

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

**MEDIATEK INC.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

Notice to Readers

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

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying parent company only balance sheets of MediaTek Inc. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of MediaTek Inc. as of December 31, 2023 and 2022, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. recognized NT\$268,685,527 thousand as net sales, which includes sale of goods in the amount of NT\$258,217,320 thousand and services and other operating revenues in the amount of NT\$10,468,207 thousand for the year ended December 31, 2023. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Fuh, Wen-Fun

Ernst & Young, Taiwan

February 23, 2024

Notice to Readers

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

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

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

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

Description	Notes	2023	%	2022	%
Net sales	4, 5, 6(20), 7	\$ 268,685,527	100	\$ 332,181,124	100
Operating costs	4, 5, 6(7), 6(23), 7	(131,565,573)	(49)	(176,996,071)	(53)
Gross profit		137,119,954	51	155,185,053	47
Unrealized gross profit on sales		(207,605)	-	(657)	-
Realized gross profit on sales		189,921	-	170,395	-
Gross profit, net		137,102,270	51	155,354,791	47
Operating expenses	6(21), 6(23), 7				
Selling expenses		(9,013,919)	(3)	(8,800,102)	(2)
Administrative expenses		(5,135,942)	(2)	(9,970,588)	(3)
Research and development expenses		(80,592,743)	(30)	(82,369,154)	(25)
Expected credit losses		(56,293)	-	(770)	-
Total operating expenses		(94,798,897)	(35)	(101,140,614)	(30)
Operating income		42,303,373	16	54,214,177	17
Non-operating income and expenses					
Interest income	4, 6(24)	966,082	-	695,486	-
Other income	4, 6(25), 7	312,893	-	511,693	-
Other gains and losses	4, 6(26), 7	790,848	-	910,789	-
Finance costs	6(27), 7	(172,510)	-	(299,940)	-
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	4	39,455,194	15	71,561,982	22
Total non-operating income and expenses		41,352,507	15	73,380,010	22
Net income before income tax		83,655,880	31	127,594,187	39
Income tax expense	4, 5, 6(29)	(6,677,243)	(2)	(9,453,081)	(3)
Net income		76,978,637	29	118,141,106	36
Other comprehensive income	4, 6(9), 6(16), 6(28), 6(29)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		118,934	-	57,848	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(327,518)	-	(448,568)	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		8,283,361	3	(29,610,670)	(9)
Income tax relating to those items not to be reclassified to profit or loss		(23,787)	-	(11,570)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(1,251,022)	(1)	20,834,513	6
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		164	-	949	-
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method which may be reclassified to profit or loss		3,068	-	(45,022)	-
Other comprehensive income, net of tax		6,803,200	2	(9,222,520)	(3)
Total comprehensive income		\$ 83,781,837	31	\$ 108,918,586	33
Basic Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 48.51		\$ 74.59	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(30)	\$ 48.34		\$ 74.23	

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

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, 2023 and 2022
(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, 2022	\$ 15,988,420	\$ 483	\$ 59,776,045	\$ 50,217,220	\$ 252,432,501	\$ (13,474,837)	\$ 72,222,376	\$ (5,090,942)	\$ (55,970)	\$ 432,015,296
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
Distribution of 2022 earnings:										
Legal reserve	-	-	-	13,724,450	(13,724,450)	-	-	-	-	-
Cash dividends	-	-	-	-	(138,529,355)	-	-	-	-	(138,529,355)
Total	-	-	-	13,724,450	(152,253,805)	-	-	-	-	(138,529,355)
Cash dividends distributed from capital surplus	-	-	(22,395,132)	-	-	-	-	-	-	(22,395,132)
Profit for the year ended December 31, 2023	-	-	-	-	76,978,637	-	-	-	-	76,978,637
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	106,934	(1,251,022)	7,947,288	-	-	6,803,200
Total comprehensive income	-	-	-	-	77,085,571	(1,251,022)	7,947,288	-	-	83,781,837
Share-based payment transactions	2,273	(113)	81,354	-	-	-	-	-	-	83,514
Adjustments due to dividends that subsidiaries received from parent company	-	-	592,402	-	-	-	-	-	-	592,402
Changes in associates and joint ventures accounted for using the equity method	-	-	32,879	-	-	-	-	-	-	32,879
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(2,356,639)	-	-	-	-	-	-	(2,356,639)
Changes in ownership interests in subsidiaries	-	-	5,061,315	-	-	-	-	-	-	5,061,315
Issuance of restricted stock for employees	(151)	-	107,552	-	9,537	-	-	1,667,307	-	1,784,245
Changes in other capital surplus	-	-	41,426	-	-	-	-	-	-	41,426
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,139,758	-	(1,139,758)	-	-	-
Balance as of December 31, 2023	\$ 15,996,475	\$ -	\$ 28,350,438	\$ 75,782,948	\$ 212,669,736	\$ 6,108,654	\$ 29,887,085	\$ (533,584)	\$ (55,970)	\$ 368,205,782

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

Chairman : Ming-Kai Tsai

President : Lih-Shyng Tsai

Chief Financial Officer : David Ku

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

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

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

MEDIATEK INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

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

1. Organization and Operation

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

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

The parent company only financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 23, 2024.

3. Newly Issued or Revised Standards and Interpretations

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

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The application of these new standards and amendments had no material effect on the Company.

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

<u>Standards or Interpretations Numbers</u>	<u>The Projects of Standards or Interpretations</u>	<u>Effective Dates</u>
IAS 1	“Classification of Liabilities as Current or Non-current” (Amendment)	January 1, 2024
IFRS 16	“Lease Liability in a Sale and Leaseback” (Amendment)	January 1, 2024
IAS 1	“Non-current Liabilities with Covenants” (Amendment)	January 1, 2024
IAS 7 and IFRS 7	“Supplier Finance Arrangements” (Amendment)	January 1, 2024

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. All standards and interpretations have no material impact on the Company.

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

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 10 and IAS 28	“Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)	To be determined by IASB
IFRS 17	“Insurance Contracts”	January 1, 2023
IAS 21	“Lack of Exchangeability” (Amendment)	January 1, 2025

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

4. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

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

Foreign currency transactions

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

Translation of financial statements in foreign currency

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

Cash and cash equivalents

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

Financial instruments

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

(1) Financial instruments: Recognition and Measurement

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

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

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

a. Financial assets measured at amortized cost

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

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

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

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

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The loss allowance is measured as follows:

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

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

(3) Derecognition of financial assets

A financial asset is derecognized when:

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(4) Financial liabilities and equity

A. Classification between liabilities or equity

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

B. Equity instruments

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

C. Financial liabilities

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

a. Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

b. Financial liabilities at amortized cost

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

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

c. Derecognition of financial liabilities

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

(5) Offsetting of financial instruments

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

Derivative instrument

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

Fair value measurement

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Inventories

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

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

Investments accounted for using the equity method

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

Property, plant and equipment

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

Leases

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

A. The Company as a lessee

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

B. The Company as a lessor

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

Intangible assets

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

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

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

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.

Provision for onerous contracts

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

Revenue recognition

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

Sale of goods

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The credit period of the Company's sale of goods is from 45 to 60 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables.

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

Rendering of services

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

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

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

Silicon intellectual property license

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Post-employment benefits

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

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

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

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

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

Share-based payment transactions

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

Income taxes

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

A. Current income tax

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

B. Deferred tax

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

Business combinations and goodwill

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

Estimates and assumptions

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

A. Fair value of Level 3 financial instruments

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

B. Valuation of inventory - estimation of obsolescence provision

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

C. Income tax

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

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

D. Revenue recognition - sales returns and discounts

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6. (14) for more details.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

6. Contents of Significant Accounts

(1) Cash and cash equivalents

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

The Company has equity instrument investments measured at fair value through other comprehensive income. Details on dividends recognized for the years ended 2023 and 2022 are as follows:

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

(4) Financial assets measured at amortized cost

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

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

	December 31, 2023	December 31, 2022
<u>Noncurrent</u>		
Bonds	\$ 2,251,040	\$ 1,940,693
Time deposits	112,043	82,815
Total	<u>\$ 2,363,083</u>	<u>\$ 2,023,508</u>

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

(5) Trade receivables and trade receivables from related parties

	December 31, 2023	December 31, 2022
Trade receivables	\$ 33,412,274	\$ 25,014,619
Less: allowance for doubtful debts	(57,933)	(1,640)
Subtotal	33,354,341	25,012,979
Trade receivables from related parties	529,579	508,276
Less: allowance for doubtful debts	-	-
Subtotal	529,579	508,276
Total	<u>\$ 33,883,920</u>	<u>\$ 25,521,255</u>

Trade receivables are generally on 45 to 60 day terms. The total carrying amounts were NT\$33,941,853 thousand and NT\$25,522,895 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6. (21) for more details on impairment of trade receivables for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

Trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, respectively.

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

	December 31, 2023	December 31, 2022
Factoring receivables	\$ 1,426,120	\$ 2,031,467
Others	1,495,298	1,895,628
Total	<u>\$ 2,921,418</u>	<u>\$ 3,927,095</u>

The Company entered into several factoring agreements without recourse with financial institutions. According to those agreements, the Company does not take the risk of uncollectible trade receivables, but only the risk of loss due to commercial disputes. The Company did not provide any collateral, and the factoring agreements met the criteria of financial asset derecognition. The Company derecognized related trade receivables after deducting the estimated value of commercial disputes.

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

A. As of December 31, 2023:

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

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

B. As of December 31, 2022:

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

(7) Inventories

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

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

(8) Prepayments

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

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

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

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

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

MEDiatek INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

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

(10) Property, plant and equipment

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2023	\$ 7,348,942	\$ 16,390,378	\$ 152,331	\$ 11,620,360	\$ 13,330,119	\$ 4,451,846	\$ 55,220	\$ 53,349,196
Additions-acquired								
separately	-	162,842	3,752	602,988	1,768,179	2,294,196	50,940	4,882,897
Disposals	-	(270,556)	-	(124,522)	(388,919)	(15,533)	-	(799,530)
Transfers	-	4,585	-	-	50,635	-	(55,220)	-
As of December 31, 2023	<u>\$ 7,348,942</u>	<u>\$ 16,287,249</u>	<u>\$ 156,083</u>	<u>\$ 12,098,826</u>	<u>\$ 14,760,014</u>	<u>\$ 6,730,509</u>	<u>\$ 50,940</u>	<u>\$ 57,432,563</u>
As of January 1, 2022	\$ 6,867,912	\$ 15,156,732	\$ 148,506	\$ 10,820,590	\$ 10,941,511	\$ 1,692,149	\$ 270,002	\$ 45,897,402
Additions-acquired								
separately	481,030	308,165	3,825	960,065	2,471,639	2,742,428	768,780	7,735,932
Disposals	-	-	-	(160,295)	(108,729)	(306)	-	(269,330)
Transfers	-	925,481	-	-	25,698	17,575	(983,562)	(14,808)
As of December 31, 2022	<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>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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, 2023	\$ -	\$ 402,581	\$ 12,259,833	\$ 52,604,453	\$ 65,266,867
Additions-acquired separately	-	231,975	9,310,267	-	9,542,242
Disposals	-	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	<u>\$ -</u>	<u>\$ 441,605</u>	<u>\$ 15,995,409</u>	<u>\$ 52,604,453</u>	<u>\$ 69,041,467</u>
As of January 1, 2022	\$ 390,512	\$ 1,358,049	\$ 18,571,121	\$ 52,604,453	\$ 72,924,135
Additions-acquired separately	-	95,192	2,963,889	-	3,059,081
Disposals	(390,512)	(1,065,468)	(9,275,177)	-	(10,731,157)
Transfers	-	14,808	-	-	14,808
As of December 31, 2022	<u>\$ -</u>	<u>\$ 402,581</u>	<u>\$ 12,259,833</u>	<u>\$ 52,604,453</u>	<u>\$ 65,266,867</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, 2023	\$ -	\$ 223,653	\$ 8,037,794	\$ -	\$ 8,261,447
Amortization	-	192,672	4,264,131	-	4,456,803
Disposals	-	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	<u>\$ -</u>	<u>\$ 223,374</u>	<u>\$ 6,727,234</u>	<u>\$ -</u>	<u>\$ 6,950,608</u>
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>
Net carrying amount as of:					
December 31, 2023	<u>\$ -</u>	<u>\$ 218,231</u>	<u>\$ 9,268,175</u>	<u>\$ 52,604,453</u>	<u>\$ 62,090,859</u>
December 31, 2022	<u>\$ -</u>	<u>\$ 178,928</u>	<u>\$ 4,222,039</u>	<u>\$ 52,604,453</u>	<u>\$ 57,005,420</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) Other payables

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

(14) Other current liabilities

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

(15) Long-term borrowings

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

None.

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(16) Post-employment benefits plans

Defined contribution plan

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

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT\$1,103,384 thousand and NT\$1,034,383 thousand, respectively.

Defined benefits plan

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

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$8,077 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

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

Pension costs recognized in profit or loss are as follows:

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

	December 31, 2023	December 31, 2022
Defined benefit obligation	\$ 681,351	\$ 793,239
Plan assets at fair value	(196,224)	(186,059)
Net defined benefit liabilities	<u>\$ 485,127</u>	<u>\$ 607,180</u>

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

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

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

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2022	\$ 836,356	\$ (164,329)	\$ 672,027
Current service cost	1,399	-	1,399
Interest expenses (income)	6,858	(1,347)	5,511
Subtotal	8,257	(1,347)	6,910
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	17,439	-	17,439
Actuarial gains and losses arising from changes in financial assumptions	(75,425)	-	(75,425)
Experience adjustments	12,187	-	12,187
Remeasurements of the defined benefit assets	-	(12,049)	(12,049)
Subtotal	(45,799)	(12,049)	(57,848)
Payment of benefit obligation	(5,575)	5,575	-
Contributions by employer	-	(13,909)	(13,909)
As of December 31, 2022	\$ 793,239	\$ (186,059)	\$ 607,180

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Sensitivity analysis for significant assumptions is shown below:

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

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

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

(17) Other non-current liabilities

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

Please refer to Note 9 for disclosures of provisions.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(18) Equity

A. Share capital

The Company's authorized capital as of December 31, 2023 and 2022 was NT\$20,000,000 thousand, divided into 2,000,000,000 shares (including 20,000,000 shares reserved for exercise of employee stock options at each period), each at a par value of NT\$10. The Company's issued capital was NT\$15,996,475 thousand and NT\$15,994,353 thousand divided into 1,599,647,517 shares and 1,599,435,327 shares, as of December 31, 2023 and 2022, respectively. Each share has one voting right and a right to receive dividends.

On July 5, 2021, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2023, 9,012,427 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company has redeemed and cancelled 216,995 shares and 95,598 shares of issued restricted stocks for employees during the years ended December 31, 2023 and 2022, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company issued 215,971 new shares for the year ended December 31, 2023, at par value of NT\$10 for exercising employee stock options. Relevant regulators' approvals have been obtained and related registration processes have been completed.

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

B. Capital surplus

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

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

C. Treasury shares

As of December 31, 2023 and 2022, 7,794,085 shares of the Company's common shares amounting to NT\$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares held by Hsiang Fa Co. were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

As of December 31, 2023 and 2022, the Company did not hold any other treasury shares.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

D. Retained earnings and dividend policy

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

(19) Share-based payment plans

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

Employee stock option plans

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

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

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

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

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

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

	Employee Stock Option
Expected dividend yield (%)	2.43%
Expected volatility (%)	32.9%-33.7%
Risk free interest rate (%)	1.18515%-1.65%
Expected life (Years)	6.5 years

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

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

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

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

		December 31, 2023		December 31, 2022	
		Outstanding stock options		Outstanding stock options	
		Weighted- average Expected Remaining	Weighted- average Exercise Price per Share (NT\$)	Weighted- average Expected Remaining	Weighted- average Exercise Price per Share (NT\$)
Date of grant	Range of Exercise Price (NT\$)	Years		Years	
2013.08.09	\$ 368.0	-	\$ 368.0	-	\$ 368.0

Restricted stocks plan for employees

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

The Company issued 8,381,181, 157,274, 272,034 and 201,938 gratuitous restricted stocks on August 31, 2021, February 23, 2022, August 31, 2022 and February 23, 2023, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT\$824.81-NT\$901, NT\$1,024.8-NT\$1,120, NT\$610.31-NT\$667 and NT\$681.68-NT\$745 per share, respectively. The estimated compensation expenses amounted to NT\$7,541,352 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2023, the Company had recognized NT\$6,975,803 thousand as compensation expense and NT\$533,584 thousand as unearned employee compensation, and compensation expense were recorded under salary expense and share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method, respectively, unearned employee compensation was recorded under other equity.

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2023 and 2022.

(20) Sales

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

A. Disaggregation of revenue

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

B. Contract balances

Contract liabilities – current

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

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

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

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

As of December 31, 2023, and 2022, no disclosure of the unsatisfied performance obligations is needed as the contract terms with customers about the sales of goods are all shorter than one year. Besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations about rendering of services are NT\$5,176,196 thousand and NT\$6,419,324 thousand. The Company recognizes revenue in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

(21) Expected credit losses

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

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

The Company measures the loss allowance of its receivables (including trade receivables and trade receivables from related parties) and financing lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2023, and 2022 is as follows:

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

2023.12.31

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

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**2022.12.31

	Neither past due (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 24,486,121	\$ 399,473	\$ 7,841	\$ 118,470	\$ 2,714	\$ 25,014,619
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(1,640)	-	(1,640)
Carrying amount of trade receivables	<u>\$ 24,486,121</u>	<u>\$ 399,473</u>	<u>\$ 7,841</u>	<u>\$ 116,830</u>	<u>\$ 2,714</u>	<u>\$ 25,012,979</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, 2023 and 2022 are as follows:

	Trade receivables (including related parties)	Financing lease receivables
As of January 1, 2023	\$ 1,640	\$ -
Allowance for the current period	56,293	-
As of December 31, 2023	<u>\$ 57,933</u>	<u>\$ -</u>
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>

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

a. Right-of-use asset

	December 31, 2023	December 31, 2022
Land	\$ 1,702,732	\$ 1,694,529
Buildings and facilities	516,532	572,591
Machinery equipment	104,406	83,797
Transportation equipment	2,256	4,862
Total	<u>\$ 2,325,926</u>	<u>\$ 2,355,779</u>

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

b. Lease liability

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

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

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2023	2022
Land	\$ 44,460	\$ 40,691
Buildings and facilities	175,513	135,110
Machinery equipment	96,163	74,467
Transportation equipment	2,606	2,606
Total	<u>\$ 318,742</u>	<u>\$ 252,874</u>

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

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2023	2022
The expense relating to short-term leases	\$ 46,324	\$ 56,069
The expense relating to leases of low-value assets (not including the expense relating to short-term leases of low-value assets)	\$ 4,616	\$ 4,508
Income from subleasing right-of-use assets	\$ 23,526	\$ 23,718

e. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to NT\$410,969 thousand and NT\$306,391 thousand, respectively.

B. The Company as a lessor

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

	For the years ended December 31	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 93,782	\$ 96,088
Lease income for finance leases		
Finance income on the net investment in the lease	23,293	23,293
Total	\$ 117,075	\$ 119,381

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

The undiscounted lease payments to be received for the remaining years as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Not later than one year	\$ 746,853	\$ 23,293
Later than one year and not later than two years	735,143	746,853
Later than two years and not later than three years	-	735,143
Total non-discounted lease payments	1,481,996	1,505,289
Less: unearned finance income of finance lease	(26,212)	(49,505)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	\$ 1,455,784	\$ 1,455,784
Current	\$ 727,892	\$ -
Noncurrent	\$ 727,892	\$ 1,455,784

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

	For the years ended December 31					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 34,624	\$ 1,078,682	\$ 1,113,306	\$ 33,129	\$ 1,008,164	\$ 1,041,293
Others	\$ 892,719	\$ 49,441,562	\$ 50,334,281	\$ 913,020	\$ 60,937,960	\$ 61,850,980
Depreciation	\$ 43,502	\$ 6,640,353	\$ 6,683,855	\$ 16,507	\$ 5,632,127	\$ 5,648,634
Amortization	\$ 777	\$ 4,456,026	\$ 4,456,803	\$ 518	\$ 3,339,973	\$ 3,340,491

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

The Company accrued employees' compensation and remuneration to directors based on a specific rate of profit for the year ended December 31, 2023. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment to income of next year. If the Board of Directors resolves to distribute employees' compensation in stock, the number of shares distributed is determined by dividing the amount of bonuses by the closing price (after considering the effect of cash and stock dividends) of shares on the day preceding the Board of Directors' meeting. A resolution was approved at a Board of Directors' meeting held on February 23, 2024 to distribute NT\$1,045,717 thousand and NT\$103,000 thousand in cash as employees' compensation and remuneration to directors and supervisors, respectively. There were no differences between the aforementioned approved amounts and the amounts charged against earnings in 2023.

A resolution was approved in a meeting of the Board of Directors held on February 24, 2023 to distribute NT\$1,596,127 thousand and NT\$96,000 thousand in cash as employees' compensation and remuneration to directors, respectively. There was no difference between the aforementioned approved amounts and the amounts charged against earnings in 2022.

(24) Interest income

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(25) Other income

	For the years ended December 31	
	2023	2022
Rental income	\$ 93,782	\$ 96,088
Dividend income	117,011	123,722
Others	102,100	291,883
Total	<u>\$ 312,893</u>	<u>\$ 511,693</u>

(26) Other gains and losses

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

(27) Finance costs

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(28) Components of other comprehensive income

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 118,934	\$ -	\$ 118,934	\$ (23,787)	\$ 95,147
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(327,518)	-	(327,518)	-	(327,518)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	8,283,361	-	8,283,361	-	8,283,361
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,251,022)	-	(1,251,022)	-	(1,251,022)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	164	-	164	-	164
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	3,068	-	3,068	-	3,068
Total	\$ 6,826,987	\$ -	\$ 6,826,987	\$ (23,787)	\$ 6,803,200

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2022:

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

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

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

(29) Income tax

The major components of income tax expense are as follows:

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

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2023	2022
Deferred tax expense		
Remeasurements of defined benefit plans	<u>\$ 23,787</u>	<u>\$ 11,570</u>

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

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

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

For the year ended December 31, 2023

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

For the year ended December 31, 2022

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

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

As of December 31, 2023, the income tax returns of the Company have been assessed and approved up to 2020.

(30) Earnings per share

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

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

	For the years ended December 31	
	2023	2022
A. Basic earnings per share		
Profit (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Basic earnings per share (NT\$)	\$ 48.51	\$ 74.59
B. Diluted earnings per share		
Profit (in thousand NT\$)	\$ 76,978,637	\$ 118,141,106
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,586,833,341	1,583,800,753
Effect of dilution:		
Employees' compensation-stock (share)	1,356,873	2,768,917
Employee stock options (share)	102,997	227,521
Restricted stocks for employees (share)	4,179,580	4,833,086
Weighted average number of ordinary shares outstanding after dilution (share)	1,592,472,791	1,591,630,277
Diluted earnings per share (NT\$)	\$ 48.34	\$ 74.23

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

7. Related Party Transactions

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

Name and nature of relationship of the related parties

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

Significant transactions with the related parties

(1) Sales

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

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

(2) Purchases

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

	For the years ended December 31	
	2023	2022
Other related parties	\$ 3,444,656	\$ 4,355,931

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

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

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

- (5) Rental income

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

- (6) Other income due to technical service

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

	December 31, 2023		December 31, 2022	
	Endorsement limit	Actual amount	Endorsement limit	Actual amount
Subsidiaries				
Gaintech Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek China Limited	9,000,000	-	9,000,000	-
Total	<u>\$ 33,000,000</u>	<u>\$ -</u>	<u>\$ 33,000,000</u>	<u>\$ -</u>

(8) Trade receivables from related parties

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

(9) Other receivables from related parties

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

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

(10) Contract liabilities-current

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

(11) Trade payables to related parties

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(12) Other payables to related parties

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

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

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

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

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

(13) Other current liabilities

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

(14) Long-term payables to related parties

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(15) Deposits received

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

(16) The Company acquired 1,999,999 shares of MediaTek Bangalore Private Limited from MediaTek Investment Singapore Pte. Ltd. in the amount of NT\$581,508 thousand for the year ended December 31, 2022.

(17) The Company acquired 280,000 shares of MediaTek Research UK Limited from Airoha Technology Corp. in the amount of NT\$24,363 thousand for the year ended December 31, 2022.

(18) The Company acquired 18,990,671 shares of Airoha Technology Corp. from Gaintech Co. Limited in the amount of NT\$772,294 thousand for the year ended December 31, 2022.

(19) During the year ended December 31, 2023, the Company acquired computer and telecommunication equipment and testing equipment from King Yuan Electronics Co., Ltd. and its subsidiaries in the amount of NT\$214,485 thousand, which was recorded as property, plant and equipment.

(20) Key management personnel compensation

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

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

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)**

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

8. Assets Pledged as Collateral

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

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2023	December 31, 2022	
Financial assets measured at amortized cost-noncurrent	27,000	27,180	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	85,043	55,635	Land lease guarantee
Total	<u>\$ 112,043</u>	<u>\$ 82,815</u>	

9. Contingencies and Off-Balance Sheet Commitments**(1) Significant Commitments**

The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the supplier shall provide agreed production capacity with the Company after prepayments by the Company. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations.

(2) Legal claim contingency

- A. Koninklijke Philips N.V., and Philips North America LLC (“Philips”) filed a complaint in the United States District Court for the District of Delaware against the Company and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- B. Tyche Licensing LLC (“Tyche”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 16, 2022, alleging infringement of U.S. Patent Nos. 6,900,087 and 7,084,481. Pursuant to the plaintiff’s motion for voluntary dismissal, the court dismissed the claims against the Company on February 6, 2023.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- C. American Patents LLC (“AP”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on June 6, 2022, alleging infringement of U.S. Patent Nos. 7,088,782, 7,310,304 and 7,706,458. Pursuant to the parties’ joint motion to dismiss the case, the court dismissed the claims against the Company and subsidiary MediaTek USA on April 17, 2023.
- D. Cedar Lane Technologies Inc. (“Cedar”) filed a complaint in the United States District Court for the Western District of Texas against the Company on October 4, 2022, alleging infringement of U.S. Patent Nos. 6,972,790 and 8,537,242. The court dismissed the claims against the Company on September 29, 2023.
- E. ParkerVision, Inc. (“ParkerVision”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

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

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

- F. Winterspring Digital LLC (“Winterspring”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on January 12, 2023, alleging infringement of U.S. Patent Nos. 7,420,975, 7,164,692 and 7,774,468. The court dismissed the claims against the Company and its subsidiaries on September 12, 2023.
- G. MOSAID Technologies, Inc. (“MOSAID”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- H. Innomemory LLC (“Innomemory”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on May 26, 2023, alleging infringement of U.S. Patent No. 6,240,046. The operations of the Company will not be materially affected by this case.
- I. Realtek Semiconductor Corporation (“Realtek”) filed a complaint in the United States District Court for the Northern District of California against the Company on June 6, 2023, asserting claims based on alleged unfair competition. The operations of the Company will not be materially affected by this case.
- J. Bell Northern Research, LLC (“BNR”) filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.
- K. Deepwell IP LLC (“Deepwell”) filed a complaint in the United States District Court for the Eastern District of Texas against the Company on September 19, 2023, alleging infringement of U.S. Patent Nos. 7,149,851, 7,645,664, 8,415,730, RE44,025. The operations of the Company will not be materially affected by this case.
- L. Gamehancement LLC (“Gamehancement”) filed a complaint in the United States District Court for the Western District of Texas against the Company on December 9, 2023, alleging infringement of U.S. Patent No. 7,046,252. The court dismissed the claims against the Company on December 13, 2023.
- M. LED Apogee LLC (“LED Apogee”) filed a complaint in the United States District Court for the Western District of Texas against the Company on January 16, 2024, alleging infringement of U.S. Patent No. 6,982,527. The operations of the Company will not be materially affected by this case.
- N. Redstone Logics LLC (“Redstone”) filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent No. 8,549,339. The operations of the Company and subsidiary MediaTek USA Inc. will not be materially affected by this case.

The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

None

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ -	\$ 17,416
Mandatorily measured at fair value through profit or loss (Note 1)	4,325,670	5,745,711
Subtotal	4,325,670	5,763,127
Financial assets at fair value through other comprehensive income	6,892,365	7,227,546
Financial assets measured at amortized cost (Note 2)	88,078,576	54,137,084
Total	\$ 99,296,611	\$ 67,127,757

Financial liabilities

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6. (5) for further explanation.
2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$1,186,678 thousand and NT\$1,628,442 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and financing lease receivables, net.

B. Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

b. Fair value of financial instruments measured at amortized cost

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

c. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

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

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

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

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

Level 3: Unobservable inputs for the assets or liabilities.

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 120,330	\$ -	\$ -	\$ 120,330
Funds	1,910,145	-	-	1,910,145
Linked deposits	-	-	1,108,517	1,108,517
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	6,690,072	-	1,180	6,691,252
Debt instruments measured at fair value through other comprehensive income	-	-	201,113	201,113
Total	\$ 8,720,547	\$ -	\$ 1,310,810	\$ 10,031,357

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 301,272	\$ -	\$ 301,272

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	-	1,769	7,026,597
Debt instruments measured at fair value through other comprehensive income	-	-	200,949	200,949
Total	\$ 9,054,726	\$ 17,416	\$ 2,290,089	\$ 11,362,231

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 3,353	\$ -	\$ 3,353

For the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	
	Link deposits	Stocks	Bonds
			Total
As of January 1, 2023	\$ 2,087,371	\$ 1,769	\$ 200,949
Amount recognized in profit or loss	6,146	-	-
Amount recognized in OCI	-	(589)	164
Settlements	(985,000)	-	-
As of December 31, 2023	\$ 1,108,517	\$ 1,180	\$ 201,113

	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	\$ -
Amount recognized in profit or loss	(1,997)	-	-
Amount recognized in OCI	-	(319)	949
Acquisitions	1,640,000	-	200,000
Settlements	(379,088)	-	-
As of December 31, 2022	\$ 2,087,371	\$ 1,769	\$ 200,949

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

As of December 31, 2023:

None

As of December 31, 2022:

None

D. Derivative financial instruments

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

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

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

Forward exchange contracts	Currency	Contract amount (‘000)		Maturity
As of December 31, 2023	TWD to USD	Buy USD	500,000	January 2024
As of December 31, 2022	TWD to USD	Buy USD	30,000	January 2023
As of December 31, 2022	TWD to USD	Buy USD	120,000	February 2023
As of December 31, 2022	TWD to USD	Buy USD	60,000	March 2023

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

(2) Financial risk management objectives and policies

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

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

A. Market risk

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

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

a. Foreign currency risk

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2023 and 2022 decreases / increases by NT\$24,921 thousand and NT\$22,224 thousand, respectively.

b. Interest rate risk

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

c. Other price risk

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

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2023 and 2022 to increase/decrease by NT\$1,203 thousand and NT\$1,508 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the years ended December 31, 2023 and 2022 to increase/decrease by NT\$66,901 thousand and NT\$70,248 thousand, respectively.

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

B. Credit risk management

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2023 and 2022, receivables from top ten customers represented 55.01%, and 55.38% of the total trade receivables of the Company, respectively. The credit concentration risk of other account receivables was insignificant.

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

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

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

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2023	December 31, 2022
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 2,552,153	\$ 1,848,825
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ 261,079	\$ 313,213
Credit-impaired	Contract payment overdue 30 days			
	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days			
Simplified method (Note)	Other impaired evidence			
	(Note)	Lifetime expected credit losses	\$ 35,397,637	\$ 26,978,679

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

C. Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2023</u>				
Trade payables (including related parties)	\$ 25,584,482	\$ -	\$ -	\$ 25,584,482
Other payables (including related parties)	97,694,345	-	-	97,694,345
Lease liabilities	284,310	625,397	2,012,307	2,922,014
Long-term payables	3,701,876	2,892,890	-	6,594,766
Total	<u>\$ 127,265,013</u>	<u>\$ 3,518,287</u>	<u>\$ 2,012,307</u>	<u>\$ 132,795,607</u>

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

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2022</u>				
Trade payables (including related parties)	\$ 13,454,454	\$ -	\$ -	\$ 13,454,454
Other payables (including related parties)	46,008,644	-	-	46,008,644
Lease liabilities	289,289	670,509	1,962,183	2,921,981
Long-term borrowings	827,660	-	-	827,660
Long-term payables	1,628,725	529,406	-	2,158,131
Total	<u>\$ 62,208,772</u>	<u>\$ 1,199,915</u>	<u>\$ 1,962,183</u>	<u>\$ 65,370,870</u>

Derivative financial liabilities

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

As of December 31, 2022

Net settlement

Forward exchange contracts	\$ (3,353)	\$ -	\$ (3,353)
----------------------------	------------	------	------------

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

D. Reconciliation of liabilities arising from financing activities**Reconciliation of liabilities for the year ended December 31, 2023:**

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

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

Reconciliation of liabilities for the year ended December 31, 2022:

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

(3) Significant assets and liabilities denominated in foreign currencies

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

December 31, 2023			
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 2,302,628	30.747	\$ 70,798,911
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 2,001,914	30.747	\$ 61,552,859
December 31, 2022			
	Foreign Currency (thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 1,485,451	30.713	\$ 45,622,663
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 971,378	30.713	\$ 29,833,936

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gains (losses) were NT\$632,142 thousand and NT\$(975,401) thousand for the years ended December 31, 2023 and 2022, respectively.

(4) Capital management

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

13. Additional Disclosures

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

- A. Financing provided to others for the year ended December 31, 2023: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 2.
- C. Securities held as of December 31, 2023: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 4.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 5.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 6.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2023: Please refer to Attachment 7.
- I. Financial instruments and derivative transactions: Please refer to Note 12.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(2) Information on investees

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

(3) Investment in Mainland China

A. Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control, which discloses investee company name, main business and products, total amount of capital, method of investment, accumulated inflows and outflows of investments from Taiwan, percentage of ownership, net income (loss), investment income (loss), carrying amount of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 9.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1.

(4) Main shareholder information

None.

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

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 2)	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)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 1,262,137 CNY 285,000,000	\$ - CNY -	\$ - CNY -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,539,753 CNY 1,278,573,670	\$ 5,539,753 CNY 1,278,573,670
		MediaTek China Limited	Other receivables from related party	Yes	\$ 885,710 CNY 200,000,000	\$ - CNY -	\$ - CNY -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,539,753 CNY 1,278,573,670	\$ 5,539,753 CNY 1,278,573,670
		MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	\$ 1,511,827 CNY 340,000,000	\$ 1,473,138 CNY 340,000,000	\$ 1,473,138 CNY 340,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,539,753 CNY 1,278,573,670	\$ 5,539,753 CNY 1,278,573,670
2	Hsu Kang (Samoa) Investment Ltd. (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 1,262,137 CNY 285,000,000	\$ - CNY -	\$ - CNY -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,526,868 CNY 1,275,599,759	\$ 5,526,868 CNY 1,275,599,759
		MediaTek (Shenzhen) Inc.	Other receivables from related party	Yes	\$ 675,876 CNY 152,000,000	\$ 658,580 CNY 152,000,000	\$ 658,580 CNY 152,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,526,868 CNY 1,275,599,759	\$ 5,526,868 CNY 1,275,599,759
3	Hsu Fa (Samoa) Investment Ltd. (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 774,996 CNY 175,000,000	\$ - CNY -	\$ - CNY -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,549,306 CNY 1,280,778,453	\$ 5,549,306 CNY 1,280,778,453
		MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	\$ 311,259 CNY 70,000,000	\$ 303,293 CNY 70,000,000	\$ 303,293 CNY 70,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,549,306 CNY 1,280,778,453	\$ 5,549,306 CNY 1,280,778,453
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	\$ 1,156,103 CNY 260,000,000	\$ 1,126,518 CNY 260,000,000	\$ 1,126,518 CNY 260,000,000	3.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,549,306 CNY 1,280,778,453	\$ 5,549,306 CNY 1,280,778,453
4	Hsu Zhan (HK) Investment Limited (Note 1)	MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 69,234 JPY 300,000,000	\$ 43,490 JPY 200,000,000	\$ 43,490 JPY 200,000,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 77,857,067 USD 2,532,184,181	\$ 77,857,067 USD 2,532,184,181
5	Digimoc Holdings Limited (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 7,766,935 USD 249,500,000	\$ 5,070,180 USD 164,900,000	\$ 5,070,180 USD 164,900,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 48,526,015 USD 1,578,235,755	\$ 48,526,015 USD 1,578,235,755
6	MTKC Global Holdings Co. Limited (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 5,419,940 USD 170,000,000	\$ 3,640,445 USD 118,400,000	\$ 3,640,445 USD 118,400,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 10,951,152 USD 356,169,777	\$ 10,951,152 USD 356,169,777
7	Gaintech Co. Limited (Note 1)	Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,211,200 USD 300,000,000	\$ - USD -	\$ - USD -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 223,598,083 USD 7,272,191,859	\$ 223,598,083 USD 7,272,191,859
		MediaTek Inc.	Other receivables from related party	Yes	\$ 22,704,500 USD 700,000,000	\$ 21,522,900 USD 700,000,000	\$ 19,985,550 USD 650,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 223,598,083 USD 7,272,191,859	\$ 223,598,083 USD 7,272,191,859
8	Mediatek Singapore Pte Ltd (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 20,423,000 USD 650,000,000	\$ - USD -	\$ - USD -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 43,078,426 USD 1,401,061,123	\$ 43,078,426 USD 1,401,061,123
		Hsu Zhan (HK) Investment Limited	Other receivables from related party	Yes	\$ 9,426,000 USD 300,000,000	\$ - USD -	\$ - USD -	NA	Short-term financing	-	Operating Capital	-	NA	-	\$ 43,078,426 USD 1,401,061,123	\$ 43,078,426 USD 1,401,061,123
9	LePower (HK) Limited (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 1,946,100 USD 60,000,000	\$ 1,122,266 USD 36,500,000	\$ 814,796 USD 26,500,000	6.29%	Short-term financing	-	Operating Capital	-	NA	-	\$ 3,002,648 CNY 693,010,522	\$ 3,002,648 CNY 693,010,522
10	Gold Rich International (HK) Limited (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 648,700 USD 20,000,000	\$ 614,940 USD 20,000,000	\$ 614,940 USD 20,000,000	6.29%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,181,037 USD 168,505,448	\$ 5,181,037 USD 168,505,448
11	Cloud Ranger Limited (Note 1)	Gaintech Co Limited	Other receivables from related party	Yes	\$ 810,875 USD 25,000,000	\$ 768,675 USD 25,000,000	\$ 768,675 USD 25,000,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 1,681,848 USD 54,699,579	\$ 1,681,848 USD 54,699,579

Note 1: The operating procedures of financing provided to others of Hsu Chia (Samoa) Investment Ltd., Hsu Kang (Samoa) Investment Ltd., Hsu Fa (Samoa) Investment Ltd., Hsu Zhan (HK) Investment Limited, Digimoc Holdings Limited, MTKC Global Holdings Co. Limited, Gaintech Co. Limited, Mediatek Singapore Pte. Ltd., LePower (HK) Limited, Gold Rich International (HK) Limited, and Cloud Ranger Limited required:

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

B. The maximum amount lendable to a single company is 10% of the lender's net worth 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: 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, 2023

Attachment 2

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

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

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

Note 2: The nature of relationship between 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, 2023

Attachment 3

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)									
Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023					
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note	
MediaTek Inc.	Bonds	Chailase Finance Co., Ltd.	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 201,113	-	\$ 201,113	-	
		Weibo Corporation	Financial assets measured at amortized cost- current	-	\$ 261,079	-	-	-	
		YAGEO Corporation	Financial assets measured at amortized cost- current	-	\$ 100,000	-	-	-	
		Baidu, Inc.	Financial assets measured at amortized cost- noncurrent	-	\$ 43,117	-	-	-	
		KGI Securities Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 580,000	-	-	-	
		Tencent Music Entertainment Group	Financial assets measured at amortized cost- noncurrent	-	\$ 157,167	-	-	-	
		Vanguard International Semiconductor Corporation	Financial assets measured at amortized cost- noncurrent	-	\$ 100,000	-	-	-	
		Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 500,756	-	-	1	
		Cathay Life Insurance Co.,Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 580,000	-	-	-	
	Fubon Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-		
	Linked Deposits	MERRY ELECTRONICS CO.,LTD.	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 200,190	-	\$ 200,190	-	
		Taiwan mask corporation	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 129,875	-	\$ 129,875	-	
		Walsin Technology Corporation	Financial assets mandatorily measured at fair value through profit or loss- current	-	\$ 190,310	-	\$ 190,310	-	
		Taishin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 295,895	-	\$ 295,895	-	
		Giant Manufacturing Co. Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 292,247	-	\$ 292,247	-	
	Funds	Cathay Financial Holdings Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	145,703,000	\$ 2,438,560	-	\$ 2,438,560	-	
		Fubon Financial Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	30,165,000	\$ 414,922	-	\$ 414,922	-	
		KGI Securities Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- current	115,195,956	\$ 1,910,145	-	\$ 1,910,145	-	
	Stocks	WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	10,900,000	\$ 512,300	1%	\$ 512,300	-	
		Shin Kong Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	12,888,000	\$ 369,241	0%	\$ 369,241	-	
		Chailase Finance Co., Ltd. Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,750,000	\$ 269,225	0%	\$ 269,225	-	
		WT Microelectronics Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,241,000	\$ 376,202	1%	\$ 376,202	-	
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	15,000,000	\$ 898,500	0%	\$ 898,500	-	
		FUBON Financial Holding Co., Ltd., Preferred Stock A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,786,666	\$ 109,165	0%	\$ 109,165	-	
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,056,243	\$ 388,094	0%	\$ 388,094	-	
		Cathay Financial Holdings preferred stockA	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,405,000	\$ 143,338	0%	\$ 143,338	-	
		Taishin Financial Holding Co., Ltd. exchangeable preferred stock	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	45,325,000	\$ 770,525	0%	\$ 770,525	-	
		EosTek Limited(Cayman)	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	640,000	\$ 1,180	6%	\$ 1,180	-	
		Shin Kong Financial Holding Co., Ltd., Preferred Stock A	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	4,200,000	\$ 120,330	0%	\$ 120,330	-	
		Cloud Ranger Limited	Stocks	Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,809,900	USD 2,971,722	1%	USD 2,971,722
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	-
Scaleflux Inc.				Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,096,587	USD 13,313,327	2%	USD 13,313,327	-
Digimoc Holdings Limited	Capital	SERAPHIC Information Technology (Shanghai) Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 444,819	-	USD 444,819	-	
		Celesta Capital I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,157,571	-	USD 2,157,571	-	
		Celesta Capital II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 9,826,047	-	USD 9,826,047	-	
		Amity Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 10,083,527	-	USD 10,083,527	-	
		Celesta Capital III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 14,825,095	-	USD 14,825,095	-	
		Walden Catalyst Ventures, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 5,850,113	-	USD 5,850,113	-	
		Cypress Frontline Venture Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,621,235	-	USD 2,621,235	-	
		Walden Technology Ventures IV, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,480,698	-	USD 3,480,698	-	
		Achi Capital Partners Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 14,857,421	-	USD 14,857,421	-	
	Stocks	Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	846,010	USD 2,072,725	1%	USD 2,072,725	-	
		Shenzhen Transmision Holding Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	51,123,649	USD 997,056,680	6%	USD 997,056,680	2	
		General Mobile Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	5,000,000	USD 50,000	17%	USD 50,000	-	
		Ambiq Micro, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	8,205,734	USD 6,400,473	3%	USD 6,400,473	-	
		AutoX, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	55,009,500	USD 80,832,280	3%	USD 80,832,280	-	
		CIO Tech Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	6,000,000	USD 84,000	12%	USD 84,000	-	
		DSP Concepts Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,132,118	USD 3,973,734	2%	USD 3,973,734	-	

(To be continued)

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

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2023				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note
Digimac Holdings Limited	Stocks	FaceHeart Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	USD 440,000	11%	USD 440,000	-
		SIMO Holdings Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	11,292,110	USD 1,316,739	13%	USD 1,316,739	-
		RIVOS INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,567,568	USD 5,000,000	1%	USD 5,000,000	-
Gaintech Co. Limited	Capital	NOZOMI FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 156	-	USD 156	-
		Innovation Works Development Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,953,002	-	USD 3,953,002	-
		Shanghai Walden Venture Capital Enterprise	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 46,133,162	-	USD 46,133,162	-
		China Broadband Capital Partners II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,573,445	-	USD 8,573,445	-
		SoftBank PrinceVile Investments, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,974,385	-	USD 1,974,385	-
		PVG GCN Ventures, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,732,603	-	USD 2,732,603	-
		China Broadband Capital Partners III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 12,579,900	-	USD 12,579,900	-
		China Walden Venture Investments ILL.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 15,602,152	-	USD 15,602,152	-
		Shanghai Summitview IC M AND A Investment Limited partnership	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 131,350,947	-	USD 131,350,947	-
		Beijing Integrated Circuit Industry International Fund	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,909,860	-	USD 8,909,860	-
		China Prosperity Capital Mobile	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 5,517,355	-	USD 5,517,355	-
		HOPU USD Master Fund III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 39,350,955	-	USD 39,350,955	-
		Walden Technology Ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 54,376,477	-	USD 54,376,477	-
		Phi Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 10,465,735	-	USD 10,465,735	-
		ALL-STAR INVESTMENT FUND	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,275,467	-	USD 1,275,467	-
		Suzhou Fohu Technology Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 433,680	-	USD 433,680	-
		Bain Capital Tech Opportunities Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 6,053,659	-	USD 6,053,659	-
		IIH Strategic M&A Fund, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,184,498	-	USD 3,184,498	-
		Vickers Venture Co-Investment LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,182,442	-	USD 2,182,442	-
	Bonds	Amobile Intelligent Corp. Limited	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 709,142	-	USD 709,142	-
		Lion Best Global Limited	Financial assets measured at amortized cost- noncurrent	-	USD 10,000,000	-	-	-
	Funds	Cypress Capital Wealth Management SPC	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 9,940,940	-	USD 9,940,940	-
	Stocks	Innoviz Technologies Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	668,428	USD 1,691,123	0%	USD 1,691,123	-
		DiDi Global Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	250,022	USD 3,950,348	0%	USD 3,950,348	-
		Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	490,196	USD 36,833,327	0%	USD 36,833,327	-
		Innovation Works Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,000,000	USD 266,732	4%	USD 266,732	-
		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 2,002,877	3%	USD 2,002,877	-
		WI HARPER INC FUND VI LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,000	USD 771	2%	USD 771	-
		ITH Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	53,889,085	USD 53,889,085	12%	USD 53,889,085	-
		Expedera, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,151,085	USD 3,933,097	7%	USD 3,933,097	-
		Jiangsu Silicon Integrity Semiconductor Technology Limited Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,000,000	USD 2,100,252	0%	USD 2,100,252	-
Hsu Chia (Samoa) Investment Ltd.	Bonds	Agricultural Development Bank of China	Financial assets measured at amortized cost- current	-	CNY 100,000,000	-	-	-
		Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		Credit Agricole S.A.	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	CNY 121,000,000	-	-	-
		Barclays Plc	Financial assets measured at amortized cost- noncurrent	-	CNY 93,999,974	-	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	CNY 51,000,000	-	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 115,000,000	-	-	-
		Barclays Plc	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,027,500	-	CNY 50,027,500	-
Hsu Fa (Samoa) Investment Ltd.	Bonds	Agricultural Development Bank of China	Financial assets measured at amortized cost- current	-	CNY 50,000,000	-	-	-
		Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		Societe Generale	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	CNY 233,000,000	-	-	-
		Crédit Agricole	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-

(To be continued)

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

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2023				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note
Hsu Fu (Samoa) Investment Ltd.	Bonds	Barclays Plc	Financial assets measured at amortized cost- noncurrent	-	CNY 231,997,684	-	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 129,000,000	-	-	-
		Barclays Plc	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 50,027,500	-	CNY 50,027,500	-
Hsu Kang (Samoa) Investment Ltd.	Bonds	Agricultural Development Bank of China	Financial assets measured at amortized cost- current	-	CNY 100,000,000	-	-	-
		Fubon Bank (China) Co., Ltd	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		Credit Agricole S.A.	Financial assets measured at amortized cost- noncurrent	-	CNY 50,000,000	-	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	CNY 56,000,000	-	-	-
		Crédit Agricole	Financial assets measured at amortized cost- noncurrent	-	CNY 67,000,000	-	-	-
		Barclays Plc	Financial assets measured at amortized cost- noncurrent	-	CNY 132,999,855	-	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	CNY 65,000,000	-	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	CNY 180,000,000	-	-	-
MediaTek India Technology Pvt. Ltd.	Stocks	Spice Mobility Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	11,886,019	INR 333,402,833	5%	INR 333,402,833	-
		One97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,095,113	INR 1,330,082,488	0%	INR 1,330,082,488	-
MediaTek USA Inc.	Capital	HEVC ADVANCE LLC	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,672,372	-	USD 3,672,372	-
	Trust Funds	Trust fund	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 46,021,747	-	USD 46,021,747	-
MTKC Global Holdings Co. Limited	Capital	Intudo Ventures II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,517,336	-	USD 3,517,336	-
		Amiti Fund III, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,372,683	-	USD 3,372,683	-
		Vertex Ventures(SG) SEA IV LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,685,950	-	USD 3,685,950	-
		Palm Drive Capital III LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,149,497	-	USD 2,149,497	-
		Hua Capital Integrated Circuit Fund L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 8,519,152	-	USD 8,519,152	-
		Prime Movers Growth Fund I L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,529,536	-	USD 3,529,536	-
		Viola Ventures VI, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,111,367	-	USD 2,111,367	-
		Intudo Ventures III, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 2,105,489	-	USD 2,105,489	-
		BCV CRYPTO FUND I-A, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,712,508	-	USD 1,712,508	-
		Bain Capital Tech Opportunities Fund II, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,238,534	-	USD 1,238,534	-
		Amiti IV L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 956,542	-	USD 956,542	-
		New Trail Capital, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 3,300,955	-	USD 3,300,955	-
		Decibel Partners II, LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,329,180	-	USD 1,329,180	-
		Online Sea Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 4,420,927	-	USD 4,420,927	-
		Black Cyber Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,994,172	-	USD 1,994,172	-
		Matter Venture Fund I, L.P.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 1,730,884	-	USD 1,730,884	-
		Symbol Fund I LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 805,577	-	USD 805,577	-
		Vertex Ventures (SG) SEA V LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 74,015	-	USD 74,015	-
	Bonds	Carsome Group Convertible Promissory Note	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 10,838,380	-	USD 10,838,380	-
		System Elite Holdings Group Limited	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 1,039,682	-	USD 1,039,682	-
	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	-
	Stocks	Vaxxinity, Inc.	Financial assets mandatorily measured at fair value through profit or loss- current	35,450	USD 30,133	0%	USD 30,133	-
		Valens Semiconductor Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	980,000	USD 2,401,000	1%	USD 2,401,000	-
		Navitas Semiconductor Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	138,182	USD 1,115,129	0%	USD 1,115,129	-
		Mauna Kea Semiconductor Holdings	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,483,659	USD 1,937,254	4%	USD 1,937,254	-
		Vastai Holding Company	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,800,000	USD 8,164,800	1%	USD 8,164,800	-
		Transsnet FinTech Group	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	14,256,620	USD 19,389,003	2%	USD 19,389,003	-
		NeuroBlade Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,437,370	USD 3,617,057	5%	USD 3,617,057	-
		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 122,589	0%	USD 122,589	-
		SandTek Corporation	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	706,023	USD 20,651,173	9%	USD 20,651,173	-
		Universal Grammar Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	24,021	USD 1,500,000	9%	USD 1,500,000	-
		SweGaN AB	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	19,366	USD 946,954	4%	USD 946,954	-

(To be continued)

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

(Continued)

Held Company Name	Securities Type	Securities Name	Financial Statement Account	(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)				
				December 31, 2023				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note
MTKC Global Holdings Co. Limited	Stocks	TXOne Networks Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	909,090	USD 3,790,905	1%	USD 3,790,905	-
		KALEIDOS, INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	516,191	USD 738,669	2%	USD 738,669	-
		Stathera IP Holdings Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	65,083	USD 1,857,469	2%	USD 1,857,469	-
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 600,499,935	-	CNY 600,499,935	-
		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 153,354,864	-	CNY 153,354,864	-
		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 20,330,079	-	CNY 20,330,079	-
Hsu Zhan (HK) Investment Limited	Bonds	Industrial and Commercial Bank of China Limited	Financial assets measured at amortized cost- current	-	USD 10,003,777	-	-	-
		Bank of China Limited	Financial assets measured at amortized cost- current	-	USD 5,076,401	-	-	-
		Citigroup Inc.	Financial assets measured at amortized cost- current	-	USD 20,000,000	-	-	-
		Sumitomo Mitsui Banking Corporation	Financial assets measured at amortized cost- current	-	USD 9,775,097	-	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- current	-	USD 3,984,513	-	-	-
		Formosa Plastics Group	Financial assets measured at amortized cost- noncurrent	-	USD 9,913,406	-	-	-
		ING Group, N.V.	Financial assets measured at amortized cost- noncurrent	-	USD 19,198,824	-	-	-
		UBS Group AG	Financial assets measured at amortized cost- noncurrent	-	USD 29,497,263	-	-	-
		HSBC Holdings plc	Financial assets measured at amortized cost- noncurrent	-	USD 48,931,381	-	-	-
		Barclays Plc	Financial assets measured at amortized cost- noncurrent	-	USD 15,224,476	-	-	-
		The Toronto-Dominion Bank	Financial assets measured at amortized cost- noncurrent	-	USD 9,007,427	-	-	-
		The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 18,716,534	-	-	-
		National Australia Bank	Financial assets measured at amortized cost- noncurrent	-	USD 8,799,605	-	-	-
		National Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	USD 18,000,000	-	-	-
		Morgan Stanley	Financial assets measured at amortized cost- noncurrent	-	USD 114,054,231	-	-	-
		Bank of America Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 79,351,821	-	-	-
		The Bank of Nova Scotia	Financial assets measured at amortized cost- noncurrent	-	USD 94,571,265	-	-	-
		Royal Bank of Canada	Financial assets measured at amortized cost- noncurrent	-	USD 91,144,732	-	-	-
		Mizuho Financial Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 52,656,313	-	-	-
		JPMorgan Chase & Co.	Financial assets measured at amortized cost- noncurrent	-	USD 193,922,495	-	-	-
		Foxconn Technology Group	Financial assets measured at amortized cost- noncurrent	-	USD 31,466,636	-	-	-
		Westpac Banking Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 32,237,527	-	-	-
		Commonwealth Bank of Australia	Financial assets measured at amortized cost- noncurrent	-	USD 17,299,987	-	-	-
		Wells Fargo & Company	Financial assets measured at amortized cost- noncurrent	-	USD 45,947,264	-	-	-
		Australia and New Zealand Banking Group Limited	Financial assets measured at amortized cost- noncurrent	-	USD 9,054,732	-	-	-
		Cathay Life Insurance Co.,Ltd.	Financial assets measured at amortized cost- noncurrent	-	USD 30,000,000	-	-	-
		Mitsubishi UFJ Financial Group, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 89,314,973	-	-	-
		Sumitomo Mitsui Banking Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 48,723,606	-	-	-
		International Business Machines Corporation	Financial assets measured at amortized cost- noncurrent	-	USD 70,170,559	-	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	USD 59,692,933	-	-	-
		NVIDIA CORP	Financial assets measured at amortized cost- noncurrent	-	USD 24,198,980	-	-	-
		Amazon.com, Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 41,937,095	-	-	-
		Citigroup Inc.	Financial assets measured at amortized cost- noncurrent	-	USD 133,741,472	-	-	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Debt instrument investments measured at fair value through other comprehensive income- noncurrent	-	USD 18,259,000	-	USD 18,259,000	-
	Linked Deposits	Standard Chartered	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,247,000	-	USD 10,247,000	-
		UBS Group AG	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,212,000	-	USD 10,212,000	-
		BNP Paribas	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,233,000	-	USD 10,233,000	-
		HSBC Holdings plc	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	USD 10,219,000	-	USD 10,219,000	-
Xuxin Investment (Shanghai) Inc.	Capital	Shanghai Yiqi Information Technology Co. Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 1,768,643	-	CNY 1,768,643	-
		Ningbo ABAX Sensing Co., Ltd	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 2,091,535	-	CNY 2,091,535	-
		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	-
	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 42,140,000	-	CNY 42,140,000	-

(To be continued)

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

(Continued)

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

Held Company Name	Securities Type	Securities Name	Financial Statement Account	December 31, 2023				
				Units/Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	Note
Xuxin Investment (Shanghai) Inc.	Stocks	Orbbee Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	424,450	CNY 15,933,853	0%	CNY 15,933,853	-
		Shenzhen ORVIBO Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	1,419,593	CNY 17,926,620	2%	CNY 17,926,620	-
Hsu-Ta Investment Corp.	Bonds	China Life Insurance Co., Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-
	Linked Deposits	Giant Manufacturing Co. Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 136,046	-	\$ 136,046	-
	Stocks	Chailense 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	\$ 264,770	1%	\$ 264,770	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	3,333,000	\$ 199,647	0%	\$ 199,647	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	77,284	\$ 4,251	0%	\$ 4,251	-
MStar Software R&D(Shenzhen), Ltd.	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 115,160,000	-	CNY 115,160,000	-
Hsiang Fa Co.	Capital	Mesh Cooperative Ventures Fund LP	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	\$ 50,034	-	\$ 50,034	-
	Bonds	Ennocom Corporation	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 1,072,964	-	\$ 1,072,964	-
		Ganzin Technology, Inc.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 15,000	-	\$ 15,000	-
		Cathay Life Insurance Co.,Ltd.	Financial assets measured at amortized cost- noncurrent	-	\$ 290,000	-	-	-
	Linked Deposits	Taishin Financial Holding Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- noncurrent	-	\$ 80,243	-	\$ 80,243	-
	Stocks	Andes Technology Corporation	Equity instrument investments measured at fair value through other comprehensive income- current	4,005,324	\$ 1,922,556	8%	\$ 1,922,556	-
		ACSIP TECHNOLOGY CORP.	Equity instrument investments measured at fair value through other comprehensive income- current	1,857,008	\$ 17,289	5%	\$ 17,289	-
		CHUNGHWA PRECISION TEST TECH. CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- current	351,000	\$ 197,964	1%	\$ 197,964	-
		MediaTek Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	7,794,085	\$ 7,910,996	0%	\$ 7,910,996	3
		Mars Semiconductor Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,103,982	\$ 105,410	7%	\$ 105,410	-
		Taiwania Capital Buffalo Fund Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	231,500,000	\$ 185,664	5%	\$ 185,664	-
		International Trust Machines Corporation.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	2,500,000	\$ 274	2%	\$ 274	-
		Golden Smart Home Technology Corp.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	425,000	\$ 125	1%	\$ 125	-
Gold Rich International (HK) Limited	Stocks	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current	13,126,705	USD 122,917,190	3%	USD 122,917,190	-
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	-
		Cloumix Limited	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 66,917,285	-	CNY 66,917,285	-
		AaltoSemi Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 108,800,000	-	CNY 108,800,000	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 29,586,002	-	CNY 29,586,002	-
	Bonds	Recogtek Limited	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 15,264,518	-	CNY 15,264,518	-
MediaTek (Chengdu) Inc.	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 39,000,000	-	CNY 39,000,000	-
MediaTek China Limited	Funds	Cypress Capital Wealth Management SPC	Financial assets mandatorily measured at fair value through profit or loss- current	-	USD 1,246,989	-	USD 1,246,989	-
MediaTek (Heifei) Inc.	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 19,800,000	-	CNY 19,800,000	-
MediaTek (Shanghai) Inc.	Capital	Shanghai Summit View Pujiang Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 158,465,700	-	CNY 158,465,700	-
MediaTek (Wuhan) Inc.	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 70,270,000	-	CNY 70,270,000	-
	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 30,000,000	-	CNY 30,000,000	-
MediaTek (Shenzhen) Inc.	Capital	Shanghai Summit View Pujiang Equity Investment Limited Partnership II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 63,305,423	-	CNY 63,305,423	-
		Nanjing AutoAI Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 32,502,482	-	CNY 32,502,482	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 132,470,399	-	CNY 132,470,399	-
	Funds	Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 40,000,000	-	CNY 40,000,000	-
MediaTek (Beijing) Inc.	Capital	Shanghai Internet Of Things VC Fund II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	CNY 99,449,984	-	CNY 99,449,984	-
	Funds	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 203,391,721	-	CNY 203,391,721	-
		Fubon Bank (China) Co., Ltd	Financial assets mandatorily measured at fair value through profit or loss- current	-	CNY 210,000,000	-	CNY 210,000,000	-
	Stocks	AI Speech Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	4,638,600	CNY 70,321,408	1%	CNY 70,321,408	-
Richtek Technology Corp.	Stocks	Dyna Rechi CO., LTD.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	9,854,272	\$ 176,391	9%	\$ 176,391	-
		Asia Global Venture Capital II	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	531,300	\$ 23,083	10%	\$ 23,083	-

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

Note 2: Gaintech Co., Limited previously recognized the economic benefits of the stocks of Shenzhen Transsion Holdings Co., Ltd. In August 2023, Shenzhen Transsion Holdings Co., Ltd. was derecognized as YuanKe (Ping/Tan) Investment Fund Limited Partnership (Limited Partnership) disposed of shared of Shenzhen Transsion Holdings Co., Ltd earlier.

Note 3: Ultimate parent entity.

MEDIATEK INC.

INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WHICH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2023

Attachment 4

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Dollars)																	
Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal						Ending Balance		
					Units/Shares	Amounts	Units/Shares	Amount	Units/Shares	Amount	Carrying Amount	Gains (Losses) on Disposal	Units/Shares	Amount (Note 1)			
Xuxin Investment (Shanghai) Inc.	Xuxi (Shanghai) Management Consulting Co., Ltd	Investments accounted for using the equity method	Note 1	Subsidiary	-	CNY 629,216,087	-	CNY 80,010,000	-	CNY -	-	CNY -	-	CNY -	-	CNY -	703,344,744
Xuxi (Shanghai) Management Consulting Co., Ltd	Hefei Xuhui Management Consulting Co., Ltd.	Investments accounted for using the equity method	Note 1	Subsidiary	-	CNY 627,192,344	-	CNY 80,000,000	-	CNY -	-	CNY -	-	CNY -	-	CNY -	703,331,090
Gold Rich International (HK) Limited	Shenzhen Goodix Technology Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- current/noncurrent	-	-	18,206,973	USD 125,705,512	-	USD -	5,080,268	USD 37,318,766	USD 4,402,783	USD 32,915,983	13,126,705	USD 122,917,190			
MediaTek Global Holdings Limited	Digimoc Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	915,638,880	USD 686,926,382	635,000,000	USD 635,000,000	-	USD -	-	USD -	1,550,638,880	USD 1,578,085,456			
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	Investments accounted for using the equity method	Note 2	Subsidiary	102,200,000	USD 162,507,505	-	USD -	101,200,000	USD 101,200,000	USD 101,200,000	USD -	-	USD -			
Hsu Zhan (HK) Investment Limited	Cathay Life Insurance US-Dollar Denominated Subordinated Corporate Bonds	Financial assets measured at amortized cost- noncurrent	-	-	-	USD -	-	USD 30,000,000	-	USD -	-	USD -	-	USD 30,000,000			
Hsiang Fa Co.	Andes Technology Corporation	Equity instrument investments measured at fair value through other comprehensive income- current	-	-	5,657,324	TWD 2,814,519	-	TWD -	1,652,000	TWD 692,335	TWD 45,969	TWD 646,366	4,005,324	TWD 1,922,555			
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	3,450,118,214	USD 3,463,172,263	635,000,000	USD 635,000,000	-	USD -	-	USD -	4,085,118,214	USD 4,466,934,596			
Gaintech Co. Limited	Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	USD -	490,196	USD 24,999,996	-	USD -	-	USD -	490,196	USD 36,833,327			
Gaintech Co. Limited	Full Truck Alliance ADR	Equity instrument investments measured at fair value through other comprehensive income- current	Note 3	-	-	USD -	5,324,733	USD 34,451,023	5,324,733	USD 36,109,212	USD 34,451,023	USD 1,658,189	-	USD -			
Digimoc Holdings Limited	Shenzhen Transsion Holdings Co., Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	USD -	51,123,649	USD 762,218,758	-	USD -	-	USD -	51,123,649	USD 997,056,680			
Hsu-Ta Investment Corp.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 1	Subsidiary	-	TWD -	5,592,000	TWD 2,968,722	-	TWD -	-	TWD -	5,592,000	TWD 611,969			

Note 1: Subscribed to the new shares issued.

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

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

MEDIATEK INC.
ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF NT\$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2023

Attachment 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Type of Properties	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Usage of Acquisition	Other Commitments
							Owner	Relationship with the Issuer	Transfer Date	Amount			
MediaTek Inc.	Building and construction in progress	2023.12.20	\$ 1,024,655	\$ 15,231	Bio-architecture Formosana, WSP International LLC., Taiwan Branch(USA), Kedge Construction Co., Ltd.	None	-	-	-	\$-	Not applicable	Space requirements for staff expansion	None
Richtek Technology Corp.	Land, building and construction in progress	2021.12.17	\$ 447,200	\$ 447,200	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2021.11.29	\$ 1,850,000	\$ 1,850,000	Winsome Development Company Limited	None	-	-	-	\$-	Valuation report issued by the real estate appraiser	Space requirements for staff expansion	None
Hsu-Yuan Investment Corp.	Building and construction in progress	2023.11.10	\$ 5,301,925	\$ 35,028	JJP Architecture & Planners, LEEMING Construction Co., Ltd.	None	-	-	-	\$-	Not applicable	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, 2023

Attachment 6

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

Note 1: mainly IP revenues

Note 2: mainly license revenues

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, 2023

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	\$ 258,688	(Note1)	-	\$ -	-	\$ 258,688	\$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	\$ 478,405	(Note1)	-	\$ -	-	\$ -	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 405,720	(Note1)	-	\$ -	-	\$ 207,692	\$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 5,070,180	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek Bangalore Private Limited	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 234,415	(Note2)	-	\$ -	-	\$ 234,415	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 19,985,550	(Note2)	-	\$ -	-	\$ -	\$ -
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	\$ 768,675	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 107,607	(Note2)	-	\$ -	-	\$ 107,607	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 109,350	(Note2)	-	\$ -	-	\$ 109,350	\$ -
Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,473,138	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 303,293	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 1,126,518	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Kang (Samoa) Investment Ltd.	MediaTek (Shenzhen) Inc.	Subsidiary	\$ 658,580	(Note2)	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,640,445	(Note2)	-	\$ -	-	\$ -	\$ -
LePower (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 838,303	(Note2)	-	\$ -	-	\$ -	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	\$ 157,131	(Note1)	-	\$ -	-	\$ 118,145	\$ -
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 626,385	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 992,338	(Note1)	-	\$ -	-	\$ 992,338	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 246,866	(Note1)	-	\$ -	-	\$ 246,866	\$ -
MediaTek (Shenzhen) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 359,935	(Note1)	-	\$ -	-	\$ 359,935	\$ -
MediaTek (Chengdu) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 149,006	(Note1)	-	\$ -	-	\$ 149,006	\$ -
MediaTek (Shanghai) Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 172,083	(Note1)	-	\$ -	-	\$ 172,083	\$ -
MediaTek North America Inc.	MediaTek Inc.	Subsidiary	\$ 103,011	(Note1)	-	\$ -	-	\$ 103,011	\$ -
Richtek USA, Inc.	Richtek Technology Corp.	Subsidiary	\$ 102,570	(Note1)	-	\$ -	-	\$ 44,426	\$ -

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

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

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

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)
For the year ended December 31, 2023

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, 2023			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	MediaTek Capital Co.	Note 1	General investing	\$ 1,118,000	\$ 1,118,000	111,800,000	100%	\$ 708,831	\$ (35,990)	\$ (35,990)	Note 20
	HFI Innovation Inc.	Note 1	Intellectual property right management	\$ 1,955,248	\$ 1,746,918	195,524,752	100%	\$ 1,630,852	\$ 394,171	\$ 397,853	Note 20
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ 9,378,890	\$ 9,378,890	111,235,745	67%	\$ 12,166,800	\$ 967,544	\$ 625,734	Note 20
	Intellectual Property Innovation Corp.	Note 1	Intellectual property right management	\$ 30,000	\$ 30,000	3,000,000	30%	\$ 30,966	\$ 8,969	\$ 1,862	-
	Hsu-Ta Investment Corp.	Note 1	General investing	\$ 3,960,811	\$ 3,960,811	592,580,103	100%	\$ 7,899,208	\$ 1,124,212	\$ 531,811	Note 20
	Hsu-Yuan Investment Corp.	Note 1	General investing	\$ 500,000	\$ 500,000	50,000,000	100%	\$ 442,271	\$ (2,204)	\$ (2,204)	Note 20
	Richtek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 16,715,876	\$ 2,394,286	\$ 2,165,977	Note 20
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 300,370	\$ 300,370	13,125,454	19%	\$ 292,963	\$ (120,492)	\$ (15,681)	-
	Spidcom Technologies	Note 13	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ -	\$ -	\$ (525)	Note 20
	MStar Co., Ltd.	Note 15	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 145,348	\$ 18,556	\$ 18,556	Note 20
	MediaTek Singapore Pte. Ltd.	Note 7	Research, manufacturing and sales	\$ 4,137,594	\$ 4,137,594	187,513,879	100%	\$ 43,041,504	\$ 22,704,288	\$ 22,728,258	Note 20
	MediaTek Research UK Limited	Note 12	Research	\$ 24,363	\$ 24,363	280,000	100%	\$ 394,329	\$ 6,438	\$ 6,438	Note 20
	MediaTek Investment Singapore Pte. Ltd.	Note 7	General investing	\$ 49,803,483	\$ 49,803,483	2,233,845,498	100%	\$ 224,563,433	\$ 12,684,124	\$ 12,684,124	Note 20
Airoha (Cayman) Inc.	MediaTek Bangalore Private Limited	Note 4	Research	\$ 581,508	\$ 581,508	1,999,999	100%	\$ 994,720	\$ 348,981	\$ 348,981	Note 20
	Airoha Technology India Private Limited	Note 4	Research	USD 12	USD 12	95	0%	USD 13	USD 234,282	-	Note 20
Airoha Technology Corp.	ASIX Electronics Corporation	Note 1	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,396	20%	\$ 555,277	\$ 415,671	-	-
	IC PLUS CORP.	Note 1	Research, manufacturing and sales	\$ 14,311	\$ 14,311	650,000	1%	\$ 14,297	\$ (120,492)	-	-
	Shadow Investment Limited	Note 5	General investing	\$ -	\$ 71,755	12,360,000	100%	\$ 1,104	\$ 1,231	-	Note 20
	Airoha Technology USA Inc.	Note 6	Research	\$ 12,563	\$ 12,563	10,000	100%	\$ 15,609	\$ 2,423	-	Note 20
	Airoha Technology India Private Limited	Note 4	Research	\$ 37,312	\$ 37,312	9,500,000	100%	\$ 38,345	\$ 7,164	-	Note 20
	Airoha Technology (HK) Limited	Note 11	General investing, research, manufacturing and sales	\$ 2,214,341	\$ 2,753,984	48,034,520	100%	\$ 2,808,738	\$ 207,387	-	Note 20
	Airoha (Cayman) Inc.	Note 2	General investing	\$ 55,183	\$ 482,580	4,253,337	100%	\$ 160,243	\$ (18,075)	-	Note 20
Digimoc Holdings Limited	SimoTek Holding Inc.	Note 2	General investing	USD -	USD 1	-	-	USD -	USD -	-	Note 28
	Intelligo Technology Inc.	Note 2	General investing	USD 3,168,380	USD 3,168,380	9,343,603	15%	USD 6,696,965	USD 7,124,640	-	-
	Gold Rich International (Samoa) Limited	Note 5	General investing	USD 448,441,153	USD 448,441,153	4,290,000	100%	USD 168,585,458	USD (2,343,822)	-	Note 20
	Cloud Ranger Limited	Note 5	General investing	USD 57,661,767	USD 57,661,767	23,139,000	100%	USD 54,699,579	USD 698,818	-	Note 20
Gaintech Co. Limited	MediaTek China Limited	Note 11	General investing	USD 391,444,293	USD 391,444,293	3,044,078,500	100%	USD 649,309,527	USD 116,320,923	-	Note 20
	ZENA TECHNOLOGY INTERNATIONAL, INC.	Note 3	General investing	USD 3,200,000	USD 3,200,000	600,000	33%	USD -	USD -	-	-
	Smarthead Limited	Note 15	General investing	USD 700,000	USD 700,000	700,000	100%	USD 1,203,817	USD (118,873)	-	Note 20
	Sigmastar Technology Inc.	Note 2	General investing	USD 522,701	USD 522,701	1,511,579	100%	USD 257,394,115	USD 8,366,783	-	Note 20
	Nephos Cayman Co. Limited	Note 2	General investing	USD 113,110,426	USD 113,110,426	113,110,426	100%	USD 448,906	USD 5,839,532	-	Note 20
	MTK Wireless Limited	Note 12	Research	USD 135,664,604	USD 135,664,604	84,394,826	100%	USD 205,304,881	USD 34,481,038	-	Note 20
	MOUNTAIN CAPITAL FUND, L.P.	Note 2	General investing	USD -	USD 25,920,843	-	-	USD -	USD -	-	Note 21
	MediaTek Wireless FZ-LLC	Note 14	Technical services	USD 13,753	USD 13,753	50	100%	USD 430,411	USD 71,361	-	Note 20
	MediaTek Korea Inc.	Note 9	Research	USD 2,074,740	USD 2,074,740	200,000	100%	USD 13,079,670	USD 4,098,793	-	Note 20
	MediaTek Japan Inc.	Note 10	Research	USD 61,978	USD 61,978	7,100	100%	USD 3,571,528	USD 885,902	-	Note 20
	MediaTek Global Holdings Limited	Note 12	General investing	USD 4,085,118,215	USD 3,450,118,215	4,085,118,214	100%	USD 4,466,934,596	USD 146,580,126	-	Note 20
	IStar Technology Ltd.	Note 2	General investing	USD -	USD 277,673	-	-	USD -	\$ (85)	-	Note 20 and Note 22
	FONTAINE CAPITAL FUND, L.P.	Note 2	General investing	USD -	USD 11,428,571	-	-	USD -	USD (116,500)	-	Note 23
	CSV1 VENTURES, L.P.	Note 2	General investing	USD 19,814,286	USD 19,860,000	-	43%	USD 14,543,527	USD (3,098,888)	-	-
	Core Tech Resources Inc.	Note 3	General investing	USD 2,296,822	USD -	1,000,000	100%	USD 2,306,930	USD 5,996,044	-	Note 20 and Note 27
	CMC Capital Investments, L.P.	Note 2	General investing	USD 4,612,856	USD 4,612,856	-	67%	USD 3,205,344	USD (34,972)	-	-
	Amobile Intelligent Corp. Limited	Note 11	Research, manufacturing and sales	USD 4,184,921	USD 4,184,921	3,177,056	32%	USD 3,626,145	USD (1,529,697)	-	-

(To be continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA)

For the year ended December 31, 2023

(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, 2023			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Hsiang Fa Co.	MediaTek Research Corp.	Note 1	Research	\$ 800	\$ 800	80,000	100%	\$ 11,416	\$ 2,229	-	Note 20
	InnoFusion Technology Corp.	Note 1	Technical services	\$ 74,539	\$ 224,539	112,000,000	100%	\$ 1,086,781	\$ 18,743	-	Note 20
	Chingis Technology Corporation	Note 1	Research	\$ 727,932	\$ 777,932	100,936,991	100%	\$ 514,965	\$ 30,909	-	Note 20
	E-Vehicle Semiconductor Technology Co., Ltd.	Note 1	Research, manufacturing and sales	\$ 16,796	\$ 16,796	7,600,000	25%	\$ 52,523	\$ 169	-	-
	CMOS-Crystal TECHNOLOGY CO., LIMITED	Note 1	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 15,769	\$ (1,300)	-	-
	Intelligo Technology Inc.	Note 2	General investing	\$ 178,805	\$ 178,805	1,335,626	2%	\$ 184,841	USD 7,124,640	-	-
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Note 11	General investing	USD 4,190,000	USD 4,190,000	4,190,000	100%	USD 168,505,448	USD (2,342,495)	-	Note 20
Hsu-Ta Investment Corp.	Zilltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 1,239,420	\$ 1,239,420	7,000,000	13%	\$ 1,259,368	\$ 372,772	-	-
	Airoha Technology Corp.	Note 1	Research, manufacturing and sales	\$ 2,968,722	\$ -	5,592,000	3%	\$ 611,969	\$ 967,544	-	Note 20
	Hsiang Fa Co.	Note 1	General investing	\$ 4,405,188	\$ 4,405,188	236,801,136	100%	\$ 14,943,731	\$ 716,511	-	Note 20
	MediaTek Bangalore Private Limited	Note 4	Research	\$ -	\$ -	1	0%	\$ -	\$ 348,981	-	Note 20
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Note 4	Research	INR 3,896,338,069	INR 3,896,338,069	5,499,999	100%	INR 2,831,434,866	INR 246,827,242	-	Note 20
MediaTek Capital Co.	Zilltek Technology Corp.	Note 1	Research, manufacturing and sales	\$ 531,180	\$ 531,180	3,000,000	5%	\$ 539,738	\$ 372,772	-	-
	IStar Technology Ltd.	Note 2	General investing	\$ 4,036	\$ -	50,000	100%	\$ 3,807	\$ (85)	-	Note 20 and Note 22
Airoha Technology (Suzhou) Limited	EcoNet Limited	Note 3	General investing and sales	CNY 2,639,504	CNY 2,639,504	400,000	100%	CNY 35,438,963	CNY 941,085	-	Note 20
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Note 4	Research	USD 0	USD 0	1	0%	USD -	INR 246,827,242	-	Note 20
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Note 11	General investing	USD 2,406,283,105	USD 2,406,283,105	2,383,399,545	100%	USD 2,532,184,181	USD 116,489,520	-	Note 20
	MTKC Global Holdings Co. Limited	Note 3	General investing	USD 355,354,142	USD 355,354,142	12	100%	USD 356,169,777	USD 4,983,374	-	Note 20
	Digimoc Holdings Limited	Note 3	General investing	USD 1,322,980,967	USD 687,980,967	1,550,638,880	100%	USD 1,578,085,456	USD 25,116,104	-	Note 20
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Note 2	General investing	USD 2,660,899,738	USD 2,660,899,738	1,123,172,524	100%	USD 7,272,191,859	USD 408,616,720	-	Note 20
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Note 11	General investing	USD 507,099,959	USD 507,099,959	554,587,474	100%	USD 540,492,664	USD 16,993,790	-	Note 20
	Core Tech Resources Inc.	Note 3	General investing	USD -	USD 160,478,723	-	-	USD -	5,996,044	-	Note 20 and Note 27
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Note 18	Technical services	EUR 500,000	EUR 500,000	500,000	100%	EUR 721,389	EUR 147,092	-	Note 20
MTK Wireless Limited	MStar France SAS	Note 13	Research	GBP 22,405,985	GBP 22,405,985	458,900	100%	GBP 4,280,441	GBP (23,549)	-	Note 20
	MediaTek Wireless Finland Oy	Note 17	Research	GBP 4,733,036	GBP 4,733,036	1,000	100%	GBP 10,194,966	GBP 1,947,784	-	Note 20
	MediaTek USA Inc.	Note 6	Research	GBP 38,799,897	GBP 38,799,897	111,815	100%	GBP 119,618,835	GBP 25,345,831	-	Note 20
	MediaTek Technology USA Inc.	Note 6	Research	GBP 238,534	GBP -	1,000	100%	GBP 235,673	GBP 137	-	Note 20 and Note 25
	MediaTek Sweden AB	Note 8	Research	GBP 19,361,957	GBP 19,361,957	1,008,371	100%	GBP 11,857,755	GBP 282,794	-	Note 20
	MStar Semiconductor UK Ltd.	Note 12	Research and technical services	GBP -	GBP -	-	-	GBP -	-	-	Note 20 and Note 24
	MediaTek Poland sp. z o.o.	Note 19	Technical services	GBP 603,598	GBP -	100	100%	GBP 665,609	GBP 24,019	-	Note 20 and Note 26
	MediaTek North America Inc.	Note 6	Sales support and marketing services	GBP 4,079,498	GBP 4,079,498	10,000	100%	GBP 4,187,757	GBP (737,351)	-	Note 20
	Richnux Microelectronics Corp.	Note 1	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 49,160	\$ 1,923	-	Note 20
Richtek Technology Corp.	Richtek USA, Inc.	Note 6	Sales, research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 227,311	\$ 60,592	-	Note 20
	Richtek Korea LLC.	Note 9	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 24,525	\$ 12,788	-	Note 20
	Richtek Japan Inc.	Note 10	Research and technical services	\$ 41,893	\$ 41,893	1,900	100%	\$ 44,781	\$ 31,675	-	Note 20
	Richtek Holding International Limited	Note 3	General investing	\$ 292,264	\$ 292,264	30,000	100%	\$ 60,821	\$ (2,592)	-	Note 20
	Richtek Europe Holding B.V.	Note 16	General investing	\$ 84,724	\$ 84,724	2,000,000	100%	\$ 39,972	\$ (7,828)	-	Note 20
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	Note 5	General investing	USD 183,806,174	USD 183,806,174	1,000,000,000	100%	USD 179,753,080	USD 6,041,020	-	Note 20
	Hsu Fa (Samoa) Investment Ltd.	Note 5	General investing	USD 184,907,275	USD 184,907,275	1,000,000,000	100%	USD 180,482,844	USD 5,733,226	-	Note 20
	Hsu Chia (Samoa) Investment Ltd.	Note 5	General investing	USD 185,774,024	USD 185,774,024	1,000,000,000	100%	USD 180,172,153	USD 5,232,298	-	Note 20
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 97,656,632	USD 5,455,840	-	Note 20
	Amiti IV Quantum L.P.	Note 6	General investing	USD 2,000,000	USD 2,000,000	2,000,000	92%	USD 1,983,264	USD (2,308)	-	-
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 691,038	EUR (229,202)	-	Note 20
Smarthead Limited	MoMAGIC Technologies Private Limited	Note 4	Software development	USD 500,000	USD 500,000	2,385,927	23%	USD 1,022,344	USD (767,607)	-	-

Note 1 : Taiwan

Note 7 : Singapore

Note 13 : France

Note 19 : Poland

Note 2 : Cayman Islands

Note 8 : Sweden

Note 14 : Dubai

Note 20 : Investee is a subsidiary in consolidated group.

Note 3 : British Virgin Islands

Note 9 : Korea

Note 15 : Seychelles

Note 4 : India

Note 10 : Japan

Note 16 : Netherlands

Note 5 : Samoa

Note 11 : Hong Kong

Note 17 : Finland

Note 6 : United States

Note 12 : United Kingdom

Note 18 : Germany

Note 21 : Mountain Capital Fund, L.P. has not been consolidated by Gaintech Co. Limited since the day Gaintech Co. Limited lost control over it.

Note 22 : For the purpose of reorganization, the 100% ownership of IStar Technology Ltd., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Capital Co. in August 2023.

Note 23 : FONTAINE CAPITAL FUND, L.P. was resolved to be dissolved and liquidated in August 2023, and the liquidation process has been completed in January 2024.

Note 24 : For the purpose of reorganization, MStar Semiconductor UK Ltd. has been liquidated in February 2023.

Note 25 : MTK Wireless Limited established MediaTek Technology USA Inc. in June 2023.

Note 26 : MTK Wireless Limited established MediaTek Poland sp. z o.o. in January 2023.

Note 27 : For the purpose of reorganization, the ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in December 2023.

Note 28 : Digimoc Holdings Limited has completed the transfer of 39% shareholding rights of SimoTek Holding Inc. in December 2023.

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

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, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Note 2	\$ 2,767,230 USD 90,000,000	MediaTek China Limited	\$ 2,767,230 USD 90,000,000	- -	- -	\$ 2,767,230 USD 90,000,000	\$ 1,970,225 USD 63,234,247	100%	\$ 1,970,225 USD 63,234,247	\$ 5,816,435 USD 189,170,826	-
MediaTek (Hefei) Inc.	Note 2	\$ 522,699 USD 17,000,000	MediaTek China Limited	\$ 522,699 USD 17,000,000	- -	- -	\$ 522,699 USD 17,000,000	\$ 204,538 USD 6,564,623	100%	\$ 204,538 USD 6,564,623	\$ 994,952 USD 32,359,309	-
MediaTek (Beijing) Inc.	Note 2	\$ 3,074,700 USD 100,000,000	MediaTek China Limited	\$ 3,074,700 USD 100,000,000	- -	- -	\$ 3,074,700 USD 100,000,000	\$ 488,283 USD 15,671,400	100%	\$ 488,283 USD 15,671,400	\$ 4,714,151 USD 153,320,676	-
MediaTek (Chengdu) Inc.	Note 2	\$ 1,531,201 USD 49,800,000	MediaTek China Limited	\$ 1,531,201 USD 49,800,000	- -	- -	\$ 1,531,201 USD 49,800,000	\$ 148,189 USD 4,756,105	100%	\$ 148,189 USD 4,756,105	\$ 1,774,199 USD 57,703,169	-
MediaTek (Wuhan) Inc.	Note 2	\$ 744,077 USD 24,200,000	MediaTek China Limited	\$ 510,611 USD 16,606,858	- -	- -	\$ 510,611 USD 16,606,858	\$ 33,609 USD 1,078,670	100%	\$ 33,609 USD 1,078,670	\$ 821,360 USD 26,713,510	-
Xuxin Investment (Shanghai) Inc.	Note 4	\$ 2,164,589 USD 70,400,000	MediaTek China Limited	\$ 1,906,314 USD 62,000,000	\$ 258,275 USD 8,400,000	- -	\$ 2,164,589 USD 70,400,000	\$ 17,433 USD 559,497	100%	\$ 17,433 USD 559,497	\$ 3,521,337 USD 114,526,197	-
MediaTek (Shanghai) Inc.	Note 2	\$ 1,286,830 CNY 297,000,000	MediaTek China Limited	\$ 1,490,283 USD 48,469,221	- -	- -	\$ 1,490,283 USD 48,469,221	\$ 862,573 USD 27,684,228	100%	\$ 862,573 USD 27,684,228	\$ 2,518,467 USD 81,909,373	-
MStar Software R&D (Shenzhen), Ltd.	Note 2	\$ 922,410 USD 30,000,000	MStar Co., Ltd.	\$ 922,410 USD 30,000,000	- -	- -	\$ 922,410 USD 30,000,000	\$ 12,073 USD 387,497	100%	\$ 12,073 USD 387,497	\$ 511,287 USD 16,628,833	-
Airoha Technology (Suzhou) Limited	Note 3	\$ 307,470 USD 10,000,000	Airoha Technology (HK) Limited	\$ 303,470 USD 10,000,000	- -	- -	\$ 307,470 USD 10,000,000	\$ 544,585 USD 17,478,420	70%	\$ 399,640 USD 12,997,706	\$ 2,354,533 USD 76,577,648	\$ 7,079,644 USD 230,254,777
Richpower Microelectronics Co., Ltd.	Note 2	\$ 98,390 USD 3,200,000	Richtek Technology Corp.	\$ 98,390 USD 3,200,000	- -	- -	\$ 98,390 USD 3,200,000	\$ 8,456	100%	\$ 8,456	\$ 24,080	-
Li-We Technology Corp.	Note 2	\$ 76,868 USD 2,500,000	Richtek Technology Corp.	\$ 76,868 USD 2,500,000	- -	- -	\$ 76,868 USD 2,500,000	\$ 12,173	100%	\$ 12,173	\$ 48,753	-
Zelus (Shenzhen) Technology Ltd.	Note 3	\$ 158,347 USD 5,150,000	Gaintech Co. Limited	\$ 159,279 USD 5,180,299	- -	- -	\$ 159,279 USD 5,180,299	\$ 12,593 USD 404,163	88%	\$ 11,107 USD 356,471	\$ 162,343 USD 5,279,974	-
Vanchip (Tianjin) Technology Co., Ltd.	Note 3	\$ 1,811,810 CNY 418,165,234	Gaintech Co. Limited	\$ 1,229,880 USD 40,000,000	- -	- -	\$ 1,229,880 USD 40,000,000	\$ 13,719 USD 440,325	24%	\$ (41,491) USD (1,331,653)	\$ 4,434,223 USD 144,216,459	-
Nephos (Hefei) Co., Ltd.	Note 3	\$ 1,268,314 USD 41,250,000	Nephos Cayman Co. Limited	\$ 3,506,703 USD 114,050,238	- -	- -	\$ 3,506,703 USD 114,050,238	\$ (2,833) USD (90,929)	100%	\$ (2,833) USD (90,929)	\$ (35,035) USD (1,139,459)	-
Airotek (Shenzhen) Inc.	Note 2	\$ 29,210 USD 950,000	Airoha (Cayman) Inc.	\$ 29,210 USD 950,000	- -	- -	\$ 29,210 USD 950,000	\$ (13,353) USD (428,574)	70%	\$ (10,469) USD (336,006)	\$ 70,975 USD 2,308,351	-

(To be continued)

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

(Continued)

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

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 5. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2023	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 6)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Airotek (Chengdu) Inc.	Note 2	\$ 29,210	Airoha (Cayman) Inc.	\$ 29,210	-	-	\$ 29,210	\$ (9,654)	70%	\$ (7,686)	\$ 76,465	-
		USD 950,000		USD 950,000	-	-	USD 950,000	USD (309,849)		USD (246,688)	USD 2,486,913	
Sigmastar Technology Ltd.	Note 3	\$ 1,641,888	Sigmastar Technology Inc.	\$ 61,494	-	-	\$ 61,494	\$ 901,720	32%	\$ 290,152	\$ 8,788,996	-
		CNY 378,947,370		USD 2,000,000	-	-	USD 2,000,000	USD 28,940,664		USD 9,312,412	USD 285,848,892	
Xuxi (Shanghai) Management Consulting Co., Ltd	Note 4	\$ 1,885,011	Xuxin Investment (Shanghai) Inc.	\$ 1,570,000	\$ 338,386	-	\$ 1,908,387	\$ 10,661	100%	\$ 10,661	\$ 3,047,424	-
		CNY 435,060,000		USD 51,061,907	USD 11,005,502	-	USD 62,067,409	CNY 2,424,124		CNY 2,424,124	CNY 703,344,744	
Shanghai KQC Financial Management	Note 4	\$ 142,981	Xuxin Investment (Shanghai) Inc.	\$ 30,036	-	-	\$ 30,036	\$ (1)	20%	\$ -	\$ 28,596	-
		CNY 33,000,000		USD 976,861	-	-	USD 976,861	CNY (273)		CNY (54)	CNY 6,599,937	
Hefei Xuhui Management Consulting Co., Ltd.	Note 4	\$ 1,884,751	Xuxi (Shanghai) Management Consulting Co., Ltd	\$ 1,569,786	\$ 338,344	-	\$ 1,908,130	\$ 10,749	100%	\$ 10,749	\$ 3,047,365	-
		CNY 435,000,000		USD 51,054,922	USD 11,004,127	-	USD 62,059,049	CNY 2,444,213		CNY 2,444,213	CNY 703,331,090	

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

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

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

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

Note 4: General investing.

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

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

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

Note 7: Amounts are listed in New Taiwan Dollars. For foreign currency conversion, net income (loss) of investee and investment income (loss) are converted by the average exchange rate during financial statement period (1 USD=31.15756 NTD; 1 CNY=4.3979 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=30.747 NTD; 1 CNY=4.433276 NTD)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2023

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

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				
Foreign currency deposits		\$ 1,021,965	USD 32,614 CNY 2,196 EUR 284 EUR 154	1. USD1=NTD30.747 CNY1=NTD4.33276 EUR1=NTD34.01848 JPY1=NTD0.21745
Savings and checking deposits		<u>510,476</u>		
Subtotal		<u>1,532,441</u>		
Time Deposits				
Time Deposits - NT Dollars		13,000,000		
Time Deposits - US Dollars		<u>28,443,078</u>	USD 925,068	2. The period is from November 7, 2023 to January 30, 2024, the interest rate is from 1.35% to 5.82%.
Subtotal		<u>41,443,078</u>		
Repurchase agreements		<u>5,000,000</u>		3. Maturity date is January 29, 2024 and interest rate is 1.42%.
Total		<u><u>\$ 47,975,519</u></u>		

MEDIATEK INC.

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

As of December 31, 2023

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

Financial Instruments	Description	Units	Contract Amount/ Acquisition Cost	Contract Period	Fair Value	Note
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss			<u>Acquisition Cost</u>			
Fund						
KGI Fengli Fund		45,856,514	\$ 610,097		\$ 807,336	
KGI Fuli Strategic Fund		69,339,442	854,184		1,102,809	
Subtotal			<u>1,464,281</u>		<u>1,910,145</u>	
Linked Deposits						
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond			129,500		129,875	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond			200,000		200,190	
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond			<u>190,000</u>		<u>190,310</u>	
Subtotal			<u>519,500</u>		<u>520,375</u>	
Total			<u>\$ 1,983,781</u>		<u>\$ 2,430,520</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 500,000	2023.12-2024.1	<u>\$ (301,272)</u>	

MEDIATEK INC.

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

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
WEIBO CORP DUE 050724		261,079	2.17%	109/11/20 ~ 113/07/05	
YAGEO Corporation 2nd unsecured corporate bond (Green Bond)		100,000	0.50%	110/09/03 ~ 113/09/03	
Total		<u>\$ 361,079</u>			

MEDIATEK INC.

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

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 5,519,098	
Client B		4,619,134	
Client C		3,646,800	
Client D		2,995,227	
Client E		2,397,627	
Client F		1,686,167	
Others	The amount of individual client in others does not exceed 5% of the account balance.	12,548,221	
Subtotal		33,412,274	
Less: Allowance for doubtful debts		(57,933)	
Net amount		33,354,341	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		258,688	
Nephos (Hefei) Co., Ltd.		173,954	
Airoha Technology Corp.		90,023	
Other	The amount of individual client in others does not exceed 5% of the account balance.	6,914	
Subtotal		529,579	
Total		\$ 33,883,920	

MEDIATEK INC.

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

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 1,426,120	
VAT deductibles		1,426,884	
Interest receivables		68,208	
Others	The amount of individual	<u>206</u>	
Subtotal	item in others does not exceed 5% of the account balance.	<u>2,921,418</u>	
Other receivables from related parties			
Nephos (Hefei) Co., Ltd.	Technical service revenue	<u>304,451</u>	
Total		<u>\$ 3,225,869</u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 5,184,378	\$ 8,881,125	
Work in process		27,099,956	53,887,199	
Finished goods		12,268,576	26,094,451	
Total		44,552,910	<u>\$ 88,862,775</u>	
Less : Allowance for inventory valuation losses		<u>(19,474,141)</u>		
Net Amount		<u>\$ 25,078,769</u>		

MEDIATEK INC.
7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Payment in advance		\$ 1,170,386	
Prepaid supplies inventory		1,097,391	
Prepaid expenses		438,219	
Others	The amount of individual item in others does not exceed 5% of the account balance.	49,276	
Subtotal		<u>2,755,272</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	777,395	
Others	The amount of individual item in others does not exceed 5% of the account balance.	76,031	
Subtotal		<u>853,426</u>	
Total		<u>\$ 3,608,698</u>	

MEDIATEK INC.

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

For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Gain on Disposal	Reclassification		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount	Amount	Units	Amount		Units	Fair Value		
Financial assets mandatorily measured at fair value through profit or loss														
Stock														
Shin Kong Financial Holding Co., Ltd., Preferred Stock A	4,200,000	\$ 150,780	-	\$ -	-	\$ -	\$ -	-	\$ -	\$ (30,450)	4,200,000	\$ 120,330	None	
Linked Deposits														
WALSIN TECHNOLOGY CORPORATION 1st Unsecured Convertible Bond	-	201,088	-	-	-	(5,000)	-	-	(200,000)	3,912	-	-	None	
TAIWAN MASK CORPORATION 3rd Unsecured Convertible Bond	-	129,497	-	-	-	-	-	-	(129,500)	3	-	-	None	
Merry Electronics Co., Ltd. 3rd Unsecured Convertible Bond	-	197,759	-	-	-	-	-	-	(200,000)	2,241	-	-	None	
Shin Kong Financial Holding Co., Ltd. 5th Convertible Bond	-	150,152	-	-	-	(150,000)	-	-	-	(152)	-	-	None	
ENNOCONN CORPORATION 3rd Unsecured Convertible Bond	-	79,940	-	-	-	-	-	-	(80,000)	60	-	-	None	
CLN of AcBel Polytech Inc. 1st Domestic Unsecured Convertible Bonds	-	289,908	-	-	-	(290,000)	-	-	-	92	-	-	None	
CLN of Taishin Financial Holding Co., Ltd.	-	295,626	-	-	-	-	-	-	-	269	-	295,895	None	
CLN of ELITE MATERIAL CO., LTD 5th Domestic Unsecured Convertible Bonds	-	70,141	-	-	-	(70,000)	-	-	-	(141)	-	-	None	
CLN of Sercomm Corporation 6th Domestic Unsecured Convertible Bonds	-	290,653	-	-	-	(290,000)	-	-	-	(653)	-	-	None	
CLN of Giant Manufacturing Co. Ltd. 1st Domestic Unsecured Convertible Bonds	-	292,092	-	-	-	-	-	-	-	155	-	292,247	None	
CLN of Wistron NeWeb Corporation 3rd Domestic Unsecured Convertible Bonds	-	90,515	-	-	-	(90,000)	-	-	-	(515)	-	-	None	
Subtotal		2,087,371		-		(895,000)	-		(609,500)	5,271		588,142	None	
Bond														
Taishin Financial Holding Co., Ltd. 1st Exchangeable Bond		100,200	-	-	-	(103,349)	2,602	-	-	547	-	-	None	
ELITE MATERIAL CO., LTD 5th Convertible Bond		49,100	-	-	-	(88,680)	38,250	-	-	1,330	-	-	None	
Subtotal		149,300		-		(192,029)	40,852		-	1,877		-		
Total		\$ 2,387,451		\$ -		\$(1,087,029)	\$ 40,852		\$ (609,500)	\$ (23,302)		\$ 708,472	None	

MEDIATEK INC.

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

For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Adjustments	Ending Balance		Accumulated Impairment	Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount		Units	Fair Value			
Equity instrument investments measured at fair value through other comprehensive income												
Funds												
Cathay No.1 Real Estate Investment Trust	81,200,000	\$ 1,468,096	-	\$ -	-	\$ -	\$ (89,320)	81,200,000	\$ 1,378,776	Not applicable	None	
Cathay No.2 Real Estate Investment Trust	64,503,000	1,148,154	-	-	-	-	(88,370)	64,503,000	1,059,784	Not applicable	None	
Fubon No.1 Real Estate Investment Trust	16,744,000	264,555	-	-	-	-	(26,790)	16,744,000	237,765	Not applicable	None	
Fubon No.2 Real Estate Investment Trust	13,421,000	203,999	-	-	-	-	(26,842)	13,421,000	177,157	Not applicable	None	
Subtotal		<u>3,084,804</u>		<u>-</u>		<u>-</u>	<u>(231,322)</u>		<u>2,853,482</u>			
Stocks												
EosTek Limited (Cayman)	640,000	1,769	-	-	-	-	(589)	640,000	1,180	Not applicable	None	
Chailease Finance Co., Ltd. Preferred Stock A	2,750,000	269,225	-	-	-	-	-	2,750,000	269,225	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	393,508	-	-	-	-	(17,306)	8,241,000	376,202	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	12,888,000	462,679	-	-	-	-	(93,438)	12,888,000	369,241	Not applicable	None	
WPG Holdings Limited Preferred Share A	10,900,000	534,100	-	-	-	-	(21,800)	10,900,000	512,300	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	107,914	-	-	-	-	1,251	1,786,666	109,165	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	862,500	-	-	-	-	36,000	15,000,000	898,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	388,799	-	-	-	-	(705)	7,056,243	388,094	Not applicable	None	
Cathay Financial Holdings preferred stock A	2,405,000	136,123	-	-	-	-	7,215	2,405,000	143,338	Not applicable	None	
Cathay Financial Holdings common stock	196,293	7,852	-	-	196,293	(7,827)	(25)	-	-	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	45,325,000	777,324	-	-	-	-	(6,799)	45,325,000	770,525	Not applicable	None	
Subtotal		<u>3,941,793</u>		<u>-</u>		<u>(7,827)</u>	<u>(96,196)</u>		<u>3,837,770</u>			
Total		<u>\$ 7,026,597</u>		<u>\$ -</u>		<u>\$ (7,827)</u>	<u>\$ (327,518)</u>		<u>\$ 6,691,252</u>			
Debt instrument investments measured at fair value through other comprehensive income												
Bonds												
Chailease Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	<u>\$ 200,949</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ 164</u>	-	<u>\$ 201,113</u>			

MEDIATEK INC.
10. STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORITIZED COST - NONCURRENT
As of December 31, 2023

(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	\$ 39,096	1.035~1.575%	2019/05/12~2024/07/13	
Mega Bank	Science Park Administration Lease execution deposits	21,744	0.1% ~ 1.575%	2020/02/02~2024/09/01	
	Customs clearance deposits	27,000	1.1% ~ 1.575%	2020/03/30~2024/04/14	
First Commercial Bank	Lease execution deposits	24,203	1.31%~1.575%	2023/11/06~2024/05/06	
	Subtotal	112,043			
Financial assets measured at amortized cost - noncurrent	Cathay Life Insurance Co., Ltd. Cumulative Perpetual Subordinated bond-106-1	\$ 290,000			
	1.375% TENCENT MUSIC ENT GRP DUE 030925	157,167			
	3.075% BAIDU INC DUE 070425	43,117			
	KGI Life Insurance Co., Ltd. 1st Perpetual cumulative Subordinated Corporate Bonds issued in 2020	580,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche A. (Green Bond)	200,000			
	TSMC 1st Unsecured Corporate Bond in 2022-Tranche B. (Green Bond)	200,000			
	TSMC 4th Unsecured Corporate Bond in 2022-Tranche B	100,756			
	Cathay Life Insurance Co., Ltd. 1st Issue of Unsecured Cumulative Subordinated Corporate Bonds in 2023	290,000			
	Fubon Life Insurance Co., Ltd. 1st Issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	290,000			
	Vanguard International Semiconductor Corporation 111-1 Unsecured Corporate Bond	100,000			
	Subtotal	2,251,040			
	Total	\$ 2,363,083			

MEDIATEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Acquisition (Note 1)		Disposal (Note 2)		Investment Income (Loss)	Ending Balance			Net Assets Value/ Fair Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount	Unit price	Total Amount		
HFI Innovation Inc.	174,691,821	\$ 1,043,078	20,832,931	\$ 208,329	-	(18,408)	\$ 397,853	195,524,752	100%	\$ 1,630,852	\$ 8.34	\$ 1,630,852	None	
Hsu-Ta Investment Corp.	592,580,103	9,232,568	-	623,891	-	(2,489,062)	531,811	592,580,103	100%	7,899,208	13.33	7,899,208	None	
MediaTek Investment Singapore Pte. Ltd.	2,233,845,498	204,066,817	-	9,247,400	-	(1,434,908)	12,684,124	2,233,845,498	100%	224,563,433	100.53	224,563,433	None	
MediaTek Singapore Pte. Ltd.	187,513,879	67,147,396	-	296,195	-	(47,130,345)	22,728,258	187,513,879	100%	43,041,504	229.54	43,041,504	None	
MStar Co., Ltd.	13,350,000	141,281	-	-	-	(14,489)	18,556	13,350,000	100%	145,348	10.89	145,348	None	
Spidcom Technologies	146,200	525	-	-	-	-	(525)	146,200	100%	-	-	-	None	
Richtek Technology Corp.	148,482,806	21,363,741	-	121,947	-	(6,935,789)	2,165,977	148,482,806	100%	16,715,876	112.58	16,715,876	None	
IC Plus Corp.	13,125,454	324,395	-	-	-	(15,751)	(15,681)	13,125,454	19%	292,963	48.4	635,722	None	
MediaTek Capital Co.	111,800,000	726,135	-	22,282	-	(3,596)	(35,990)	111,800,000	100%	708,831	6.34	708,831	None	
Intellectual Property Innovation Corp.	3,000,000	29,104	-	-	-	-	1,862	3,000,000	30%	30,966	10.32	30,966	None	
Airoha Technology Corp.	111,235,745	8,125,045	-	5,133,531	-	(1,717,510)	625,734	111,235,745	67%	12,166,800	577	64,183,025	None	
Hsu-Yuan Investment Corp.	50,000,000	444,475	-	-	-	-	(2,204)	50,000,000	100%	442,271	8.85	442,271	None	
MediaTek Research UK Limited	280,000	31,054	-	1,937	-	-	6,438	280,000	100%	39,429	140.82	39,429	None	
MediaTek Bangalore Private Limited	1,999,999	559,675	-	96,875	-	(10,811)	348,981	1,999,999	100%	994,720	497.36	994,720	None	
Total		<u>\$ 313,235,289</u>		<u>\$ 15,752,387</u>		<u>\$ (59,770,669)</u>	<u>\$ 39,455,194</u>			<u>\$ 308,672,201</u>				

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

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

Note 3: Calculated based on the closing price of Taipei Exchange on December 29, 2023.

Note 4: Calculated based on the closing price of Taiwan Stock Exchange Corporation on December 29, 2023.

MEDIATEK INC.

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

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 30,714,741</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 62,090,859</u>	Please refer to Note 6(11) of the notes to the financial statements.
Other non-current assets			
Deferred tax assets		\$ 10,028,618	
Refundable deposits		5,834,185	
Long-term financing lease receivables, net		727,892	
Other non-current assets-others		<u>12,264,954</u>	
Total		<u>\$ 28,855,649</u>	

MEDIATEK INC.
13. RIGHT-OF-USE ASSET
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,849,022	\$ 52,663	\$ -	\$ 1,901,685	
Buildings and facilities	772,267	119,454	(1,913)	889,808	
Machinery equipment	234,373	116,772	-	351,145	
Transportation equipment	9,570	-	-	9,570	
Total	<u>\$ 2,865,232</u>	<u>\$ 288,889</u>	<u>\$ (1,913)</u>	<u>\$ 3,152,208</u>	
Amortization and impairment					
Land	\$ 154,493	\$ 44,460	\$ -	\$ 198,953	
Buildings and facilities	199,676	175,513	(1,913)	373,276	
Machinery equipment	150,576	96,163	-	246,739	
Transportation equipment	4,708	2,606	-	7,314	
Total	<u>\$ 509,453</u>	<u>\$ 318,742</u>	<u>\$ (1,913)</u>	<u>\$ 826,282</u>	

MEDIATEK INC.

14 STATEMENT OF TRADE PAYABLES AND TRADE PAYABLES TO RELATED PARTIES

As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Vendor A		\$ 8,109,392	
Vendor B		2,414,327	
Vendor C		2,031,556	
Vendor D		1,755,180	
Vendor E		1,328,202	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	8,474,831	
Subtotal		<u>24,113,488</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		\$ 931,294	
Airoha Technology Corp.		405,720	
King Long Tech (Suzhou) Ltd.		97,766	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	36,214	
Subtotal		<u>1,470,994</u>	
Total		<u>\$ 25,584,482</u>	

MEDIATEK INC.
15. STATEMENT OF OTHER PAYABLES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 23,581,098	
Dividends payable		39,350,914	
Others	The amount of individual item in others does not exceed 5% of the account balance.	13,610,368	
Subtotal		<u>76,542,380</u>	
Other Payables to related parties			
Gaintech Co. Limited		\$ 19,985,550	
Other	The amount of individual item in others does not exceed 5% of the account balance.	1,166,415	
Subtotal		<u>21,151,965</u>	
Total		<u>\$ 97,694,345</u>	

MEDIATEK INC.
16. STATEMENT OF OTHER CURRENT LIABILITIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 34,733,675	
Temporary receipts		746,334	
Total		<u>\$ 35,480,009</u>	

MEDIATEK INC.
17. STATEMENT OF LEASE LIABILITIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Lease term	Discount rates (annual)	Ending Balance	Note
Land	2019/01/01~2073/04/30	0.925%~2.235%	\$ 1,751,241	
Buildings and facilities	2019/04/01~2027/12/31	0.163%~1.541%	536,085	
Machinery equipment	2021/03/25~2025/10/07	4.328%	66,656	
Transportation equipment	2020/11/01~2025/02/28	0.48%~0.73%	2,264	
Total			<u>2,356,246</u>	
Less: current portion			<u>(255,038)</u>	
Noncurrent portion			<u>\$ 2,101,208</u>	

MEDIATEK INC.
18. STATEMENT OF OTHER NON-CURRENT LIABILITIES
As of December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 2,892,890	
Net defined benefit liabilities - noncurrent		485,127	
Deposits received		56,677	
Deferred tax liabilities		6,225,407	
Provisions		4,183,904	
Others	The amount of individual item in others does not exceed 5% of the account balance.	780,917	
Total		<u>\$ 14,624,922</u>	

MEDIATEK INC.
19. STATEMENT OF NET SALES
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	2,898,415,564	\$ 258,217,320	
Services and other operating revenue		<u>10,468,207</u>	
Net operating revenue		<u>\$ 268,685,527</u>	

MEDIATEK INC.
20. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 1,613,262		
Add: Raw material purchased	66,888,779		
Less: Raw material, end of year	<u>(5,184,378)</u>		
Direct material used		\$ 63,317,663	
Manufacturing Expenses	<u>32,225,652</u>	<u>32,225,652</u>	
Manufacturing Costs		95,543,315	
Add: Work in process, beginning of year	50,877,806		
Work in process purchased	12,667,551		
Less: Work in process, end of year	<u>(27,099,956)</u>	<u>36,445,401</u>	
Cost of Finished Goods		131,988,716	
Add: Finished goods, beginning of year	20,161,601		
Finished goods purchased	895,059		
Less: Finished goods, end of year	<u>(12,268,576)</u>		
Transferred to operating expenses	<u>(1,007,728)</u>	<u>7,780,356</u>	
Subtotal		139,769,072	
Other Operating Costs			
The reversal of write-down of inventories		(13,769,854)	
Gain on sales of scrap		(27,113)	
Others		<u>5,593,468</u>	
Total Operating Costs		<u>\$ 131,565,573</u>	

MEDIATEK INC.
21. STATEMENT OF OPERATING EXPENSES
For the year ended December 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 42,575,996	\$ 2,845,661	\$ 844,814
Depreciation	5,933,876	706,100	377
Amortization	4,409,735	40,737	5,554
Service fee and advertisement expenses	3,434,588	298,531	2,904,330
License fee	3,290,545	-	3,949,081
Design and experiment expenses	14,267,088	12,775	17
Others	6,680,915	1,232,138	1,309,746
Total	<u>\$ 80,592,743</u>	<u>\$ 5,135,942</u>	<u>\$ 9,013,919</u>

MEDIATEK INC.

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

For the years ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expenses (Note)						
Payroll	\$ 806,034	\$ 46,441,833	\$ 47,247,867	\$ 821,562	\$ 57,902,928	\$ 58,724,490
Labor and health	65,580	2,058,532	2,124,112	69,727	2,132,812	2,202,539
Pension	34,624	1,078,682	1,113,306	33,129	1,008,164	1,041,293
Board compensation	-	119,890	119,890	-	111,285	111,285
Others	21,105	821,307	842,412	21,731	790,935	812,666
Depreciation	43,502	6,640,353	6,683,855	16,507	5,632,127	5,648,634
Amortization	777	4,456,026	4,456,803	518	3,339,973	3,340,491

- NOTE:
1. For the years end December 31, 2023 and 2022, the Company had 12,293 and 11,768 employees on average, respectively, which included 6 and 5 non-employee directors , respectively.
 2. Employee benefits expenses in average were NT\$4,177 thousand and NT\$5,337 thousand for the years ended December 31, 2023 and 2022, respectively.
 3. Payroll expenses in average were NT\$3,845 thousand and NT\$4,992 thousand for the years ended December 31, 2023 and 2022, respectively.
 4. Average payroll decreased by 23%.
 5. Please describe the Company's remuneration and reward policies.

(To be continued)

(Continued)

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

(1) Director of the Board:

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

(2) Managerial Officer:

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

(3) Employees:

The Company regularly measures the market compensation level, linking company performance to employee compensation and bonus and formulates reasonable compensation and bonus policies based on the overall economic indicators to ensure the overall compensation and bonus are competitive. Through regular performance appraisal and development operation mechanisms, a two-way communication and interaction platform is provided to achieve organizational and personal development, and corresponding rewards are given according to performance results, so as to encourage employees and the Company to grow together.

It is written in the Company's Articles of Incorporation §24 that if the Company makes profit in the year, the Company should provide employee compensation no less than 1% of net income. In the event that Company records accumulated losses, Company shall reserve fund to make up for the loss prior to allocation of profits. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.

(To be continued)

(Continued)

The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing employees. Every year the company reviews current compensation levels against market rates, taking macroeconomic indices into consideration, to ensure its competitiveness within the industry. Our overall compensation policies adhere to the Company's short-term and mid- to long-term operational goals. They have been established in accordance with the roles and job duties of our employees, equipped knowledge and capabilities, individual performance and level of engagement. The Company makes appropriate annual adjustments to base salary in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines, in order to realize the spirit of labor-management profit sharing.