USD -	USD 4,290,000	-	-	USD -	USD 1,782,953	-	Note 20 and Note 25
	Ralink Technology (Samoa) Corp.	Note 5	General investing	USD -	USD 5,626,623	-	-	USD -	USD (136,461)	-	Note 20
	MTK Wireless Limited (UK)	Note 12	Research	USD 135,664,604	USD 135,664,604	84,394,826	100%	USD 233,961,459	USD 16,993,023	-	Note 20
	Airoha Technology (Cayman) Inc.	Note 2	General investing	USD 56,311,712	USD 56,132,213	22,886,194	25%	USD 113,057,551	USD 101,207,710	-	Note 20 and Note 28
	FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD 11,428,571	USD 17,142,857	-	57%	USD 24,113,868	USD (269,211)	-	-
	MediaTek Wireless FZ-LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 283,920	USD 74,416	-	Note 20
	Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD -	USD 156,422,064	-	-	USD -	USD 5,237,848	-	Note 20 and Note 29
	Hsu Fa (Samoa) Investment Ltd.	Note 5	General investing	USD -	USD 156,422,064	-	-	USD -	USD 5,199,483	-	Note 20 and Note 29
	Hsu Kang (Samoa) Investment Ltd.	Note 5	General investing	USD -	USD 156,422,064	-	-	USD -	USD 4,270,457	-	Note 20 and Note 29
	Nepfos Pte. Ltd.	Note 7	Research	USD -	USD 74,378	-	100%	USD -	USD (30,566)	-	Note 20
	Nepfos Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD (3,572,547)	USD 664,613	-	Note 20
	MOUNTAIN CAPITAL FUND, L.P.	Note 2	General investing	USD 27,200,000	USD 27,200,000	-	90%	USD 44,126,575	USD -	-	Note 20
	CSV1 VENTURES, L.P.	Note 2	General investing	USD 15,000,000	USD 12,000,000	-	39%	USD 10,482,771	USD 5,768,708	-	-
	INTELLIGO TECHNOLOGY INC.	Note 2	General investing	USD -	USD 8,000,000	-	-	USD -	USD 746,981	-	Note 26
	iStar Technology Ltd.	Note 2	General investing	USD 2,977,673	USD 2,977,673	50,000	100%	USD 2,966,529	USD (222,795)	-	Note 20
	Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 1,884,921	USD 1,884,921	1,884,921	22%	USD 1,905,071	USD 676,180	-	-
	Sigmastar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 253,661,082	USD 302,128,159	-	Note 20
	LePower (HK) Limited	Note 11	General investing	USD -	USD 26,851	-	-	USD -	USD 37,433	-	Note 20 and Note 30
	MediaTek Investment HK Limited	Note 11	General investing	USD 554,587,475	USD -	554,587,474	100%	USD 566,533,378	USD 3,822,883	-	Note 20
	Digimoc Holdings Limited	Note 3	General investing	USD 917,331,979	USD -	915,638,880	100%	USD 924,884,325	USD 7,280,708	-	Note 20 and Note 21
	MediaTek Global Holdings Limited	Note 12	General investing	USD 500,001	USD -	500,001	100%	USD 500,018	USD 17	-	Note 20
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD 324,337,646	USD -	12	100%	USD 338,592,355	USD 230,592	-	Note 20
	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD 2,053,399,545	USD -	2,053,399,545	100%	USD 2,054,655,262	USD 1,255,717	-	Note 20
MTK Wireless Limited (UK)	MediaTek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 12,378,440	GBP 242,665	-	Note 20
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 36,696,645	111,815	100%	GBP 115,091,361	GBP 8,922,427	-	Note 20
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 11,433,364	GBP 1,482,179	-	Note 20
	Mstar Semiconductor UK Ltd.	Note 12	Research and technical services	GBP 1,759,253	GBP 1,759,253	1	100%	GBP 1,734,745	GBP (12,260)	-	Note 20
	MStar France SAS	Note 13	Research	GBP 22,405,985	GBP 22,405,985	458,900	100%	GBP 4,209,178	GBP (38,103)	-	Note 20
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 438,953,052	USD 1,783,677	-	Note 20
Smarthead Limited	MOMAGIC TECHNOLOGIES PRIVATE LIMITED	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,399,719	USD 824,220	-	-
Airoha Technology (Cayman) Inc.	Shadow Investment Limited	Note 5	General investing	USD 1,491,120	USD 1,491,120	15,000,000	100%	USD 2,592,849	USD 3,693	-	Note 20
	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	USD 67,534,520	USD 67,534,520	67,534,520	100%	USD 99,724,669	USD 43,490,103	-	Note 20 and Note 31
	MediaTek Research UK Limited	Note 12	Research	USD 479,664	USD 479,664	280,000	100%	USD 827,795	USD 216,983	-	Note 20
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	USD 164,278,608	USD -	61,092,908	89%	USD 219,849,492	USD 69,219,072	-	Note 20 and Note 28

(To be continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA)
For the year ended December 31, 2021

(Continued)

(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, 2021			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Airoha Technology (Suzhou) Limited	EcoNet Limited	Note 3	General investing and sales	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 32,416,986	CNY (1,388,034)	-	Note 20 and Note 32
Richtek Technology Corp.	Li-Yu Investment Corp.	Note 1	General investing	\$ -	\$ 240,000	-	-	\$ -	\$ 2,720	-	Note 20
	Richnux Microelectronics Corp.	Note 1	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 38,973	\$ 16,816	-	Note 20
	Richtek Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 43,928	\$ (1,266)	-	Note 20
	Richtek Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 41,151	\$ 1,446	-	Note 20
	Richtek Korea LLC.	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 1,482	\$ (8,452)	-	Note 20
	Richtek USA Inc.	Note 6	Sales and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 143,676	\$ 666	-	Note 20
	Richtek IC Design Ireland Limited	Note 18	Research	\$ -	\$ -	1	100%	\$ (358)	\$ -	-	Note 20
Richtek Europe Holding B.V.	Richtek Europe B.V.	Note 16	Marketing	EUR 1,500,000	EUR 1,500,000	1,500,000	100%	EUR 907,954	EUR (34,011)	-	Note 20
Hsu-Si Investment Corp.	Airoha Technology (Cayman) Inc.	Note 2	General investing	\$ -	\$ -	-	-	\$ -	\$ 2,830,877	-	Note 20, Note 22 and Note 28
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ -	\$ 6,428,827	-	-	\$ -	\$ 1,937,323	-	Note 20 and Note 28
	Airoha (Cayman) Inc.	Note 2	General investing	\$ -	\$ 59,579	-	-	\$ -	\$ 12,819	-	Note 20 and Note 22
Airoha Technology Corp.	ASIX Electronics Corp.	Note 1	Research, manufacturing and sales	\$ 495,875	\$ -	12,396,396	20%	\$ 535,236	\$ 384,122	-	-
	IC Plus Corp.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ -	650,000	1%	\$ 15,019	\$ 107,432	-	-
	Airoha (Cayman) Inc.	Note 2	General investing	\$ 482,580	\$ -	9,581,167	100%	\$ 486,581	\$ 12,819	-	Note 20 and Note 22
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Note 11	General investing	USD 81,998,125	USD -	85,050,000	100%	USD 85,430,317	USD 37,433	-	Note 20 and Note 30
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Note 19	Technical services	EUR 500,000	EUR -	500,000	100%	EUR 480,368	EUR (19,632)	-	Note 20
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD -	1,000,000,000	100%	USD 189,861,833	USD 5,237,848	-	Note 20 and Note 29
	Hsu Fa (Samoa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD -	1,000,000,000	100%	USD 189,072,629	USD 5,199,483	-	Note 20 and Note 29
	Hsu Kang (Samoa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD -	1,000,000,000	100%	USD 187,498,931	USD 4,270,457	-	Note 20 and Note 29
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Note 3	General investing	USD 160,478,723	USD -	102,200,000	100%	USD 160,561,285	USD 461,208	-	Note 20 and Note 27

Note 1: Taiwan

Note 5: Western Samoa

Note 9: Korea

Note 13: France

Note 17: Finland

Note 2: Cayman Islands

Note 6: United States

Note 10: Japan

Note 14: Dubai

Note 18: Ireland

Note 3: British Virgin Islands

Note 7: Singapore

Note 11: Hong Kong

Note 15: Seychelles

Note 19: Germany

Note 4: India

Note 8: Sweden

Note 12: United Kingdom

Note 16: Netherlands

Note 20: Investee is a subsidiary in consolidated group.

Note 21: For the purpose of reorganization, the 100% ownership of Digimoc Holdings Limited, which was previously owned by MTK, was transferred to MediaTek Investment Singapore Pte. Ltd. in September 2021. Moreover, the 100% ownership of Digimoc Holdings Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in the same month.

Note 22: For the purpose of reorganization, Hsu-Si Investment spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021. Moreover, Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month.

Note 23: For the purpose of reorganization, Hsu-Si Investment Corp. was dissolved due to merger with MTK in December 2021. The ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to MTK.

Note 24: For the purpose of reorganization, the 100% ownership of Cloud Ranger Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in September 2021. Gaintech Co. Limited issued new shares to MediaTek Investment Singapore Pte. Ltd. Moreover, the 100% ownership of Cloud Ranger Limited, which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in the same month. Digimoc Holdings Limited issued new shares to Gaintech Co. Limited.

Note 25: For the purpose of reorganization, the 100% ownership of Gold Rich International (Samoa) Limited, which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in December 2021.

Note 26: The 21% ownership of Intelligo Technology Inc., which was previously owned by Gaintech Co. Limited, was transferred to Digimoc Holdings Limited in October 2021.

Note 27: For the purpose of reorganization, the 100% ownership of Core Tech Resources Inc., which was previously owned by Hsu-Ta Investment Corp., was spun-off to MediaTek Singapore Pte. Ltd. in November 2021.

(To be continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEES IN MAINLAND CHINA)
For the year ended December 31, 2021

(Continued)

Note 28: For the purpose of reorganization, the 100% ownership of Airoha Technology Corp., which was previously owned by Hsu-Si Investment Corp., was transferred to EcoNet (Cayman) Inc. on January 1, 2021. By this transfer, Hsu-Si Investment Corp. acquired the ownership of EcoNet (Cayman) Inc. Airoha Technology Corp. was renamed Airoha Technology Corp. in February 2021. (Only Chinese name was renamed.) EcoNet (Cayman) Inc. was renamed Airoha Technology (Cayman) Inc. in January 2021.

Note 29: For the purpose of reorganization, the 100% ownership of Hsu Chia (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd., and Hsu Kang (Samoa) Investment Ltd., which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Investment HK Limited in October 2021.

Note 30: For the purpose of reorganization, the 100% ownership of LePower (HK) Limited, which was previously owned by Gaintech Co. Limited, was transferred to MTKC Global Holdings Co. Limited in September 2021.

Note 31: EcoNet (HK) Limited was renamed Airoha Technology (HK) Limited in February 2021.

Note 32: EcoNet (Suzhou) Limited was renamed Airoha Technology (Suzhou) Limited in February 2021.

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2021

Attachment 9

(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, 2021	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2021	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, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,490,660 USD 90,000,000	MediaTek China Limited	\$ 2,490,660 USD 90,000,000	- -	- -	\$ 2,490,660 USD 90,000,000	\$ 2,101,718 USD 74,999,239	100%	\$ 2,101,718 USD 74,999,239	\$ 7,181,298 USD 259,496,188	-
MediaTek (Hefei) Inc.	Note 2	\$ 470,458 USD 17,000,000	MediaTek China Limited	\$ 470,458 USD 17,000,000	- -	- -	\$ 470,458 USD 17,000,000	\$ 135,426 USD 4,832,645	100%	\$ 135,426 USD 4,832,645	\$ 1,523,959 USD 55,068,249	-
MediaTek (Beijing) Inc.	Note 2	\$ 2,767,400 USD 100,000,000	MediaTek China Limited	\$ 2,767,400 USD 100,000,000	- -	- -	\$ 2,767,400 USD 100,000,000	\$ 423,894 USD 15,126,538	100%	\$ 423,894 USD 15,126,538	\$ 5,669,320 USD 204,860,867	-
MediaTek (Chengdu) Inc.	Note 2	\$ 1,378,165 USD 49,800,000	MediaTek China Limited	\$ 1,378,165 USD 49,800,000	- -	- -	\$ 1,378,165 USD 49,800,000	\$ 120,564 USD 4,302,304	100%	\$ 120,564 USD 4,302,304	\$ 2,239,857 USD 80,937,246	-
MediaTek (Wuhan) Inc.	Note 2	\$ 669,711 USD 24,200,000	MediaTek China Limited	\$ 459,578 USD 16,606,858	- -	- -	\$ 459,578 USD 16,606,858	\$ 44,957 USD 1,604,266	100%	\$ 44,957 USD 1,604,266	\$ 869,960 USD 31,436,009	-
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 1,715,788 USD 62,000,000	MediaTek China Limited	\$ 1,660,440 USD 60,000,000	- -	- -	\$ 1,660,440 USD 60,000,000	\$ 20,956 USD 747,791	100%	\$ 20,956 USD 747,791	\$ 3,417,437 USD 123,489,087	-
MediaTek (Shanghai) Inc.	Note 2	\$ 1,293,931 CNY 297,000,000	MediaTek China Limited	\$ 1,341,337 USD 48,469,221	- -	- -	\$ 1,341,337 USD 48,469,221	\$ 895,239 USD 31,946,375	100%	\$ 895,239 USD 31,946,375	\$ 3,256,837 USD 117,685,809	-
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 830,220 USD 30,000,000	MStar Co., Ltd.	\$ 830,220 USD 30,000,000	- -	- -	\$ 830,220 USD 30,000,000	\$ 14,315 USD 510,839	100%	\$ 14,315 USD 510,839	\$ 482,722 USD 17,443,167	-
Airoha Technology (Suzhou) Limited	Note 3	\$ 276,740 USD 10,000,000	Airoha Technology (HK) Limited	\$ 259,624 USD 9,381,500	- -	- -	\$ 259,624 USD 9,381,500	\$ 1,400,815 USD 49,987,719	91%	\$ 1,370,846 USD 48,918,275	\$ 1,820,050 USD 65,767,497	-
Richpower Microelectronics Co., Ltd.	Note 2	\$ 88,557 USD 3,200,000	Richtek Technology Corp.	\$ 88,557 USD 3,200,000	- -	- -	\$ 88,557 USD 3,200,000	\$ (17,097)	100%	\$ (17,097)	\$ (1,236)	-
Li-We Technology Corp.	Note 2	\$ 69,185 USD 2,500,000	Richtek Technology Corp.	\$ 69,185 USD 2,500,000	- -	- -	\$ 69,185 USD 2,500,000	\$ (29,457)	100%	\$ (29,457)	\$ (1,947)	-
Yuan Ke (Pingtan) Investment Fund Limited Partnership	Note 4	\$ 4,424,414 USD 159,876,218	Gaintech Co. Limited	\$ 3,586,550 USD 129,600,000	- -	- -	\$ 3,586,550 USD 129,600,000	\$ 334,810 USD 11,947,614	81%	\$ 298,235 USD 10,642,428	\$ 48,388,810 USD 1,748,529,658	-
Zelus Technology (HangZhou) Ltd.	Note 3	\$ 142,521 USD 5,150,000	Gaintech Co. Limited	\$ 143,360 USD 5,180,299	- -	- -	\$ 143,360 USD 5,180,299	\$ 39,559 USD 1,411,661	88%	\$ 35,469 USD 1,265,686	\$ 144,647 USD 5,226,801	-
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,568,401 CNY 360,000,000	Gaintech Co. Limited	\$ 1,106,960 USD 40,000,000	- -	- -	\$ 1,106,960 USD 40,000,000	\$ (427,079) USD (15,240,192)	28%	\$ (288,205) USD (10,284,502)	\$ 1,778,726 USD 64,274,247	-
Beijing Ilttek Technology Co. Ltd.	Note 2	\$ 83,022 USD 3,000,000	IStar Technology Ltd.	\$ 83,022 USD 3,000,000	- -	- -	\$ 83,022 USD 3,000,000	\$ (270) USD (9,641)	100%	\$ (270) USD (9,641)	\$ 74,109 USD 2,677,923	-
ShenZhen ZhongChen Semiconductor Ltd.	Note 2	\$ - USD -	IStar Technology Ltd.	\$ 138,370 USD 5,000,000	- -	- -	\$ 138,370 USD 5,000,000	\$ (5,799) USD (206,937)	-	\$ (5,799) USD (206,937)	\$ - USD -	-

(To be continued)

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2021

(Continued)

(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, 2021	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2021	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, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Nephos (Hefei) Co. Ltd.	Note 3	\$ 1,141,553	Nephos Cayman Co. Limited	\$ 3,156,226	-	-	\$ 3,156,226	\$ 18,851	100%	\$ 18,851	\$ 20,615	-
		USD 41,250,000		USD 114,050,238	-	-	USD 114,050,238	USD 672,702		USD 672,702	USD 744,933	
Airotek (Shenzhen) Inc.	Note 2	\$ 26,290	Airoha (Cayman) Inc.	\$ 26,290	-	-	\$ 26,290	\$ 6,940	86%	\$ 3,847	\$ 46,951	-
		USD 950,000		USD 950,000	-	-	USD 950,000	USD 247,650		USD 137,266	USD 1,696,577	
Airotek (Chengdu) Inc.	Note 2	\$ 26,290	Airoha (Cayman) Inc.	\$ 26,290	-	-	\$ 26,290	\$ 6,117	86%	\$ 3,474	\$ 48,199	-
		USD 950,000		USD 950,000	-	-	USD 950,000	USD 218,290		USD 123,976	USD 1,741,678	
Sigmastar Technology Ltd.	Note 3	\$ 212,063	Sigmastar Technology Inc.	\$ 55,348	-	-	\$ 55,348	\$ 3,233,407	32%	\$ 1,123,617	\$ 7,659,507	-
		CNY 48,675,371		USD 2,000,000	-	-	USD 2,000,000	USD 115,383,268		USD 40,095,987	USD 276,776,295	
Shenzhen Sing Chen Technology Inc.	Note 2	\$ 13,070	Sigmastar Technology Ltd.	-	-	-	-	\$ (3,305)	32%	\$ (1,113)	\$ -	-
		CNY 3,000,000		-	-	-	-	CNY (760,661)		CNY (256,115)	CNY -	
SigmaStar Technology Inc. (Shanghai)	Note 2	\$ 4,357	Sigmastar Technology Ltd.	-	-	-	-	\$ (476)	32%	\$ (160)	\$ -	-
		CNY 1,000,000		-	-	-	-	CNY (109,473)		CNY (36,860)	CNY -	
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,459,702	Xuxin Investment (Shanghai) Inc.	\$ 1,325,778	-	-	\$ 1,325,778	\$ 10,570	100%	\$ 10,570	\$ 2,625,735	-
		CNY 335,050,000		USD 47,906,985	-	-	USD 47,906,985	CNY 2,432,825		CNY 2,432,825	CNY 602,693,178	
Shanghai KQC Financial Management	Note 4	\$ 143,770	Xuxin Investment (Shanghai) Inc.	-	\$ 27,034	-	\$ 27,034	\$ 160	20%	\$ -	\$ 28,754	-
		CNY 33,000,000		-	USD 976,861	-	USD 976,861	CNY 36,914		CNY (49)	CNY 6,599,951	
Hefei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,459,484	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,325,585	-	-	\$ 1,325,585	\$ 10,620	100%	\$ 10,620	\$ 2,625,574	-
		CNY 335,000,000		USD 47,900,000	-	-	USD 47,900,000	CNY 2,444,326		CNY 2,444,326	CNY 602,656,202	

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ 22,816,437	\$ 27,788,469	\$ 259,209,178
USD 824,471,962	USD 1,004,136,352	

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=28.02319 NTD; 1 CNY=4.34484 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=27.674 NTD; 1 CNY=4.35667 NTD)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2021

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

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				1. Cash and cash equivalents were not pledged.
Foreign currency deposits		\$ 253,530	USD 8,302 CNY 4,076 EUR 191 JPY 8	2. USD1=NTD27.674 CNY1=NTD4.35667 EUR1=NTD31.49578 JPY1=NTD0.24046
Savings and checking deposits		<u>1,320,761</u>		
Subtotal		<u>1,574,291</u>		
Time Deposits				
Time Deposits - NT Dollars		31,500,000		
Time Deposits - US Dollars		<u>38,275,079</u>	USD 1,383,070	
Subtotal		<u>69,775,079</u>		
Total		<u>\$ 71,349,370</u>		

MEDIATEK INC.

2. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

As of December 31, 2021

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

Financial Instruments	Description	Units	Contract Amount/ Acquisition Cost	Contract Period	Fair Value	Note
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss			Acquisition Cost			
Fund						
KGI Fengli Fund		27,806,950	\$ 310,097		\$ 456,192	
KGI Fuli Strategic Fund		69,339,442	854,184		1,046,027	
Subtotal			1,164,281		1,502,219	
Linked Deposits						
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond		-	210,000		210,026	
Total			\$ 1,374,281		\$ 1,712,245	
Financial liabilities at fair value through profit or loss						
Held for trading financial liabilities			Contract Amount			
Forward exchange contracts - purchase US dollars			USD 30,000	2021.12-2022.3	\$ (4,252)	

MEDIATEK INC.

3. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
3.875% LENOVO GROUP LTD DUE 160322		\$ 63,815	1.205%	2020/11/16 - 2022/03/16	
Taichung Commercial Bank Bond		20,396	3.89%	2021/03/11 - 2022/12/05	
Total		<u>\$ 84,211</u>			

MEDIATEK INC.

4. STATEMENT OF TRADE RECEIVABLES AND TRADE RECEIVABLES FROM RELATED PARTIES

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 6,074,088	
Client B		3,330,623	
Client C		2,680,758	
Client D		1,900,003	
Others	The amount of individual client in others does not exceed 5% of the account balance.	18,707,840	
Subtotal		32,693,312	
Less: Allowance for doubtful debts		(9,671)	
Net amount		32,683,641	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		265,965	
Airoha Technology Corp.		184,843	
Nephos (Hefei) Co., Ltd.		156,331	
Other	The amount of individual client in others does not exceed 5% of the account balance.	5,396	
Subtotal		612,535	
Total		\$ 33,296,176	

MEDIATEK INC.

5. STATEMENT OF OTHER RECEIVABLES AND OTHER RECEIVABLES FROM
RELATED PARTIES

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 3,778,202	
VAT deductibles		1,183,130	
Interest receivables		147,950	
Others		41,414	
Total		<u>\$ 5,150,696</u>	
Other receivables from related parties			
Nephos (Hefei) Co., Ltd.	Technical service revenue	274,260	
Others	The amount of individual item in others does not exceed 5% of the account balance.	1,113	
Total		<u>\$ 275,373</u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 2,575,983	\$ 2,584,311	Inventories were not pledged.
Work in process		32,875,365	81,395,892	
Finished goods		23,812,262	52,636,449	
Total		59,263,610	<u>\$ 136,616,652</u>	
Less : Allowance for inventory valuation losses		(18,449,886)		
Net Amount		<u>\$ 40,813,724</u>		

MEDIATEK INC.
7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepaid expenses		\$ 421,882	
Payment in advance		189,281	
Others	The amount of individual item in others does not exceed 5% of the account balance.	55,167	
Subtotal		<u>666,330</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	1,032,732	
Others	The amount of individual item in others does not exceed 5% of the account balance.	181,987	
Subtotal		<u>1,214,719</u>	
Total		<u>\$ 1,881,049</u>	

MEDIATEK INC.

8. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NONCURRENT

For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Reclassification		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount	Units	Amount		Units	Fair Value		
Financial assets mandatorily measured at fair value through profit or loss													
Stock													
Shin Kong Financial Holding Co., Ltd., Preferred Stock A	4,200,000	\$ 183,750	-	\$ -	-	\$ -	-	\$ -	\$ (4,830)	4,200,000	\$ 178,920	None	
Linked Deposits													
EVA Air 4th Credit Linked Structural Product	-	100,601	-	-	-	(100,000)	-	-	(601)	-	-	None	
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	-	-	130,000	-	-	-	-	177	-	130,177	None	
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	-	-	-	150,000	-	(12,600)	-	-	546	-	137,946	None	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	-	-	200,000	-	-	-	-	178	-	200,178	None	
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	-	-	-	110,000	-	-	-	(110,000)	-	-	-	None	
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	-	-	150,000	-	-	-	-	129	-	150,129	None	
Subtotal		100,601		740,000		(112,600)		(110,000)	429		618,430		
Total		\$ 284,351		\$ 740,000		\$ (112,600)		\$ (110,000)	\$ (4,401)		\$ 797,350		

MEDIATEK INC.

9. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Acquired through business combinations		Adjustments	Ending Balance		Accumulated Impairment	Collateral	Note
	Units	Fair Value	Units	Amount	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	\$ 1,519,252	-	\$ -	-	\$ -	-	\$ -	\$ (32,480)	81,200,000	\$ 1,486,772	Not applicable	None	
Cathay No.2 Real Estate Investment Trust	64,503,000	1,283,610	-	-	-	-	-	-	(18,706)	64,503,000	1,264,904	Not applicable	None	
Fubon No.1 Real Estate Investment Trust	16,744,000	307,587	-	-	-	-	-	-	(7,534)	16,744,000	300,053	Not applicable	None	
Fubon No.2 Real Estate Investment Trust	13,421,000	<u>229,633</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	<u>(18,521)</u>	13,421,000	<u>211,112</u>	Not applicable	None	
Subtotal		<u>3,340,082</u>		<u>-</u>		<u>-</u>		<u>-</u>	<u>(77,241)</u>		<u>3,262,841</u>			
Stocks														
EosTek Limited (Cayman)	640,000	2,151	-	-	-	-	-	-	(63)	640,000	2,088	Not applicable	None	
Chailease Finance Co., Ltd. Preferred Stock A	2,750,000	273,900	-	-	-	-	-	-	5,225	2,750,000	279,125	Not applicable	None	
WT Microelectronics Preferred Stock A	5,800,000	281,590	-	-	-	-	2,441,000	122,050	(243)	8,241,000	403,397	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	-	-	6,444,000	264,296	-	-	6,444,000	289,980	(2,025)	12,888,000	552,251	Not applicable	None	
WPG Holdings Limited Preferred Share A	-	-	5,160,000	247,770	-	-	5,740,000	275,618	16,707	10,900,000	540,095	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	-	-	15,000,000	949,351	-	-	-	-	(2,851)	15,000,000	946,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	-	-	1,786,666	112,899	-	-	-	-	(5,521)	1,786,666	107,378	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	-	-	7,056,243	423,375	-	-	-	-	705	7,056,243	424,080	Not applicable	None	
Subtotal		<u>557,641</u>		<u>1,997,691</u>		<u>-</u>		<u>687,648</u>	<u>11,934</u>		<u>3,254,914</u>			
Total		<u>\$ 3,897,723</u>		<u>\$ 1,997,691</u>		<u>\$ -</u>		<u>\$ 687,648</u>	<u>\$ (65,307)</u>		<u>\$ 6,517,755</u>			

MEDIATEK INC.

10. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORITIZED COST - NONCURRENT

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Interest Rate	Period	Note
Time deposits					Please refer to Note 8 of the notes to the financial statements.
Taiwan Cooperative Bank	Science Park Administration				
	Lease execution deposits	\$ 8,866	0.755%	2019/05/12 - 2023/08/07	
	Customs clearance deposits	3,179	0.755%	2019/05/12 - 2023/05/12	
Mega Bank	Science Park Administration				
	Lease execution deposits	14,900	0.1% - 0.765%	2021/01/13 - 2023/01/27	
	Customs clearance deposits	24,000	0.59%	2020/08/30 - 2022/08/30	
ING Bank	Performance bond	24,900	0.200%	2021/11/08 - 2022/12/03	
	Subtotal	75,845			
Financial assets measured at amortized cost - noncurrent	Cathay Life Insurance Co., Ltd.				
	Cumulative Perpetual Subordinated bond-106-1	\$ 290,000			
	China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	580,000			
	3.5% WEIBO CORP DUE 050724	268,510			
	1.375% TENCENT MUSIC ENT GRP DUE 030925	157,481			
	3.075% BAIDU INC DUE 070425	44,703			
	YAGEO Corporation 2nd unsecured corporate bond	100,000			
	Subtotal	1,440,694			
	Total	\$ 1,516,539			

MEDIATEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Acquisition (Note 1)		Disposal (Note 2)		Investment Income (Loss)	Ending Balance			Net Assets Value/ Fair Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount	Unit price	Total Amount		
MediaTek Investment Singapore Pte. Ltd.	2,251,157,978	\$ 184,460,781	681,696,904	\$ 28,351,943	-	\$ (5,886,465)	\$ 17,657,319	2,932,854,882	100%	\$ 224,583,578	\$ 76.58	\$ 224,583,578	None	
Hsu-Si Investment Corp.	624,304,756	8,793,354	-	1,919,657	(624,304,756)	(12,577,716)	1,864,705	-	-	-	-	-	None	
Hsu-Ta Investment Corp.	737,515,603	11,597,759	109,000,000	2,059,279	(447,135,500)	(5,746,118)	(369,250)	399,380,103	100%	7,541,670	18.88	7,541,670	None	
MStar International Technology Inc.	30,000,000	83,377	-	-	(30,000,000)	(83,266)	(111)	-	-	-	-	-	None	
HFI Innovation Inc.	118,062,084	504,571	56,629,737	566,297	-	(402,676)	61,232	174,691,821	100%	729,424	4.18	729,424	None	
MediaTek Singapore Pte. Ltd.	111,993,960	11,244,859	214,913,919	4,561,516	-	(14,726,508)	42,902,823	326,907,879	100%	43,982,690	134.54	43,982,690	None	
Digimoc Holdings Limited	3,805	44,669	-	3,717	(3,805)	(48,338)	(48)	-	100%	-	-	-	None	
Mstar Co., Ltd.	13,350,000	117,896	-	-	-	(417)	28,313	13,350,000	100%	145,792	10.92	145,792	None	
Spidcom Technologies	146,200	2,623	-	-	-	-	(1,049)	146,200	100%	1,574	10.77	1,574	None	
Richtek Technology Corp.	148,482,806	22,351,726	-	168,484	-	(6,305,633)	5,421,880	148,482,806	100%	21,636,457	145.72	21,636,457	None	
IC Plus Corp.	-	-	13,025,454	293,437	-	-	9,538	13,025,454	19%	302,975	23.26	302,975	None	
MediaTek Capital Co.	-	-	29,000,000	302,679	-	(9,975)	(26,937)	29,000,000	100%	265,767	9.16	265,767	None	
Intellectual Property Innovation Corp.	-	-	3,000,000	30,000	-	-	(19)	3,000,000	30%	29,981	9.99	29,981	None	
Airoha Technology Corp.	-	-	3,473,292	223,135	-	(32,659)	28,823	3,473,292	5%	219,299	63.14	219,299	None	
Airoha Technology (Cayman) Inc.	-	-	61,092,908	8,422,740	-	-	-	61,092,908	66%	8,422,740	137.87	8,422,740	None	
Total		<u>\$ 239,201,615</u>		<u>\$ 46,902,884</u>		<u>\$ (45,819,771)</u>	<u>\$ 67,577,219</u>			<u>\$ 307,861,947</u>				

Note 1: The increase in the current period includes changes in the net value of the equity of the invested company, unrealized gains from financial assets measured at fair value through other comprehensive income, unrealized gross profit on sales, exchange differences resulting from translating the financial statements of foreign operations, profit or loss of the defined benefit plan, income tax related to other comprehensive income components, etc.

Note 2: The decrease in the current period includes changes in the net value of the equity of the invested company, unrealized profit or loss of financial assets measured at fair value through other comprehensive income, cash dividends distribution, capital reduction and return of shares, exchange differences resulting from translating the financial statements of foreign operations, profit or loss of the defined benefit plan, income tax related to other comprehensive income, etc.

MEDIATEK INC.

12. STATEMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS
AND OTHER NON-CURRENT ASSETS

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 29,877,083</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 57,272,022</u>	Please refer to Note 6(11) of the notes to the financial statements.
Other non-current assets			
Deferred tax assets		\$ 6,780,908	
Refundable deposits		8,670,550	
Long-term financing lease receivable, net		1,455,784	
Other non-current assets-others		<u>19,230,579</u>	
Total		<u>\$ 36,137,821</u>	

MEDIATEK INC.
13. RIGHT-OF-USE ASSET
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Disposal	Ending Balance	Note
Cost					
Land	\$ 1,550,463	\$ -	\$ -	\$ 1,550,463	
Buildings and facilities	250,985	34,264	(57,747)	227,502	
Machinery equipment	27,235	210,921	-	238,156	
Transportation equipment	8,506	6,382	(5,321)	9,567	
Total	<u>\$ 1,837,189</u>	<u>\$ 251,567</u>	<u>\$ (63,068)</u>	<u>\$ 2,025,688</u>	
Amortization and impairment					
Land	\$ 75,868		\$ -	\$ 113,802	
Buildings and facilities	83,858	70,053	(57,688)	96,223	
Machinery equipment	12,104	67,668	-	79,772	
Transportation equipment	4,405	2,664	(4,967)	2,102	
Total	<u>\$ 176,235</u>	<u>\$ 178,319</u>	<u>\$ (62,655)</u>	<u>\$ 291,899</u>	

MEDIATEK INC.
14. STATEMENT OF SHORT-TERM BORROWINGS
As of December 31, 2021

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

Type	Description	Amount	Contract Period	Interest Rate	Loan Commitments	Collateral	Note
Unsecured loans							
Citibank		\$ 5,534,800	2021/12/6 - 2022/1/5	0.40%	USD 350,000	None	
First Commercial Bank		2,767,400	2021/12/1 - 2022/1/3	0.40%	TWD 3,000,000	None	
China Construction Bank		4,151,100	2021/12/13 - 2022/1/10	0.41%	USD 250,000	None	
Sumitomo Mitsui Banking		2,767,400	2021/12/30 - 2022/1/28	0.41%	USD 140,000	None	
Chartered Bank		3,892,320	2021/05/28 - 2022/11/25	(0.50)% - (0.40)%	USD 160,000	None	
Crédit Agricole Corporate and Investment Bank		15,351,630	2021/07/26 - 2022/09/27	(0.50)%	USD 700,000	None	
Hongkong Bank		4,203,900	2021/07/26 - 2022/07/26	0.00%	USD 350,000	None	
DBS Bank		5,547,600	2021/12/28 - 2022/12/28	(0.32)%	USD 400,000	None	
JPMorgan chase bank		1,111,200	2021/11/26 - 2022/11/27	(0.4)%	USD 350,000	None	
Total		<u>\$ 45,327,350</u>					

MEDIATEK INC.

15. STATEMENT OF TRADE PAYABLES AND TRADE PAYABLES TO RELATED PARTIES

As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Vendor A		\$ 4,900,117	
Vendor B		2,240,837	
Vendor C		2,095,193	
Vendor D		1,830,319	
Vendor E		1,354,279	
Vendor F		1,287,124	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	10,749,043	
Subtotal		<u>24,456,912</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		\$ 1,029,885	
King Long Tech (Suzhou) Ltd.		135,625	
Airoha Technology Corp.		362,549	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	25,616	
Subtotal		<u>1,553,675</u>	
Total		<u>\$ 26,010,587</u>	

MEDIATEK INC.
16. STATEMENT OF OTHER PAYABLES
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 26,333,495	
Selling expenses		1,876,589	
Other payables to related parties		32,187	
Others	The amount of individual item in others does not exceed 5% of the account balance.	8,940,702	
Total		<u>\$ 37,182,973</u>	

MEDIATEK INC.
17. STATEMENT OF OTHER CURRENT LIABILITIES
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 24,029,774	
Temporary receipts		<u>599,045</u>	
Total		<u>\$ 24,628,819</u>	

MEDIATEK INC.
18. STATEMENT OF LEASE LIABILITIES
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Lease term	Discount rates (annual)	Ending Balance	Note
Land	2019/01/01 - 2068/04/30	1.480%	\$ 1,465,662	
Buildings and facilities	2019/01/01 - 2040/06/30	0.405%~1.48%	132,005	
Machinery equipment	2021/03/25 - 2024/03/24	0.480%	137,768	
Transportation equipment	2021/04/06 - 2024/12/05	0.48%~0.73%	<u>7,483</u>	
Total			1,742,918	
Less: current portion			<u>(155,571)</u>	
Noncurrent portion			<u>\$ 1,587,347</u>	

MEDIATEK INC.
19. STATEMENT OF LONG-TERM BORROWINGS
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Type	Description	Amount	Contract Period	Interest Rate	Loan Commitments	Collateral	Note
Unsecured loans							
JPMorgan chase bank		\$ 827,660	2021/6/11 - 2023/9/11	0.00%	TWD 1,400,000	None	
JPMorgan chase bank		<u>558,060</u>	2021/10/26 - 2022/11/25	(0.4)%	USD 400,000	None	
Total		1,385,720					
		<u>(558,060)</u>					
Noncurrent portion		<u>\$ 827,660</u>					

MEDIATEK INC.
20. STATEMENT OF OTHER NON-CURRENT LIABILITIES
As of December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 490,525	
Long-term payables to related parties		8,618,791	
Net defined benefit liabilities - noncurrent		672,027	
Deposits received		106,299	
Deferred tax liabilities		4,966,610	
Others	The amount of individual item in others does not exceed 5% of the account balance.	608,390	
Total		<u>\$ 15,462,642</u>	

MEDIATEK INC.
21. STATEMENT OF NET SALES
For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	5,045,985,436	\$ 298,550,832	
Services and other revenues		<u>7,020,510</u>	
Net operating revenues		<u>\$ 305,571,342</u>	

MEDIATEK INC.
22. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 2,163,203		
Add: Raw material purchased	121,828,770		
Less: Raw material, end of year	<u>(2,575,983)</u>		
Direct material used		\$ 121,415,990	
Manufacturing Expenses	<u>47,522,747</u>	<u>47,522,747</u>	
Manufacturing Costs		168,938,737	
Add: Work in process, beginning of year	22,607,826		
Work in process purchased	20,824,008		
Less: Work in process, end of year	<u>(32,875,365)</u>	<u>10,556,469</u>	
Cost of Finished Goods		179,495,206	
Add: Finished goods, beginning of year	7,287,936		
Finished goods purchased	3,167,580		
Less: Finished goods, end of year	<u>(23,812,262)</u>		
Transferred to operating expenses	<u>(664,481)</u>	<u>(14,021,227)</u>	
Subtotal		165,473,979	
Other Operating Costs			
The write-down of inventories		7,293,812	
Gain on sales of scrap		<u>(5,187)</u>	
Others		1,473,458	
Total Operating Costs		<u>\$ 174,236,062</u>	

MEDIATEK INC.
23. STATEMENT OF OPERATING EXPENSES
For the year ended December 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 45,828,911	\$ 3,682,116	\$ 889,668
Depreciation	2,731,863	571,118	861
Amortization	2,877,982	49,143	981
Service fee and advertisement expenses	2,457,952	581,382	2,929,697
License fee	931,430	-	5,153,916
Design and experiment expenses	3,842,764	7,547	-
Others	4,627,932	1,479,805	625,386
Total	<u>\$ 63,298,834</u>	<u>\$ 6,371,111</u>	<u>\$ 9,600,509</u>

MEDIATEK INC.

24. STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES

For the years ended December 31, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2021			For the year ended December 31, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses (Note)						
Payroll	\$ 660,527	\$ 50,400,694	\$ 51,061,221	\$ 608,800	\$ 30,406,320	\$ 31,015,120
Labor and health	52,749	1,605,688	1,658,437	38,271	1,163,127	1,201,398
Pension	27,824	843,788	871,612	25,589	774,936	800,525
Board compensation	-	168,618	168,618	-	70,655	70,655
Others	17,525	651,015	668,540	11,694	502,424	514,118
Depreciation	7,230	3,303,842	3,311,072	9,784	2,457,881	2,467,665
Amortization	-	2,928,106	2,928,106	80	3,014,816	3,014,896

NOTE:

1. For the years end December 31, 2021 and 2020, the Company had 9,944 and 9,089 employees, respectively, which included 6 non-employee directors for both years.
2. Employee benefits expenses in average were NT\$5,459,791 dollars and NT\$3,691,639 dollars for the years ended December 31, 2021 and 2020, respectively.
3. Payroll expenses in average were NT\$5,137,937 dollars and NT\$3,414,634 dollars for the years ended December 31, 2021 and 2020, respectively.
4. The adjustment of average payroll increased by 50% for the year ended December 31, 2021.
5. The Company did not have supervisors either in 2021 or 2020. Therefore, there was no compensation to the supervisor.

(To be continued)

(Continued)

6. The Company's remuneration and reward principles are as follows:

(1) Director of the Board:

The remuneration paid to directors is in compliance with MediaTek's Articles of Incorporation §14, §24 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 and actual time after appointment. 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, 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. It is reviewed 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 and formulates reasonable compensation and bonus policies based on the overall economic indicators to ensure the overall compensation and bonus are competitive. It is written in the Company's Articles of Incorporation that if the Company makes profit in the year, the Company should provide employee compensation no less than 1% of net income, to link company performance to employee compensation and bonus. 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.