

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

**MEDIATEK INC.**  
**PARENT COMPANY ONLY**  
**FINANCIAL STATEMENTS**  
**WITH**  
**REPORT OF INDEPENDENT ACCOUNTANTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 AND 2021**

Notice to Readers

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

English Translation of a Report Originally Issued in Chinese

**Independent Auditors' Report**

To the Board of Directors and Shareholders  
of MediaTek Inc.

**Opinion**

We have audited the accompanying parent company only balance sheets of MediaTek Inc. as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of MediaTek Inc. as of December 31, 2022 and 2021, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition

MediaTek Inc. recognized NT\$332,181,124 thousand as net sales, which includes sale of goods in the amount of NT\$324,816,989 thousand and services and other operating revenues in the amount of NT\$7,364,135 thousand for the year ended December 31, 2022. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

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

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

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 24, 2023

#### Notice to Readers

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

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

English Translation of Financial Statements Originally Issued in Chinese

**MEDIATEK INC.**

**PARENT COMPANY ONLY BALANCE SHEETS**

**As of December 31, 2022 and 2021**

(Amounts in thousands of New Taiwan Dollars)

<b>ASSETS</b>	<b>Notes</b>	<b>December 31, 2022</b>	<b>%</b>	<b>December 31, 2021</b>	<b>%</b>
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$ 22,417,724	4	\$ 71,349,370	12
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	1,747,234	1	1,712,245	-
Financial assets measured at amortized cost-current	4, 6(4)	20,396	-	84,211	-
Trade receivables, net	4, 6(5), 6(21)	25,012,979	5	32,683,641	6
Trade receivables from related parties, net	4, 6(5), 6(21), 7	508,276	-	612,535	-
Other receivables	6(6)	3,927,095	1	5,150,696	1
Other receivables from related parties	7	399,764	-	275,373	-
Current tax assets	4, 5, 6(29)	-	-	82	-
Inventories, net	4, 5, 6(7)	39,408,674	7	40,813,724	7
Prepayments	6(8), 9	1,654,250	-	666,330	-
Other current assets		1,164,932	-	1,214,719	-
Total current assets		<u>96,261,324</u>	<u>18</u>	<u>154,562,926</u>	<u>26</u>
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	2,387,451	1	797,350	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	7,227,546	1	6,517,755	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	2,023,508	-	1,516,539	-
Investments accounted for using the equity method	4, 6(9)	313,235,289	58	307,861,947	52
Property, plant and equipment	4, 6(10)	32,197,708	6	29,877,083	5
Right-of-use assets	4, 6(22)	2,355,779	-	1,733,789	-
Intangible assets	4, 6(11), 6(12)	57,005,420	11	57,272,022	10
Deferred tax assets	4, 5, 6(29)	8,527,393	2	6,780,908	1
Refundable deposits	9	6,638,424	1	8,670,550	2
Long-term financing lease receivables, net	4, 6(21), 6(22)	1,455,784	-	1,455,784	-
Other non-current assets-others	9	13,448,903	2	19,230,579	3
Total non-current assets		<u>446,503,205</u>	<u>82</u>	<u>441,714,306</u>	<u>74</u>
<b>Total assets</b>		<u>\$ 542,764,529</u>	<u>100</u>	<u>\$ 596,277,232</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, 2022 and 2021**

(Amounts in thousands of New Taiwan Dollars)

<b>LIABILITIES AND EQUITY</b>	Notes	December 31, 2022	%	December 31, 2021	%
<b>Current liabilities</b>					
Short-term borrowings	6(13)	\$ -	-	\$ 45,327,350	8
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	3,353	-	4,252	-
Contract liabilities-current	4, 5, 6(20)	2,122,229	-	3,409,104	1
Trade payables		12,068,347	2	24,456,912	4
Trade payables to related parties	7	1,386,107	-	1,553,675	-
Other payables	6(14)	35,878,684	7	37,150,786	6
Other payables to related parties	7	10,129,960	2	32,187	-
Current tax liabilities	4, 5, 6(29)	2,518,768	-	7,102,836	1
Lease liabilities-current	4, 6(22)	263,466	-	155,571	-
Other current liabilities	4, 6(15)	25,525,176	5	24,628,819	4
Current portion of long-term liabilities	6(16)	2,456,385	1	2,562,795	1
Total current liabilities		<u>92,352,475</u>	<u>17</u>	<u>146,384,287</u>	<u>25</u>
<b>Non-current liabilities</b>					
Long-term borrowings	6(16)	-	-	827,660	-
Long-term payables		529,406	-	490,525	-
Long-term payables to related parties	7	-	-	8,618,791	2
Net defined benefit liabilities-noncurrent	4, 6(17)	607,180	-	672,027	-
Deposits received	7	56,309	-	106,299	-
Deferred tax liabilities	4, 5, 6(29)	6,252,799	1	4,966,610	1
Lease liabilities-noncurrent	4, 6(22)	2,133,549	1	1,587,347	-
Other non-current liabilities-others		723,521	-	608,390	-
Total non-current liabilities		<u>10,302,764</u>	<u>2</u>	<u>17,877,649</u>	<u>3</u>
Total liabilities		<u>102,655,239</u>	<u>19</u>	<u>164,261,936</u>	<u>28</u>
<b>Equity</b>					
Share capital	6(18)				
Common stock		15,994,353	3	15,988,420	3
Capital collected in advance		113	-	483	-
Capital surplus	6(18), 6(19)	47,185,281	9	59,776,045	10
Retained earnings	6(18)				
Legal reserve		62,058,498	11	50,217,220	8
Undistributed earnings		286,688,675	53	252,432,501	42
Other equity	6(19)	28,238,340	5	53,656,597	9
Treasury shares	4, 6(18)	(55,970)	-	(55,970)	-
Total equity		<u>440,109,290</u>	<u>81</u>	<u>432,015,296</u>	<u>72</u>
<b>Total liabilities and equity</b>		<u>\$ 542,764,529</u>	<u>100</u>	<u>\$ 596,277,232</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, 2022 and 2021

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

Description	Notes	2022	%	2021	%
<b>Net sales</b>	4, 5, 6(20), 7	\$ 332,181,124	100	\$ 305,571,342	100
<b>Operating costs</b>	4, 5, 6(7), 6(23), 7	(176,996,071)	(53)	(174,236,062)	(57)
<b>Gross profit</b>		155,185,053	47	131,335,280	43
<b>Unrealized gross profit on sales</b>		(657)	-	(566,377)	-
<b>Realized gross profit on sales</b>		170,395	-	163,622	-
<b>Gross profit, net</b>		155,354,791	47	130,932,525	43
<b>Operating expenses</b>	6(21), 6(23), 7				
Selling expenses		(8,800,102)	(2)	(9,600,509)	(3)
Administrative expenses		(9,970,588)	(3)	(6,371,111)	(2)
Research and development expenses		(82,369,154)	(25)	(63,298,834)	(21)
Expected credit (losses) gains		(770)	-	15,007	-
Total operating expenses		(101,140,614)	(30)	(79,255,447)	(26)
<b>Operating income</b>		54,214,177	17	51,677,078	17
<b>Non-operating income and expenses</b>					
Interest income	4, 6(24)	695,486	-	595,264	-
Other income	4, 6(25), 7	511,693	-	621,613	-
Other gains and losses	4, 6(26), 7	910,789	-	546,510	-
Finance costs	6(27), 7	(299,940)	-	(113,342)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	71,561,982	22	67,577,219	22
Total non-operating income and expenses		73,380,010	22	69,227,264	22
<b>Net income before income tax</b>		127,594,187	39	120,904,342	39
<b>Income tax expense</b>	4, 5, 6(29)	(9,453,081)	(3)	(9,483,280)	(3)
<b>Net income</b>		118,141,106	36	111,421,062	36
<b>Other comprehensive income</b>	4, 6(9), 6(17), 6(28), 6(29)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		57,848	-	47,672	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(448,568)	-	(57,688)	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		(29,610,670)	(9)	8,606,502	3
Income tax relating to those items not to be reclassified to profit or loss		(11,570)	-	(9,534)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		20,834,513	6	(4,763,993)	(1)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		949	-	-	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may be reclassified to profit or loss		(45,022)	-	(2,084)	-
<b>Other comprehensive income, net of tax</b>		(9,222,520)	(3)	3,820,875	2
<b>Total comprehensive income</b>		\$ 108,918,586	33	\$ 115,241,937	38
Basic Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 74.59		\$ 70.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 74.23		\$ 70.22	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese  
**MEDIATEK INC.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**For the years ended December 31, 2022 and 2021**  
(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Other equity			Treasury shares	Total equity
	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, 2021	\$ 15,900,622	\$ 2,133	\$ 76,745,750	\$ 44,583,025	\$ 173,052,205	\$ (8,710,844)	\$ 70,646,473	\$ (329,573)	\$ (55,970)	\$ 371,833,821
Appropriation and distribution of 2020 earnings:										
Legal reserve	-	-	-	5,634,195	(5,634,195)	-	-	-	-	-
Cash dividends	-	-	-	-	(33,398,284)	-	-	-	-	(33,398,284)
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
Appropriation and distribution of 2021 earnings:										
Legal reserve	-	-	-	11,841,278	(11,841,278)	-	-	-	-	-
Cash dividends	-	-	-	-	(91,147,046)	-	-	-	-	(91,147,046)
Total	-	-	-	11,841,278	(102,988,324)	-	-	-	-	(91,147,046)
Cash dividends distributed from capital surplus	-	-	(25,585,136)	-	-	-	-	-	-	(25,585,136)
Profit for the year ended December 31, 2022	-	-	-	-	118,141,106	-	-	-	-	118,141,106
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	73,778	20,834,513	(30,130,811)	-	-	(9,222,520)
Total comprehensive income	-	-	-	-	118,214,884	20,834,513	(30,130,811)	-	-	108,918,586
Share-based payment transactions	2,596	(370)	76,329	-	-	-	-	-	-	78,555
Adjustments due to dividends that subsidiaries received from parent company	-	-	568,977	-	-	-	-	-	-	568,977
Changes in associates and joint ventures accounted for using the equity method	-	-	2,882,085	-	-	-	-	-	-	2,882,085
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	8,637,434	-	-	-	-	-	-	8,637,434
Changes in ownership interests in subsidiaries	-	-	(95,784)	-	-	-	-	-	-	(95,784)
Issuance of restricted stock for employees	3,337	-	935,957	-	17,604	-	-	2,890,051	-	3,846,949
Changes in other capital surplus	-	-	(10,626)	-	-	-	-	-	-	(10,626)
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	19,012,010	-	(19,012,010)	-	-	-
Balance as of December 31, 2022	\$ 15,994,353	\$ 113	\$ 47,185,281	\$ 62,058,498	\$ 286,688,675	\$ 7,359,676	\$ 23,079,555	\$ (2,200,891)	\$ (55,970)	\$ 440,109,290

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

## MEDIATEK INC.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	2022	2021
<b>Cash flows from operating activities :</b>		
Profit before tax from continuing operations	\$ 127,594,187	\$ 120,904,342
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	5,648,634	3,311,072
Amortization	3,340,491	2,928,106
Expected credit losses (gains)	770	(15,007)
Losses (gains) on financial assets and liabilities at fair value through profit or loss	81,629	(117,813)
Interest expenses	299,940	113,342
Losses on derecognition of financial assets measured at amortized cost	36	-
Interest income	(695,486)	(595,264)
Dividend income	(123,722)	(40,116)
Share-based payment expenses	3,261,615	1,545,455
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(71,561,982)	(67,577,219)
Losses (gains) on disposal of property, plant and equipment	2,312	(972)
Unrealized gross profit on sales	657	80
Realized gross profit on sales	(170,395)	(163,622)
Others	26	(204)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(1,712,413)	(976,587)
Trade receivables	7,669,892	(14,819,576)
Trade receivables from related parties	104,259	26,315
Other receivables	1,162,037	(1,147,936)
Other receivables from related parties	(124,391)	8,210
Inventories	1,405,050	(19,910,833)
Prepayments	(1,177,201)	(190,333)
Other current assets	49,787	(288,445)
Other non-current assets-others	5,970,957	(19,230,579)
Contract liabilities	(1,286,875)	(4,443,125)
Trade payables	(12,388,565)	4,166,482
Trade payables to related parties	(167,568)	(1,102,309)
Other payables	(1,029,935)	10,960,127
Other payables to related parties	823,061	(25,295)
Other current liabilities	896,357	8,674,157
Long-term payables to related parties	(8,618,791)	8,618,791
Net defined benefit liabilities	(6,999)	(10,189)
Other non-current liabilities-others	(14,528)	(278,285)
Cash generated from operating activities:	59,232,846	30,322,770
Interest received	762,768	656,620
Dividend received	48,921,938	22,242,681
Interest paid	(303,261)	(114,386)
Income tax paid	(14,508,933)	(4,327,866)
Net cash provided by operating activities	94,105,358	48,779,819
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,157,410)	(1,997,691)
Acquisition of financial assets measured at amortized cost	(500,000)	(120,703)
Proceeds from redemption of financial assets measured at amortized cost	55,887	113,559
Acquisition of investments accounted for using the equity method	(4,693,510)	(19,501,530)
Proceeds from disposal of investments accounted for using the equity method	693,414	10,466
Proceeds from capital return of investments accounted for using the equity method	25,294,580	1,382,800
Cash received through merger	-	63,799
Acquisition of property, plant and equipment	(7,974,778)	(13,722,045)
Proceeds from disposal of property, plant and equipment	2,427	8,032
Decrease (increase) in refundable deposits	2,032,126	(8,597,388)
Acquisition of intangible assets	(3,266,551)	(3,294,683)
Proceeds from disposal of intangible assets	-	226
Net cash provided by (used in) investing activities	10,486,185	(45,655,158)
<b>Cash flows from financing activities :</b>		
(Decrease) increase in short-term borrowings	(45,327,350)	29,075,610
Proceeds from long-term borrowings	-	1,385,720
Repayment of long-term borrowings	(558,060)	-
Decrease in deposits received	(49,990)	(207,382)
Other payables to related parties	9,274,712	-
Cash payment for the principal portion of the lease liabilities	(220,793)	(181,976)
Proceeds from exercise of employee stock options	67,929	107,936
Cash dividends	(116,709,637)	(58,873,032)
Net cash used in investing activities	(153,523,189)	(28,693,124)
Net decrease in cash and cash equivalents	(48,931,646)	(25,568,463)
Cash and cash equivalents at the beginning of the year	71,349,370	96,917,833
Cash and cash equivalents at the end of the year	\$ 22,417,724	\$ 71,349,370

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

**MEDIATEK INC.**

**NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS**

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

**1. Organization and Operation**

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

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

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

**3. Newly Issued or Revised Standards and Interpretations**

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

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

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



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

**4. Summary of Significant Accounting Policies Information**

*Statement of Compliance*

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

*Basis of Preparation*

According to article 21 of the Regulations, the profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investments in subsidiaries will be disclosed under "Investments accounted for using the equity method" in the parent company only financial report and change in value will be adjusted.

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$.

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

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

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

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

Translation of financial statements in foreign currency

Each foreign operation of the Company determines its function currency upon its primary economic environment and items included in the financial statements of each operation are measured using that functional currency. The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the rate prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considered a disposal.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is adjusted in “investments accounted for using the equity method”. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

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

*Current and non-current distinction*

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Cash and cash equivalents

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

Financial instruments

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

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

(1) Financial instruments: Recognition and Measurement

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

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

A. the Company's business model for managing the financial assets and

B. the contractual cash flow characteristics of the financial asset.

a. Financial assets measured at amortized cost

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

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

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

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

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

(2) Impairment of financial assets

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

The loss allowance is measured as follows:

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

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

**(3) Derecognition of financial assets**

A financial asset is derecognized when:

- A. the rights to receive cash flows from the asset have expired.
- B. the Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

C. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

**(4) Financial liabilities and equity**

**A. Classification between liabilities or equity**

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

**B. Equity instruments**

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

**C. Financial liabilities**

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

**a. Financial liabilities at fair value through profit or loss**

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

A financial liability is classified as held for trading if:

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

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

**b. Financial liabilities at amortized cost**

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

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

**c. Derecognition of financial liabilities**

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

**(5) Offsetting of financial instruments**

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

*Derivative instrument*

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

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

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

*Fair value measurement*

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

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

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

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

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



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

*Inventories*

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

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

*Investments accounted for using the equity method*

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

**Property, plant and equipment**

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

Leases

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

**A. The Company as a lessee**

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

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

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

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

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

- a. the amount of the initial measurement of the lease liability;
- b. any lease payments made at or before the commencement date, less any lease incentives received;
- c. any initial direct costs incurred by the lessee; and

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

- d. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

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

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

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

**B. The Company as a lessor**

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

*Intangible assets*

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

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

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

Trademarks	Patents	Software	IPs and others
6 years	2-7 years	2-5 years	2-7 years

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

*Impairment of non-financial assets*

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

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

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

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

*Treasury shares*

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Provisions

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

Sales returns and allowances (Refund liabilities)

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

Revenue recognition

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

Sale of goods

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



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

The credit period of the Company's sale of goods is from 45 to 60 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Company transfers the goods to customers and when the customers pay for that goods is usually short and there is no significant financing component to the contract. For a small part of the contracts, the Company has the right to transfer the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

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

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

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

Silicon intellectual property license

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

*Post-employment benefits*

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

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

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

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

*Share-based payment transactions*

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

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

The cost of restricted shares issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognizes unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

*Income taxes*

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

**A. Current income tax**

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

**B. Deferred tax**

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

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

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

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

*Business combinations and goodwill*

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

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

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

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

**5. Significant Accounting Judgments, Estimates and Assumptions**

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

Estimates and assumptions

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

**A. Fair value of Level 3 financial instruments**

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

**B. Valuation of inventory - estimation of obsolescence provision**

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

**C. Income tax**

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

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

**D. Revenue recognition - sales returns and discounts**

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6. (15) for more details.

**6. Contents of Significant Accounts**

**(1) Cash and cash equivalents**

	December 31, 2022	December 31, 2021
Checking and savings accounts	\$ 904,209	\$ 1,574,291
Time deposits	21,513,515	69,775,079
Total	<u>\$ 22,417,724</u>	<u>\$ 71,349,370</u>

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

Cash and cash equivalents were not pledged.

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

	December 31, 2022	December 31, 2021
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 1,729,818	\$ 1,502,219
Linked deposits	-	210,026
Forward exchange contracts	17,416	-
Total	<u>\$ 1,747,234</u>	<u>\$ 1,712,245</u>
<u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ 3,353</u>	<u>\$ 4,252</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Stocks	\$ 150,780	\$ 178,920
Linked deposits	2,087,371	618,430
Bonds	149,300	-
Total	<u>\$ 2,387,451</u>	<u>\$ 797,350</u>

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



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

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

	December 31, 2022	December 31, 2021
<u>Noncurrent</u>		
<u>Debt instrument investment measured at fair value through other comprehensive income</u>		
Bonds	\$ 200,949	\$ -
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Funds	3,084,804	3,262,841
Listed company stocks	3,940,024	3,252,826
Unlisted company stocks	1,769	2,088
Subtotal	7,026,597	6,517,755
Total	\$ 7,227,546	\$ 6,517,755

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

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

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

	For the years ended December 31	
	2022	2021
Related to investments held at the end of the reporting period	\$ 123,722	\$ 40,116

## (4) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
<u>Current</u>		
Bonds	\$ 20,396	\$ 84,211

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

	December 31, 2022	December 31, 2021
<u>Noncurrent</u>		
Bonds	\$ 1,940,693	\$ 1,440,694
Time deposits	82,815	75,845
Total	<u>\$ 2,023,508</u>	<u>\$ 1,516,539</u>

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

**(5) Trade receivables and trade receivables from related parties**

	December 31, 2022	December 31, 2021
Trade receivables	\$ 25,014,619	\$ 32,693,312
Less: allowance for doubtful debts	(1,640)	(9,671)
Subtotal	<u>25,012,979</u>	<u>32,683,641</u>
Trade receivables from related parties	508,276	612,535
Less: allowance for doubtful debts	-	-
Subtotal	<u>508,276</u>	<u>612,535</u>
Total	<u>\$ 25,521,255</u>	<u>\$ 33,296,176</u>

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

Trade receivables are generally on 45 to 60 day terms. The total carrying amounts were NT\$25,522,895 thousand and NT\$33,305,847 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6. (21) for more details on impairment of trade receivables for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

Trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$1,628,442 thousand and NT\$1,790,456 thousand as of December 31, 2022 and 2021, respectively.

**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(6) Other receivables**

	December 31, 2022	December 31, 2021
Factoring receivables	\$ 2,031,467	\$ 3,778,202
Others	1,895,628	1,372,494
Total	<u>\$ 3,927,095</u>	<u>\$ 5,150,696</u>

The Company entered into several factoring agreements without recourse with financial institutions. According to those agreements, the Company does not take the risk of uncollectible trade receivables, but only the risk of loss due to commercial disputes. The Company did not provide any collateral, and the factoring agreements met the criteria of financial asset derecognition. The Company derecognized related trade receivables after deducting the estimated value of commercial disputes. Receivables from banks due to factoring agreement were NT\$2,031,467 thousand and NT\$3,778,202 thousand as of December 31, 2022 and 2021, respectively.

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

**A. As of December 31, 2022:**

		Trade				
The Factor	Interest	receivables	Cash		Unutilized	Credit line
(Transferee)	Rate	derecognized	withdrawn		(US\$'000)	(US\$'000)
	(%)	(US\$'000)	(US\$'000)			
<b>Taishin</b>						
International Bank	-	\$ 57,939	\$ -	\$ 57,939	\$ 205,000	
BNP Paribas	-	6,943	-	6,943	155,000	
CHB	-	-	-	-	1,500	
CTBC	-	-	-	-	400	
SinoPac	-	1,261	-	1,261	10,000	
Total		<u>\$ 66,143</u>	<u>\$ -</u>	<u>\$ 66,143</u>	<u>\$ 371,900</u>	

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

B. As of December 31, 2021:

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

## (7) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 177,792	\$ 1,248,322
Work in progress	27,579,946	22,885,957
Finished goods	11,650,936	16,679,445
Net amount	<u>\$ 39,408,674</u>	<u>\$ 40,813,724</u>

The operating cost related to inventories included the write-down of inventories of NT\$14,794,109 thousand and NT\$7,293,812 thousand for the years ended December 31, 2022 and 2021, respectively.

Inventories were not pledged.

## (8) Prepayments

	December 31, 2022	December 31, 2021
Prepaid expenses	\$ 685,262	\$ 421,882
Others	968,988	244,448
Total	<u>\$ 1,654,250</u>	<u>\$ 666,330</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, 2022		December 31, 2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
<b>Subsidiaries:</b>				
MediaTek Investment Singapore Pte. Ltd.	\$ 204,066,817	100	\$ 224,583,578	100
Hsu-Ta Investment Corp.	9,232,568	100	7,541,670	100
MediaTek Singapore Pte. Ltd.	67,147,396	100	43,982,690	100
MStar Co., Ltd.	141,281	100	145,792	100
HFI Innovation Inc.	1,043,078	100	729,424	100
Spidcom Technologies	525	100	1,574	100
Richtek Technology Corp.	21,363,741	100	21,636,457	100
Airoha Technology Corp.	8,125,045	77	219,299	5
MediaTek Capital Co.	726,135	100	265,767	100
Airoha Technology (Cayman) Inc.	-	-	8,422,740	66
Hsu-Yuan Investment Corp.	444,475	100	-	-
MediaTek Research UK Limited	31,054	100	-	-
MediaTek Bangalore Private Limited	559,675	100	-	-
Subtotal	312,881,790		307,528,991	
<b>Investments in associates:</b>				
IC Plus Corp.	324,395	19	302,975	19
Intellectual Property Innovation Corp.	29,104	30	29,981	30
Subtotal	353,499		332,956	
Total	\$ 313,235,289		\$ 307,861,947	

The Company increased its investment in MediaTek Investment Singapore Pte. Ltd. through several cash injections in the aggregate amount of NT\$18,904,372 thousand from July to December 2021. Moreover, MediaTek Investment Singapore Pte. Ltd. issued new shares to the Company in exchange for the ownership of Digimoc Holdings Limited in September 2021. In addition, MediaTek investment Singapore Pte. Ltd. returned its capital of NT\$25,294,580 thousand to the Company in December 2022.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

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

Hsu-Si Investment Corp. returned NT\$1,310,000 thousand in June 2021 due to capital reduction, Hsu-Si Investment spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and the Company acquired 5% new shares of the capital increase of Airoha Technology Corp. in October 2021. Hsu-Si Investment Corp. was dissolved due to merger with the Company in December 2021. The ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to the Company.

Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022. Airoha Technology (Cayman) Inc. was dissolved on the same day. In addition, Airoha Technology Corp. increased capital by cash in January 2022. The Company did not subscribe to the new shares proportionate to its original ownership interest that resulted in a change in ownership interest. The Company increased its investment in Airoha Technology Corp. by cash in the amount of NT\$48,413 thousand and NT\$772,294 thousand in February and March 2022, respectively. Moreover, the Company disposed of a portion of Airoha Technology Corp. shares in the amount of NT\$693,414 thousand in June 2022. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 76%.

The Company established MediaTek Capital Co. by cash of NT\$290,000 thousand in July 2021, and increased its investment by cash of NT\$828,000 thousand in May 2022.

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

The Company increased its investment in Mediatek Research UK Limited by cash in the amount of NT\$24,363 thousand in April 2022.

The Company increased its investment in MediaTek Bangalore Private Limited by cash in the amount of NT\$581,508 thousand in December 2022.

The Company totally purchased NT\$277,158 thousand of voting shares of IC Plus Corp. from market during the period from January to February 2021 and its ownership of IC Plus Corp. has reached 19%. The Company assessed that it has significant influence over IC Plus Corp., and therefore the Company reclassified IC Plus Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method. In addition, the Company increased its investment in IC Plus Corp. by cash in the amount of NT\$6,932 thousand in March 2022.

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

Investments in subsidiaries and associates were not pledged.

**(10) Property, plant and equipment**

	December 31, 2022	December 31, 2021
Owner-occupied property, plant and equipment	\$ 32,197,708	\$ 29,877,083

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunicati on equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2022	\$ 6,867,912	\$ 15,156,732	\$ 148,506	\$ 10,820,590	\$ 10,941,511	\$ 1,692,149	\$ 270,002	\$ 45,897,402
Additions-acquired								
separately	481,030	308,165	3,825	960,065	2,471,639	2,742,428	768,780	7,735,932
Disposals	-	-	-	(160,295)	(108,729)	(306)	-	(269,330)
Transfers	-	925,481	-	-	25,698	17,575	(983,562)	(14,088)
As of December 31, 2022	<u>\$ 7,348,942</u>	<u>\$ 16,390,378</u>	<u>\$ 152,331</u>	<u>\$ 11,620,360</u>	<u>\$ 13,330,119</u>	<u>\$ 4,451,846</u>	<u>\$ 55,220</u>	<u>\$ 53,349,196</u>
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>



**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 telecommunicati on equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:								
As of January 1, 2022	\$ -	\$ 4,500,971	\$ 47,737	\$ 4,588,773	\$ 6,421,314	\$ 461,524	\$ -	\$ 16,020,319
Depreciation	-	442,769	24,096	2,144,487	1,400,006	1,384,402	-	5,395,760
Disposals	-	-	-	(160,281)	(104,076)	(234)	-	(264,591)
As of December 31, 2022	<u>\$ -</u>	<u>\$ 4,943,740</u>	<u>\$ 71,833</u>	<u>\$ 6,572,979</u>	<u>\$ 7,717,244</u>	<u>\$ 1,845,692</u>	<u>\$ -</u>	<u>\$ 21,151,488</u>
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	<u>\$ -</u>	<u>\$ 4,500,971</u>	<u>\$ 47,737</u>	<u>\$ 4,588,773</u>	<u>\$ 6,421,314</u>	<u>\$ 461,524</u>	<u>\$ -</u>	<u>\$ 16,020,319</u>
Net carrying amount as of:								
December 31, 2022	<u>\$ 7,348,942</u>	<u>\$ 11,446,638</u>	<u>\$ 80,498</u>	<u>\$ 5,047,381</u>	<u>\$ 5,612,875</u>	<u>\$ 2,606,154</u>	<u>\$ 55,220</u>	<u>\$ 32,197,708</u>
December 31, 2021	<u>\$ 6,867,912</u>	<u>\$ 10,655,761</u>	<u>\$ 100,769</u>	<u>\$ 6,231,817</u>	<u>\$ 4,520,197</u>	<u>\$ 1,230,625</u>	<u>\$ 270,002</u>	<u>\$ 29,877,083</u>

The property, plant and equipment were not pledged.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

(11) Intangible assets

	Trademarks	Software	Patents, IPs and others	Goodwill	Total
Cost:					
As of January 1, 2022	\$ 390,512	\$ 1,358,049	\$ 18,571,121	\$ 52,604,453	\$ 72,924,135
Additions-acquired separately	-	95,192	2,963,889	-	3,059,081
Disposals	(390,512)	(1,065,468)	(9,275,177)	-	(10,731,157)
Transfer	-	14,808	-	-	14,808
As of December 31, 2022	<u>\$ -</u>	<u>\$ 402,581</u>	<u>\$ 12,259,833</u>	<u>\$ 52,604,453</u>	<u>\$ 65,266,867</u>
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>

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

	Trademarks	Software	Patents, IPs and others	Goodwill	Total
Amortization and impairment:					
As of January 1, 2022	\$ 390,512	\$ 1,141,202	\$ 14,120,399	\$ -	\$ 15,652,113
Amortization	-	147,919	3,192,572	-	3,340,491
Disposals	(390,512)	(1,065,468)	(9,275,177)	-	(10,731,157)
As of December 31, 2022	<u>\$ -</u>	<u>\$ 223,653</u>	<u>\$ 8,037,794</u>	<u>\$ -</u>	<u>\$ 8,261,447</u>
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>
Net carrying amount as of:					
December 31, 2022	<u>\$ -</u>	<u>\$ 178,928</u>	<u>\$ 4,222,039</u>	<u>\$ 52,604,453</u>	<u>\$ 57,005,420</u>
December 31, 2021	<u>\$ -</u>	<u>\$ 216,847</u>	<u>\$ 4,450,722</u>	<u>\$ 52,604,453</u>	<u>\$ 57,272,022</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, 2022	December 31, 2021
Unsecured bank loans	\$ -	\$ 45,327,350
Interest rates	-	(0.5)%~0.41%

## (14) Other payables

	December 31, 2022	December 31, 2021
Accrued salaries and bonuses	\$ 25,335,258	\$ 26,333,495
Accrued royalties	1,916,226	1,186,619
Others	8,627,200	9,630,672
Total	\$ 35,878,684	\$ 37,150,786

## (15) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liabilities	\$ 24,812,571	\$ 24,029,774
Others	712,605	599,045
Total	\$ 25,525,176	\$ 24,628,819

## (16) Long-term borrowings

Details of long-term loans as of December 31, 2022 are as follows:

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
JP Morgan Chase Bank	\$ 827,660	0%	Effective from June 11, 2021 to September 11, 2023, principal is repaid once due.
Less: current portion	(827,660)		
Noncurrent portion	\$ -		

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

Long-term borrowings were not pledged.

**(17) Post-employment benefits plans**

Defined contribution plan

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

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$1,034,383 thousand and NT\$867,086 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

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

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$8,645 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefit obligation were 16 years and 17 years as of December 31, 2022 and 2021, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31	
	2022	2021
Current service cost	\$ 1,399	\$ 1,315
Net interest on the net defined benefit liabilities	5,511	3,211
Total	<u>\$ 6,910</u>	<u>\$ 4,526</u>

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

	December 31, 2022	December 31, 2021
Defined benefit obligation	\$ 793,239	\$ 836,356
Plan assets at fair value	(186,059)	(164,329)
Net defined benefit liabilities	<u>\$ 607,180</u>	<u>\$ 672,027</u>

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

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2022	\$ 836,356	\$ (164,329)	\$ 672,027
Current service cost	1,399	-	1,399
Interest expenses (income)	6,858	(1,347)	5,511
Subtotal	<u>8,257</u>	<u>(1,347)</u>	<u>6,910</u>

(To be continued)

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(Continued)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	17,439	-	17,439
Actuarial gains and losses arising from changes in financial assumptions	(75,425)	-	(75,425)
Experience adjustments	12,187	-	12,187
Remeasurements of the defined benefit assets	-	(12,049)	(12,049)
Subtotal	(45,799)	(12,049)	(57,848)
Payment of benefit obligation	(5,575)	5,575	-
Contributions by employer	-	(13,909)	(13,909)
As of December 31, 2022	<u>\$ 793,239</u>	<u>\$ (186,059)</u>	<u>\$ 607,180</u>
As of January 1, 2021	\$ 891,373	\$ (161,485)	\$ 729,888
Current service cost	1,315	-	1,315
Interest expenses (income)	3,922	(711)	3,211
Subtotal	5,237	(711)	4,526
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(10,139)	-	(10,139)
Actuarial gains and losses arising from changes in financial assumptions	(55,488)	-	(55,488)
Experience adjustments	20,154	-	20,154
Remeasurements of the defined benefit assets	-	(2,199)	(2,199)
Subtotal	(45,473)	(2,199)	(47,672)
Payment of benefit obligation	(14,781)	14,781	-
Contributions by employer	-	(14,715)	(14,715)
As of December 31, 2021	<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)**

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

	December 31, 2022	December 31, 2021
Discount rate	1.41%	0.82%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (59,227)	\$ -	\$ (66,579)
Discount rate decreases by 0.5%	64,643	-	73,048	-
Rate of future salary increases by 0.5%	63,280	-	71,069	-
Rate of future salary decreases by 0.5%	-	(58,624)	-	(65,537)

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

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

The Company's authorized capital as of December 31, 2022 and 2021 was NT\$20,000,000 thousand, divided into 2,000,000,000 shares (including 20,000,000 shares reserved for exercise of employee stock options at each period), each at a par value of NT\$10. The Company's issued capital was NT\$15,994,353 thousand and NT\$15,988,420 thousand divided into 1,599,435,327 shares and 1,598,841,998 shares, as of December 31, 2022 and 2021, respectively. Each share has one voting right and a right to receive dividends.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2022, 8,810,489 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company has redeemed and cancelled 95,598 shares and 125,822 shares of issued restricted stocks for employees during the years ended December 31, 2022 and 2021, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company issued 222,635 new shares for the year ended December 31, 2022, at par value of NT\$10 for exercising employee stock options. The aforementioned new issued shares (NT\$113 thousand in the amount) were not yet registered and therefore were classified as capital collected in advance as of December 31, 2022.

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

**B. Capital surplus**

	December 31, 2022	December 31, 2021
Additional paid-in capital	\$ 22,510,861	\$ 45,612,340
Treasury share transactions	2,617,042	2,048,065
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	9,477,276	839,842
Changes in ownership interests in subsidiaries	3,003,434	2,968,846
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,105,933	1,223,848
Employee stock options	391,175	391,175
Restricted stocks for employees	4,787,238	6,388,981
Others	291,061	301,687
Total	<u>\$ 47,185,281</u>	<u>\$ 59,776,045</u>

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

According to the Company Act, the capital surplus shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the par value of share capital (including the shares issued for mergers and the surplus from treasury shares transactions) and donations. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them.

**C. Treasury shares**

As of December 31, 2022 and 2021, 7,794,085 shares of the Company's common shares amounting to NT\$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares held by Hsiang Fa Co. were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

As of December 31, 2022 and 2021, the Company did not hold any other treasury shares.

**D. Retained earnings and dividend policy**

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

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

On May 31, 2022, the Company's shareholders resolved to amend the earnings distribution clause of the Articles of Incorporation according to the Articles 240 and 241 of the Company Act. According to the amendment, the Company's current year earnings, if any, shall be distributed in the following order:

- a. reserve for tax payments;
- b. offset accumulated losses in previous years, if any;
- c. legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock;
- d. allocation or reverse of special reserves as required by law or government authorities;

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

- e. the remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal according to laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such distribution to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

Based on the authorization from the amendment of the Articles of Incorporation as mentioned above, Board of Directors may resolve (by a majority vote in a meeting attended by over two thirds of the Directors) to distribute cash dividends and report such resolution to the shareholders' meeting.

Shareholders' dividends may be distributed in the form of shares or cash and cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Pursuant to existing regulations, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The appropriations of earnings for 2022 and 2021 were resolved by the Board of Directors' meeting on February 24, 2023, and the general shareholders' meeting on May 31, 2022, respectively. The details of the distribution are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve (Note)	\$ 13,724,450	\$ 11,841,278	-	-
Cash dividends-common stock	99,178,441	91,147,046	\$ 62.00	\$ 57.00
Total	<u>\$ 112,902,891</u>	<u>\$ 102,988,324</u>		

Note: Legal reserve for 2022 is subject to the resolution of general shareholders' meeting which will be held on May 31, 2023.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

In addition, the Board of Directors' meeting on February 24, 2023 and the general shareholders' meeting on May 31, 2022 resolved to distribute the additional paid-in capital by cash in the amount of NT\$22,395,132 thousand and NT\$25,585,136 thousand, or NT\$14 per share and NT\$16 per share, respectively.

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

Certain employees of the Company are entitled to share-based payments as part of their remuneration. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

Employee stock option plans

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

Detail information relevant to the share-based payment plans are as follows:

Date of grant	Total number of options granted	Total number of options outstanding	Shares available for option holders	Exercise price (NT\$) (Note)
2012.08.14	1,346,795	-	-	\$ 280.4
2013.08.22	1,436,343	218,120	218,120	\$ 368.0

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

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

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

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

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

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

	For the years ended December 31			
	2022		2021	
		Weighted-average Exercise Price per Share (NT\$)		Weighted-average Exercise Price per Share (NT\$)
Employee Stock Option	Options (Unit)		Options (Unit)	
Outstanding at beginning of period	456,479	\$ 334.5	879,147	\$ 316.8
Granted	-	-	-	-
Exercised (Note)	(222,635)	305.1	(359,451)	300.4
Forfeited (Expired)	(15,724)	284.9	(63,217)	278.7
Outstanding at end of period	<u>218,120</u>	368.0	<u>456,479</u>	334.5
Exercisable at end of period	<u>218,120</u>		<u>456,479</u>	
Weighted-average fair value of options granted during the period (in NT\$)	<u>\$ -</u>		<u>\$ -</u>	

Note: The weighted average share price at the date of exercise of those options was NT\$770.7 and NT\$940.2 for the years ended December 31, 2022 and 2021, respectively.

The information on the outstanding share-based payment plans as of December 31, 2022 and 2021 is as follows:

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

Date of grant	Range of Exercise Price (NT\$)	December 31, 2022		December 31, 2021	
		Outstanding stock options		Outstanding stock options	
		Weighted-		Weighted-	
		Weighted- average Expected Remaining Years	average Exercise Price per Share (NT\$)	Weighted- average Expected Remaining Years	average Exercise Price per Share (NT\$)
2012.08.09	\$ 280.4	-	\$ 280.4	-	\$ 280.4
2013.08.09	368.0	-	368.0	-	368.0

**Restricted stocks plan for employees**

On July 5, 2021, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 19,080,000 common shares. The Company shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

The Company issued 8,381,181, 157,274 and 272,034 gratuitous restricted stocks on August 31, 2021, February 23, 2022, and August 31, 2022, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT\$824.81-NT\$901, NT\$1,024.8-NT\$1,120 and NT\$610.31-NT\$667 per share, respectively. The estimated compensation expenses amounted to NT\$7,426,455 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2022, the Company had recognized NT\$5,202,661 thousand as compensation expense and NT\$2,200,891 thousand as unearned employee compensation, and compensation expense were recorded under salary expense and share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method, respectively, unearned employee compensation were recorded under other equity.

The restricted stocks plans for employees of 2022 and 2021 were evaluated under the fair value method. Assumptions used in calculating the fair value are disclosed as follows:

	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 the first restricted stocks for employees of the 2021 plan are as follows:

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

- A. To issue common shares of the Company with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2022 are 34%, and the cumulative maximum portions of vesting shares from 2022 to 2023 and 2022 to 2024 are 67%, 100%, respectively. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Restrictions on the rights and vesting conditions of the second restricted stocks for employees of the 2021 plan are as follows:

- A. To issue common shares of the Company with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, or policies and achievement of both personal performance criterion and the Company's operation objectives (including Total Shareholder Return) during the vesting period, are eligible to receive the vested shares. The maximum portions of the vesting shares of 2023 are 50%, and the cumulative maximum portions of vesting shares from 2023 to 2024 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's operation objectives.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based compensation expenses recognized for employee services received for the years ended December 31, 2022 and 2021 are shown in the following table:

	For the years ended December 31	
	2022	2021
Restricted stocks for employees	\$ 3,261,615	\$ 1,545,455



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

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2022 and 2021.

**(20) Sales**

Analysis of revenue from contracts with customers for the years ended December 31, 2022 and 2021 is as follows:

**A. Disaggregation of revenues**

	For the years ended December 31	
	2022	2021
Sale of goods	\$ 324,816,989	\$ 298,550,832
Services and other operating revenues	7,364,135	7,020,510
Total	<u>\$ 332,181,124</u>	<u>\$ 305,571,342</u>
Revenue recognition point:		
At a point in time	\$ 330,006,670	\$ 303,420,816
Satisfies the performance obligation over time	2,174,454	2,150,526
Total	<u>\$ 332,181,124</u>	<u>\$ 305,571,342</u>

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

	December 31, 2022	December 31, 2021	January 1, 2021
Sales of goods	\$ 1,264,699	\$ 2,971,602	\$ 7,735,068
Services and other operating revenues	857,530	437,502	117,161
Total	<u>\$ 2,122,229</u>	<u>\$ 3,409,104</u>	<u>\$ 7,852,229</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2022 and 2021 are as follows:

	For the years ended December 31	
	2022	2021
Revenue recognized during the period that was included in the beginning balance	<u>\$ 3,017,654</u>	<u>\$ 7,596,679</u>
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 1,675,449</u>	<u>\$ 3,158,421</u>

**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****C. Transaction price allocated to unsatisfied performance obligations**

As of December 31, 2022, and 2021, no disclosure of the unsatisfied performance obligations is needed as the contract terms with customers about the sales of goods are all shorter than one year. Besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations about rendering of services are NT\$6,419,324 thousand and NT\$1,026,152 thousand. The Company recognizes revenues in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

**(21) Expected credit losses (gains)**

	For the years ended December 31	
	2022	2021
Operating expense – Expected credit losses (gains)		
Trade receivables	\$ 770	\$ (15,007)

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

The Company measures the loss allowance of its receivables (including trade receivables, trade receivables from related parties) and financing lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2022, and 2021 is as follows:

The Company considers the grouping of receivables by counterparties' credit ratings, geographical regions and industry sectors. Loss allowance is measured by using a provision matrix. Details are as follows:

**2022.12.31**

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 24,486,121	\$ 399,473	\$ 7,841	\$ 118,470	\$ 2,714	\$ 25,014,619
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(1,640)	-	(1,640)
Carrying amount of trade receivables	\$ 24,486,121	\$ 399,473	\$ 7,841	\$ 116,830	\$ 2,714	\$ 25,012,979

**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**2021.12.31

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

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

The movements in the provision for impairment of receivables and financing lease receivables for the years ended December 31, 2022 and 2021 are as follows:

	Trade Receivables (including related parties)	Financing lease receivables
As of January 1, 2022	\$ 9,671	\$ -
Allowance for the current period	770	-
Written off	(8,801)	-
As of December 31, 2022	<u>\$ 1,640</u>	<u>\$ -</u>
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>

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

a. Right-of-use asset

	December 31, 2022	December 31, 2021
Land	\$ 1,694,529	\$ 1,436,661
Buildings and facilities	572,591	131,279
Machinery equipment	83,797	158,384
Transportation equipment	4,862	7,465
Total	<u>\$ 2,355,779</u>	<u>\$ 1,733,789</u>

During the years ended December 31, 2022 and 2021, the additions to right-of-use assets of the Company amounted to NT\$874,935 thousand and NT\$251,567 thousand, respectively.

b. Lease liability

	December 31, 2022	December 31, 2021
Lease liability-current	\$ 263,466	\$ 155,571
Lease liability-noncurrent	2,133,549	1,587,347
Total	<u>\$ 2,397,015</u>	<u>\$ 1,742,918</u>

Please refer to Note 6. (27) for the interest on lease liability recognized during 2022 and 2021 and Note 12. (3) C. for the maturity analysis of lease liabilities as of December 31, 2022.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2022	2021
Land	\$ 40,691	\$ 37,934
Buildings and facilities	135,110	70,053
Machinery equipment	74,467	67,668
Transportation equipment	2,606	2,664
Total	<u>\$ 252,874</u>	<u>\$ 178,319</u>

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

## d. Income and costs relating to leasing activities

	For the years ended	
	December 31	
	2022	2021
The expense relating to short-term leases	\$ 56,069	\$ 130,329
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	\$ 4,508	\$ 2,708
Income from subleasing right-of-use assets	\$ 23,718	\$ 23,606

## e. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounted to NT\$306,391 thousand and NT\$338,899 thousand, respectively.

## B. The Company as a lessor

The Company has entered into machinery and equipment lease agreements with terms from the year 2020 to 2025. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to ownership of the underlying assets.

	For the years ended	
	December 31	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 96,088	\$ 98,130
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	15,657
Total	\$ 119,381	\$ 113,787

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The undiscounted lease payments to be received for the remaining years as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Not later than one year	\$ 23,293	\$ 23,293
Later than one year and not later than two years	746,853	23,292
Later than two years and not later than three years	735,143	746,853
Later than three years and not later than four years	-	735,143
Total non-discounted lease payments	1,505,289	1,528,581
Less: unearned finance income of finance lease	(49,505)	(72,797)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	\$ 1,455,784	\$ 1,455,784
Current	\$ -	\$ -
Noncurrent	\$ 1,455,784	\$ 1,455,784

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

	For the years ended December 31					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 33,129	\$ 1,008,164	\$ 1,041,293	\$ 27,824	\$ 843,788	\$ 871,612
Others	\$ 913,020	\$ 60,937,960	\$ 61,850,980	\$ 730,801	\$ 52,826,015	\$ 53,556,816
Depreciation	\$ 16,507	\$ 5,632,127	\$ 5,648,634	\$ 7,230	\$ 3,303,842	\$ 3,311,072
Amortization	\$ 518	\$ 3,339,973	\$ 3,340,491	\$ -	\$ 2,928,106	\$ 2,928,106

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

According to the Articles of Incorporation of the Company, no lower than 1% of profit of the current year is distributable as employees' compensation and no higher than 0.5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered (if any). The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company accrued employees' compensation and remuneration to directors based on a specific rate of profit for the year ended December 31, 2022. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment to income of next year. If the Board of Directors resolves to distribute employees' compensation in stock, the number of shares distributed is determined by dividing the amount of bonuses by the closing price (after considering the effect of cash and stock dividends) of shares on the day preceding the Board of Directors' meeting. A resolution was approved at a Board of Directors' meeting held on February 24, 2023 to distribute NT\$1,596,127 thousand and NT\$96,000 thousand in cash as employees' compensation and remuneration to directors and supervisors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2022.

A resolution was approved in a meeting of the Board of Directors held on March 16, 2022 to distribute NT\$1,513,219 thousand and NT\$153,213 thousand in cash as employees' compensation and remuneration to directors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2021.

**(24) Interest income**

	For the years ended	
	December 31	
	2022	2021
Financial assets measured at amortized cost	\$ 618,940	\$ 517,531
Financial assets at fair value through other comprehensive income	76,546	77,733
Total	\$ 695,486	\$ 595,264

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

(25) Other income

	For the years ended December 31	
	2022	2021
Rental income	\$ 96,088	\$ 98,130
Dividend income	123,722	40,116
Others	291,883	483,367
Total	<u>\$ 511,693</u>	<u>\$ 621,613</u>

(26) Other gains and losses

	For the years ended December 31	
	2022	2021
(Losses) gains on disposal of property, plant and equipment	\$ (2,312)	\$ 972
Losses on disposal of investments		
Financial assets measured at amortized cost	(1,231)	-
Foreign exchange (losses) gains	(975,401)	412,620
Gains on financial assets at fair value through profit or loss	1,893,111	151,293
Losses on financial liabilities at fair value through profit or loss	(3,353)	(4,252)
Others	(25)	(14,123)
Total	<u>\$ 910,789</u>	<u>\$ 546,510</u>

(27) Finance costs

	For the years ended December 31	
	2022	2021
Interest expenses on borrowings	\$ 218,714	\$ 75,936
Interest expenses on long-term payables to related parties	56,205	13,520
Interest expenses on lease liabilities	25,021	23,886
Total	<u>\$ 299,940</u>	<u>\$ 113,342</u>



## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

## (28) Components of other comprehensive income

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 57,848	\$ -	\$ 57,848	\$ (11,570)	\$ 46,278
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(448,568)	-	(448,568)	-	(448,568)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(29,610,670)	-	(29,610,670)	-	(29,610,670)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	20,834,513	-	20,834,513	-	20,834,513
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	949	-	949	-	949
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(45,022)	-	(45,022)	-	(45,022)
Total	\$ (9,210,950)	\$ -	\$ (9,210,950)	\$ (11,570)	\$ (9,222,520)

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2021:

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

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Upon derecognition of the Company's debt instrument investments measured at fair value through other comprehensive income, the cumulative gain or loss of NT\$0 for the years ended December 31, 2022 and 2021, were reclassified from other comprehensive income to profit or loss.

## (29) Income tax

The major components of income tax expense are as follows:

	For the years ended December 31	
	2022	2021
Current income tax	\$ 9,688,881	\$ 9,781,761
Deferred tax income	(471,866)	(486,058)
Others	236,066	187,577
Income tax expense recognized in loss	<u>\$ 9,453,081</u>	<u>\$ 9,483,280</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2022	2021
Deferred tax expense		
Remeasurements of defined benefit plans	<u>\$ 11,570</u>	<u>\$ 9,534</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31	
	2022	2021
Accounting profit before tax from continuing operations	<u>\$ 127,594,187</u>	<u>\$ 120,904,342</u>
Tax at the domestic rates applicable to profits in the country concerned	25,518,838	24,180,869
Tax effect of revenues exempt from taxation	1,607,198	(35,216)
Tax effect of expenses not deductible for tax purposes	-	21,594
Investment tax credits	(6,511,339)	(5,172,191)
Tax effect of deferred tax assets/liabilities	(11,742,287)	(10,806,860)
Corporate income surtax on undistributed retained earnings	672,085	872,613
Others	(91,414)	422,471
Total income tax expense recognized in loss	<u>\$ 9,453,081</u>	<u>\$ 9,483,280</u>

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 2,584,075	\$ 2,070,085	\$ -	\$ 4,654,160
Allowance for sales returns and discounts	3,437,969	(878,759)	-	2,559,210
Amortization of difference for tax purpose	264,445	30,094	-	294,539
Amortization of goodwill difference for tax purpose	(3,330,737)	(686,653)	-	(4,017,390)
Others	(1,141,454)	(62,901)	(11,570)	(1,215,925)
Deferred tax income (expense)		\$ 471,866	\$ (11,570)	
Net deferred tax assets	\$ 1,814,298			\$ 2,274,594
Reflected in balance sheet as follows:				
Deferred tax assets	\$ 6,780,908			\$ 8,527,393
Deferred tax liabilities	\$ (4,966,610)			\$ (6,252,799)

For the year ended December 31, 2021

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

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

As of December 31, 2022, the income tax returns of the Company have been assessed and approved up to 2019.

**(30) Earnings per share**

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

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

	For the years ended December 31	
	2022	2021
<b>A. Basic earnings per share</b>		
Profit (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Basic earnings per share (NT\$)	\$ 74.59	\$ 70.56
<b>B. Diluted earnings per share</b>		
Profit (in thousand NT\$)	\$ 118,141,106	\$ 111,421,062
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,583,800,753	1,579,074,576
Effect of dilution:		
Employees' compensation-stock (share)	2,768,917	1,399,199
Employee stock options (share)	227,521	462,010
Restricted stocks for employees (share)	4,833,086	5,845,245
Weighted average number of ordinary shares outstanding after dilution (share)	1,591,630,277	1,586,781,030
Diluted earnings per share (NT\$)	\$ 74.23	\$ 70.22

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

**7. Related Party Transactions**

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Airoha Technology (HK) Limited	Subsidiary
EcoNet Limited	Subsidiary
Gaintech Co. Limited	Subsidiary
MediaTek Bangalore Private Limited	Subsidiary
MediaTek India Technology Pvt. Ltd.	Subsidiary
MediaTek Singapore Pte. Ltd.	Subsidiary
MediaTek Investment Singapore Pte. Ltd.	Subsidiary
MediaTek North America Inc.	Subsidiary
MediaTek USA Inc.	Subsidiary
MediaTek Research UK Limited	Subsidiary
Richtek Technology Corp.	Subsidiary
InnoFusion Technology Corp.	Subsidiary
Zelus (Shenzhen) Technology Ltd.	Subsidiary
Airoha (Suzhou) Technology Limited	Subsidiary
HFI Innovation Inc.	Subsidiary
Nephos (Hefei) Co., Ltd.	Subsidiary
MediaTek Research Corp.	Subsidiary
Airoha Technology Corp.	Subsidiary
MediaTek Capital Co.	Subsidiary
Hsu Zhan (HK) Investment Limited	Subsidiary
MediaTek China Limited	Subsidiary
Cyberon Corp.	Associate (Note 1)
Amobile Intelligent Corp. Limited	Associate
Intelligo Technology Inc. and its subsidiaries	Associate (Note 1)
Sigmastar Technology Ltd. and its subsidiaries	Associate (Note 2)
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party
MediaTek Foundation	Substantive related party
Andes Technology Corp.	Substantive related party (Note 3)

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Note 1: Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

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

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

Significant transactions with the related parties

(1) Sales

	For the years ended December 31	
	2022	2021
<u>Sale of goods</u>		
Subsidiaries	\$ 225,251	\$ 137,432
Associates	11,761	14,114
Subtotal	237,012	151,546
<u>Services and other operating revenues</u>		
Subsidiaries	3,345,484	3,577,795
Associates	8,420	4,183
Subtotal	3,353,904	3,581,978
Total	\$ 3,590,916	\$ 3,733,524

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

(2) Purchases

	For the years ended December 31	
	2022	2021
Subsidiaries	\$ 113,050	\$ 802,680

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The trade credit terms for related parties and third-party suppliers were both 30 days.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

	For the years ended December 31	
	2022	2021
Other related parties	\$ 4,355,931	\$ 5,383,760

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

- (4) Consign research and development expenses and license expenses

	For the years ended December 31	
	2022	2021
Subsidiaries		
MediaTek USA Inc.	\$ 7,703,829	\$ 318,388
Other	765,411	-
Associates	16,039	21,168
Other related parties	372	16,772
Total	\$ 8,485,651	\$ 356,328

- (5) Donations expenses

	For the years ended December 31	
	2022	2021
Other related parties		
MediaTek Foundation	\$ -	\$ 120,000

- (6) Rental income

	For the years ended December 31	
	2022	2021
Subsidiaries		
Airoha Technology Corp.	\$ 20,894	\$ 22,547
Others	286	2,599
Associates	862	-
Total	\$ 22,042	\$ 25,146



**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(7) Other income due to technology service**

	For the years ended December 31	
	2022	2021
Subsidiaries		
Airoha Technology (Suzhou) Limited	\$ -	\$ 24,858
Others	6,622	1,538
Total	<u>\$ 6,622</u>	<u>\$ 26,396</u>

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

	December 31, 2022		December 31, 2021	
	Endorsement limit	Actual amount	Endorsement limit	Actual amount
Subsidiaries				
Gaintech Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek China Limited	9,000,000	-	9,000,000	1,786,357
Others	-	-	9,488	9,488
Total	<u>\$ 33,000,000</u>	<u>\$ -</u>	<u>\$ 33,009,488</u>	<u>\$ 1,795,845</u>

**(9) Trade receivables from related parties**

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 506,440	\$ 610,160
Associates	1,836	2,375
Total	<u>\$ 508,276</u>	<u>\$ 612,535</u>

**(10) Other receivables from related parties**

	December 31, 2022	December 31, 2021
Subsidiaries	<u>\$ 399,764</u>	<u>\$ 275,373</u>

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

(11) Trade payables to related parties

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 408,879	\$ 388,165
Other related parties	977,228	1,165,510
Total	<u>\$ 1,386,107</u>	<u>\$ 1,553,675</u>

(12) Other payables to related parties

	December 31, 2022	December 31, 2021
Subsidiaries		
Gaintech Co. Limited	\$ 9,274,712	\$ -
Others	853,425	25,336
Associates	1,823	6,851
Total	<u>\$ 10,129,960</u>	<u>\$ 32,187</u>

Financing provided to others for the year ended December 31, 2022.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Gaintech Co. Limited	\$ 16,892,150	\$ 9,274,712	\$ -	-

(13) Long-term payables to related parties

Financing provided to others for the year ended December 31, 2022.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Hsu Zhan (HK) Investment Limited	\$ -	\$ -	\$ 56,205	0.84%

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

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

(14) Deposits received

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 708	\$ -
Associates	151	151
Total	<u>\$ 859</u>	<u>\$ 151</u>

- (15) The Company sold 3,805 shares of Digimoc Holdings Limited to MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$47,027 thousand for the year ended December 31, 2021.
- (16) The Company acquired 1,999,999 shares of MediaTek Bangalore Private Limited from MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$581,508 thousand for the year ended December 31, 2022.
- (17) The Company acquired 280,000 shares of MediaTek Research UK Limited from Airoha Technology Corp in the amount of NT\$24,363 thousand for the year ended December 31, 2022.
- (18) The Company acquired 18,990,671 shares of Airoha Technology Corp. from Gaintech Co. Limited in the amount of NT\$772,294 thousand for the year ended December 31, 2022.
- (19) During the year ended December 31, 2021, the Company acquired patent from Andes Technology Corp. in the amount of NT\$37,852 thousand which was recorded as intangible assets.

**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(20) Key management personnel compensation**

	For the years ended December 31	
	2022	2021
Short-term employee benefits (Note)	\$ 1,576,938	\$ 1,929,210
Share-based payment	965,488	433,921
Post-employment benefits	2,692	2,697
Total	<u>\$ 2,545,118</u>	<u>\$ 2,365,828</u>

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

**8. Assets Pledged as Collateral**

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

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2022	December 31, 2021	
Financial assets measured at amortized cost-noncurrent	27,180	27,180	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	55,635	23,765	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	-	24,900	Performance bond
Total	<u>\$ 82,815</u>	<u>\$ 75,845</u>	

**9. Contingencies and Off Balance Sheet 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 prepayments by the Company. During the period ended December 31, 2022, the Company determined that certain prepayments (recorded as refundable deposits) were not recoverable and the Company wrote them off.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Legal claim contingency

- A. Nippon Telegraph and Telephone Corporation (“NTT”) and Essential WiFi, LLC (“EWF”) filed complaints in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on March 25, 2020, alleging infringement of United States Patent Nos. 7,280,551, 7,545,781, 7,400,616, and 7,242,720. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on July 5, 2022.
- B. Koninklijke Philips N.V., and Philips North America LLC (“Philips”) filed a complaint in the United States District Court for the District of Delaware against the Company and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- C. Ocean Semiconductor LLC (“Ocean”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on December 31, 2020, alleging infringement of U.S. Patent Nos. 6,660,651, 6,907,305, 6,725,402, 6,968,248, 7,080,330, 6,836,691, and 8,676,538. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on October 3, 2022.
- D. DivX, LLC (“DivX”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and its subsidiary MediaTek Singapore Pte. Ltd. on August 11, 2021, alleging claims arising out of breach of contract. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek Singapore Pte. Ltd. on January 28, 2022.
- E. NXP USA Inc. (“NXP”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on August 24, 2021, alleging infringement of U.S. Patent Nos. 10,038,518, 10,560,158, and 10,742,780. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against the Company and subsidiary MediaTek USA Inc. on May 11, 2022.
- NXP Semiconductors Inc. filed 8 complaint in the People’s Republic of China for the Nanjing Intellectual Property Court against the Company on September 26, 2021, September 27, 2021, September 29, 2021 and October 9, 2021 alleging infringement of China Patent Nos. ZL201510695445.0, ZL200580026196.0, ZL02820012.8 and ZL200780002987.9. Plaintiff has submitted a petition for voluntary dismissal on July 13, 2022.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

NXP USA Inc. and NXP Semiconductors NV filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on November 1, 2021 alleging infringement of U.S. Patent Nos. 7,593,202, 8,482,136, 9,729,214, 10,904,058 and 8,558,591. Pursuant to the parties' joint motion to terminate, the Administrative Law Judge issued an Initial Determination terminating the Company and its subsidiaries from the investigation on July 13, 2022.

NXP filed a complaint in the United States District Court for the Central District of California against the Company and subsidiary MediaTek USA Inc. on November 1, 2021, alleging infringement of the same patents listed above. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on July 21, 2022.

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

- F. NorthStar Systems LLC ("NorthStar") filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 5, 2022, alleging infringement of U.S. Patent Nos. 6,995,708, 6,681,181, 6,947,840 and 8,805,416. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against the Company on July 6, 2022.
- G. Tyche Licensing LLC ("Tyche") filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 16, 2022, alleging infringement of U.S. Patent Nos. 6,900,087 and 7,084,481. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against the Company on February 6, 2023.
- H. American Patents LLC ("AP") filed a complaint in the United States District Court for the Eastern District of Texas against the company and subsidiary MediaTek USA Inc. on June 6, 2022, alleging infringement of U.S. Patent Nos. 7,088,782, 7,310,304 and 7,706,458. The operations of the Company and its subsidiary will not be materially affected by this case.
- I. Daedalus Prime LLC ("Daedalus") filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on August 23, 2022, alleging infringement of U.S. Patent Nos. 8,775,833, 8,898,494, 9,575,895, 10,049,080, 10,394,300 and 10,705,588. The Commission determined not to institute an investigation into the Company and subsidiary MediaTek USA Inc. on October 7, 2022.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

J. Cedar Lane Technologies Inc. (“Cedar”) filed a complaint in the United States District Court for the Western District of Texas against the Company on October 4, 2022, alleging infringement of U.S. Patent Nos. 6,972,790 and 8,537,242. The operations of the Company will not be materially affected by this case.

K. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513. The operations of the Company will not be materially affected by this case.

L. Winterspring Digital LLC (“Winterspring”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on January 12, 2023, alleging infringement of U.S. Patent Nos. 7,420,975, 7,164,692 and 7,774,468. The operations of the Company will not be materially affected by this case.

The Company will handle these cases carefully.

**10. Losses due to Major Disasters**

None

**11. Significant Subsequent Events**

None

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

## 12. Others

## (1) Financial instruments

## A. Categories of financial instruments

Financial assets

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 17,416	\$ -
Mandatorily measured at fair value through profit or loss (Note 1)	5,745,711	4,300,051
Subtotal	5,763,127	4,300,051
Financial assets at fair value through other comprehensive income	7,227,546	6,517,755
Financial assets measured at amortized cost (Note 2)	54,137,084	111,337,693
Total	\$ 67,127,757	\$ 122,155,499

Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ 3,353	\$ 4,252
Financial liabilities at amortized cost:		
Short-term borrowings	-	45,327,350
Trade payables (including related parties)	13,454,454	26,010,587
Other payables (including related parties)	46,008,644	37,182,973
Long-term payables (including current portion)	2,158,131	11,114,051
Long-term borrowings (including current portion)	827,660	1,385,720
Lease liabilities	2,397,015	1,742,918
Subtotal	64,845,904	122,763,599
Total	\$ 64,849,257	\$ 122,767,851



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss as of December 31, 2022 and 2021 in the amount of NT\$1,628,442 thousand and NT\$1,790,456 thousand, respectively. Please refer to Note 6. (5) for further explanation.
2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$1,628,442 thousand and NT\$1,790,456 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and financing lease receivables, net.

**B. Fair values of financial instruments**

- a. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

- (e) The fair value of other financial assets and liabilities is determined using discounted cash flow analysis; the interest rate and discount rate are selected with reference to those of similar financial instruments.

b. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

c. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets measured at fair value on a non-recurring basis; the following table presents the fair value measurement hierarchy of the Company's assets and liabilities on a recurring basis:

**MEDIATEK INC.****NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**As of December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 150,780	\$ -	\$ -	\$ 150,780
Funds	1,729,818	-	-	1,729,818
Linked deposits	-	-	2,087,371	2,087,371
Bonds	149,300	-	-	149,300
Forward exchange contracts	-	17,416	-	17,416
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income				
	7,024,828	-	202,718	7,227,546
Total	<u>\$ 9,054,726</u>	<u>\$ 17,416</u>	<u>\$ 2,290,089</u>	<u>\$ 11,362,231</u>
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 3,353	\$ -	\$ 3,353

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

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 178,920	\$ -	\$ -	\$ 178,920
Funds	1,502,219	-	-	1,502,219
Linked deposits	-	-	828,456	828,456
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	6,515,667	-	2,088	6,517,755
<b>Total</b>	<b>\$ 8,196,806</b>	<b>\$ -</b>	<b>\$ 830,544</b>	<b>\$ 9,027,350</b>
<u>Liabilities measured at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 4,252	\$ -	\$ 4,252

For the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

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

The detail movement of recurring fair value measurements in Level 3:

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy during the period is as follows:

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Link deposits	Stocks	Bonds	Total
As of January 1, 2022	\$ 828,456	\$ 2,088	\$ -	\$ 830,544
Amount recognized in profit or loss	(1,997)	-	-	(1,997)
Amount recognized in OCI	-	(319)	949	630
Acquisitions	1,640,000	-	200,000	1,840,000
Settlements	(379,088)	-	-	(379,088)
As of December 31, 2022	<u>\$ 2,087,371</u>	<u>\$ 1,769</u>	<u>\$ 200,949</u>	<u>\$ 2,290,089</u>

	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	<u>\$ 828,456</u>	<u>\$ 2,088</u>	<u>\$ 830,544</u>

Total (losses) gains related to assets recognized for the years ended December 31, 2022 and 2021 amounted to NT\$(3,159) thousand and NT\$1,056 thousand, respectively.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

Information on significant unobservable inputs to valuation of fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's linked-deposits of the fair value hierarchy are based on unadjusted quoted price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and updating the latest quoted price of trading partners periodically to ensure that the results of the valuation are in line with market conditions, based on stable, independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure the measurement or assessment are reasonable.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2022:

None

As of December 31, 2021:

None

D. Derivative financial instruments

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

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

Forward exchange contracts	Currency	Contract amount ( '000)		Maturity
As of December 31, 2022	TWD to USD	Buy USD	30,000	January 2023
As of December 31, 2022	TWD to USD	Buy USD	120,000	February 2023
As of December 31, 2022	TWD to USD	Buy USD	60,000	March 2023
As of December 31, 2021	TWD to USD	Buy USD	10,000	February 2022
As of December 31, 2021	TWD to USD	Buy USD	20,000	March 2022

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

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

**(2) Financial risk management objectives and policies**

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

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

**A. Market risk**

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

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

**a. Foreign currency risk**

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

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2022 and 2021 decreases / increases by NT\$22,224 thousand and NT\$32,642 thousand, respectively.

**b. Interest rate risk**

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

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

**c. Other price risk**

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



**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$1,508 thousand and NT\$1,789 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the years ended December 31, 2022 and 2021 to increase/decrease by NT\$70,248 thousand and NT\$65,156 thousand, respectively.

Please refer to Note 12. (1) B for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3 of the fair value hierarchy.

**B. Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policies, procedures and controls relating to credit risk management. Credit limits are established for all trading partners based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain trading partners' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2022 and 2021, receivables from top ten customers represented 55.38%, and 44.94% of the total trade receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Credit risk of credit-linked deposits arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the credit risk by only transacting with counter-party who is reputable, transparent and in good financial standing.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables and financing lease receivables which are measured at lifetime expected credit losses, for debt instrument investments which are not measured at fair value through profit or loss and are at low credit risk upon acquisition, an assessment is made at each reporting date as to whether the credit risk has substantially increased in order to determine the method of measuring the loss allowance and the loss ratio. The measurement indicators of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2022	December 31, 2021
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 1,848,825	\$ 1,524,905
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	\$ 313,213	\$ -
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	\$ -	\$ -
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 26,978,679	\$ 34,761,631

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

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on a debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which available without undue cost and effort), it is mainly based on the macroeconomic information and industrial information and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

## MEDIATEK INC.

## NOTES TO FINANCIAL STATEMENTS-(Continued)

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

## C. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2022</u>				
Trade payables (including related parties)	\$ 13,454,454	\$ -	\$ -	\$ 13,454,454
Other payables (including related parties)	46,008,644	-	-	46,008,644
Lease liabilities	289,289	670,509	1,962,183	2,921,981
Long-term borrowings	827,660	-	-	827,660
Long-term payables	1,628,725	529,406	-	2,158,131
Total	<u>\$ 62,208,772</u>	<u>\$ 1,199,915</u>	<u>\$ 1,962,183</u>	<u>\$ 65,370,870</u>
<u>As of December 31, 2021</u>				
Short-term borrowings	\$ 45,332,426	\$ -	\$ -	\$ 45,332,426
Trade payables (including related parties)	26,010,587	-	-	26,010,587
Other payables (including related parties)	37,179,652	-	-	37,179,652
Lease liabilities	178,251	353,807	1,675,881	2,207,939
Long-term borrowings	558,060	827,660	-	1,385,720
Long-term payables (including related parties)	2,077,133	9,399,105	-	11,476,238
Total	<u>\$ 111,336,109</u>	<u>\$ 10,580,572</u>	<u>\$ 1,675,881</u>	<u>\$ 123,592,562</u>

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

	Less than 1 year	1 to 5 years	Total
<u>As of December 31, 2022</u>			
Net settlement			
Forward exchange contracts	\$ (3,353)	\$ -	\$ (3,353)
<u>As of December 31, 2021</u>			
Net settlement			
Forward exchange contracts	\$ (4,252)	\$ -	\$ (4,252)

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

**D. Reconciliation of liabilities arising from financing activities****Reconciliation of liabilities for the year ended December 31, 2022:**

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Other payables (Related parties)	Total liabilities from financing activities
As of January 1, 2022	\$ 45,327,350	\$ 1,385,720	\$ 1,742,918	\$ 106,299	\$ 32,187	\$ 48,594,474
Cash flows	(45,327,350)	(558,060)	(220,793)	(49,990)	9,274,712	(36,881,481)
Non-cash movement	-	-	874,890	-	823,061	1,697,951
As of December 31, 2022	\$ -	\$ 827,660	\$ 2,397,015	\$ 56,309	\$ 10,129,960	\$ 13,410,944

**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	\$ 45,327,350	\$ 1,385,720	\$ 1,742,918	\$ 106,299	\$ 48,562,287

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

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

December 31, 2022			
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<b>Financial assets</b>			
Monetary item:			
USD	\$ 1,485,451	30.713	\$ 45,622,663
<b>Financial liabilities</b>			
Monetary item:			
USD	\$ 971,378	30.713	\$ 29,833,936
December 31, 2021			
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<b>Financial assets</b>			
Monetary item:			
USD	\$ 3,049,764	27.674	\$ 84,399,362
<b>Financial liabilities</b>			
Monetary item:			
USD	\$ 2,050,232	27.674	\$ 56,738,121

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (losses) gains were NT\$(975,401) thousand and NT\$412,620 thousand for the years ended December 31, 2022 and 2021, respectively.

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

**(4) Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

**13. Additional Disclosures**

**(1) The following are additional disclosures for the Company and its affiliates:**

- A. Financing provided to others for the year ended December 31, 2022: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2022: Please refer to Attachment 2.
- C. Securities held as of December 31, 2022: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 4.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 5.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 6.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2022: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.

**(2) Information on investees**

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

**MEDIATEK INC.**

**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

(3) Investment in Mainland China

- A. Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control, which discloses investee company name, main business and products, total amount of capital, method of investment, accumulated inflows and outflows of investments from Taiwan, percentage of ownership, net income (loss), investment income (loss), carrying amount of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 9.
- B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1.

(4) Main shareholder information

None.

**MEDIATEK INC.**  
**FINANCING PROVIDED TO OTHERS**  
**For the year ended December 31, 2022**

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	\$ 1,804,488 CNY 400,000,000	\$ 1,514,010 CNY 340,000,000	\$ 1,514,010 CNY 340,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,525,969 CNY 1,240,962,477	\$ 5,525,969 CNY 1,240,962,477
		MediaTek China Limited	Other receivables from related party	Yes	\$ 676,683 CNY 150,000,000	\$ 667,946 CNY 150,000,000	\$ -	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,525,969 CNY 1,240,962,477	\$ 5,525,969 CNY 1,240,962,477
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	MediaTek (Shenzhen) Inc.	Other receivables from related party	Yes	\$ 3,154,764 CNY 699,315,000	\$ 676,851 CNY 152,000,000	\$ 676,851 CNY 152,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,489,936 CNY 1,232,870,615	\$ 5,489,936 CNY 1,232,870,615
3	Hsu Fa (Samoa) Investment Ltd. (Note 1)	MediaTek (Hefei) Inc.	Other receivables from related party	Yes	\$ 360,898 CNY 80,000,000	\$ -	\$ -	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
		MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	\$ 315,785 CNY 70,000,000	\$ 311,708 CNY 70,000,000	\$ 311,708 CNY 70,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	\$ 1,172,917 CNY 260,000,000	\$ 1,157,772 CNY 260,000,000	\$ 1,157,772 CNY 260,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,519,857 CNY 1,239,589,912	\$ 5,519,857 CNY 1,239,589,912
4	Hsu Zhan (HK) Investment Limited (Note 1)	MediaTek Inc.	Other receivables from related party	Yes	\$ 23,020,920 USD 780,000,000	\$ -	\$ -	0.84%	Short-term financing	-	Operating Capital	-	NA	-	\$ 74,183,813 USD 2,415,388,033	\$ 74,183,813 USD 2,415,388,033
		MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 73,242 JPY 300,000,000	\$ 69,891 JPY 300,000,000	\$ 46,594 JPY 200,000,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 74,183,813 USD 2,415,388,033	\$ 74,183,813 USD 2,415,388,033
5	Airoha Technology Corp. (Note 2)	Airoha Technology (Suzhou) Limited	Other receivables from related party	Yes	\$ 386,196 USD 12,000,000	\$ -	\$ -	1.35%	Short-term financing	-	Operating Capital	-	NA	-	\$ 866,812	\$ 1,733,624
6	Core Tech Resources Inc. (Note 1)	MediaTek China Limited	Other receivables from related party	Yes	\$ 4,563,300 USD 150,000,000	\$ -	\$ -	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 4,991,093 USD 162,507,505	\$ 4,991,093 USD 162,507,505
7	Digimoc Holdings Limited (Note 1)	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 8,045,750 USD 250,000,000	\$ 7,678,250 USD 250,000,000	\$ 7,371,120 USD 240,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 21,102,186 USD 687,076,681	\$ 21,102,186 USD 687,076,681
8	MTKC Global Holdings Co. Limited (Note 1)	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 5,471,110 USD 170,000,000	\$ 5,221,210 USD 170,000,000	\$ 3,685,560 USD 120,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 11,067,546 USD 360,353,794	\$ 11,067,546 USD 360,353,794
9	Gaintech Co. Limited (Note 1)	Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,654,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	\$ -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 203,030,755 USD 6,610,580,368	\$ 203,030,755 USD 6,610,580,368
		MediaTek Inc.	Other receivables from related party	Yes	\$ 17,700,650 USD 550,000,000	\$ 16,892,150 USD 550,000,000	\$ 9,274,712 USD 301,980,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 203,030,755 USD 6,610,580,368	\$ 203,030,755 USD 6,610,580,368
10	MediaTek Singapore Pte. Ltd. (Note 1)	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 20,918,950 USD 650,000,000	\$ 19,963,450 USD 650,000,000	\$ -	2.82%~3.29%	Short-term financing	-	Operating Capital	-	NA	-	\$ 67,208,289 USD 2,188,268,444	\$ 67,208,289 USD 2,188,268,444
		Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,654,900 USD 300,000,000	\$ 9,213,900 USD 300,000,000	\$ -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 67,208,289 USD 2,188,268,444	\$ 67,208,289 USD 2,188,268,444

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd. and Hsu Zhan (HK) Investment Limited, Core Tech Resources Inc., Digimoc Holdings Limited, MTKC Global Holdings Co. Limited, Gaintech Co. Limited, Mediatek Singapore Pte. Ltd. required:

A. The total amount for lending shall not exceed 20% of the lender's net worth,

B. The maximum amount lendable to a single company is 10% of the lender's net worth or 30% of the borrower's net worth, whichever is lower, and

C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks shall be excluded from the above limitations. However, total financing amount limits and financing limits for each borrowing company shall not exceed the lender's net worth.

Note 2: The operating procedures of financing provided to others of Airoha Technology Corp. required:

A. The total amount for lending shall not exceed 20% of the lender's net worth.

B. The maximum amount lendable to a single company is 10% of the lender's net worth.

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



**MEDIATEK INC.**  
**ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS**  
**For the year ended December 31, 2022**

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	\$ 88,021,858 (Note 1)	\$ 9,538 USD 342,857	\$ -	\$ -	\$ -	0.00%	\$220,054,645 (Note 1)	Y	N	N
		Gaintech Co. Limited	A	\$ 88,021,858 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	\$ -	5.45%		Y	N	N
		MediaTek China Limited	A	\$ 88,021,858 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	\$ -	2.04%		Y	N	N

Note 1: Based on the rules of operating procedures of endorsement/guarantee of MediaTek Inc., the limiting amount of endorsement/guarantee rendered to any single company shall not exceed 20% of MediaTek Inc.'s net worth as stated in the latest financial statements.

The total amount of guarantee shall not exceed 50% of the Company's net worth from the latest financial statements.

Note 2: The nature of relationship between 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, 2022**

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)								
Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022				
				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	45,856,514	\$ 738,680	-	\$ 738,680	-
		KGI Fuli Strategic Fund	Financial assets mandatorily measured at fair value through profit or loss- current	69,339,442	\$ 991,138	-	\$ 991,138	-
		Cathay No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	81,200,000	\$ 1,468,096	-	\$ 1,468,096	-
		Cathay No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	64,503,000	\$ 1,148,154	-	\$ 1,148,154	-
		Fubon No.1 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	16,744,000	\$ 264,555	-	\$ 264,555	-
		Fubon No.2 Real Estate Investment Trust	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	13,421,000	\$ 203,999	-	\$ 203,999	-
	Linked Deposits	TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 129,497	-	\$ 129,497	-
		Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 197,759	-	\$ 197,759	-
		CLN of AcBel Polytex Inc. 1st Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 289,908	-	\$ 289,908	-
		CLN of Taishin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 295,626	-	\$ 295,626	-
		CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 70,141	-	\$ 70,141	-
		CLN of Sercomm Corporation 6th Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 290,653	-	\$ 290,653	-
		CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 292,092	-	\$ 292,092	-
		WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 201,088	-	\$ 201,088	-
		ENNOCNN CORPORATION 3rd Unsecured Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 79,940	-	\$ 79,940	-
		Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 150,152	-	\$ 150,152	-
	CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 90,515	-	\$ 90,515	-	
	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	\$ 150,780	0%	\$ 150,780	-
		EosTek Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	640,000	\$ 1,769	6%	\$ 1,769	-
		Chailasse Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,750,000	\$ 269,225	0%	\$ 269,225	-
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,241,000	\$ 393,508	1%	\$ 393,508	-
		Shin Kong Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,888,000	\$ 462,679	0%	\$ 462,679	-
		WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	10,900,000	\$ 534,100	1%	\$ 534,100	-
		FUBON Financial Holding Co., Ltd., Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,786,666	\$ 107,914	0%	\$ 107,914	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	15,000,000	\$ 862,500	0%	\$ 862,500	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,056,243	\$ 388,799	0%	\$ 388,799	-
		Cathay Financial Holdings preferred stockA	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,405,000	\$ 136,123	0%	\$ 136,123	-
		Cathay Financial Holdings common stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	196,293	\$ 7,852	0%	\$ 7,852	-
		Taishin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	45,325,000	\$ 777,324	0%	\$ 777,324	-
		Bonds	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	-	-	-
	WEIBO CORP DUE 050724		Financial assets measured at amortized cost- noncurrent	-	\$ 268,510	-	-	-
	Tencent Music Entertainment Gr DUE 20250903		Financial assets measured at amortized cost- noncurrent	-	\$ 157,481	-	-	-
	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	-	-	-
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche A.(Green Bond)		Financial assets measured at amortized cost- noncurrent	-	\$ 200,000	-	-	-
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche B.(Green Bond)		Financial assets measured at amortized cost- noncurrent	-	\$ 200,000	-	-	-
	Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond		Financial assets measured at amortized cost- noncurrent	-	\$ 100,000	-	-	-
	Taishin Financial Holding Co., Ltd. 1st Exchangeable Bond		Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 100,200	-	\$ 100,200	-
	ELITE MATERIAL CO., LTD 5th Convertible Bond		Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 49,100	-	\$ 49,100	-
	Chailasse Finance Co., Ltd. 2022-1 Unsecured Corporate Bond		Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 200,949	-	\$ 200,949	-
	Capital		SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 505,904	-	USD 505,904
Celesta Capital I, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,377,306	-	USD 2,377,306	-
Celesta Capital II, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 9,700,330	-	USD 9,700,330	-
Celesta Capital III, L.P.			Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 16,334,311	-	USD 16,334,311	-
Walden Catalyst Ventures, L.P.		Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,541,796	-	USD 4,541,796	-	
KIBOU FUND L.P.		Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,084,187	-	USD 2,084,187	-	

(To be continued)

**MEDIATEK INC.**  
**SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)**  
**For the year ended December 31, 2022**

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Digimac Holdings Limited	Capital	Amii Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 11,658,740	-	USD 11,658,740	-
		Cypress Frontline Venture Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,422,221	-	USD 2,422,221	-
		Walden Technology Ventures IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,978,092	-	USD 2,978,092	-
		Achi Capital Partners Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,345,613	-	USD 3,345,613	-
	Stocks	Credo Technology Group Holding Ltd.	Financial assets mandatorily measured at fair value through profit or loss- current	114,070	USD 1,518,272	0%	USD 1,518,272	-
		Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	846,010	USD 4,543,074	1%	USD 4,543,074	-
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	55,009,500	USD 80,832,280	3%	USD 80,832,280	-
		Eta Compute Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,069,976	USD 460,090	4%	USD 460,090	-
		DSP Concepts, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,132,118	USD 4,132,231	2%	USD 4,132,231	-
		CIO Tech Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	6,000,000	USD 126,000	12%	USD 126,000	-
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,205,734	USD 19,447,590	3%	USD 19,447,590	-
		MCUBE, INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,114,984	USD 5,388,922	5%	USD 5,388,922	-
		General Mobile Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,000,000	USD 150,000	18%	USD 150,000	-
		SIMO Holdings Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,923,840	USD 1,514,549	4%	USD 1,514,549	1
		FaceHeart Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	USD 205	11%	USD 205	-
Hsiang Fa Co.	Linked Deposits	CLN of Taishin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 80,185	-	\$ 80,185	-
		CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 201,347	-	\$ 201,347	-
		CLN of ADVANCED INTERNATIONAL MULTITECH CO., LTD. 3rd Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 100,546	-	\$ 100,546	-
				-	\$ 100,546	-	\$ 100,546	-
	Stocks	ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	1,857,008	\$ 20,613	5%	\$ 20,613	-
		ANDES TECHNOLOGY CORPORATION	Equity instrument investments measured at fair value through other comprehensive income- current	5,657,324	\$ 2,814,519	11%	\$ 2,814,519	-
		CHUNGHWA PRECISION TEST TECH. CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- current	351,000	\$ 163,390	1%	\$ 163,390	-
		MediaTek Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,794,085	\$ 4,871,303	0%	\$ 4,871,303	2
		ESTINET TECHNOLOGIES INCORPORATION	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	500,000	\$ 521	2%	\$ 521	-
		Mars Semiconductor Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,103,982	\$ 132,761	7%	\$ 132,761	-
		Taiwania Capital Buffalo Fund Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	231,500,000	\$ 214,482	5%	\$ 214,482	-
		International Trust Machines Corporation.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,500,000	\$ 271	2%	\$ 271	-
		Maxeda Technology Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	600,000	\$ 30,000	15%	\$ 30,000	-
				-	\$ 38,143	-	\$ 38,143	-
	Capital	Mesh Cooperative Ventures Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 38,143	-	\$ 38,143	-
	Bonds	ENNOCONN CORPORATION 1st privately placed domestic unsecured convertible bond	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 1,017,554	-	\$ 1,017,554	-
Hsu-Ta Investment Corp.	Linked Deposits	CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 135,951	-	\$ 135,951	-
				-	\$ 135,951	-	\$ 135,951	-
	Stocks	ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	327,707	\$ 3,638	1%	\$ 3,638	-
		ANDES TECHNOLOGY CORPORATION	Equity instrument investments measured at fair value through other comprehensive income- current	63,275	\$ 31,479	0%	\$ 31,479	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,333,000	\$ 191,648	0%	\$ 191,648	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	77,284	\$ 4,258	0%	\$ 4,258	-
		Chailase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	\$ 195,800	0%	\$ 195,800	-
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,800,000	\$ 276,950	1%	\$ 276,950	-
	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- current	-	USD 8,982,000	-	USD 8,982,000	-
Gaintech Co. Limited	Stocks	Link Wood Limited	Equity instrument investments measured at fair value through other comprehensive income- current	1,381,818	USD 436,516	29%	USD 436,516	-
		WI HARPER INC FUND VI LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,000	USD 590,235	2%	USD 590,235	-
		INNOVATION WORKS LIMITED	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	USD 75,162	4%	USD 75,162	-
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,444,300	USD 7,999,985	0%	USD 7,999,985	-
		Easy-logic technology holding (cayman) Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	842,734	USD 1,011,281	4%	USD 1,011,281	-
		Innoviz Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	668,428	USD 2,626,922	1%	USD 2,626,922	-
		Expedita, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,151,085	USD 6,364,466	8%	USD 6,364,466	-
		IFTH Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	53,889,085	USD 70,926,028	15%	USD 70,926,028	-
				-	USD 15,378,112	-	USD 15,378,112	-
	Capital	China Walden Venture Investments II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 15,378,112	-	USD 15,378,112	-
		ALL-STARS INVESTMENT FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,030,082	-	USD 1,030,082	-

(To be continued)

MEDIATEK INC.  
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)  
For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2022				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Gaintech Co. Limited	Capital	NOZOMI FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 252	-	USD 252	-
		Innovation Works Development Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 5,193,076	-	USD 5,193,076	-
		Shanghai Walden Venture Capital Enterprise	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 41,790,422	-	USD 41,790,422	-
		China Broadband Capital Partners II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 12,160,605	-	USD 12,160,605	-
		China Broadband Capital Partners III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 13,699,900	-	USD 13,699,900	-
		SoftBank Princeville Investments, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,246,703	-	USD 3,246,703	-
		PVG GCN Ventures, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,772,438	-	USD 3,772,438	-
		Shanghai Summitview IC M AND A Investment Limited partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 155,160,992	-	USD 155,160,992	-
		Beijing Integrated Circuit Industry International Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,819,840	-	USD 8,819,840	-
		China Prosperity Capital Mobile	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 6,242,255	-	USD 6,242,255	-
		All-Stars SP VI Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 34,514,980	-	USD 34,514,980	-
		HOPU USD Master Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 37,591,678	-	USD 37,591,678	-
		China WaldenVenture Investments III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 54,956,049	-	USD 54,956,049	-
		Phi Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,867,779	-	USD 8,867,779	-
		Bain Capital Tech Opportunities Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 5,531,725	-	USD 5,531,725	-
		Suzhou Foooh Technology Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,744,770	-	USD 1,744,770	-
		IIH Strategic M&A Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,321,406	-	USD 1,321,406	-
		Yuan Ke (Pingtan) Investment Fund Limited Partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 771,710,435	-	USD 771,710,435	3
		Vickers Venture Co-Investment LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,206,224	-	USD 2,206,224	-
	Bonds	AMobile Intelligent Corp. Limited convertible bonds	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 1,186,536	-	USD 1,186,536	-
		Agricultural Development Bank of China bond	Financial assets measured at amortized cost- current	-	USD 8,999,149	-	-	-
		China Merchants Bank Floating USD Bond	Financial assets measured at amortized cost- current	-	USD 9,000,000	-	-	-
		Chailase 2020 offshore USD Bond	Financial assets measured at amortized cost- current	-	USD 30,000,000	-	-	-
		Project Tower Note with Lion Best	Financial assets measured at amortized cost- noncurrent	-	USD 10,000,000	-	-	-
	Funds	CYPRESS SELECTED SECURED LENDING FUND SEGREGATED PORTFOLIO	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 9,335,428	-	USD 9,335,428	-
MediaTek (Beijing) Inc.	Funds	ICBC "Happy Life" III F	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		ICBC "Rayi Life" Coreoptimization of 90 Days Holding Fixed-income Open Financial Products for Legal Person	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,808,489	-	CNY 50,808,489	-
		Fubon Bank (China) 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	-
		Fubon Bank (China) Yue Hui Ying Tian Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		ICBC Finance "Heng Rui Rishengyuecheng" Enhanced Open Financial Products of 90 Days Holding and Profiting for Legal Person	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 49,779,282	-	CNY 49,779,282	-
		Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 45,000,000	-	CNY 45,000,000	-
		ICBC Finance "Xin Wen li" One-month Open Financial Products for Legal Person	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 29,670,415	-	CNY 29,670,415	-
		ICBC Finance "Xin Wen li" Three-month Open Financial Products for Legal Person	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 29,645,659	-	CNY 29,645,659	-
		ICBC Finance Coreoptimization of 14 Days Holding Fixed-income Open Financial Products for Legal Person	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,014,659	-	CNY 30,014,659	-
		Fubon Bank (China) Yue Xiang Ying An Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		Fubon Bank (China) Yue Xiang Ying An Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
		Fubon Bank (China) Yue Hui Ying No.22030305	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,000,000	-	CNY 15,000,000	-
	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 214,607,962	-	CNY 214,607,962	-
		Shanghai Internet Of Things VC Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 88,864,456	-	CNY 88,864,456	-
	Stocks	AI Speech Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	4,638,600	CNY 55,393,697	1%	CNY 55,393,697	-
Xuxin Investment (Shanghai) Inc.	Stocks	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	-
		Orbtec Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,174,040	CNY 38,393,546	1%	CNY 38,393,546	-
	Capital	Shanghai Yiqi Information Technology Co. Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 3,088,881	-	CNY 3,088,881	-
		Ningbo ABAX Sensing Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 15,022,225	-	CNY 15,022,225	-
		Hainan zhiklai entconsulting partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 985,261	-	CNY 985,261	-
		Hangzhou Ultraception Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 13,147,162	-	CNY 13,147,162	-
MediaTek USA Inc.	Capital	HEVC Advance LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,246,136	-	USD 3,246,136	-
	Trust Funds	Trust fund	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 32,102,244	-	USD 32,102,244	-

(To be continued)

MEDIATEK INC.  
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)  
For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2022				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Cloud Ranger Limited	Stocks	ScaleFlux International	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,096,587	USD 17,611,331	3%	USD 17,611,331	-
		Appier Holding, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	517,930	USD 5,375,832	1%	USD 5,375,832	-
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,809,900	USD 9,029,463	1%	USD 9,029,463	-
		TRANSSNET TECHNOLOGY INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,970,316	USD 11,900,709	8%	USD 11,900,709	-
Hsu Chia (Samoa) Investment Ltd.	Bonds	QNBK 3.2 3/12/23	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		ADBCH 2.60 08/11/23	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- current	-	CNY 50,010,000	-	-	-
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 33,000,000	-	-	-
		4YCallable CNH Fixed Rate Notes	Financial assets measured at amortized cost- noncurrent	-	CNY 51,000,000	-	-	-
		NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 2,000,000	-	-	-
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		CIB unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-
		Barclays PLC-CNY 3Y NONCALL2 DUE 6 April 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 55,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 55,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 07/26	Financial assets measured at amortized cost- noncurrent	-	CNY 60,000,000	-	-	-
		BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 5,999,974	-	-	-
Hsu Fa (Samoa) Investment Ltd.	Bonds	Barclays Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 49,431,500	-	CNY 49,431,500	-
		QNBK 3.2 3/12/23	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		ADBCH 2.60 08/11/23	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- current	-	CNY 50,010,000	-	-	-
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		SG 7YCNV Callable Note	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 177,000,000	-	-	-
		Barclays PLC-CNY 3Y NONCALL2 DUE 6 April 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 100,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 56,000,000	-	-	-
		CACIB 4 YEARS CALLABLE FIXED RATE NOTES	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-
		NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 19,000,000	-	-	-
		BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 65,997,684	-	-	-
		Barclays Bank PLC-CNY 6Y NONCALL 5Y FIXED COUPON CALLABLE	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 49,431,500	-	CNY 49,431,500	-
Hsu Kang (Samoa) Investment Ltd.	Bonds	QNBK 3.2 3/12/23	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		QNBK 3.63 09/24/23	Financial assets measured at amortized cost- current	-	CNY 38,007,600	-	-	-
		ADBCH 3.4 11/06/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		Fubon Bank (China) Co., Ltd 2019-1 unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		CIB unsecured bond	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		ADBCH 2.9 11/02/24	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		BBPLC FIXED COUPON NOTES DUE 2025	Financial assets measured at amortized cost- noncurrent	-	CNY 66,999,855	-	-	-
		CACIB 4 YEARS CALLABLE FIXED RATE NOTES	Financial assets measured at amortized cost- noncurrent	-	CNY 67,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	CNY 53,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 05/26	Financial assets measured at amortized cost- noncurrent	-	CNY 3,000,000	-	-	-
		The Goldman Sachs Group Inc. Formosa Bond due 07/26	Financial assets measured at amortized cost- noncurrent	-	CNY 57,000,000	-	-	-
		BBPLC 10/25/26	Financial assets measured at amortized cost- noncurrent	-	CNY 66,000,000	-	-	-
		4YCallable CNH Fixed Rate Notes	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-
		NBC 2026	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-

(To be continued)

**MEDIATEK INC.**  
**SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)**  
**For the year ended December 31, 2022**

(Continued)

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)									
Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022					
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note	
MediaTek (Shenzhen) Inc.	Capital	Shanghai Summit/View IC M&A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 52,647,035	-	CNY 52,647,035	-	
		Nanjing AutoAI Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 199,458,175	-	CNY 199,458,175	-	
		Shanghai Shansheng Chuangxin investment Partnership (Limited Partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 385,642,460	-	CNY 385,642,460	-	
		Shanghai Uni/Vista Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 73,861,911	-	CNY 73,861,911	-	
	Funds	ICBC "Happy Life" III F	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 9 months No.12	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,737,936	-	CNY 50,737,936	-	
		China Merchants Bank Zhaorui Jinding 14 months No.13	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 20,760,907	-	CNY 20,760,907	-	
		Fubon Bank (China) Yue Xiang Ying An Xi Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-	
Richtek Technology Corp.	Stocks	Fubon Bank (China) Yue Xiang Ying An Rong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 35,000,000	-	CNY 35,000,000	-	
		Dyna Rechi CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	9,854,272	\$ 100,514	9%	\$ 100,514	-	
Gold Rich International (HK) Limited	Stocks	Asia Global Venture Capital II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	531,300	\$ 24,094	10%	\$ 24,094	-	
		Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	910	USD 6,283	0%	USD 6,283	-	
		Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	18,206,063	USD 125,699,229	4%	USD 125,699,229	-	
		Shanghai Shansheng Chuangxin investment Partnership (Limited Partnership)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 189,943,301	-	CNY 189,943,301	-	
MediaTek (Shanghai) Inc.	Capital	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 155,003,850	-	CNY 155,003,850	-	
		Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 31,260,000	-	CNY 31,260,000	-	
	MediaTek China Limited	Bonds	Fubon Bank (China) Yue Xiang Ying An Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 20,000,000	-	CNY 20,000,000	-
Agricultural Development Bank of China bond			Financial assets measured at amortized cost- current	-	USD 8,997,300	-	-	-	
China Merchants Bank Floating USD Bond			Financial assets measured at amortized cost- current	-	USD 9,000,000	-	-	-	
Funds		Project Tower Note with Lion Best Tranche B	Financial assets measured at amortized cost- noncurrent	-	USD 3,000,000	-	-	-	
	CYPRESS SELECTED SECURED LENDING FUND SEGREGATED PORTFOLIO	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 3,112,215	-	USD 3,112,215	-		
MediaTek India Technology Pvt. Ltd.	Stocks	Spice Mobility Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	12,192,670	INR 327,982,823	5%	INR 327,982,823	-	
		One97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,095,113	INR 1,104,543,574	0%	INR 1,104,543,574	4	
		Paytm E-Commerce Private Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,498	INR 56,480,024	1%	INR 56,480,024	4	
MStar Software R&D (Shenzhen), Ltd.	Funds	Fubon Bank (China) 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	-	
		Fubon Bank (China) 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	-	
		Fubon Bank (China) Yue Xiang Ying Hong Yuan Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 10,990,000	-	CNY 10,990,000	-	
MediaTek (Hefei) Inc.	Funds	Fubon Bank (China) Yue Hui Ying Tian Ye Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 14,000,000	-	CNY 14,000,000	-	
		Fubon Bank (China) Yue Xiang Ying An Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 11,000,000	-	CNY 11,000,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Wen Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-	
		Fubon Bank (China) Yue Hui Ying Tian Xiang Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 48,000,000	-	CNY 48,000,000	-	
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 613,115,020	-	CNY 613,115,020	-	
		Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 69,112,451	-	CNY 69,112,451	-	
		Kun Qiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 10,364,697	-	CNY 10,364,697	-	
LePower (HK) Limited	Capital	Maxone Semiconductor (Suzhou) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 77,247,646	-	CNY 77,247,646	-	
		Clounix Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 55,722,092	-	CNY 55,722,092	-	
		AaltoSemi Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 42,880,000	-	CNY 42,880,000	-	
	Bonds	Recogtek Limited	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 14,477,990	-	CNY 14,477,990	-	
MTKC Global Holdings Co. Limited	Stocks	NeuroBlade Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	243,737	USD 8,680,937	5%	USD 8,680,937	-	
		SweGaN AB	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	19,366	USD 1,048,148	4%	USD 1,048,148	-	
		Vastai Holding Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,800,000	USD 10,821,600	1%	USD 10,821,600	-	
		Transsnet FinTech Group	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	14,256,620	USD 17,535,643	2%	USD 17,535,643	-	
		PROTEANTECS LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	251,981	USD 6,501,110	1%	USD 6,501,110	-	
		VisiC Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	40,352	USD 576,470	0%	USD 576,470	-	
		SandTek Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	706,023	USD 20,651,173	8%	USD 20,651,173	-	
		TXOne Networks Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	909,090	USD 4,999,995	2%	USD 4,999,995	-	

(To be continued)

MEDIATEK INC.  
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)  
For the year ended December 31, 2022

(Continued)

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)										
Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2022						
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note		
MTKC Global Holdings Co. Limited	Stocks	Mauna Kea Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,483,659	USD	2,607,842	4%	USD	2,607,842	-
		Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	980,000	USD	5,262,600	1%	USD	5,262,600	-
	Linked Deposits	Ventana Micro Systems Inc.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	5,000,000	-	USD	5,000,000	-
		Bonds	Katana Graph, Inc.	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD	1,500,000	-	USD	1,500,000
	Carsome Group Convertible Promissory Note		Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	10,284,188	-	USD	10,284,188	5
	Capital	Intudo Ventures II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,715,023	-	USD	3,715,023	-
		Amiti Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,427,841	-	USD	3,427,841	-
		Vertex Ventures(SG) SEA IV LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,806,054	-	USD	3,806,054	-
		Palm Drive Capital III L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,856,322	-	USD	1,856,322	-
		Hua Capital Integrated Circuit Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	6,059,186	-	USD	6,059,186	-
		Prime Movers Growth Fund I L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	4,255,897	-	USD	4,255,897	-
		Viola Ventures VI, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,792,349	-	USD	1,792,349	-
		Intudo ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	1,414,660	-	USD	1,414,660	-
		BCV Crypto Fund I-A, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	728,199	-	USD	728,199	-
		Bain Capital Tech Opportunities Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	800,000	-	USD	800,000	-
		Amiti IV L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	475,000	-	USD	475,000	-
		Decibel II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	887,500	-	USD	887,500	-
		Online Sea Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	2,000,000	-	USD	2,000,000	-
		New Trail Capital	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD	3,600,000	-	USD	3,600,000	-
	Hsu Zhan (HK) Investment Limited	Linked Deposits	Callable Credit Linked Dual Range due 2023	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD	8,982,000	-	USD	8,982,000
5Y USD DENOMINATED JMAB192E LINKED NOTE			Financial assets mandatorily measured at fair value through profit or loss- current	-	USD	9,225,000	-	USD	9,225,000	-
CTBC Credit Linked Notes			Financial assets mandatorily measured at fair value through profit or loss- current	-	USD	4,976,500	-	USD	4,976,500	-
Series CLNCH0191 USD 10m Fixed Rate Single Name CLN due 2025			Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	10,169,000	-	USD	10,169,000	-
Series CLNCH0192 USD 10m Fixed Rate Single Name CLN due 2025			Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	10,112,000	-	USD	10,112,000	-
Series CLNCH0193 USD 10M Fixed Rate Single Name CLN due 2025			Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	10,165,000	-	USD	10,165,000	-
HSBC Credit Linked Notes			Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD	10,142,000	-	USD	10,142,000	-
Bonds		Bank of China bond due on 20241205	Financial assets measured at amortized cost- noncurrent	-	USD	5,247,850	-	-	-	-
		Ping An Insurance (Group) Company Of China,Ltd. Bond	Financial assets measured at amortized cost- noncurrent	-	USD	7,196,684	-	-	-	-
		CICC bond	Financial assets measured at amortized cost- noncurrent	-	USD	10,034,700	-	-	-	-
		JP Morgan 4.08 04/26/26	Financial assets measured at amortized cost- noncurrent	-	USD	8,000,000	-	-	-	-
		GS 1.757 01/24/25	Financial assets measured at amortized cost- noncurrent	-	USD	1,946,000	-	-	-	-
		Bank of America Corporation 3.384 04/02/26	Financial assets measured at amortized cost- noncurrent	-	USD	5,420,250	-	-	-	-
		CGMI-USD Fixed Rate Callable Note 202205	Financial assets measured at amortized cost- noncurrent	-	USD	10,000,000	-	-	-	-
		CGMI-USD Fixed Rate 2y Callable Note 202206	Financial assets measured at amortized cost- noncurrent	-	USD	10,000,000	-	-	-	-
		CGMI-USD Fixed Rate 3y Callable Note 202206	Financial assets measured at amortized cost- noncurrent	-	USD	10,000,000	-	-	-	-
		FORCAY 3.375 4/22/2025	Financial assets measured at amortized cost- noncurrent	-	USD	9,816,700	-	-	-	-
		HSBC 3/11/2025	Financial assets measured at amortized cost- noncurrent	-	USD	9,858,000	-	-	-	-
		SUMIBK 09/17/26	Financial assets measured at amortized cost- noncurrent	-	USD	8,880,500	-	-	-	-
		SUMITR 0.8 09/16/24	Financial assets measured at amortized cost- noncurrent	-	USD	9,320,000	-	-	-	-
		INTEND 7/1/26	Financial assets measured at amortized cost- noncurrent	-	USD	9,156,578	-	-	-	-
		HSBC 03/10/26	Financial assets measured at amortized cost- noncurrent	-	USD	9,619,800	-	-	-	-
		ING 03/28/28	Financial assets measured at amortized cost- noncurrent	-	USD	9,650,000	-	-	-	-
		HSBC 06/09/28	Financial assets measured at amortized cost- noncurrent	-	USD	9,830,000	-	-	-	-
		HONHAI 10/28/25	Financial assets measured at amortized cost- noncurrent	-	USD	1,860,000	-	-	-	-
		MIZUHO 7/9/2027	Financial assets measured at amortized cost- noncurrent	-	USD	8,945,000	-	-	-	-
		MIZUHO 9/8/2024	Financial assets measured at amortized cost- noncurrent	-	USD	5,803,800	-	-	-	-
		TAISEM 7/22/2027	Financial assets measured at amortized cost- noncurrent	-	USD	9,737,400	-	-	-	-
		UBS 08/05/27	Financial assets measured at amortized cost- noncurrent	-	USD	9,898,200	-	-	-	-

(To be continued)

MEDIATEK INC.  
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)  
For the year ended December 31, 2022

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2022				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair value	Note
Hsu Zhan (HK) Investment Limited	Bonds	UBS 8/5/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,850,176	-	-	-
		MUFG 1/19/2028	Financial assets measured at amortized cost- noncurrent	-	USD 9,151,000	-	-	-
		TAISEM 9/28/2027	Financial assets measured at amortized cost- noncurrent	-	USD 8,616,500	-	-	-
		HONHAI 10/28/25	Financial assets measured at amortized cost- noncurrent	-	USD 7,422,000	-	-	-
		RY 8/3/2027	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,744	-	-	-
		MUFG 7/19/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,390,000	-	-	-
		hsbc 08/11/28	Financial assets measured at amortized cost- noncurrent	-	USD 9,875,664	-	-	-
		3YNC1 USD CALLABLE FIXED COUPON NOTE(S) DUE 2025/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		3YNC2 USD CALLABLE FIXED COUPON NOTE(S) DUE 2025/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		4YNC1 USD CALLABLE FIXED COUPON NOTE(S) DUE 2026/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		4YNC3 USD CALLABLE FIXED COUPON NOTE(S) DUE 2026/8/12	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		IBM 7/27/2025	Financial assets measured at amortized cost- noncurrent	-	USD 9,867,816	-	-	-
		CGMI-USD Fixed Rate 3y Callable Note 8/8/2022	Financial assets measured at amortized cost- noncurrent	-	USD 9,900,000	-	-	-
		BNP 1/20/2028	Financial assets measured at amortized cost- noncurrent	-	USD 4,540,000	-	-	-
		BAC 3.384 04/02/26	Financial assets measured at amortized cost- noncurrent	-	USD 4,405,500	-	-	-
		HSBC 4/18/2026	Financial assets measured at amortized cost- noncurrent	-	USD 9,205,500	-	-	-
		IBM 7/27/2027	Financial assets measured at amortized cost- noncurrent	-	USD 9,568,506	-	-	-
		UBS 05/12/26	Financial assets measured at amortized cost- noncurrent	-	USD 9,800,000	-	-	-
		BNP 03/13/27	Financial assets measured at amortized cost- noncurrent	-	USD 4,935,000	-	-	-
		C 06/09/2027	Financial assets measured at amortized cost- noncurrent	-	USD 4,465,000	-	-	-
		C 07/24/28	Financial assets measured at amortized cost- noncurrent	-	USD 948,000	-	-	-
		C 05/24/28	Financial assets measured at amortized cost- noncurrent	-	USD 8,808,800	-	-	-
		MS 7/17/26	Financial assets measured at amortized cost- noncurrent	-	USD 8,826,655	-	-	-
		MS 2026/10	Financial assets measured at amortized cost- noncurrent	-	USD 8,832,200	-	-	-
		C 03/26	Financial assets measured at amortized cost- noncurrent	-	USD 8,608,500	-	-	-
		C 05/25	Financial assets measured at amortized cost- noncurrent	-	USD 8,867,500	-	-	-
		JPM 06/25	Financial assets measured at amortized cost- noncurrent	-	USD 8,402,400	-	-	-
		JPM 12/25	Financial assets measured at amortized cost- noncurrent	-	USD 17,425,500	-	-	-
		BNP 2.591 1/20/2028	Financial assets measured at amortized cost- noncurrent	-	USD 4,502,500	-	-	-
		BNP 05/12/26	Financial assets measured at amortized cost- noncurrent	-	USD 980,000	-	-	-
		CGMI-4YNC1 Note 202208	Financial assets measured at amortized cost- noncurrent	-	USD 9,800,000	-	-	-
		TAISEM_1.75_102526	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,817,000	-	USD 8,817,000	-
		TAISEM_1.25_042326	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,788,000	-	USD 8,788,000	-
MediaTek (Wuhan) Inc.	Funds	Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,000,000	-	CNY 15,000,000	-
		Fubon Bank (China) Yue Hui Ying Tian Fu Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 22,000,000	-	CNY 22,000,000	-
MediaTek (Chengdu) Inc.	Funds	Fubon Bank (China) Yue Xiang Ying Fu Ye Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		Fubon Bank (China) Yue Xiang Ying An Tai Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 50,000,000	-	CNY 50,000,000	-
		Fubon Bank (China) Yue Xiang Ying An Jin Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 49,000,000	-	CNY 49,000,000	-
		Fubon Bank (China) Yue Xiang Ying An Hong Hao	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 14,000,000	-	CNY 14,000,000	-

Note 1 : For the purpose of reorganization, the ownership of SimoTek Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digimoc Holdings Limited in December 2022.

Note 2 : Ultimate parent entity.

Note 3 : In December 2022, Partners of Yuan Ke (Pingtan) Investment Fund Limited Partnership resolved to attribute all the economic benefits of Shenzhen Transssion Holding Co., Ltd. to Gaintech Co., Limited.

The economic benefits are calculated based on its shares owned, its percentage of ownership, the shares' carrying amount and fair value, which were 67,202,249, 8%, US\$761,452,041 and US\$761,452,041, respectively.

Note 4 : For the purpose of reorganization, the ownership of One97 Communication Ltd. and Paytm E-Commerce Private Limited, which were previously owned by Mountain Capital Fund, L.P., were transferred to MediaTek India Technology Pvt. Ltd. in December 2022.

Note 5 : For the purpose of Carsome's reorganization, Convertible Promissory Note, which was previously issued by Carsome Group Pte. Ltd., was reissued by Carsome Group Inc. in April 2022.



**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, 2022**

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)		
MediaTek Inc.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 5	Subsidiary	3,473,292	TWD 219,299	66,685,468	TWD 9,197,397	1,070,000	TWD 695,500	TWD 68,852	Note 6	111,235,745	TWD 8,125,044		
MediaTek Inc.	Hsu-Ta Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	399,380,103	TWD 7,541,670	193,200,000	TWD 1,932,000	-	TWD -	TWD -	TWD -	592,580,103	TWD 9,232,568		
MediaTek Inc.	MediaTek Capital Co.	Investments accounted for using the equity method	Note 3	Subsidiary	29,000,000	TWD 265,767	82,800,000	TWD 828,000	-	TWD -	TWD -	TWD -	111,800,000	TWD 726,135		
MediaTek Inc.	Hsu-Yuan Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	-	TWD -	50,000,000	TWD 500,000	-	TWD -	TWD -	TWD -	50,000,000	TWD 444,475		
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	326,907,879	TWD 43,982,690	-	TWD -	139,394,000	TWD 3,079,280	TWD 3,079,280	TWD -	187,513,879	TWD 67,147,396		
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 4	Subsidiary	2,932,854,882	TWD 224,583,578	-	TWD -	699,009,384	TWD 22,215,300	TWD 22,215,300	TWD -	2,233,845,498	TWD 204,066,817		
MediaTek Inc.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	-	TWD -	1,999,999	TWD 581,508	-	TWD -	TWD -	TWD -	1,999,999	TWD 559,675		
MediaTek Inc.	KGI Fengli Fund	Financial assets mandatorily measured at fair value through profit or loss- current	-	-	27,806,950	TWD 456,192	18,049,564	TWD 300,000	-	TWD -	TWD -	TWD -	45,856,514	TWD 738,680		
MediaTek Inc.	Taishin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	TWD -	45,325,000	TWD 799,986	-	TWD -	TWD -	TWD -	45,325,000	TWD 777,324		
Gaintech Co. Limited	MediaTek China Limited	Investments accounted for using the equity method	Note 3	Subsidiary	2,730,102,500	USD 837,226,355	313,976,000	USD 40,000,000	-	USD -	USD -	USD -	3,044,078,500	USD 855,744,939		
Gaintech Co. Limited	Airoha Technology Corp.	Investments accounted for using the equity method	Note 2 and Note 6	Subsidiary	-	USD -	17,867,089	USD 113,057,551	32,040,671	USD 323,628,815	USD 56,659,856	USD Note 6	-	USD -		
Gaintech Co. Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 7	Subsidiary	5,499,999	USD 31,214,579	-	USD -	5,499,999	USD 49,985,094	USD 28,423,389	USD Note 7	-	USD -		
Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	2,053,399,545	USD 2,054,655,262	330,000,000	USD 330,000,000	2,383,399,545	USD 2,406,283,105	USD 2,406,283,105	USD Note 8	-	USD -		
Gaintech Co. Limited	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	554,587,474	USD 566,533,378	-	USD -	554,587,474	USD 507,099,959	USD 507,099,959	USD Note 9	-	USD -		
Gaintech Co. Limited	Digimoc Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	915,638,880	USD 924,884,325	-	USD -	915,638,880	USD 687,980,967	USD 687,980,967	USD Note 8	-	USD -		
Gaintech Co. Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	12	USD 338,592,355	-	USD -	12	USD 355,354,142	USD 355,354,142	USD Note 8	-	USD -		
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 3	Subsidiary	500,001	USD 500,018	3,449,618,213	USD 3,449,618,214	-	USD -	USD -	USD -	3,450,118,214	USD 3,463,172,263		
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Investments accounted for using the equity method	Note 9	Subsidiary	-	USD -	554,587,474	USD 507,099,959	-	USD -	USD -	USD -	554,587,474	USD 538,493,068		
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Investments accounted for using the equity method	Note 5	Subsidiary	1,999,999	USD 33,399,160	-	USD -	1,999,999	USD 19,009,384	USD 17,028,281	USD Note 5	-	USD -		
MediaTek Global Holdings Limited	Digimoc Holdings Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD -	915,638,880	USD 687,980,967	-	USD -	USD -	USD -	915,638,880	USD 686,926,382		
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD -	12	USD 355,354,142	-	USD -	USD -	USD -	12	USD 360,353,794		
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Investments accounted for using the equity method	Note 8	Subsidiary	-	USD -	2,383,399,545	USD 2,406,283,105	-	USD -	USD -	USD -	2,383,399,545	USD 2,415,388,033		
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Investments accounted for using the equity method	Note 5	Subsidiary	-	INR -	5,499,999	INR 2,215,603,161	-	INR -	INR -	INR -	5,499,999	INR 2,336,447,044		
Hsu Fa (Samoa) Investment Ltd.	The Goldman Sachs Group Inc. Formosa Bond due 03/11/22	Financial assets measured at amortized cost- noncurrent	-	-	-	CNY -	-	CNY 177,000,000	-	CNY -	CNY -	CNY -	-	CNY 177,000,000		
Hsu Fa (Samoa) Investment Ltd.	Barclays PLC-CNY CY NONCALL2 04/06/25	Financial assets measured at amortized cost-noncurrent	-	-	-	CNY -	-	CNY 100,000,000	-	CNY -	CNY -	CNY -	-	CNY 100,000,000		
Hefei Xuhui Management Consulting Co., Ltd.	Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	CNY -	-	CNY 79,500,000	-	CNY -	CNY -	CNY -	-	CNY 69,112,451		
MediaTek Capital Co.	Zilltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Note 10	-	-	TWD -	3,000,000	TWD 828,000	-	TWD -	TWD -	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, 2022**

(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)						
Hsu-Ta Investment Corp.	Zilltek Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Note 10	-	-	TWD	-	7,000,000	TWD	1,932,000	-	TWD	-	TWD	-	-	TWD	-		
Gold Rich International (HK) Limited	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current/noncurrent	-	-	6,876,619	USD	110,682,377	-	USD	-	9,937,796	USD	81,316,293	USD	8,612,530	USD	72,703,763	910	USD	6,283
MediaTek (Shanghai) Inc.	Shanghai Summit View Puijiang Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	CNY	30,000,000	-	CNY	120,000,000	-	CNY	-	CNY	-	CNY	-	-	CNY	155,003,850
Hsu Zhan (HK) Investment Limited	2yNC1y USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	-	-	USD	-	-	USD	10,000,000	-	USD	9,560,000	USD	10,000,000	USD	(440,000)	-	USD	-
Hsu Zhan (HK) Investment Limited	3yNC1y USD Callable Capped and Floored Floating Rate Note	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	-	-	USD	-	-	USD	10,000,000	-	USD	9,460,000	USD	10,000,000	USD	(540,000)	-	USD	-
MediaTek India Technology Pvt. Ltd.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Note 11	Subsidiary	-	INR	-	2,095,113	INR	1,049,756,369	-	INR	-	INR	-	INR	-	2,095,113	INR	1,104,543,574
Airoha Technology Corp.	Audiowise Technology Inc.	Investments accounted for using the equity method	Note 12	Subsidiary	-	TWD	-	30,000,000	TWD	990,000	-	TWD	-	TWD	-	TWD	-	-	TWD	-
Mountain Capital Fund L.P.	One 97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Note 11	Subsidiary	2,095,113	USD	40,895,209	-	USD	-	2,095,113	USD	12,690,785	USD	20,720,843	USD	(8,030,858)	-	USD	-

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

Note 2 : Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022. Airoha Technology (Cayman) Inc. was dissolved on the same day.

The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp.

Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 3 : Subscribed to the new shares issued.

Note 4 : Proceeds from capital return.

Note 5 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

The change of the ownership interest was accounted for as an equity transaction. The differences between the selling prices and the carrying amounts were recognized in equity, which increased by USD 1,981 thousand.

Note 6 : For the purpose of Airoha Technology Corp.'s IPO in Taiwan, MTK and subsidiary Gaintech Co. Limited disposed of 1,070 thousand shares and 13,050 thousand shares, respectively by NT\$650 per share to institutional investors, Advisory recommending securities firm and Securities and Futures Investors Protection Center.

As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions. The differences between the selling prices and the carrying amounts were recognized in equity, which increased by NT\$626,648 thousand and USD 266,969 thousand, respectively.

Note 7 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022. The change of the ownership interest was accounted for as an equity transaction.

The differences between the selling prices and the carrying amounts were recognized in equity, which increased by USD 21,562 thousand.

Note 8 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited and Digimoc Holdings Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Global Holdings Limited in December 2022.

The change of the ownership interest was accounted for as an equity transaction, and there was no difference between the selling prices and the carrying amounts.

Note 9 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

The change of the ownership interest was accounted for as an equity transaction, and there was no difference between the selling prices and the carrying amounts.

Note 10 : Hsu-Ta Investment Corp. served as two directors of Zilltek Technology Corp. in November 2022. Since the Company does not have the ability to direct the relevant activities of Zilltek Technology Corp. and therefore does not have control.

Hence, Hsu-Ta Investment Corp. reclassified Zilltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method.

Note 11 : For the purpose of reorganization, the ownership of One97 Communication Ltd., which was previously owned by Mountain Capital Fund, L.P., was transferred to MediaTek India Technology Pvt. Ltd. in December 2022.

Note 12 : Airoha Technology Corp. accomplished the acquisition of 100% shares of Audiowise Technology Inc. in July 2022. Moreover, Audiowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.

**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, 2022**

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 (Wuhan) Inc.	Construction in progress	2019.10.25	CNY 371,000,000	CNY 284,775,346	Jiangsu Wannian Construction Group Co., Ltd., Lianxing Construction Hubei Co., Ltd.	None	-	-	-	\$-	Not applicable	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	\$ 416,250	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Richtek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	\$ 110,620	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None

**MEDIATEK INC.**  
**RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK**  
**For the year ended December 31, 2022**

Attachment 6

							(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/ Sales	Payment Term			Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	\$ 3,245,469	1.01%	Charged by a certain period	-	-	\$ 179,989	0.71%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Purchases	\$ 113,050	0.04%	Charged by a certain period	-	-	\$ (383,656)	(2.85)%	-
MediaTek Inc.	Zelus (Shenzhen) Technology Ltd.	Subsidiary	Sales	\$ 200,938	0.06%	Charged by a certain period	-	-	\$ 70,295	0.28%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 3,942,380	-	75 days	-	-	\$ (911,898)	(6.78)%	-
MediaTek Inc.	King Long Tech (Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 413,551	-	75 days	-	-	\$ (65,330)	(0.49)%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 510,443	-	75 days	-	-	\$ (64,339)	(11.99)%	-
Airoha Technology Corp.	Airoha Technology (Suzhou) Limited	Subsidiary	Sales	\$ 175,668	1.80%	30 days	-	-	\$ 39,434	3.91%	-
Airoha Technology (HK) Limited Taiwan Branch	ASIX Electronics Corp.	Associates	Sales	\$ 291,541	5.77%	30 days	-	-	\$ 13,544	1.82%	-
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited Taiwan Branch	Subsidiary	Sales	CNY 1,319,626,779	71.12%	30 days	-	-	CNY 39,709,911	66.19%	-
Airoha Technology (Suzhou) Limited	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	CNY 29,036,419	-	75 days	-	-	CNY (3,754,562)	(6.87)%	-
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	\$ 566,431	1.99%	60 days	-	-	\$ 64,088	2.62%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 106,435,792	-	75 days	-	-	USD (22,237,089)	(8.26)%	-

Note 1: License revenues mainly

**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, 2022**

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.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 274,487	(Note1,3)	-	\$ -	-	\$ 272,565	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 477,876	(Note1)	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 383,656	(Note1)	-	\$ -	-	\$ 139,337	\$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 7,371,120	(Note2)	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 9,274,712	(Note2)	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	\$ 2,772,923	(Note3)	-	\$ -	-	\$ -	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,514,010	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 311,708	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,157,772	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 676,851	(Note2)	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,685,560	(Note2)	-	\$ -	-	\$ -	\$ -
Airoha Technology (HK) Limited	Airoha Technology Corp.	Subsidiary	\$ 184,079	(Note1)	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology (HK) Limited	Subsidiary	\$ 176,827	(Note1)	-	\$ -	-	\$ 176,827	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 757,184	(Note1)	-	\$ -	-	\$ 756,839	\$ -
MediaTek China Limited	MediaTek (Hefei) Inc.	Subsidiary	\$ 949,679	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Beijing) Inc.	Subsidiary	\$ 2,116,623	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 2,649,502	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Chengdu) Inc.	Subsidiary	\$ 783,751	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Wuhan) Inc.	Subsidiary	\$ 116,138	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek China Limited	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,053,366	(Note3)	-	\$ -	-	\$ -	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 255,849	(Note1)	-	\$ -	-	\$ 255,849	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 100,689	(Note1)	-	\$ -	-	\$ 100,689	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 396,833	(Note1)	-	\$ -	-	\$ 396,833	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 160,601	(Note1)	-	\$ -	-	\$ 160,601	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 186,910	(Note1)	-	\$ -	-	\$ 186,910	\$ -

Note 1: Trade receivables and other receivables arising from technical services, sales of chips and software usage mainly.

Note 2: Loans and their interests (recorded in other receivables) mainly.

Note 3: Dividend revenues (recorded in other receivables) mainly.

MEDIATEK INC.

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)

For the year ended December 31, 2022

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, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	HFI Innovation Inc.	Note 1	Intellectual property right management	\$ 1,746,918	\$ 1,746,918	174,691,821	100%	\$ 1,043,078	\$ 177,339	\$ 143,260	Note 20
	Hsu-Ta Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 2,028,811	592,580,103	100%	\$ 9,232,568	\$ 842,456	\$ 273,154	Note 20
	MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 72,018,783	2,233,845,498	100%	\$ 204,066,817	\$ 5,270,316	\$ 5,287,033	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 7,216,874	187,513,879	100%	\$ 67,147,396	\$ 58,657,566	\$ 58,627,362	Note 20
	MStar Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 141,281	\$ 21,717	\$ 21,717	Note 20
	Spidcom Technologies	Note 13	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ 525	\$ (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%	\$ 21,363,741	\$ 5,579,400	\$ 5,312,499	Note 20
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 293,437	13,125,454	19%	\$ 324,395	\$ 150,087	\$ 28,148	-
	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 290,000	111,800,000	100%	\$ 726,135	\$ (79,389)	\$ (79,389)	Note 20
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 29,104	\$ 3,389	\$ (877)	-
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ 9,378,890	\$ 189,384	111,235,745	76%	\$ 8,125,045	\$ 2,895,379	\$ 1,992,886	Note 20 and Note 21
	Airoha Technology (Cayman) Inc.	Note 2	General investing	\$ -	\$ 8,422,740	-	-	\$ -	\$ -	\$ -	Note 20 and Note 21
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 500,000	\$ -	50,000,000	100%	\$ 444,475	\$ (55,525)	\$ (55,525)	Note 20 and Note 22
	MediaTek Research UK Limited	Note 12	Research	\$ 24,363	\$ -	280,000	100%	\$ 31,054	\$ 8,469	\$ 7,081	Note 20 and Note 23
MediaTek Investment Singapore Pte. Ltd.	MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ -	1,999,999	100%	\$ 559,675	\$ 265,148	\$ 5,682	Note 20 and Note 24
	Gaintech Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 6,610,580,348	USD 169,633,710	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	USD -	USD 339,847	-	-	USD -	\$ 265,148	-	Note 20 and Note 24
Digimoc Holdings Limited	Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,000	100%	USD 62,616,434	USD 248,649	-	Note 20
	Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 199,843,004	USD (562,141)	-	Note 20
	INTELLIGO TECHNOLOGY INC.	Note 2	General investing	USD 3,168,380	USD 3,168,380	8,928,270	15%	USD 5,623,714	USD 3,806,033	-	-
	SimoTek Holding Inc.	Note 2	General investing	USD 1	USD -	20,000,000	39%	USD 1	USD 8,054	-	Note 25
Hsu-Ta Investment Corp.	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 11,901,390	\$ 759,058	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	-	\$ -	\$ 265,148	-	Note 20
	Zilltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ -	7,000,000	13%	\$ 1,241,155	\$ 515,835	-	Note 26
Smarthead Limited	MOMAGIC TECHNOLOGIES PRIVATE LIMITED	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,148,004	USD (289,691)	-	-
Hsiang Fa Co.	E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	26%	\$ 40,436	\$ (26,776)	-	-
	Chingis Technology Corporation	Note 1	Research	\$ 777,932	\$ 827,932	105,936,991	100%	\$ 535,482	\$ 20,755	-	Note 20
	CMOS-Crystal Ltd.	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 16,029	\$ (1,740)	-	-
	Cyberon Corp.	Note 1	Research	\$ -	\$ 250,737	-	-	\$ -	\$ (2,022)	-	Note 27
	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 9,289	\$ 2,005	-	Note 20
	InnoFusion Technology Corp.	Note 1	Technical services	\$ 224,539	\$ 224,539	127,000,000	100%	\$ 1,218,038	\$ 31,148	-	Note 20
	INTELLIGO TECHNOLOGY INC.	Note 2	General investing	\$ 178,805	\$ -	1,335,626	2%	\$ 180,482	USD 3,800,033	-	-
	Mountain Capital Fund, L.P.	Note 2	General investing	USD 25,920,843	USD 27,200,000	-	90%	USD 14,663,871	USD -	-	Note 20
Gaintech Co. Limited	CSV VENTURES, L.P.	Note 2	General investing	USD 19,860,000	USD 15,000,000	-	43%	USD 17,310,921	USD (5,281,740)	-	-
	Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 1,884,921	3,177,056	32%	USD 4,063,571	USD 1,163,081	-	-
	ZENA TECHNOLOGIES INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-
	FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD 11,428,571	USD 11,428,571	-	57%	USD 20,930,045	USD (255,490)	-	-
	MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	7,100	100%	USD 2,775,204	USD (4,761)	-	Note 20
	CMC CAPITAL INVESTMENTS, L.P.	Note 2	General investing	USD 4,612,856	USD 4,612,856	-	67%	USD 3,265,806	USD (60,285)	-	-
	Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,332,225	USD (32,388)	-	Note 20
	MTK Wireless Limited	Note 12	Research	USD 135,664,604	USD 135,664,604	84,394,826	100%	USD 161,831,540	USD 11,589,873	-	Note 20
	Airoha Technology (Cayman) Inc.	Note 2	General investing	USD -	USD 56,311,712	-	-	USD -	USD -	-	Note 20 and Note 21
	MediaTek Wireless FZ-LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 359,062	USD 75,131	-	Note 20

(To be continued)

MEDIATEK INC.

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)

For the year ended December 31, 2022

(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, 2022			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	Nephos Pte. Ltd.	Note 7	Research	USD -	USD -	-	-	USD -	USD -	-	Note 20 and Note 28
	Nephos Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD (5,417,705)	USD (1,788,298)	-	Note 20
	ISStar Technology Ltd.	Note 2	General investing	USD 2,977,673	USD 2,977,673	50,000	100%	USD 126,435	USD (116,804)	-	Note 20
	Sigmastar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 251,398,785	USD 19,699,147	-	Note 20
	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD -	USD 2,053,399,545	-	-	USD -	USD 31,930,404	-	Note 20 and Note 29
	MediaTek Investment HK Limited	Note 11	General investing	USD -	USD 554,587,475	-	-	USD -	USD 17,512,617	-	Note 20 and Note 30
	Digimoc Holdings Limited	Note 3	General investing	USD -	USD 917,331,979	-	-	USD -	USD 8,153,825	-	Note 20 and Note 29
	MediaTek Global Holdings Limited	Note 12	General investing	USD 3,450,118,215	USD 500,001	3,450,118,214	100%	USD 3,463,172,263	USD 12,064,864	-	Note 20
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD -	USD 324,337,646	-	-	USD -	USD 5,842,051	-	Note 20 and Note 29
	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD -	USD 1,797,222	-	-	USD -	INR 257,097,517	-	Note 20 and Note 31
MTK Wireless Limited	MediaTek Korea Inc.	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 8,934,474	USD 771,078	-	Note 20
	MediaTek China Limited	Note 11	General investing	USD 391,444,293	USD 351,444,293	3,044,078,500	100%	USD 855,744,939	USD 39,389,798	-	Note 20
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	USD -	USD -	-	-	USD -	\$ 2,895,379	-	Note 20, Note 21 and Note 32
	MediaTek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 11,454,122	GBP 262,293	-	Note 20
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 38,799,897	111,815	100%	GBP 144,307,291	GBP 7,808,467	-	Note 20
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 8,398,799	GBP 1,981,792	-	Note 20
	MStar Semiconductor UK Ltd.	Note 12	Research and technical services	GBP -	GBP 1,759,253	-	100%	GBP -	GBP (2,940)	-	Note 20
Gold Rich International (Samoa) Limited	MediaTek France SAS	Note 13	Research	GBP 22,405,985	GBP 22,405,985	458,900	100%	GBP 4,397,918	GBP (39,643)	-	Note 20
	MediaTek North America Inc.	Note 6	Technical services	GBP 4,079,498	GBP -	10,000	100%	GBP 4,759,189	GBP 209,199	-	Note 20 and Note 33
	Gold Rich International (HK) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 199,761,668	USD (559,963)	-	Note 20
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD 185,774,024	1,000,000,000	100%	USD 179,922,646	USD 5,369,377	-	Note 20
	Hsu Fa (Samoa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD 184,907,275	1,000,000,000	100%	USD 179,723,643	USD 5,910,685	-	Note 20
	Hsu Kang (Samoa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD 183,806,174	1,000,000,000	100%	USD 178,749,437	USD 6,235,199	-	Note 20
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD -	USD -	1	-	USD -	INR 257,097,517	-	Note 20
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Note 3	General investing	USD 160,478,723	USD 160,478,723	102,200,000	100%	USD 162,507,505	USD 1,946,220	-	Note 20
	MediaTek Investment HK Limited	Note 11	General investing	USD 507,099,959	USD -	554,587,474	100%	USD 538,493,068	USD 17,512,617	-	Note 20 and Note 30
Richtek Technology Corp.	Richnux Microelectronics Corp.	Note 1	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 47,589	\$ 10,545	-	Note 20
	Richtek Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 46,157	\$ 169	-	Note 20
	Richtek Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 63,231	\$ 18,727	-	Note 20
	Richtek Korea LLC.	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 12,134	\$ 10,366	-	Note 20
	Richtek USA Inc.	Note 6	Sales, research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 166,931	\$ 3,318	-	Note 20
	Richtek IC Design Ireland Limited	Note 18	Research	\$ -	\$ -	-	-	\$ -	\$ 357	-	Note 20 and Note 34
	Richtek Japan Inc.	Note 10	Research and technical services	\$ 41,893	\$ -	1,900	100%	\$ 14,963	\$ (27,893)	-	Note 20 and Note 35
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 920,240	EUR 12,286	-	Note 20
Airoha Technology (Cayman) Inc.	Shadow Investment Limited	Note 5	General investing	USD -	USD 1,491,120	-	-	USD -	\$ 1,311	-	Note 20 and Note 21
	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	USD -	USD 67,534,520	-	-	USD -	\$ 2,730,911	-	Note 20 and Note 21
	MediaTek Research UK Limited	Note 12	Research	USD -	USD 479,664	-	-	USD -	\$ 8,469	-	Note 20 and Note 21
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	USD -	USD 164,278,608	-	-	USD -	\$ 2,895,379	-	Note 20 and Note 21
Airoha Technology (Suzhou) Limited	EcoNet Limited	Note 3	General investing and sales	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 33,545,358	CNY 193,649	-	Note 20
Airoha Technology Corp.	ASIX Electronics Corporation	Note 1	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,396	20%	\$ 559,259	\$ 415,671	-	-
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ 14,311	650,000	1%	\$ 16,065	\$ 150,087	-	-
	Airoha (Cayman) Inc.	Note 2	General investing	\$ 482,580	\$ 482,580	9,581,167	100%	\$ 568,124	\$ (38,241)	-	Note 20
	Shadow Investment Limited	Note 5	General investing	\$ 71,755	\$ -	15,000,000	100%	\$ 80,942	\$ 1,311	-	Note 20 and Note 21

(To be continued)

**MEDIATEK INC.**

**NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)**

**For the year ended December 31, 2022**

(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, 2022			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Airoha Technology Corp.	MediaTek Research UK Limited	Note 12	Research	\$ -	\$ -	-	-	\$ -	\$ 8,469	-	Note 20, Note 21 and Note 23
	Airoha Technology USA Inc.	Note 6	Research	\$ 12,563	\$ -	10,000	100%	\$ 13,089	\$ 814	-	Note 20 and Note 36
	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,753,984	\$ -	67,534,520	100%	\$ 5,681,089	\$ 2,730,911	-	Note 20 and Note 21
	Airoha Technology India Private Limited	Note 4	Research	\$ 37,312	\$ -	9,500,000	100%	\$ 31,353	\$ (3,976)	-	Note 20 and Note 37
	Audiowise Technology Inc.	Note 1	Research, manufacturing and sales	\$ -	\$ -	-	-	\$ -	\$ (40,762)	-	Note 20 and Note 38
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Note 4		USD 12	USD -	95	-	USD 10	\$ (3,976)	-	Note 20 and Note 37
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Note 11	General investing	USD 81,998,125	USD 81,998,125	85,050,000	100%	USD 88,104,313	USD 3,865,874	-	Note 20
	Amiti IV Quantum L.P.	Note 6	General investing	USD 2,000,000	USD -	2,000,000	92%	USD 1,985,386	USD (17,393)	-	Note 39
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Note 19	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 574,297	EUR 93,929	-	Note 20
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Note 4	Research	INR 2,215,603,161	INR -	5,499,999	100%	INR 2,336,447,044	INR 257,097,517	-	Note 20 and Note 31
MediaTek Capital Co.	Zilltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ -	3,000,000	5%	\$ 531,924	\$ 515,835	-	Note 26
MediaTek Global Holdings Limited	Digimoc Holdings Limited	Note 3	General investing	USD 687,980,967	USD -	915,638,880	100%	USD 686,926,382	USD 8,153,825	-	Note 20 and Note 29
	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD -	2,383,399,545	100%	USD 2,415,388,033	USD 31,930,404	-	Note 20 and Note 29
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD 355,354,142	USD -	12	100%	USD 360,353,794	USD 5,842,051	-	Note 20 and Note 29

Note 1 : Taiwan

Note 5 : Western Samoa

Note 9 : Korea

Note 13 : France

Note 17 : Finland

Note 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, Hsu-Si Investment Corp. spun-off the 46% ownership of Airoha (Cayman) Inc. to Airoha Technology Corp., and MTK acquired 5% new shares issued by Airoha Technology Corp. in October 2021.

Airoha Technology Corp. completed a share swap and acquired the remaining 54% ownership of Airoha (Cayman) Inc. in the same month. Hsu-Si Investment Corp. was dissolved due to merger with MTK in December 2021.

The 66% ownership of Airoha Technology (Cayman) Inc., which was previously owned by Hsu-Si Investment Corp., was transferred to MTK. Moreover, Airoha Technology Corp. completed a share swap and acquired the 100% ownership of Airoha Technology (Cayman) Inc. on January 1, 2022.

Airoha Technology (Cayman) Inc. was dissolved on the same day. The ownership of Shadow Investment Limited, Airoha Technology (HK) Limited and MediaTek Research UK Limited which were previously owned by Airoha Technology (Cayman) Inc. were transferred to Airoha Technology Corp.

Furthermore, the 13% ownership of Airoha Technology Corp. which was previously owned by Gaintech Co. Limited was transferred to MTK in March 2022.

Note 22 : MTK established Hsu-Yuan Investment Corp. in May 2022.

Note 23 : For the purpose of reorganization, the 100% ownership of MediaTek Research UK Limited, which was previously owned by Airoha Technology Corp., was transferred to MTK in April 2022.

Note 24 : For the purpose of reorganization, the 100% ownership of MediaTek Bangalore Private Limited, which was previously owned by MediaTek Investment Singapore Pte. Ltd., was transferred to MTK in December 2022.

Note 25 : For the purpose of reorganization, the ownership of SimoTek Holding Inc., which was previously owned by Mountain Capital Fund, L.P., was transferred to Digimoc Holdings Limited in December 2022.

Note 26 : Hsu-Ta Investment Corp. won two seats of the board of directors of Zilltek Technology Corp. in November 2022. Since Hsu-Ta Investment Corp. can exercise significant influence over Zilltek Technology Corp. through its board of directors but still does not have a control.

Hsu-Ta Investment Corp. reclassified Zilltek Technology Corp. from equity instrument investments measured at fair value through other comprehensive income-noncurrent to investments accounted for using the equity method.

Note 27 : Intelligo Technology Inc. had accomplished acquisition of 100% shares of Cyberon Corp. in August 2022.

Note 28 : For the purpose of reorganization, Nephos Pte. Ltd. has been liquidated in October 2022.

Note 29 : For the purpose of reorganization, the 100% ownership of Hsu Zhan (HK) Investment Limited, MTKC Global Holdings Co. Limited and Digimoc Holdings Limited, which were previously owned by Gaintech Co. Limited, were transferred to MediaTek Global Holdings Limited in December 2022.

Note 30 : For the purpose of reorganization, the 100% ownership of MediaTek Investment HK Limited, which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Singapore Pte. Ltd. in November 2022.

Note 31 : For the purpose of reorganization, the 100% ownership of MediaTek India Technology Pvt. Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Bangalore Private Limited in May 2022.

Note 32 : Gaintech Co. Limited has completed the transfer of 9% shareholding rights of Airoha Technology Corp. by June 2022.

Note 33 : MTK Wireless Limited established MediaTek North America Inc. in June 2022.

Note 34 : For the purpose of reorganization, Richtek IC Design Ireland Limited has been liquidated in June 2022.

Note 35 : Richtek Technology Corp. established Richtek Japan Inc. in July 2022.

Note 36 : Airoha Technology Corp. established Airoha Technology USA Inc. in June 2022.

Note 37 : Airoha Technology Corp. established Airoha Technology India Private Limited in July 2022, and transferred portion of its shares to Airoha (Cayman) Inc. in December 2022.

Note 38 : Airoha Technology Corp. accomplished the acquisition of 100% shares of Audiowise Technology Inc. in July 2022. Moreover, Audiowise Technology Inc. was dissolved due to merger with Airoha Technology Corp. in September 2022.

Note 39 : MTKC Global Holdings Co. Limited established Amiti IV Quantum L.P. in July 2022.



**MEDIATEK INC.**  
**INFORMATION ON INVESTMENT IN MAINLAND CHINA**  
For the year ended December 31, 2022

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, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,764,170	MediaTek China Limited	\$ 2,764,170	-	-	\$ 2,764,170	\$ 761,125	100%	\$ 761,125	\$ 5,824,330	-
		USD 90,000,000		USD 90,000,000	-	-	USD 90,000,000	USD 25,537,917		USD 25,537,917	USD 189,637,275	
MediaTek (Hefei) Inc.	Note 2	\$ 522,121	MediaTek China Limited	\$ 522,121	-	-	\$ 522,121	\$ 193,435	100%	\$ 193,435	\$ 811,144	-
		USD 17,000,000		USD 17,000,000	-	-	USD 17,000,000	USD 6,490,299		USD 6,490,299	USD 26,410,450	
MediaTek (Beijing) Inc.	Note 2	\$ 3,071,300	MediaTek China Limited	\$ 3,071,300	-	-	\$ 3,071,300	\$ 459,555	100%	\$ 459,555	\$ 4,275,257	-
		USD 100,000,000		USD 100,000,000	-	-	USD 100,000,000	USD 15,419,384		USD 15,419,384	USD 139,200,232	
MediaTek (Chengdu) Inc.	Note 2	\$ 1,529,507	MediaTek China Limited	\$ 1,529,507	-	-	\$ 1,529,507	\$ 155,527	100%	\$ 155,527	\$ 1,670,678	-
		USD 49,800,000		USD 49,800,000	-	-	USD 49,800,000	USD 5,218,387		USD 5,218,387	USD 54,396,456	
MediaTek (Wuhan) Inc.	Note 2	\$ 743,255	MediaTek China Limited	\$ 510,046	-	-	\$ 510,046	\$ 33,213	100%	\$ 33,213	\$ 808,879	-
		USD 24,200,000		USD 16,606,858	-	-	USD 16,606,858	USD 1,114,377		USD 1,114,377	USD 26,336,712	
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 1,904,206	MediaTek China Limited	\$ 1,842,780	-	-	\$ 1,842,780	\$ (23,058)	100%	\$ (23,058)	\$ 3,385,958	-
		USD 62,000,000		USD 60,000,000	-	-	USD 60,000,000	USD (773,658)		USD (773,658)	USD 110,245,118	
MediaTek (Shanghai) Inc.	Note 2	\$ 1,322,532	MediaTek China Limited	\$ 1,488,635	-	-	\$ 1,488,635	\$ 233,517	100%	\$ 233,517	\$ 2,435,061	-
		CNY 297,000,000		USD 48,469,221	-	-	USD 48,469,221	USD 7,835,147		USD 7,835,147	USD 79,284,381	
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 921,390	MStar Co., Ltd.	\$ 921,390	-	-	\$ 921,390	\$ 19,811	100%	\$ 19,811	\$ 513,116	-
		USD 30,000,000		USD 30,000,000	-	-	USD 30,000,000	USD 664,719		USD 664,719	USD 16,706,815	
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,130	Airoha Technology (HK) Limited	\$ 288,134	-	-	\$ 288,134	\$ 2,597,535	76%	\$ 2,194,022	\$ 4,576,065	-
		USD 10,000,000		USD 9,381,500	-	-	USD 9,381,500	USD 87,154,683		USD 73,615,677	USD 148,994,415	
Richpower Microelectronics Co., Ltd.	Note 2	\$ 98,282	Richtek Technology Corp.	\$ 98,282	-	-	\$ 98,282	\$ 17,442	100%	\$ 17,442	\$ 16,234	-
		USD 3,200,000		USD 3,200,000	-	-	USD 3,200,000					
Li-We Technology Corp.	Note 2	\$ 76,783	Richtek Technology Corp.	\$ 76,783	-	-	\$ 76,783	\$ 39,741	100%	\$ 39,741	\$ 37,909	-
		USD 2,500,000		USD 2,500,000	-	-	USD 2,500,000					
Yuan Ke (Pingtan) Investment Fund Limited Partnership	Note 4	\$ -	Gaintech Co. Limited	\$ 3,980,405	-	-	\$ 3,980,405	\$ 543,105	-	\$ 509,383	\$ -	-
		CNY -		USD 129,600,000	-	-	USD 129,600,000	USD 18,222,701		USD 17,649,740	USD -	
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,172	Gaintech Co. Limited	\$ 159,103	-	-	\$ 159,103	\$ 12,102	88%	\$ 10,674	\$ 157,419	-
		USD 5,150,000		USD 5,180,299	-	-	USD 5,180,299	USD 406,064		USD 358,149	USD 5,125,497	
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,819,570	Gaintech Co. Limited	\$ 1,228,520	-	-	\$ 1,228,520	\$ 389,563	25%	\$ (4,100)	\$ 4,595,566	-
		CNY 408,619,418		USD 40,000,000	-	-	USD 40,000,000	USD 13,070,939		USD (101,259)	USD 149,629,340	
Beijing Iitek Technology Co. Ltd.	Note 2	\$ -	IStar Technology Ltd.	\$ 92,139	-	-	\$ 92,139	\$ 6,027	-	\$ 6,027	\$ -	-
		USD -		USD 3,000,000	-	-	USD 3,000,000	USD 202,227		USD 202,227	USD -	

(To be continued)

**MEDIATEK INC.**  
**INFORMATION ON INVESTMENT IN MAINLAND CHINA**  
For the year ended December 31, 2022

(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, 2022	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2022	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nephos (Hefei) Co. Ltd.	Note 3	\$ 1,266,911	Nephos Cayman Co. Limited	\$ 3,502,825	-	-	\$ 3,502,825	\$ (52,564)	100%	\$ (52,564)	\$ (33,035)	-
		USD 41,250,000		USD 114,050,238	-	-	USD 114,050,238	USD (1,763,681)		USD (1,763,681)	USD (1,075,609)	
Airotek (Shenzhen) Inc.	Note 2	\$ 29,177	Airoha (Cayman) Inc.	\$ 29,177	-	-	\$ 29,177	\$ (26,550)	76%	\$ (21,499)	\$ 61,985	-
		USD 950,000		USD 950,000	-	-	USD 950,000	USD (890,836)		USD (721,353)	USD 2,018,212	
Airotek (Chengdu) Inc.	Note 2	\$ 29,177	Airoha (Cayman) Inc.	\$ 29,177	-	-	\$ 29,177	\$ (15,854)	76%	\$ (12,719)	\$ 67,372	-
		USD 950,000		USD 950,000	-	-	USD 950,000	USD (531,954)		USD (426,757)	USD 2,193,605	
Sigmastar Technology Ltd.	Note 3	\$ 1,687,441	Sigmastar Technology Inc.	\$ 61,426	-	-	\$ 61,426	\$ 773,001	32%	\$ 773,001	\$ 8,566,099	-
		CNY 378,947,370		USD 2,000,000	-	-	USD 2,000,000	USD 25,936,383		USD 25,936,383	USD 278,907,932	
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,581,027	Xuxin Investment (Shanghai) Inc.	\$ 1,471,367	\$ 96,897	-	\$ 1,568,264	\$ (21,799)	100%	\$ (21,799)	\$ 2,801,880	-
		CNY 355,050,000		USD 47,906,985	USD 3,154,922	-	USD 51,061,907	CNY (4,921,177)		CNY (4,921,217)	CNY 629,216,087	
Shanghai KQC Financial Management	Note 4	\$ 146,948	Xuxin Investment (Shanghai) Inc.	\$ 30,002	-	-	\$ 30,002	\$ 1	20%	\$ -	\$ 29,390	-
		CNY 33,000,000		USD 976,861	-	-	USD 976,861	CNY 201		CNY 41	CNY 6,599,992	
Hefei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,580,804	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,471,153	\$ 96,897	-	\$ 1,568,050	\$ (21,740)	100%	\$ (21,740)	\$ 2,792,869	-
		CNY 355,000,000		USD 47,900,000	USD 3,154,922	-	USD 51,054,922	CNY (4,907,984)		CNY (4,907,984)	CNY 627,192,344	

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ 25,515,802	\$ 35,411,946	\$ 264,065,574
USD 830,781,806	USD 1,152,995,338	

Note 1: Based on Regulations Governing the Approval of Investment or Technical Cooperation in the Mainland China promulgated by Investment Commission, MOEA.

Note 2: Development of consumer electronics products and software and related technology consulting services.

Note 3: Development, manufacture, and marketing of consumer electronics products and software.

Note 4: General investing.

Note 5: The methods for engaging in investment in Mainland China include the following:

- A. Direct investment in Mainland China.
- B. Indirect investment in Mainland China through companies registered in a third region.
- C. Other method.

Note 6: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 7: Amounts are listed in New Taiwan Dollars. For foreign currency conversion, net income (loss) of investee and investment income (loss) are converted by the average exchange rate during financial statement period (1 USD=29.80374 NTD; 1 CNY=4.42961 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30.713 NTD; 1 CNY=4.45297 NTD)

MEDIATEK INC.  
1. STATEMENT OF CASH AND CASH EQUIVALENTS  
As of December 31, 2022

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

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				1. Cash and cash equivalents were not pledged.
Foreign currency deposits		\$ 164,054	USD 4,446 CNY 4,387 EUR 242 EUR 154	2. USD1=NTD30.713 CNY1=NTD4.45297 EUR1=NTD32.79841 JPY1=NTD0.23297
Savings and checking deposits		<u>740,155</u>		
Subtotal		<u>904,209</u>		
Time Deposits				
Time Deposits - NT Dollars		10,500,000		
Time Deposits - US Dollars		<u>11,013,515</u>	USD 358,595	
Subtotal		<u>21,513,515</u>		
Total		<u>\$ 22,417,724</u>		

MEDIATEK INC.

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

As of December 31, 2022

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

Financial Instruments	Description	Units	Contract Amount/ Acquisition Cost	Contract Period	Fair Value	Note
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss			<u>Acquisition Cost</u>			
Fund						
KGI Fengli Fund		45,856,514	\$ 610,097		\$ 738,680	
KGI Fuli Strategic Fund		69,339,442	854,184		<u>991,138</u>	
Total			<u>\$ 1,464,281</u>		<u>\$ 1,729,818</u>	
Forward exchange contracts			<u>Contract Amount</u>			
Forward exchange contracts - purchase US dollars			USD 180,000	2022.12-2023.3	<u>\$ 17,416</u>	
Financial liabilities at fair value through profit or loss						
Held for trading financial liabilities			<u>Contract Amount</u>			
Forward exchange contracts - purchase US dollars			USD 30,000	2022.12-2023.2	<u>\$ (3,353)</u>	

MEDIATEK INC.

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

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
Taichung Commercial Bank Bond		20,396	4.39%	2021/03/11 - 2023/12/05	
Total		<u>\$ 20,396</u>			

MEDIATEK INC.

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

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 4,908,366	
Client B		4,903,517	
Client C		1,834,120	
Client D		1,326,789	
Others	The amount of individual client in others does not exceed 5% of the account balance.	12,041,827	
Subtotal		25,014,619	
Less: Allowance for doubtful debts		(1,640)	
Net amount		25,012,979	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		179,989	
Nephos (Hefei) Co., Ltd.		173,759	
Airoha Technology Corp.		82,398	
Zelus (Shenzhen) Technology Ltd.		70,294	
Other	The amount of individual client in others does not exceed 5% of the account balance.	1,836	
Subtotal		508,276	
Total		\$ 25,521,255	

MEDiatek INC.

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

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 2,031,467	
VAT deductibles		1,809,215	
Interest receivables		86,322	
Others		91	
Total		<u>\$ 3,927,095</u>	
Other receivables from related parties			
Nephos (Hefei) Co., Ltd.	Technical service revenue	304,117	
MediaTek Singapore Pte. Ltd.		94,498	
Others	The amount of individual item in others does not exceed 5% of the account balance.	1,149	
Total		<u>\$ 399,764</u>	

MEDIATEK INC.  
6. STATEMENT OF INVENTORIES  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 1,613,262	\$ 1,694,096	Inventories were not pledged.
Work in process		50,877,806	105,965,978	
Finished goods		<u>20,161,601</u>	<u>44,594,258</u>	
Total		72,652,669	<u>\$ 152,254,332</u>	
Less : Allowance for inventory valuation losses		<u>(33,243,995)</u>		
Net Amount		<u>\$ 39,408,674</u>		



MEDIATEK INC.

7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepaid supplies inventory		\$ 894,401	
Prepaid expenses		685,262	
Others	The amount of individual item in others does not exceed 5% of the account balance.	74,587	
Subtotal		<u>1,654,250</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	1,037,618	
Others	The amount of individual item in others does not exceed 5% of the account balance.	127,314	
Subtotal		<u>1,164,932</u>	
Total		<u>\$ 2,819,182</u>	

## MEDIATEK INC.

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

For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount		Units	Fair Value		
Financial assets mandatorily measured at fair value through profit or loss											
Stock											
Shin Kong Financial Holding Co., Ltd., Preferred Stock A	4,200,000	\$ 178,920	-	\$ -	-	\$ -	\$ (28,140)	4,200,000	\$ 150,780	None	
Linked Deposits											
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	130,177	-	75,000	-	-	(4,089)	-	201,088	None	
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	-	137,946	-	-	-	(7,900)	(549)	-	129,497	None	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	200,178	-	-	-	-	(2,419)	-	197,759	None	
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	150,129	-	-	-	-	23	-	150,152	None	
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	-	-	-	80,000	-	-	(60)	-	79,940	None	
CLN of AcBel Polytech Inc. 1st Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	(92)	-	289,908	None	
CLN of Taishin Financial Holding Co., Ltd.	-	-	-	295,000	-	-	626	-	295,626	None	
CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bonds	-	-	-	120,000	-	(50,000)	141	-	70,141	None	
CLN of Sercomm Corporation 6th Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	653	-	290,653	None	
CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	-	-	-	290,000	-	-	2,092	-	292,092	None	
CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	-	-	200,000	-	(110,000)	515	-	90,515	None	
Subtotal		618,430		1,640,000		(167,900)	(3,159)		2,087,371		
Bonds											
Taishin Financial Holding Co., Ltd. 1st Exchangeable Bond	-	-	-	101,000	-	-	(800)	-	100,200	None	
ELITE MATERIAL CO., LTD 5th Convertible Bond	-	-	-	50,500	-	-	(1,400)	-	49,100	None	
Subtotal		-		151,500		-	(2,200)		149,300		
Total		\$ 797,350		\$ 1,791,500		\$ (167,900)	\$ (33,499)		\$ 2,387,451		

MEDIATEK INC.

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

For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Adjustments	Ending Balance		Accumulated Impairment	Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount		Units	Fair Value			
Equity instrument investments measured at fair value through other comprehensive income												
Funds												
Cathay No.1 Real Estate Investment Trust	81,200,000	\$ 1,486,772	-	\$ -	-	\$ -	\$ (18,676)	81,200,000	\$ 1,468,096	Not applicable	None	
Cathay No.2 Real Estate Investment Trust	64,503,000	1,264,904	-	-	-	-	(116,750)	64,503,000	1,148,154	Not applicable	None	
Fubon No.1 Real Estate Investment Trust	16,744,000	300,053	-	-	-	-	(35,498)	16,744,000	264,555	Not applicable	None	
Fubon No.2 Real Estate Investment Trust	13,421,000	211,112	-	-	-	-	(7,113)	13,421,000	203,999	Not applicable	None	
Subtotal		<u>3,262,841</u>		<u>-</u>		<u>-</u>	<u>(178,037)</u>		<u>3,084,804</u>			
Stocks												
EosTek Limited (Cayman)	640,000	2,088	-	-	-	-	(319)	640,000	1,769	Not applicable	None	
Chailase Finance Co., Ltd. Preferred Stock A	2,750,000	279,125	-	-	-	-	(9,900)	2,750,000	269,225	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	403,397	-	-	-	-	(9,889)	8,241,000	393,508	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	12,888,000	552,251	-	-	-	-	(89,572)	12,888,000	462,679	Not applicable	None	
WPG Holdings Limited Preferred Share A	10,900,000	540,095	-	-	-	-	(5,995)	10,900,000	534,100	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	107,378	-	-	-	-	536	1,786,666	107,914	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	946,500	-	-	-	-	(84,000)	15,000,000	862,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	424,080	-	-	-	-	(35,281)	7,056,243	388,799	Not applicable	None	
Cathay Financial Holdings preferred stockA	-	-	2,405,000	150,553	-	-	(14,430)	2,405,000	136,123	Not applicable	None	
Cathay Financial Holdings common stock	-	-	2,405,000	6,870	-	-	982	196,293	7,852	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	-	-	45,325,000	799,986	-	-	(22,662)	45,325,000	777,324	Not applicable	None	
Subtotal		<u>3,254,914</u>		<u>957,409</u>		<u>-</u>	<u>(270,530)</u>		<u>3,941,793</u>			
Total		<u>\$ 6,517,755</u>		<u>\$ 957,409</u>		<u>\$ -</u>	<u>\$ (448,567)</u>		<u>\$ 7,026,597</u>			
Debt instrument investments measured at fair value through other comprehensive income												
Bonds												
Chailase Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	\$ -	-	\$ 200,000	-	\$ -	\$ 949	-	\$ 200,949			

MEDIATEK INC.

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

As of December 31, 2022

(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	\$ 40,712	1.035 - 1.325%	2019/05/12 - 2023/11/07	
	Customs clearance deposits	3,180	1.035%	2019/05/12 - 2023/05/12	
Mega Bank	Science Park Administration				
	Lease execution deposits	14,923	0.22% - 1.45%	2020/02/02 - 2023/12/23	
	Customs clearance deposits	24,000	0.73%	2020/03/30 - 2022/08/28	
	Subtotal	82,815			
Financial assets measured at amortized cost - noncurrent	Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	\$ 290,000			
	WEIBO CORP DUE 050724	268,510			
	Tencent Music Entertainment Gr DUE 20250903	157,481			
	BAIDU INC DUE 070425	44,703			
	China Life Insurance Company Limited Cumulative Perpetual Subordinated bond-109-1	580,000			
	YAGEO Corporation 2nd unsecured corporate bond (Green Bond)	100,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche A. (Green Bond)	200,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche B. (Green Bond)	200,000			
	Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	100,000			
	Subtotal	1,940,694			
	Total	\$ 2,023,509			

MEDIATEK INC.  
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Acquisition (Note 1)		Disposal (Note 2)		Investment Income (Loss)	Ending Balance			Net Assets Value/ Fair Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount	Unit price	Total Amount		
HFI Innovation Inc.	174,691,821	\$ 729,424	-	\$ 170,394	-	\$ -	\$ 143,260	174,691,821	100%	\$ 1,043,078	\$ 5.97	\$ 1,043,078	None	
Hsu-Ta Investment Corp.	399,380,103	7,541,670	193,200,000	2,513,370	-	(1,095,626)	273,154	592,580,103	100%	9,232,568	15.58	9,232,568	None	
MediaTek Investment Singapore Pte. Ltd.	2,932,854,882	224,583,578	-	45,748,207	(699,009,384)	(71,552,001)	5,287,033	2,233,845,498	100%	204,066,817	91.35	204,066,817	None	
MediaTek Singapore Pte. Ltd.	326,907,879	43,982,690	-	6,701,349	(139,394,000)	(42,164,005)	58,627,362	187,513,879	100%	67,147,396	358.09	67,147,396	None	
MStar Co., Ltd.	13,350,000	145,792	-	-	-	(26,228)	21,717	13,350,000	100%	141,281	10.58	141,281	None	
Spidcom Technologies	146,200	1,574	-	-	-	-	(1,049)	146,200	100%	525	3.59	525	None	
Richtek Technology Corp.	148,482,806	21,636,457	-	129,301	-	(5,714,516)	5,312,499	148,482,806	100%	21,363,741	143.88	21,363,741	None	
IC Plus Corp.	13,025,454	302,975	100,000	6,933	-	(13,661)	28,148	13,125,454	19%	324,395	52.50	689,086	None	
MediaTek Capital Co.	29,000,000	265,767	82,800,000	836,870	-	(297,113)	(79,389)	111,800,000	100%	726,135	6.49	726,135	None	
Intellectual Property Innovation Corp.	3,000,000	29,981	-	-	-	-	(877)	3,000,000	30%	29,104	9.70	29,104	None	
Airoha Technology Corp.	3,473,292	219,299	108,832,453	10,605,491	(1,070,000)	(4,692,631)	1,992,886	111,235,745	76%	8,125,045	530.87	59,051,720	None	
Airoha Technology (Cayman) Inc.	61,092,908	8,422,740	-	-	(61,092,908)	(8,422,740)	-	-	-	-	-	-	None	
Hsu-Yuan Investment Corp.	-	-	50,000,000	500,000	-	-	(55,525)	50,000,000	100%	444,475	8.89	444,475	None	
MediaTek Research UK Limited	-	-	280,000	24,363	-	(390)	7,081	280,000	100%	31,054	110.91	31,054	None	
MediaTek Bangalore Private Limited	-	-	1,999,999	773,351	-	(219,358)	5,682	1,999,999	100%	559,675	279.84	559,675	None	
Total		<u>\$ 307,861,947</u>		<u>\$ 68,009,629</u>		<u>\$ (134,198,269)</u>	<u>\$ 71,561,982</u>			<u>\$ 313,235,289</u>				

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

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

Note 3: Calculated based on the closing price of Taipei Exchange on December 30, 2022.

Note 4: Calculated based on the average strike price of Taipei Exchange on December 30, 2022.

MEDIATEK INC.

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

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 32,197,708</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 57,005,420</u>	
Other non-current assets			Please refer to Note 6(11) of the notes to the financial statements.
Deferred tax assets		\$ 8,527,393	
Refundable deposits		6,638,424	
Long-term financing lease receivables, net		1,455,784	
Other non-current assets-others		<u>13,448,903</u>	
Total		<u>\$ 30,070,504</u>	

MEDIATEK INC.  
13. RIGHT-OF-USE ASSET  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,550,463	\$ 298,560	\$ (1)	\$ 1,849,022	
Buildings and facilities	227,502	576,375	(31,610)	772,267	
Machinery equipment	238,156	-	(3,783)	234,373	
Transportation equipment	9,567	-	3	9,570	
Total	<u>\$ 2,025,688</u>	<u>\$ 874,935</u>	<u>\$ (35,391)</u>	<u>\$ 2,865,232</u>	
Amortization and impairment					
Land	\$ 113,802	\$ 40,691	\$ -	\$ 154,493	
Buildings and facilities	96,223	135,110	(31,657)	199,676	
Machinery equipment	79,772	74,467	(3,663)	150,576	
Transportation equipment	2,102	2,606	-	4,708	
Total	<u>\$ 291,899</u>	<u>\$ 252,874</u>	<u>\$ (35,320)</u>	<u>\$ 509,453</u>	

MEDIATEK INC.

14 STATEMENT OF TRADE PAYABLES AND TRADE PAYABLES TO RELATED PARTIES

As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Vendor A		\$ 2,007,791	
Vendor B		1,152,829	
Vendor C		1,046,035	
Vendor D		919,658	
Vendor E		908,990	
Vendor F		739,209	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	5,293,835	
Subtotal		<u>12,068,347</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		\$ 911,898	
Airoha Technology Corp.		383,656	
King Long Tech (Suzhou) Ltd.		65,330	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	25,223	
Subtotal		<u>1,386,107</u>	
Total		<u>\$ 13,454,454</u>	



MEDIATEK INC.  
15. STATEMENT OF OTHER PAYABLES  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 25,335,258	
Selling expenses		704,195	
Others	The amount of individual item in others does not exceed 5% of the account balance.	9,839,231	
Subtotal		<u>35,878,684</u>	
Other Payables to related parties			
Gaintech Co. Limited		\$ 9,274,712	
Other	The amount of individual item in others does not exceed 5% of the account balance.	855,248	
Subtotal		<u>10,129,960</u>	
Total		<u>\$ 46,008,644</u>	

MEDIATEK INC.  
16. STATEMENT OF OTHER CURRENT LIABILITIES  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 24,812,571	
Temporary receipts		712,605	
Total		<u>\$ 25,525,176</u>	

MEDIATEK INC.  
17. STATEMENT OF LEASE LIABILITIES  
As of December 31, 2022

(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%	\$ 1,732,861	
Buildings and facilities	2019/01/01~2040/03/31	0.163%~0.775%	588,624	
Machinery equipment	2021/03/25~2022/03/24	0.655%	70,650	
Transportation equipment	2020/11/01~2025/02/28	0.48%~0.73%	4,880	
Total			<u>2,397,015</u>	
Less: current portion			<u>(263,466)</u>	
Noncurrent portion			<u><u>\$ 2,133,549</u></u>	

MEDIATEK INC.  
18. STATEMENT OF LONG-TERM BORROWINGS  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Type	Description	Amount	Contract Period	Interest Rate	Loan Commitments	Collateral	Note
Unsecured loans							
JPMorgan chase bank		\$ 827,660	2021/6/11 - 2023/9/11	0.00%	TWD 1,400,000	None	
Less : current protion		<u>(827,660)</u>					
Noncurrent portion		<u>\$ -</u>					

MEDIATEK INC.  
19. STATEMENT OF OTHER NON-CURRENT LIABILITIES  
As of December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 529,406	
Net defined benefit liabilities - noncurrent		607,180	
Deposits received		56,309	
Deferred tax liabilities		6,252,799	
Others	The amount of individual item in others does not exceed 5% of the account balance.	723,521	
Total		<u>\$ 8,169,215</u>	

MEDIATEK INC.  
20. STATEMENT OF NET SALES  
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	4,170,499,866	\$ 324,816,989	
Services and other revenues		<u>7,364,135</u>	
Net operating revenues		<u>\$ 332,181,124</u>	

MEDIATEK INC.  
21. STATEMENT OF OPERATING COSTS  
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 2,575,983		
Add: Raw material purchased	115,393,355		
Less: Raw material, end of year	<u>(1,613,262)</u>		
Direct material used		\$ 116,356,076	
Manufacturing Expenses	<u>41,244,794</u>	<u>41,244,794</u>	
Manufacturing Costs		157,600,870	
Add: Work in process, beginning of year	32,875,365		
Work in process purchased	13,245,774		
Less: Work in process, end of year	<u>(50,877,806)</u>	<u>(4,756,667)</u>	
Cost of Finished Goods		152,844,203	
Add: Finished goods, beginning of year	23,812,262		
Finished goods purchased	2,953,717		
Less: Finished goods, end of year	<u>(20,161,601)</u>		
Transferred to operating expenses	<u>(994,322)</u>	<u>5,610,056</u>	
Subtotal		158,454,259	
Other Operating Costs			
The write-down of inventories		14,794,109	
Gain on sales of scrap		(8,150)	
Others		<u>3,755,853</u>	
Total Operating Costs		<u>\$ 176,996,071</u>	

MEDIATEK INC.  
22. STATEMENT OF OPERATING EXPENSES  
For the year ended December 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 51,857,285	\$ 5,218,460	\$ 938,183
Depreciation	5,008,089	623,232	806
Amortization	3,299,133	37,446	3,394
Service fee and advertisement expenses	3,235,444	1,352,284	1,932,604
License fee	2,361,901	-	4,829,213
Design and experiment expenses	10,251,357	1,464,721	14,867
Others	6,355,945	1,274,445	1,081,035
Total	<u>\$ 82,369,154</u>	<u>\$ 9,970,588</u>	<u>\$ 8,800,102</u>



MEDIATEK INC.

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

For the years ended December 31, 2022 and 2021

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses (Note)						
Payroll	\$ 821,562	\$ 58,013,928	\$ 58,835,490	\$ 660,527	\$ 50,400,694	\$ 51,061,221
Labor and health	69,727	2,132,812	2,202,539	52,749	1,605,688	1,658,437
Pension	33,129	1,008,164	1,041,293	27,824	843,788	871,612
Board compensation	-	111,285	111,285	-	168,618	168,618
Others	21,731	790,935	812,666	17,525	651,015	668,540
Depreciation	16,507	5,632,127	5,648,634	7,230	3,303,842	3,311,072
Amortization	518	3,339,973	3,340,491	\$ -	2,928,106	2,928,106

NOTE:

1. For the years end December 31, 2022 and 2021, the Company had 11,768 and 9,944 employees on average, respectively, which included 5 and 6 non-employee directors ,
2. Employee benefits expenses in average were NT\$5,337 thousand dollars and NT\$5,460 thousand dollars for the years ended December 31, 2022 and 2021, respectively.
3. Payroll expenses in average were NT\$4,992 thousand dollars and NT\$5,138 thousand dollars for the years ended December 31, 2022 and 2021, respectively.
4. The adjustment of average payroll decreased by 3% for the year ended December 31, 2022.
5. Please describe the Company's remuneration and reward policies.

(To be continued)

(Continued)

6. The policies on the salaries and remunerations of the Company are as follows:

(1) Director of the Board:

The remuneration paid to directors is in compliance with regulatory requirements, MediaTek's Articles of Incorporation §14, §24, "Remuneration Committee Charter", and "Rules for Distribution of Compensation to Director". The compensation are determined in accordance with the MediaTek's Articles of Incorporation with reference to the industry norm. As stated in the Articles of Incorporation §24, the Company shall allocate at a maximum of 0.5% of the profit as remuneration to Directors as compensation to directors for the year. The rules state the compensation should be based on the Company's overall operating performance with consideration of the contribution of each directors to the Company, including the level of involvement, actual time after appointment and individual performance (including but not limited to level of contribution to improving decision-making quality and the degree of individual professional advancement). The compensation are reviewed regularly in Remuneration Committee and the Board meetings. Related performance and the plausibility of compensations are both approved by Remuneration Committee and the Board meetings and the remuneration system is reviewed in a timely manner depending on the actual operating conditions and relevant laws and regulations to reach a balance between the Company's sustainable operation and risk control.

(2) Managerial Officer:

In addition to referring to the Company's overall operating performance and according to the positions of the executives, contribution to the Company's operations, individual performance (including realization of Company's core values, exercising management and leadership capabilities, and achieving level of financial, sustainable development goals (on environmental, social and governance facets) and comprehensive operation management indicators), and consideration of the Company's future risks and reference to the industry norm, the remuneration of the Company's executives is evaluated by the remuneration committee for its plausibility, and submitted to the Board of Directors for resolution. Such review of remuneration and its criteria and structure is conducted anytime under the actual operating situation and related laws to seek for the balance of company's sustainability and risk control.

(3) Employees:

The Company regularly measures the market compensation level, linking company performance to employee compensation and bonus and formulates reasonable compensation and bonus policies based on the overall economic indicators to ensure the overall compensation and bonus are competitive. Through regular performance appraisal and development operation mechanisms, a two-way communication and interaction platform is provided to achieve organizational and personal development, and corresponding rewards are given according to performance results, so as to encourage employees and the Company to grow together.

It is written in the Company's Articles of Incorporation §24 that if the Company makes profit in the year, the Company should provide employee compensation no less than 1% of net income. In the event that Company records accumulated losses, Company shall reserve fund to make up for the loss prior to allocation of profits. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.

(To be continued)

(Continued)

The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing employees. Every year the company reviews current compensation levels against market rates, taking macroeconomic indices into consideration, to ensure its competitiveness within the industry. Our overall compensation policies adhere to the Company's short-term and mid- to long-term operational goals. They have been established in accordance with the roles and job duties of our employees, equipped knowledge and capabilities, individual performance and level of engagement. The Company makes appropriate annual adjustments to base salary in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines, in order to realize the spirit of labor-management profit sharing.